

COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND



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Office of the General Treasurer
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A message from

GENERAL TREASURER JAMES A. DIOSSA



Dear ERSRI Member,

After years of dedicated service to the State of Rhode Island you deserve peace of mind and security in retirement. The ERSRI staff, State Retirement Board, and I all recognize that, and we put our best efforts forth to

serve you by protecting the state's pension funds and investments.

As part of those efforts, we are continuously working to streamline our governance process and ensure that we can serve you in the most transparent and efficient way possible. In this

year's state budget, passed by the General Assembly and signed by Governor McKee, Treasury was allotted funds for an additional employee to focus on retirement counseling. This will increase our capacity to serve ERSRI members throughout their retirement.

Additionally, this year we are carrying out an asset-liability study to ensure that the state's investment strategy is designed to achieve the best returns possible regardless of market volatility. This aligns with our priority of staying the course in strengthening the pension fund and ensuring it is sustainable for years to come.

James A Diossa
Rhode Island General Treasurer

Retirement eligibility

WHAT IS THE RULE OF 95?

The Rule of 95 is an alternative full benefit retirement eligibility date to allow members to retire earlier than their schedule-based eligibility date. Under the Rule of 95, members can retire when their age plus their years of service equal 95 provided that they are at least 62 years old.

For example, a member who is 62 years old could retire with 33 years of service rather than waiting until their schedule-based eligibility date (62 + 33 = 95).

Are you 62 or older?

Under the Rule of 95, you may be eligible to retire if the result of the formula below is 95 or more.

Rule of 95:

Your Age plus Your Years of Service

$$\text{■} + \text{■} = 95$$

Get involved in pension governance

ERSRI TO HOLD RETIREMENT BOARD ELECTION

Interested in becoming a member of the State Retirement Board? The Employees' Retirement System of Rhode Island (ERSRI) will hold an election for seven new Board members in January 2024. The 15-member Retirement Board oversees the state's pension system and is responsible for its administration. The board approves disability pensions, votes on the target investment rate of return and other assumptions, and certifies employer contribution rates. The board meets monthly and has four standing committees quarterly. If you are interested in running for election to the State Retirement Board, visit ERSRI at 50 Service Avenue beginning September 11, 2023 to pick up nomination papers. You must then secure 100 signatures from your particular membership group and return the nomination papers to ERSRI by October 18, 2023 at 4 p.m. Board seats up for election, and the members currently serving in those seats, include:

Active state employee representatives:

1. Paul L. Dion, Ph.D.
2. Claire M. Newell

Active teacher representatives:

1. John P. Maguire
2. Michael J. Twohey

Active municipal employee representative:

1. Matthew K. Howard

Retiree member representatives:

1. Roger P. Boudreau
2. Raymond J. Pouliot

Any active contributing or retired ERSRI member as of September 15, 2023 is eligible to run for election to the State Retirement Board. In addition, active contributing members and retired ERSRI members as of September 15, 2023 may vote for a candidate within their respective membership groups. Once

the ballot has been formalized, each ERSRI member will receive a ballot and candidate information sheet by mail. The State Board of Elections will tally the votes on behalf of ERSRI. The current Retirement Board also includes: General Treasurer James A. Diossa, chair, ex officio member; Mark A Carruolo, public representative (appointed by the Governor); Andrew E. Nota, Representative of the Rhode Island League of Cities and Towns, ex officio member; Director of Administration Designee Elena Mertus, ex officio member; State Budget Officer Joseph Codega, ex officio member; Jean Rondeau, public representative (appointed by the Governor); Dr. Laura Shawhughes, public representative (appointed by the General Treasurer) and Lisa A. Whiting, public representative (appointed by the General Treasurer).

IMPORTANT DATES FOR THE JANUARY 2024 RETIREMENT BOARD ELECTIONS

ELECTION SCHEDULE

September 11, 2023: Nomination papers will be available at 50 Service Avenue.

October 18, 2023: Deadline to submit nomination papers to 50 Service Avenue is 4 P.M.

November 15, 2023: Lottery for ballot order will be held during the Retirement Board meeting.

December 26-31, 2023: Ballots will be mailed to all retirees and members who are eligible to vote.

January 31, 2024: All completed ballots must be postmarked by this date.

February 2024: The R.I. Board of Elections will tabulate ballots.

March 13, 2024: New members will be sworn in at the Retirement Board meeting.

YOUR PENSION AND WORKING POST R

In most cases, if you are retired and work for any federal agency, a municipality not in the MERS system, or a private company, you may do this without limitations.

If you would like to work for a municipality within MERS or a public school or a state college/university/school after retiring, there are restrictions set in Rhode Island law.

Employment with the State of Rhode Island is prohibited unless you suspend your pension benefit. This includes working in any position at any of the state colleges/universities except providing classroom instruction, academic advising of students, or coaching.

Post-retirement restrictions apply whether you are employed directly by the public agency **or are consulting or doing work as a contractor**. In addition, doing work for a private company is prohibited if the position's funding is from the State. Members may not utilize the legal form of a business organization, or employment by a private business entity, to circumvent the post-retirement employment restrictions set forth in the Rhode Island General Law. The Retirement Board affirmed this in [ERSRI Regulation 1.18](#), which can be found on the Secretary of State's website. Finally, the type of year-end tax statement you receive is not relevant. Post Retirement provisions are applicable regardless of whether the income is reported on a 1099 or W-2.

