

COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER

One of the most important parts of my job as your Treasurer is to strengthen the pension system so that you, our members, who have spent your careers serving others, have the certain and secure retirement that you deserve.

The 'Back to Basics' investment plan, under which we significantly reduced the pension system's reliance on high fee hedge fund investments in favor of traditional growth strategies like index funds, is working. During the fiscal year 2021, which ended on June 30th, the pension system reached an all-time high value of \$10.3 billion. During the year we achieved our highest annual investment return in 25 years.



As a reminder, eligible retirees are receiving a well-deserved cost of living adjustment (COLA) this year. We have also re-launched 1x1 retirement counseling for employees within three years of their employee eligibility date. You will find more information about both the COLA and enhanced retirement counseling in this issue of COMPASS.

You will also get to know Karen Hazard, a dietary supervisor at Zambarano Hospital with over 30 years of service and learn more about rules that govern post-retirement employment.

Thank you for your service to the people of Rhode Island,

– Seth Magaziner

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RETIREMENT SYSTEM UPDATE



Q: I recently retired, when will I receive my first pension payment?

A: Generally, retirees receive their first pension payment, which will be retroactive to the date of your retirement, within two months. Your first payment will be direct deposited into your bank account.

Q: I keep hearing the term “vested.” What does that mean?

A: When you are “vested,” you have earned the right to receive a pension benefit, although you may not collect your benefit until you meet your retirement age. Most employees become vested after five years of service.

Q: I have the years of service to retire but I’m not old enough.

I am considering leaving my position now. Can I come back when I reach my eligibility age to collect my benefit without a reduction to my benefit?

A: Yes. Provided you have the necessary number of years of service when you leave your position, you can come back when you reach your full eligibility age. Your benefit will be calculated using the total number of years of service and final average salary (5 years) when you terminated your employment.

There will be no reduction in your benefit. Before you terminate, please be sure to contact ERSRI to verify you have the necessary number of years. Also, if your employer provides any type of retiree healthcare benefits, you should check to see if there are any restrictions or issues to receiving those benefits if you terminate and don’t immediately receive your pension benefit.

Q: How do I log into and use my Online Retirement Account?

A: You can log into your online accounts at www.ersri.org. First time users can self-register online as long as you have an email address on file with the system. If you don’t have an email address on file or if you need assistance logging in or setting up an online account please use the “Contact Us” page on the website or call the Member Service Center at 401-462-7600 Monday - Friday from 8:30 a.m. until 4:00 p.m.

Once you’ve logged into your online retirement account you can update your phone and email address, review your pension account information, and receive your estimated retirement eligibility and estimated pension benefit amount.

We are pleased to report that in response to your feedback www.ersri.org will be receiving an overhaul this winter that will mean a clean new design that will be easier to navigate, so you can more easily find the information about your pension benefit that you are looking for.

Frank J. Karpinski has been with ERSRI since 1994 and has been Executive Director since 2001.

Eligible retirees are receiving a Cost of Living Adjustment (COLA) in 2021. Retirees will receive the adjustment in the month following the date of retirement. For example: Eligible retirees who retired in September will receive their COLA in October. If an employee retired in June and meets eligibility, they will receive their COLA in July.

Eligible retirees who retired on or before June 30, 2015 will receive a COLA equal to 1.06% on the first \$33,130 of their pension benefit, up to \$351.18. Eligible retirees who retired after June 30, 2015 will receive a COLA equal to 1.06% on the first \$27,608 of their pension benefit, up to \$292.64.

MEMBER PROFILE



KAREN HAZARD, ZAMBARANO HOSPITAL

Karen Hazard has over 30 years of State service to the people of Rhode Island. The last 25 years have been at Zambarano Hospital in Burrillville, the small town that the mother of eight calls home.

The pride of working in public service has been a part of Karen's upbringing from the very beginning. Both her mom and other family members were long-time employees at the University of Rhode Island, providing services to students and faculty that keep the college functioning day-to-day. It's also where Karen began her career in 1988 as a part-time cook's helper. As she moved through her career and after earning her Associate's Degree in Construction and Carpentry, Karen transferred to Zambarano Hospital in 1996 with hopes of becoming a carpentry supervisor.

"Back then, in State service there weren't any female carpenters," Karen explained. "As a Native American and a woman, I didn't fit the image or expectation for that role and was passed over for the position." With that experience, Karen saw an opportunity to support other employees and became a union steward. It was the first of many positions she would hold with the union.

Karen's roots in Burrillville, and her family, have grown tremendously. Seven of her eight children joined the family through Rhode Island's Department of Children, Youth and Families (DCYF). In 2013, Karen made a career transition, becoming a Dietary Supervisor in Zambarano Hospital's kitchen.

"The patients and staff at Zambarano are wonderful, truly," said Karen. "There's a need for the services that Zambarano provides, and it's an important resource not just within our community, but also for the whole state. Too many people have an outdated perception of Zam that dates back to its origins as a TB hospital. Over the years there hasn't been the continuous sustained investment that's needed to support our staff. I am hopeful that will change."

During her career, Karen has kept focused on ensuring that government works more effectively and efficiently for the public and its employees. In 2019, she joined the State Investment Commission, which oversees the assets of Rhode Island's pension system, providing an important voice on behalf of our members.

"As a long-time state employee, and Business Manager of Local Union 808, everyday I'm reminded that State service is customer service and our customer is the public, including those that provide that service," Karen concluded.

