

YOUR RETIREMENT BENEFITS

State Employees

WHAT IS YOUR RETIREMENT BENEFIT?

Members of the Employee's Retirement System of Rhode Island have a **Hybrid Retirement Benefits Plan** made up of a Defined Benefit plan (**Pension Plan**) and a Defined Contribution Plan (**DC Plan**).



WHAT IS A DEFINED BENEFIT OR PENSION PLAN?

- Your Pension benefit is managed by ERSRI and pays you a specific amount of money per month when you are eligible to retire.
- You contribute towards your individual pension.
- Your employer contributes into the pension fund for all employees.
- The amount of your monthly pension benefit is based on a number of criteria including your schedule, how long you have worked and your salary.

WHAT IS A DEFINED CONTRIBUTION (DC) PLAN?

- The Defined Contribution (DC Plan) allows you to **save money for your retirement in a tax-deferred account.**
- You and your employer contribute a percentage of your salary each pay period into your DC plan that is managed by TIAA.
- TIAA manages your investments and when you retire you will withdraw money from this account to pay for you living expenses.

YOUR CONTRIBUTIONS TO YOUR PENSION AND DC PLAN

Contributions	Pension Plan	Defined Contribution (DC)
Employee	3.75%	5% or 7% <i>(if not in Social Security)</i>
Employees with 20+ Years of Service as of 6/30/12	11% <i>(3.75+5+2.25)</i>	No longer participates in the plan as of 7/1/15.

As part of the pension settlement, if you **have 20 or more Years of Service credit as of June 30, 2012**, you no longer contribute to the DC Plan as of July 1, 2015 and will continue to own your own account.

YOUR EMPLOYER CONTRIBUTIONS TO THE DC PLAN

LESS THAN 10 YEARS

AS OF 6/30/12

1% salary

AT LEAST 10 YEARS,

BUT LESS THAN 15 AS OF 6/30/12

1.25% salary

AT LEAST 15 YEARS,

BUT LESS THAN 20 AS OF 6/30/12

1.5% salary

20 OR MORE YEARS

AS OF 6/30/12

No longer participates
in the DC Plan.

NOTE: Members fall into one of the above categories based on frozen service as of June 30, 2012. They do NOT move between categories as they earn additional years of service.

WHAT'S A SCHEDULE?

- Schedules are determined by when you were hired and how many years of service you had at certain points in time.
 - Years of Service / July 1, 2005
 - Years of Service / September 30, 2009
 - Years of Service / June 30, 2012
- Schedule type impacts when you are eligible to retire, your accruals and service credit factor, and what your benefit will be when you retire.

HOW DO WE DETERMINE YOUR SCHEDULE?

SCHEDULE A

Active and eligible to retire with either 28 years of service OR age 60 with 10 years of service on, or before, 9/30/2009.

SCHEDULE AB E

Active with at least 10 years as of 7/1/2005.
Not eligible to retire as of 9/30/2009.
Became eligible to retire as of 6/30/2012.

SCHEDULE B

Active and eligible to retire with either 29 years and age 59 OR age 65 with 10 years on or before 9/30/2009.

SCHEDULE AB NE

Active as of 10/1/2009, and not eligible to retire as of 6/30/2012. At least 5 years on or before 6/30/2012.

NOTE: All years must be years of *contributing service* to be counted towards retirement eligibility.

HOW DO WE DETERMINE YOUR SCHEDULE?

SCHEDULE B1 E

Active but not eligible to retire as of 10/1/2009, but became eligible to retire on or before 6/30/2012.

SCHEDULE B2

Hired between 10/01/09 and 6/30/12.

SCHEDULE B1 NE

Active but not eligible to retire as of 9/30/2009 or 6/30/2012, and had at least 5 years on or before 6/30/2012.

SCHEDULE B3

Hired on or after 7/1/2012.

NOTE: All years must be years of *contributing service* to be counted towards retirement eligibility.

WHEN CAN YOU RETIRE?

- **Retire with full benefits:**
 - Schedule based on retirement date
OR
 - **Rule of 95:** Your age and service equal 95 (only applies to those whose retirement date is age 62 or later).
- **Retire early with reduced benefits**
 - Transition Rule 1
 - Transition Rule 2

All members have their own unique retirement eligibility age

WHEN CAN YOU RETIRE?

State Schedule Based Retirement Date

Schedule A, AB E, B, and B1E	Schedule AB NE	Schedule B1NE	Schedule B2 and B3
Currently eligible to retire.	Social Security Normal Retirement Age (SSNRA) proportionally scaled back based on years of service earned as of 9/30/2009 and 6/30/12. <ul style="list-style-type: none">• Not less than age 59• 5+ years of contributory service.	Social Security Normal Retirement Age (SSNRA) proportionally scaled back based on years of service earned as of 9/30/2009 and 6/30/12. <ul style="list-style-type: none">• Not less than age 59• 65 if determined by Article 7 calculation• 5+ years of contributory service at 6/30/12.	Social Security Normal Retirement Age (SSNRA) and 5 years of contributory service.

