

# COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

## A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER

This year has been challenging for all of us. Thanks to the bravery of our front-line workers, the guidance of our experts and officials, and the resilience of our citizens, Rhode Island's response to the virus has been better than most.

My team and I remain committed to strengthening the pension fund because our members, who spend their careers serving the public, deserve a secure and comfortable retirement. As we face uncertainty during the pandemic, rest assured that pension benefits will continue to be paid in full, and on time.




The Back to Basics investment strategy, which we implemented in 2016, continues to provide growth and stability for members in the Retirement System. Rhode Island outperformed 87% of peer pension funds during the 2020 fiscal year. As of June 30, 2020, the System ended the fiscal year with \$8.46 billion in assets under management, a record high year-end valuation for Rhode Island.

This past spring, the retirement system successfully launched one-on-one counseling for our members who are planning to retire within 6-12 months. Even during the pandemic, our counselors are able to meet with members by phone or video chat. If you are planning to retire soon, please call the Member Service Center at 401-462-7600 to schedule your counseling session.

– Seth Magaziner

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# PENSION UPDATE

Despite the unprecedented crisis experienced in global markets by COVID-19, the Rhode Island pension fund, finished the Fiscal Year ending June 30, 2020 with \$8.46 billion in assets under management, higher value than any previous Fiscal Year close in the state’s history.

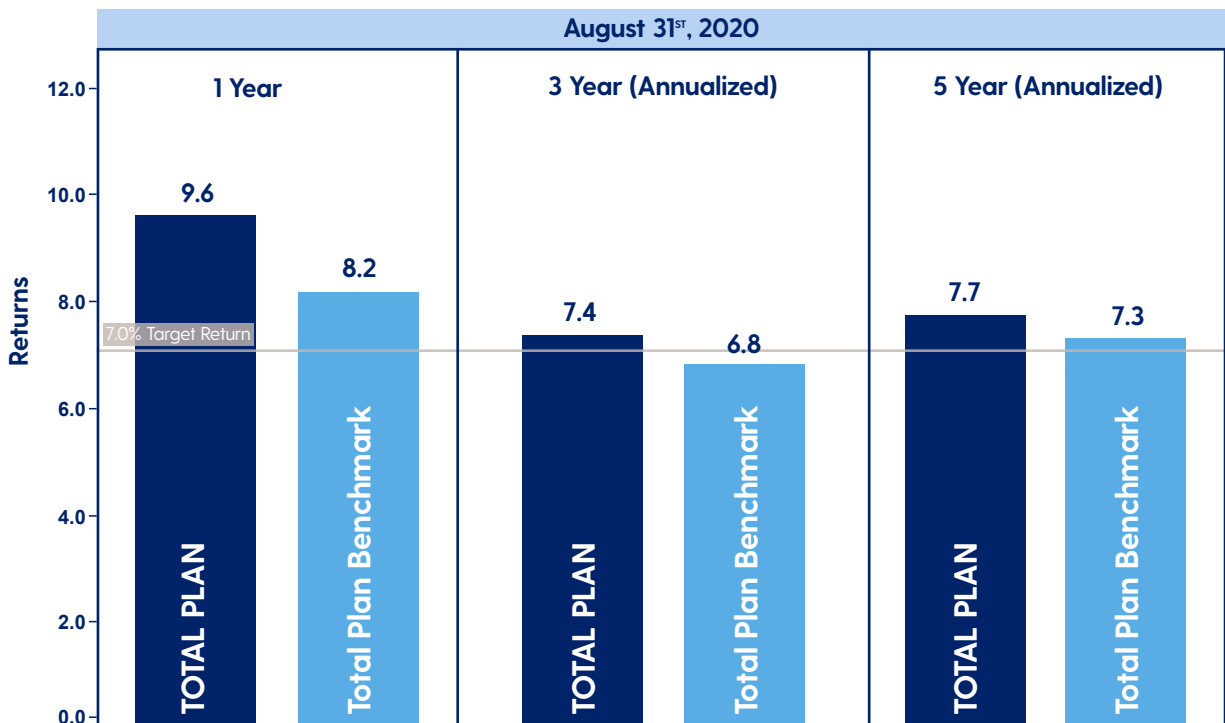
The Rhode Island pension fund performed better than 87% of its peer pension funds during this period according to data released by Investment Metrics, the leading source of investment performance analytics for institutional investors.

