**RIPERC Testimony for the Pension Advisory Working Group**

Members of the Advisory Working Group, thank you for the opportunity to provide testimony on behalf of myself and the more than 2,000 members of the RI AFT retiree chapter Local 8037r whom I represent as president. I also chair, with Vice-Chair Raymond Pouliot, a coalition of retired public employees, the RI Public Employees Retiree Coalition (RIPERC), with retiree unions and organizations in addition to my union local: AFSCME Council/Chapter 94, NEARI retirees, Laborers Local 808 retirees, the Providence Teachers Union retiree chapter (PTURC), and the RI Association of Retired Principals (RIARP), collectively representing over 6,000 retired members of the retirement system.

The first two hearing sessions provided the potential consequences of the unsustainable pension system status in 2011, the consequences which have evolved from the changes made by RIRSA that year, and the current impacts on hiring, staffing, and retention of public servants. As indicated in the last hearing, the actuarial assumption changes made in April 2011 were deliberately designed to take the funding level from just under 60% to below 50%, putting the fund in critical status, and providing the opportunity for the then-Treasurer to design the draconian system misnamed the RI Retirement Security Act. As an elected trustee at the time, I and Mr. Maguire, along with the other five elected trustees voted against the changes. The seven management appointees voted in favor of the changes. Treasurer and Chair Raimondo broke the tie.

As a plaintiff in one of several lawsuits filed, we spent three years, including more than two with the Federal Mediation and Conciliation Service (FMCS), hundreds of thousands of dollars in legal costs, and a Settlement Agreement to scrape back pennies on the dollars lost to retirees. I’m certain you will hear from many retirees at this hearing about the impact that the COLA suspension and minimal COLAs awarded as scheduled in 2017 and 2021, .74% and 1.06% respectively, while inflation during the period exceeds 30%. The RI Retirement Security Act has been anything but for retirees.

In the last session of the General Assembly, a Fractional COLA bill was passed after a three-year effort based on our work with Treasurer Magaziner in 2020. The legislation was designed to follow the 2021 COLA with an annual COLA at 25% of the COLA set by ERSRI each year with the indexed cap, currently $34,654. Had the legislation been passed in 2021, it would have provided a Fractional COLA of .82%, more than the full COLA in 2017; this year, it would have provided another .76%. Those two years of Fractional COLAs would have provided almost as much as the COLAs from 2012 to 2021. This new legislation, effective in 2024, provides a miniscule amount of relief and needs to be accompanied by other legislative measures. We are more than half-way through the actuarial calendar to get to a full annual COLA when the funding level reaches 80%, so we are not expecting the General Assembly to alter that schedule in any radical way. However, we have several proposals which will provide additional short-term relief for retirees; the proposals will also expedite the actuarial calendar for a full COLA for them, including the 12, 716 retirees who have retired since January of 2012 (as of Oct. 31, 2023). Additionally, the proposals will enhance retirement security for current public employees, thereby addressing current hiring and retention issues facing municipalities, school districts, and the state.

At the request of Mr. Maguire at the last session, we have provided the working group with a written copy of our proposals which we believe will enhance some of the prior proposals put forth by our unions. Please reference that sheet as we begin with the Fractional COLA one-time two percent (2%) supplement in 2025, in addition to the scheduled Fractional COLA for that year, to redress missed Fractional COLAs in 2022 and 2023.

Go to proposal sheet