WHEN CAN YOU RETIRE?

Rule of 95

- Members of any schedule type can retire when their age (at least 62 years old) plus their years of service equal 95.
- **For example:**
 - 62 years old + 33 years of service = Rule of 95 Eligible.

The rule of 95 is only used to provide an **EARLIER** retirement date than your Schedule Based Eligibility Date.

RETIRING EARLY: TRANSITION RULE 1

- **Eligibility for Transition Rule 1:**
 - You have 20+ years of service and are within 5 years of your full benefit eligibility date.
- **How early can you retire?**
 - Up to five years before your full benefit eligibility date.
- **How is your benefit reduced?**
 - Your benefit is reduced by a set percentage for each year you leave before your full benefit eligibility date.
 - **For example:** If you left 5 years before reaching eligibility you would receive 62% of the benefit earned through your last day of employment.

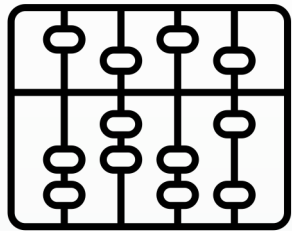
Year(s) before retirement eligibility	Per year reduction	Cumulative reduction
1	9%	9%
2	8%	17%
3	7%	24%
4	7%	31%
5	7%	38%

RETIRING EARLY: TRANSITION RULE 2

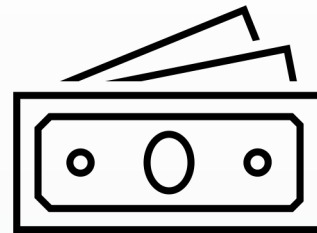
- **Eligibility for Transition Rule 2:**
 - You completed 10 years of service by June 30, 2012.
- **How early can you retire?**
 - You can retire based on your eligibility rules in effect as of September 30, 2009.
- **How is your benefit reduced?**
 - ERSRI will use your Service Credit Factor and Highest Average Salary earned as of June 30, 2012 to calculate your pension.

CALCULATING YOUR PENSION BENEFIT

How is your pension benefit calculated?



**SERVICE
CREDIT FACTOR**



**HIGHEST
AVERAGE SALARY**



**YOUR
PENSION BENEFIT**

CALCULATING YOUR SERVICE CREDIT

- Each year that you work for a participating employer, you accrue a set percentage (your accruals) that are added together to determine your Service Credit Factor.
- **Your total service credit factor cannot exceed 75-80% depending on your schedule.**

Schedule	Maximum Service Credit Factor
Schedules A, AB E and AB NE	80%
Schedules B, B1E, B1NE, B2, and B3	75%

ACCRUALS

Teacher Year(s) Earned	Schedule A through 6/30/12; AB through 9/30/09	Schedule B through 6/30/12; AB from 10/1/09-6/30/12	Accruals as of 7/1/2012 (all members)	Accruals as of 7/1/15 (if 20 or more years at 6/30/2012)
Year 1-10	1.7%	1.6%	1.0%	n/a
Year 11-20	1.9%	1.8%	1.0%	n/a
Year 21-25	3.0%	2.0%	1.0%	2.0%
Year 26-30	3.0%	2.25%	1.0%	2.0%
Year 31-34	3.0%	2.5%	1.0%	2.0%
Year 35	2.0%	2.5%	1.0%	2.0%
Year 36-37	n/a	2.5%	1.0%	2.0%
Year 38	n/a	2.25%	1.0%	2.0%

CALCULATING YOUR HIGHEST AVERAGE SALARY

- Depending on your schedule, your highest average salary is the average of your highest 3 or 5 consecutive (back to back) years of salary.

Schedule	Highest Average Salary
Schedule A, and B	3 highest consecutive years.
Schedules AB E, AB NE, B1E, B1NE, B2, and B3	5 highest consecutive years.

