



State of Rhode Island
Office of the General Treasurer

James A. Diossa
General Treasurer

13 May 2026

The Honorable Louis DiPalma
Chair, Senate Committee on Finance

The Honorable Members of the Senate Committee on Finance

RE: 2026-S 3251 – *An Act Relating to Education – Teachers’ Retirement*

Chair DiPalma:

I write with regard to 2026-S 3251, which would decrease the retirement age for teachers, state employees, and municipal employees from the current ‘Rule of 95’ – wherein an employee’s combined age and years of service must equal at least 95 to be eligible to retire – to the ‘Rule of 90,’ a five-year reduction in required service.

Retirement age and benefits for teachers, state employees, and municipal employees are set by statute and calculated by formula. Under current law, teachers, state employees, and municipal employees are eligible to retire:

- (1) If they have reached Social Security retirement age and completed at least five years of contributory service since July 1, 2012; or
- (2) If they have reached Social Security retirement age and completed five or more years of contributory service before July 1, 2012, a proportional formula is used to calculate retirement, but in any event must be no less than age 59.

See R. I. Gen. Laws §§ 16-16-12 (c)-(d), 36-10-9 (c)-(d); 45-21-16 (B)-(C). This proposal would still preserve retirement eligibility under either provision.

The ‘Rule of 95’ is an alternative full benefit retirement eligibility date, which allows members to retire earlier than their schedule-based eligibility date. “Under the Rule of 95, members can retire when their age plus their years of service equal 95 provided that they are at least 62 years old.” Robert Hiltonsmith, *Rhode Island’s New Hybrid Pension Plan Will Cost the State More While Reducing Retiree Benefits*, Economic Policy Institute Issue Brief #366 (June 20, 2013), at 3.; see

also R. I. Gen. Laws §§ 16-16-12 (c)-(d), 36-10-9 (c)-(d); 45-21-16 (B)-(C). As such, an individual is eligible to retire where:

- (1) They have reached at least 65 years of age with 30 years of service; or
- (2) They have reached at least 64 years of age with 31 years of service; or
- (3) They have reached at least 63 years of age with 32 years of service; or
- (4) They have reached at least 62 years of age with 33 years of service.

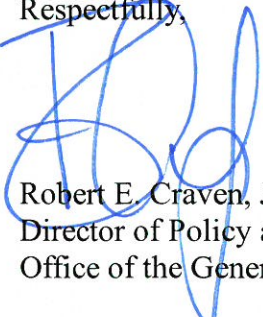
This proposal would allow teachers, state employees, and municipal employees to retire if they have at least 28 years of service and their combined age and years of service equals at least 90, provided they are at least 60 years of age and have completed at least 30 years of service.

Since this legislation would expand retirement eligibility for teachers and state and municipal employees, it will have an impact on the state's pension system. Consistent with Rhode Island law, legislation concerning the pension system should not be approved without the benefit of a pension impact note. *See* R.I. Gen. Law §§ 36-10-39; 45-21-42.2 (Legislation impacting the pension system "shall *not* be approved by the general assembly unless an explanatory statement or note . . . is appended to the proposed legislation which actuarially calculates . . . the projected twenty (20) year cost of the proposed legislation") (emphasis added). This independent assessment will clarify any impact the proposed legislation may have on both the State budget, and the sustainability of the pension system. The Chairperson of the Senate Finance Committee – with the approval of the Senate President – can request a pension impact note concerning proposed legislation originating in the Senate. *See* R.I. Gen. Law §§ 36-10-39; 45-21-42.2.

For the benefit of the sponsor and Committee, I will note one drafting error in the proposed language. As presented, the proposed additions to R.I. Gen. Laws § 36-10-9 – which pertains to the retirement of state employees – make repeated references to teachers, covered under the proposed additions to R.I. Gen. Laws § 16-16-12 included elsewhere in the bill. To effectuate this change, amendments to Title 36 should refer to "members" rather than "teachers."

Please feel free to reach out by email at Robert.CravenJr@treasury.ri.gov or by phone at (401) 330-0661 with any further questions.

Respectfully,



Robert E. Craven, Jr.
Director of Policy and Intergovernmental Affairs
Office of the General Treasurer

cc: The Honorable Frank Ciccone