The strong performance of the Rhode Island pension system relative to peers is largely due to the Crisis Protection Class (CPC) investment allocation, which was implemented by Treasurer Magaziner in 2016 as part of his Back to Basics investment strategy. The CPC, is comprised of assets that typically appreciate in value during times of market stress, such as long-duration United States Treasury bonds. The CPC has helped to safeguard the system from the market turmoil spurred by the COVID-19 crisis.

*“When the State Investment Commission adopted my Back to Basics investment strategy in 2016, we prepared for sustained economic volatility by including a Crisis Protection allocation to provide long-term growth over time and stability when markets are challenging. We remain committed to ensuring that the pension system makes it through this crisis on a strong and stable footing.”*

– Rhode Island Treasurer Magaziner

The Rhode Island pension fund returned 2.92% in August, earning \$254,897,082 from investments, as Treasurer Magaziner’s Back to Basics investment strategy continues to provide growth and stability for members of the Retirement System.



Detailed information about the Rhode Island pension fund, including the ‘Back to Basics’ investment strategy and performance can be found online as part of Treasurer Magaziner’s “Transparent Treasury” initiative at: [investments.treasury.ri.gov](https://investments.treasury.ri.gov).

## ASK FRANK: WORKSHARE PROGRAM

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The following information will help active employees who participated in the voluntary Unemployment Insurance WorkShare program that was made available to some state and municipal employees.

### *Will participating in the WorkShare program impact my retirement eligibility date?*

No. For purposes of determining your retirement eligibility date, you will still receive full-service credit while on the WorkShare program.

### *Will participating in the WorkShare program impact my pension benefit amount?*

If you participate in the Workshare program, the amount of your pension benefit will be impacted only if this year was going to be one of your 5 highest years of salary prior to retirement.

If this year is one of your 5 highest years for salary level, you can elect to make a buyback to prevent your pension benefit amount from being impacted.

### *What is a buyback and how do I know whether to do one?*

During the period you participate in the Workshare program, you do not make any employee contributions to the retirement system for the days in which you are not working.

To prevent your pension benefit from being reduced, you will need to reimburse the retirement system for those missed contributions. This only applies to WorkShare participants who are currently in one of their 5 highest salaried years before retirement – for all other members, no buyback is necessary.

### *How do I make a buyback?*

To make a buyback, complete the Workshare Verification form at [ersri.org/2020-workshare](http://ersri.org/2020-workshare) to contribute the “missing” employee contributions. You may elect to “purchase” this salary once the WorkShare program time period has ended on September 5, 2020.

Members interested in purchasing the missing salary must submit the request to ERSRI by December 31, 2020 or prior to retirement, whichever is sooner, to avoid also having to pay interest charges on the missing contributions.

### *Am I required to make a buyback?*

No, it is optional. But if you are in one of your 5 highest salaried years before retirement, and you do not elect to make a buyback, your pension benefit amount will be impacted.

If you have questions, please contact the ERSRI Member Service Center at 401-462-7600 Monday - Friday from 8:30 a.m. - 4:00 p.m.

## BENEFIT PAYMENT SCHEDULE



Are You Using Direct Deposit?



Receiving your pension benefit payment by electronic deposits is safe, secure, and simple.

With direct deposit there is no risk of lost or stolen pension checks or postal delays, and direct deposit eliminates unnecessary trips to the bank to cash or deposit your check.

Your pension benefit will be transferred to your account on the last business day of each month and your funds are available sooner than if you had to cash or deposit the check.

Any deposit of pension benefits will be shown on your monthly banking statement, just like any other deposit. You also can confirm the deposit through other methods such as telephone banking, automated teller machines (ATMs), or computer banking services.

To set up a direct deposit, members can download and print ERSRI's one-page "Request for Direct Deposit" form at [ERSRI.org/directdeposit](http://ERSRI.org/directdeposit). If you don't have a printer, ERSRI can mail you a form.

