

eCompass

EMPLOYEES' RETIREMENT SYSTEM OF
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Gina M. Raimondo

CHAIR'S MESSAGE: LOOKING TO THE FUTURE

Greetings! Welcome to the Winter 2011 issue of *eCompass*, the electronic newsletter of the Employees' Retirement System of Rhode Island (ERSRI).

As your new General Treasurer and ERSRI Chair, I will be an advocate for ensuring that ERSRI is a sustainable and secure retirement system, and will work to protect your investment — not only for your financial future, but for that of future generations as well. Putting Rhode Island's retirement system on a path to sustainability is a top priority of my administration.

Here at ERSRI, we are committed to superior customer service, streamlining operations and creating ways to make our services more efficient. As of February 2011, we've eliminated paper copies of direct deposit pension benefit statements and are encouraging all retirees to view their statements online at www.ersri.org.

I look forward to working with all of you to help ensure a bright financial future for our state's retirement system.

Sincerely,

ERSRI GOES GREEN, SAVES MONEY

By eliminating mailed paper direct deposit benefit statements for retirees, ERSRI will save nearly \$100,000 each year in postage — and quite a few trees, too!

General Treasurer

ACCESSING YOUR ONLINE RETIREMENT ACCOUNT

Whether you're just getting started, haven't accessed your account in years or simply need to get up to speed on using our system, here are some helpful hints as you log into your online retirement account:

- **Your username is your email address.** When you create an account, the system automatically assigns your full email address as your username, even though you're not specifically asked to provide a username. If your email address has changed, be sure to update it in our system. If you have been an active user of the system, your original username will continue to work.
- **You must validate your email address.** You may get a message saying that your email address needs to be validated. In your email inbox, you'll find a message from ERSRI that contains an activation link. Click on the link to activate your email. If the link is not clickable, please adjust your email settings to enable links from us, or contact your Internet service provider.
- **Your pay stub is under the "My Pay Stub Statement" tab.** Double-click on the individual check date to see the full stub with deductions.
- **Help is available.** If you're struggling or have forgotten your password, call (401) 457-3900. We can provide written instructions or assist you via telephone.

‘Make Work Pay’ Has Gone Away

The Internal Revenue Service (IRS) has made an important change for 2011 that may affect your finances — the elimination of the “Make Work Pay” tax credit.

“Make Work Pay,” part of the 2009 federal American Recovery & Reinvestment Act, provided a \$400 tax credit for individuals and an \$800 tax credit for families, resulting in a decreased amount of taxes due. However, this credit has been eliminated.

Since the tax credit previously applied only to “earned income” — and not to pension benefits — retirees and beneficiaries may have seen the tax withholding on their benefit payment decrease; however, the amount of taxes owed did not decrease.

ERSRI will automatically adjust the withholding on pension payments in 2011 to reflect this change. However, it’s a good idea to review the amount withheld from your payment to be sure it is appropriate and sufficient for your personal financial situation.

This change will not affect ERSRI members who have told ERSRI to withhold a specific dollar amount from their pension checks. For additional information on tax withholding or to specify a dollar amount that you would like ERSRI to withhold, visit our website at www.ersri.org.

Note: ERSRI and its staff members are not tax professionals. Please consult a qualified tax advisor for advice specific to your situation.



Can I continue to work after I retire?

Post-retirement public employment is allowed, but is restricted in some ways. Here are important rules to remember if you’re thinking about going back to work:

State employment is prohibited. The following rules apply to teachers and municipal employees:

- Teachers may fill a *vacant* position for no more than 90 days or 180 half-days (additional restrictions apply). Employers must certify that they have made a “good faith” effort to fill the position with a non-retiree.
- Teachers may be hired by a state school or college to teach a course, advise students, coach, or teach driver or motorcycle education. They may not earn more than \$15,000 per calendar year.
- Municipal employees may be hired to work up to 75 days or 150 half-days (three hours or less) in a calendar year in a MERS-participating municipality.
- Nurses may work on a per-diem basis for MHRH as a registered nurse. They may not earn more than \$12,000 in a calendar year.

All public post-retirement activity **must be reported** to ERSRI on a monthly basis using [this form](#). Questions? Call (401) 457-3900.

Q: Why is so much additional tax being withheld from my check?

A: The tax tables for withholding have changed. If you have taxes withheld according to those tables, you will see your benefit adjusted accordingly. You may change your withholding amount at any time by completing this [form](#) and sending it back to ERSRI.