

Michael McDonald, Local 528 President and State Vice Pres.
RI Council 94, AFSCME, AFL-CIO
Pension Advisory Working Group
11/30/2023

- My name is Mike McDonald
- I am a 20 year state employee.
- I work as a Groundskeeper at the University of Rhode Island.
- I serve as President of Local 528, University of Rhode Island Employees and as State Vice President of Rhode Island Council 94, AFSCME, AFL-CIO.
 - President of Local 528- 12 years
 - State Vice-President – 2 years
- First, I would like to thank the RI General Assembly for empaneling this commission. The work before you is incredibly important.
- Several generations of State employees and their families have been adversely impacted by the pension changes of 2011.
- The state workforce is experiencing numerous negative impacts including the inability to attract, hire and retain high quality employees to perform work on behalf of the taxpayers of Rhode Island.

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- This is true with highly degreed positions within state service, Public Safety, and in the entry level "backbone" positions which are vital to the day to day operation of state government.
- At the University of Rhode Island, State Hospitals, and RI Veterans Home attracting and retaining qualified kitchen staff has become increasingly difficult.
- The Department of Sheriffs, Capital Police and University Police have experienced similar difficulty in hiring. The same is true at the Department of Revenue and across the rest of state government.
- Specifically, at URI we have experienced difficulty recruiting:
 - Dietary Staff
 - Trades such as Plumbers, Electricians, Pipefitters, and Carpenters
- I believe the predominant impediment to filling vital positions statewide are the drastic measures taken in 2011 which essentially took us from one of the best pension systems in the country to the single worst retirement nationwide.

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- This needs to be rectified in order for state agencies to be able to attract and retain high quality workers.
- The lack of a retirement plan that prospective employees see value in is a key impediment to filling the nearly 1,000 vacancies statewide.
- What is the impact on individual employees of the 2011 pension changes?
- I will explain my personal experience as a concrete example.
- On November 16th I completed my 20th year of state service
- My current annual base salary is approximately \$44,000.
- When I entered state service the retirement plan was provided to me as a condition of employment.
- Under the original plan my pension would of have been 60% after 28 years and 80% after 35 years for which I contributed 8.75% by-weekly.

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- After the 2011 pension changes it is likely I will work for at least 41 years bringing me to age 62. At this point my pension will be somewhere in the neighborhood of 46%.
- For members who started later than I, after forty years they will only be able to count on only a 40% defined benefit pension.
- It's important for commission members to also keep in mind that the elimination of Longevity in 2011 also means that final average salaries/pensions will be considerably lower.
- The new pension system and loss of Longevity means that low to moderate wage earners will be eligible to retire by age and years of service.
- However, many these workers will not be able to retire, because they will not be able to afford too.
- Due to the low 1% of salary we earn for each year of state service.
- There are many state employees in the same situation spread throughout state government.

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- The most impactful change this committee could recommend is a restitution of the multiplier. This will provide for increased percentages and allowing workers to retire with financial security and dignity.
- I urge the Work group to consider any all options and or enhancements to the Pension system.
- Only by making some much needed improvements to the pension system, can we ensure the integrity and stability of the state workforce for the future.
- Thank you for your time and consideration.

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