**Please call the ERSRI Member Service Center at 401-462-7600, Monday – Friday from 8:30 – 4:00**

### ERSRI Benefit Payment Schedule 2020 - 2021

Payment Month	Payment Day	Benefit Payment Date
<b>November 2020</b>	Monday	November 30, 2020
<b>December 2020</b>	Thursday	December 31, 2020

Payment Month	Payment Day	Benefit Payment Date
<b>January</b>	Friday	January 29, 2021
<b>February</b>	Friday	February 26, 2021
<b>March</b>	Wednesday	March 31, 2021
<b>April</b>	Friday	April 30, 2021
<b>May</b>	Friday	May 28, 2021
<b>June</b>	Wednesday	June 30, 2021
<b>July</b>	Friday	July 30, 2021
<b>August</b>	Tuesday	August 31, 2021
<b>September</b>	Thursday	September 30, 2021
<b>October</b>	Friday	October 29, 2021
<b>November</b>	Tuesday	November 30, 2021
<b>December</b>	Friday	December 31, 2021

ERSRI pays in arrears on the last business day of each month. For example, the April 30<sup>th</sup> benefit payment covers the period of April 1<sup>st</sup> through April 30<sup>th</sup>.

## TREASURER MAGAZINER HOSTING VIRTUAL TOWN HALL FOR MEMBERS OF THE RETIREMENT SYSTEM

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Members of the retirement system are invited to join Rhode Island Treasurer Seth Magaziner for an online, virtual town hall meeting on:

**Wednesday, December 16, 2020**  
**from 5:00 p.m. to 6:00 p.m. ET**

During the one-hour meeting, Treasurer Magaziner will discuss the State's response to the COVID-19 pandemic, the pension system, and steps the system is taking to improve member service.

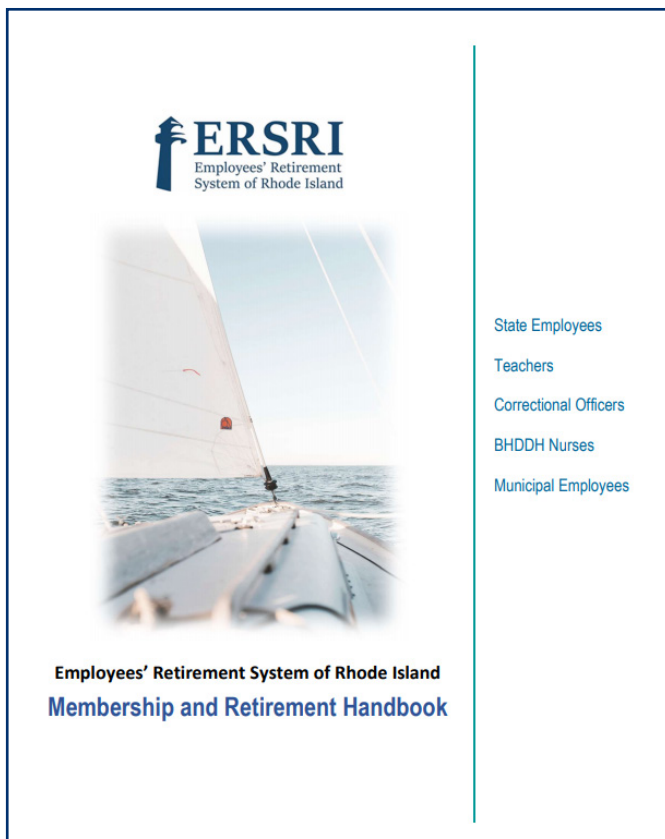
The Treasurer will be joined by Frank Karpinski, Director of Employees' Retirement System of Rhode Island, for a Q&A session.

You can sign up to attend the webinar at: [treasury.ri.gov/townhall](https://treasury.ri.gov/townhall)

If you register, but can't attend the meeting on December 16<sup>th</sup>, we will automatically send you a link to the recording that you can view on-demand.

## MEMBER HANDBOOK UPDATED

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ERSRI's updated Membership and Retirement Handbook can help you navigate the features and benefits of your pension plan. The information in this handbook can be a valuable resource throughout your career in public service and when considering your retirement plans.

The information in this booklet is provided for Rhode Island state employees, public school teachers, correctional officers, state registered nurses, and general employees of participating Rhode Island units of the Municipal Employees' Retirement System.

The Member Handbook can be viewed at: [ersri.org/handbook](https://ersri.org/handbook)

As different rules and regulations apply to police & fire members, judges, and State Police, please call the ERSRI Member Service Center at 401-462-7600, Monday – Friday from 8:30 – 4:00 if you are in one of these categories and have questions about your pension benefit.

# COMPASS

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## IN THE FALL 2020 COMPASS NEWSLETTER

- Pension Update
- Benefit Payment Schedule
- Virtual Town Hall for Members
- Ask Frank: Information for Employees Participating in WorkShare Program
- Message from the Treasurer

WWW.ERSRI.ORG | (401) 462-7600

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

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Chairman, ERSRI Board

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