Refer to the chart (right) and review the [Post Retirement Employment information](#) on ERSRI's website to learn more. You can submit a [Post Retirement Inquiry](#) by visiting the "Contact Us" page at www.ersri.org.

You have retired and want to work for...	Will pension be suspended?	45 day break in service required?
State of Rhode Island	Yes, until employment ends	N/A
Rhode Island State College, University, or School	No, if below Income Limit	Yes
Rhode Island State Nursing Facility	No, if below Day Count Limit	Yes
MERS City or Town	No, if below Day Count	Yes
Rhode Island Public School	No	Yes
Non-MERS City or Town	No	No
Non-Profit	No*	No
PRIVATE COMPANY as Owner, Contractor, or Consultant	No, unless the contracted or consulting work is for an agency or department of the State of Rhode Island, then pension will be suspended	No
PRIVATE COMPANY (not as Owner, Contractor, or Consultant)	No**	No
"Out of State public sector work (such as MA or CT)"	No	No

Note A: Gross income limit per calendar year is \$15,000 for Drivers Eo

RETIREMENT

Gross Income Limit	Day Count Limit	Reporting requirements	Other requirements or exceptions
N/A	N/A	Retiree must notify ERSRI in writing before starting position	None
\$18,000 per calendar year. See Note A	None	Reported by the Employer via the ERSRI Employer Portal	Must be in a position providing classroom instruction, academic advising of students, or coaching ONLY
None	75 full days, 150 half days per calendar year	Reported by the Employer via the ERSRI Employer Portal	Includes teaching in a nursing program at a State college or university
None	75 full days, 150 half days per calendar year	Reported by the Employer via the ERSRI Employer Portal	If working in a MERS position in the public schools, days are counted per school year
None	90 full days, 180 half days per school year	Reported by the Employer via the ERSRI Employer Portal. School districts must also send ERSRI an annual "good faith" letter for any vacant position	For information about 3/2023 update to RIGL 16-16-24-2 (day count limits temporarily waived through June 2024), see the Post Retirement FAQs on the ERSRI website
None	None	None	None
None	None	For non-profit positions funded by state funds, retiree must notify ERSRI in writing before starting position	*For non-profit positions funded by state funds, benefit will be suspended.
None	None	Retiree must notify ERSRI in writing before starting work	Retirees consulting or doing contract work for a Rhode Island State College, University or School, Rhode Island State Nursing Facility, MERS City or Town or Rhode Island Public Schools are still subject to the applicable restrictions and limitations
None	None	For private company positions funded by state funds, retiree must notify ERSRI in writing before starting position	**For private company positions funded by state funds, benefit will be suspended
None	None	None	Permitted as long as there is no connection to the State of Rhode Island

Education Teachers

ARTICLE 12 SUB A - AFFECTING COLA ADJUSTMENTS FOR ELIGIBLE MEMBERS (applies to plans less than 80% funded only*)

The enacted budget article changes the COLA from being paid every four years, if the funded status is under 80%, to twenty-five percent (or 1/4th) of the benefit adjustment each year until a funded status of 80% is reached. This article only applies to State Employees, Teachers, and MERS Units that have elected COLA. The changes do not apply to retirees of the State Police or Judicial plans.

The amendment to Rhode Island General Law (RIGL) under Article 12 goes into effect on 1/1/2024. Pursuant to current RIGL, COLAs are paid the month following the members anniversary date of retirement. As an example, if you retired in January, and are eligible for a COLA, you will receive your COLA in your February pension payment.

Eligibility for a COLA was not affected by the enactment of Article 12. Thus, the existing eligibility in the summary below remains applicable.

- For **State Employees, Teachers, and General Municipal Retirees** not receiving COLA by 6/30/2012: If you are a retiree of a plan that offers a COLA, you become eligible to receive a COLA when you reach Social Security Normal Retirement Age (SSNRA) or the three-year anniversary of your retirement date, whichever is later.
- For **Police and Fire Retirees** not already receiving COLA by 6/30/2012 (and who retired from an employer that has elected to provide a COLA) and who retired between July 1, 2012 and June 30, 2015: you become eligible to receive a COLA after reaching age 55 or the three-year anniversary of your retirement date, whichever is later.

- For **Police and Fire Retirees** not already receiving COLA by 6/30/2012 (and who retired from an employer that has elected to provide a COLA) and who retired after 6/30/2015: you become eligible to receive a COLA after reaching age 50 or the three-year anniversary of your retirement date, whichever is later.

Lastly, the indexed cap on which the COLA is applied was also not affected by Article 12. The COLA amount every year will continue to be determined by existing RIGL as of September 30th of the prior year. For example, the COLA amount payable in 2024 will be determined in September 2023.

- **For members who retired after 6/30/2015**, COLA will be calculated on the first \$29,776 of the member's pension benefit.
- **For members who retired on or before 6/30/2015**, COLA will be calculated on the first \$35,731 of a member's pension benefit.

The important take-away from this legislation is that the twenty-five percent (or 1/4th) of the annually determined COLA replaces the every 4-Year COLA provision for most plans until those plans reach 80% funded. Eligibility determination and COLA cap / amount remain unchanged from current legislation. Article 12 goes into effect on 1/1/2024.

*No changes for members eligible for annual COLA who belong to COLA-offering plans funded over 80%, or plans with special COLA provisions, such as West Warwick Legacy Plan or Central Falls Police and Fire Legacy Plan.