

May 13, 2026

Dear Chair Gallo and Members of the Senate Education Committee,

I write in support of Senate Bill S 3251 and House Bill H 7390.

Rhode Island Retirement Security Act (RIRSA)

In 2011, the General Assembly passed RIRSA in response to an underfunded state pension system. The state dramatically reduced the pension accrual rate and established the current Rule of 95, allowing individuals to retire only when their age and years of service equal 95, with a minimum retirement age of 62. By contrast, the proposed Rule of 90 would allow individuals to retire at age 60 with at least 30 years of service.

The Rhode Island State Pension System Is Healthier

Teachers have advocated for the Rule of 90 for many years because we understand the significant financial sacrifices imposed by RIRSA. Fifteen years later, the pension system has rebounded and is expected to reach the 75% funding threshold within the next two to five years. This improvement has occurred largely because teachers, municipal employees, and state workers now receive substantially smaller pensions, work years longer, and retire later than they did before the 2011 reforms.

What the Rule of 95 Signals to Prospective Employees

The pension changes have also made it more difficult to attract and retain career educators and public employees. The Rule of 95 effectively asks a 22-year-old college graduate to work for 40 years in order to retire at age 62 with approximately a 40% pension benefit. That reality makes public service careers far less attractive than they once were.

Present-Day Value of a Pension*

The present-day value of a state pension is now worth significantly less than it was in 2011. In addition, the defined contribution portion of our retirement system is funded primarily through employees' own contributions, with 5% of the required 6% contribution coming directly from workers themselves.

To better understand the impact of the 2011 changes, consider the following examples. An actuary evaluating the present-day value of a \$60,000 pension beginning at age 60

after 28 years of service (roughly a 60% pension) could estimate its value between \$750,000 and \$1.5 million. By comparison, the present-day value of a \$40,000 pension beginning at age 67 after 40 years of service (roughly a 40% pension) could be valued between \$375,000 and \$700,000.

Present-day pension values vary depending on retirement age, average salary calculations, and whether a COLA is included. However, the broader point remains clear: the 2011 RIRSA changes substantially reduced the value of state pensions. Many educators did not fully appreciate the long-term impact of those changes at the time, but we understand them better today.

Conclusion

The Rule of 90 would be an important step toward restoring fairness and keeping faith with teachers and state employees who made significant sacrifices to stabilize the pension system. I am asked repeatedly whether the Rule of 90 will finally pass because this issue matters deeply to educators across Rhode Island.

Our pensions were reduced and the number of years we are required to work was increased to strengthen the retirement system. Now is the time for the state to demonstrate good faith in return. We respectfully ask for your support in passing this important pension improvement for Rhode Island's public employees.

Respectfully,

Robert Stewart

President, Woonsocket Teachers' Guild

*Calculating the present day value of a pension has many factors such as: length of employment, age when the retiree is able to draw a retirement, the average salary and whether or not a COLA will be included. The example provided above is not perfect, but assumes an employee has a 100,000 three-year average salary. Under RIRSA, retirees were able to collect after 28 years with a 60% benefit. Today, a 22-year-old employee would have to work until age 62 at which time they could be eligible for a 40% benefit. The point of this exercise is to illustrate how the RIRSA dramatically reduced the present day value of a pension for a Rhode Island retiree.