YOUR PENSION PAYMENT OPTIONS

Payment option	Amount	Spouse/beneficiary amount	Allowed to switch options one time?
Service Retirement Allowance (SRA)	Full benefit paid monthly to the member	\$0	No
Option 1: Joint & Survivor 100%	Reduced benefit	Spouse or beneficiary receives same monthly benefit after member's death.	Yes—to Option 2 or SRA
Option 2: Joint & Survivor 50%	Reduced benefit	Spouse or beneficiary receives 50% of the monthly benefit after member's death.	Yes—to Option 1 or SRA
SRA Plus (Schedule A & AB only)	Higher benefit prior to age 62. <i>Reduced pension after 62.</i>	\$0	No

- A Qualified Domestic Relations Order (QDRO) may restrict your pension payment options.
- **Option 1: J&S100** and **Option 2: J&S50** are actuarially reduced benefits based on difference in age between member and beneficiary.
- One time change is permitted while living if **Option 1: J&S100** and **Option 2: J&S50**. The change of option form must be received by ERSRI prior to death.

RECEIVING YOUR PENSION PAYMENTS

- Your first pension payment will be received 2–3 months after retirement (Payment is retroactive to date of retirement or the first of month in which we received your application whichever is later).
- Each payment will be directly deposited to your bank account.
- An e-mail will be sent to you each month notifying you that your direct deposit stub is available online.
- Payments will be made on the last business day of the month for the month.

DEATH BENEFITS


What benefits are your survivors entitled to?

- A member's designated beneficiary is eligible to receive a one time death benefit payment regardless of retirement option selected.
- Benefit is \$800 per year of completed service, up to a maximum benefit of \$16,000 with 20 years of service.
- Benefit reduces 25% each year of retirement to a minimum death benefit of \$4,000.

Please be sure to keep your **beneficiary information up to date** with ERSRI.

BENEFICIARY DESIGNATION FORM

- Download a PDF of the Beneficiary Designation Form at www.ersri.org.
- Forms must be notarized before submitting to ERSRI



ERSRI | Employees'
Retirement System
of Rhode Island

BENEFICIARY DESIGNATION FORM

Complete all applicable items on this form; incomplete and unsigned forms will be returned.
For additional information, see instructions on page 5.

Please print clearly in black ink.

Section 1: Member information

First and middle names

Last name

Date of birth (mm/dd/yyyy)

SSN (last 4 digits only)

Membership status (check only one): Member Retiree

Section 2: Beneficiary designation for other benefits

To name an OAP beneficiary, you must be an active member with at least ten years of contributory service on or before June 30, 2012 or at least five years of contributory service on or after July 1, 2012.

Person as a beneficiary

First name

MI

Last name

Address (street number, street name and apartment number)

City

State

ZIP code

Telephone (area code and number)

Relationship

SSN

Date of birth (mm/dd/yyyy)

Beneficiary type (check only one): Primary Contingent OAP election (if vested): OAP

Benefit type: Refund Death benefit

First name

MI

Last name

WHAT ABOUT A COST OF LIVING ADJUSTMENT?

- **Annual COLA and 4 Year COLA:**
 - If ERS plan (teachers, state, judges, and state police) is less than 80% funded, the Annual COLA is suspended.
 - For plans less than 80% funded, an interim 4 Year COLA is paid to members once they become COLA eligible.
 - The Annual COLA resumes when your plan is 80% funded.
- **COLA Eligibility**
 - Members retiring today become eligible for the Annual COLA and 4 Year COLA the month after reaching their Social Security Normal Retirement Age AND the three year anniversary date of their retirement.

WHAT ABOUT A COST OF LIVING ADJUSTMENT?

COLA Calculation

- The Annual and 4-Year COLAs are calculated based on equal parts of 50% of investment performance minus 5%, and 50% of inflation with a maximum COLA of 3.5%.
- For members retiring now, the Annual and 4 Year COLAs are paid on the first \$ 25,855 (indexed) of your annual pension benefit.

A NOTE ON STATE HEALTH CARE COVERAGE ELIGIBILITY

- The Office of Employee Benefits (OEB) administers health care benefits for retired state employees between the age of 59–64 and Via Benefits manages benefits for members 65+.
- Members who are over the age of 59 and have at least 20 years of *state* service may be eligible for an 80% subsidy for individual health coverage through OEB or Via Benefits.
- Members who take a deferred pension (terminate employment prior to reaching retirement eligibility) and wait to collect their benefit are *not* eligible for state health coverage.

Contact the Office of Employee Benefits or Via Benefits about health care **BEFORE** making your decision about when to retire.

Office of Employee Benefits • (401) 574-8530 • www.employeebenefits.ri.gov

ERSRI ONLINE REGISTRATION

- Visit www.ersri.org to register your **My Retirement** account.
- The self registration process will ask you for identifying personal information and give you a login ID.
- Be sure to write down your login ID and password in a safe place.

The screenshot shows the ERSRI website interface. At the top left is the ERSRI logo with the text "Employees' Retirement System of Rhode Island". To the right of the logo is a "Log out" button. Further right, the user is logged in as "Hi John Doe" with a search bar. Below the header is a "My Retirement" section featuring a woman's portrait and the text "Introducing... your pension plan". Below this is a "Read the plan description" link with a "Get started!" button. To the right of the main content is a "My Pension" section with a summary: "Assuming you will continue to participate in the plan until retirement, your estimated pension payable at age 64 is equal to: \$26,200 per year." Below this are several links: "Use the Pension Projection tool", "Use the Buyback tool", "Update My Personal Information", "View My Pension Profile", "View My Documents", and "Schedule An Appointment". At the bottom right is a "My Plans" section with a link to "My Employer Pension Plan". A vertical "HELP" sidebar on the right contains "Call Us" and "Email Us" options. At the bottom of the page is a "Tools" section with icons for a clock, a checklist, a dollar sign, and a person.

HOW TO RUN A BENEFIT ESTIMATE ONLINE

PENSION PROJECTION TOOL Administrator tools ▾ | Recent estimates | Yearly amounts ▾ | Printable statement

WHAT THIS IS
This tool allows you to estimate your pension benefits from your pension plan at different ages.
[VIEW DEMO](#)

WHAT I KNOW
Date of birth: January 1, 1908
Total years of service: 11.57
Earned salary: \$50,000
[SEE ALL PERSONAL AND DESIGNATED JOINT & SURVIVOR INFORMATION »](#)

WHAT IF ...
My future annual earnings increase is: 0%

RETIRE AT ...

- Age: 62 | Date: 01-01-2042
- Age: 64 | Date: 01-01-2045
- Age: 64 | Date: 01-01-2045

CALCULATE

YOUR ESTIMATED INCOME AT RETIREMENT

■ Employer Pension Plan

Age	Estimated Income
Age 62	~\$15,000
Age 64	~\$23,000

[SHOW DETAILS »](#) [SHOW DETAILS »](#)

POST RETIREMENT EMPLOYMENT

Hired Post Retirement as a...	Days allowed before pension suspension	Gross pay allowed before pension suspension	Time period
State Employee	0	\$0	N/A
Registered Nurse	75 (or 150 half days)	N/A	Calendar year
Classroom Instructor, Academic Advisor, or Coach at a State School or College	N/A	\$18,000	Calendar year
Drivers Ed Teacher	N/A	\$15,000	Calendar year
MERS Employee	75 (or 150 half days)	N/A	Calendar year
Teacher	90 (or 180 half days)	N/A	School year
Elected MERS official	Unlimited*	Unlimited*	N/A
Unpaid state or municipal board	Unlimited*	Unlimited*	N/A
Non Participating Municipality Employee	Unlimited	Unlimited	N/A

Any employment or reemployment may begin no earlier than 45 days after separation/termination from employment.
 * Unlimited except for those who previously worked and earned service credit as an elected official or board member.

POST RETIREMENT EMPLOYMENT

Your employer's post retirement employment responsibilities:

- Retirement contributions will not be deducted from your wages and you will not earn any additional retirement service credit for any post-retirement employment.
- Reporting days worked or earnings depending on employment type to ERSRI on a monthly basis.
- Schools filling a vacant position must send letter to ERSRI and their union certifying a good faith effort was made to fill position with non-retiree. This includes coaching, tutoring and consulting. Vacant positions may only be filled by a retiree for 90 days.

Your post retirement employment responsibilities:

- It is your responsibility to ensure that while collecting a retirement benefit your employment does not violate any statutory restrictions.
- Your post retirement earnings or days will be reported to ERSRI and available to review in your member portal at www.ersri.org. It is your responsibility to ensure your employer is accurately reporting your employment. Please follow up with your employer if there is a discrepancy.
- No “mixing and matching.” You cannot participate in more than 1 area that is limited by statute.
- Post-retirement provisions apply if you are a consultant or corporation or employee of another party providing services to a ERS or MERS employer.

IMPORTANT CONTACT INFORMATION

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

Address: 50 Service Avenue, 2nd floor, Warwick, RI 02886

Phone: (401) 462-7600 | **Email:** ersri@ersri.org | **Website:** www.ersri.org

OFFICE OF EMPLOYEE BENEFITS – RETIREE HEALTH (AGE 59-64)

One Capitol Hill,
Providence, RI 02908
(401) 574-8530

www.employeebenefits.ri.gov

TIAA – DC PLAN COORDINATOR

Providence Office
(800) 897-1026

www.tiaa.org

VIA BENEFITS – RETIREE HEALTH (AGE 65+)

(844) 448-7298

www.my.viabenefits.com/ri

FEDERAL SOCIAL SECURITY

Providence Office
(877) 402-0808

www.ssa.gov

THE HARTFORD- BASIC GROUP LIFE INSURANCE

1-888-755-1503

Group Policy Number is
804857