INVESTMENT UPDATE

The pension system ended Fiscal Year 2021 with an all-time high investment gain of more than \$2.2 billion for a total value of more than \$10.3 billion in assets.

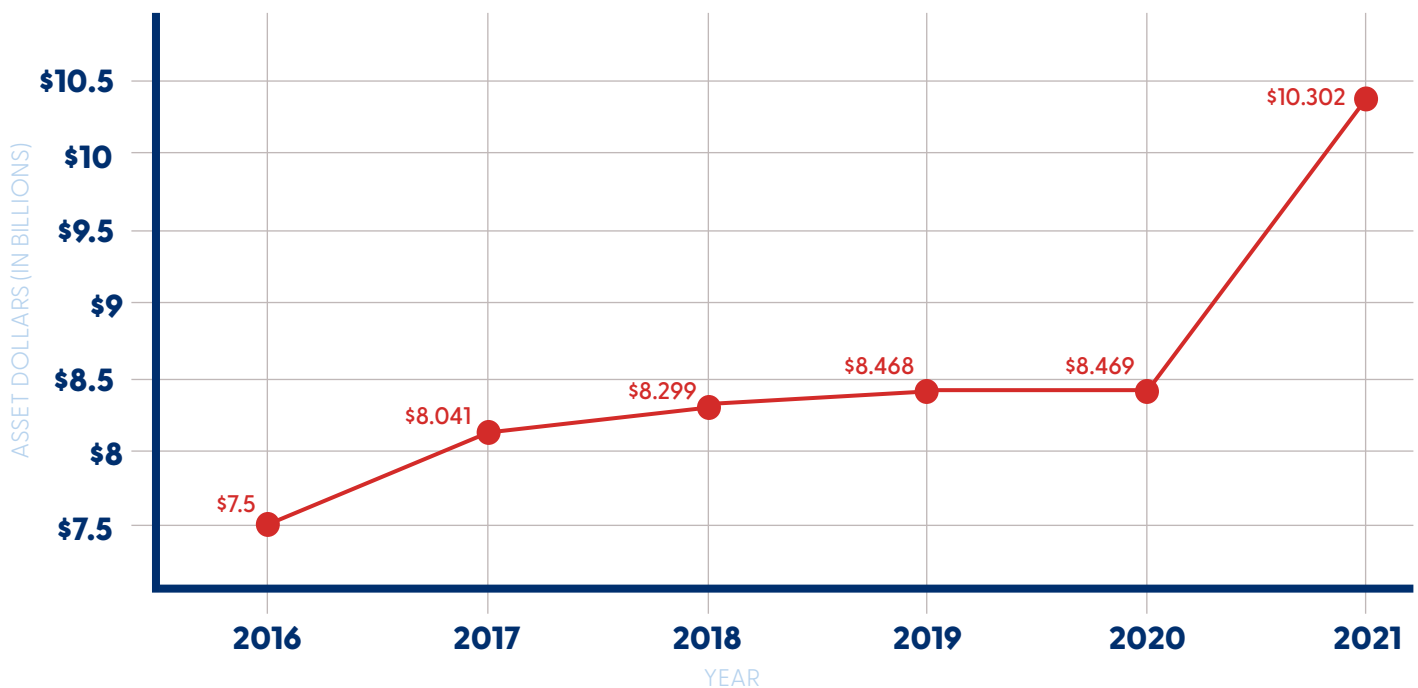
During the Fiscal Year, the Pension Fund returned 25.58%, outperforming its traditional 60% stock /40% fixed income benchmark, which returned 22.18% over the same time period. The average annual investment return for the pension system over the past 5 years has risen to 10.86%, compared to the 60/40 benchmark return of 10.13%.

Strong investment performance is important because it means the pension system can continue on its path to financial health and stability, guaranteeing retirement security for members. Under Treasurer Magaziner's "Back to Basics" investment strategy, the Rhode Island pension system has outperformed a majority of its peer pension plans across the country three out of the last four years. Additional information about the Rhode Island pension system can be found online as part of Treasurer Magaziner's Transparent Treasury initiative at investments.treasury.ri.gov

	1 YEAR	3 YEAR AVERAGE	5 YEAR AVERAGE
PENSION SYSTEM INVESTMENT RETURNS	25.58%	11.57%	10.86%
60/40 BENCHMARK	22.18%	11.55%	10.13%

As of 6/30/2021

PENSION SYSTEM'S ASSETS UNDER MANAGEMENT



POST-RETIREMENT EMPLOYMENT

If you are considering post-retirement employment, it's important to understand and follow the rules to ensure your pension isn't affected. Generally, there are no restrictions for retirees who work for a private company, a private non-profit, or a public sector employer from another state.

If you are a retired member of the Employees' Retirement System of Rhode Island, and you wish to work for the State of Rhode Island or a city or town within the Municipal Employees' Retirement System, your pension must be suspended while you are working for the State, and may resume after you have terminated employment. This policy includes consulting work for the State through a private company or non-profit. You will be subject to day limitations should you work for a participating municipality.

WILL MY PENSION BE SUSPENDED?

You have Retired and Want to Work for...	Will Pension Be Suspended?	45 Day Break in Service Required?	Gross Income Limit	Day Count Limit	Reporting Requirements
State of Rhode Island	Yes, until employment ends	N/A	N/A	N/A	Retiree must notify ERSRI in writing before starting position
Rhode Island State College, University or School	No, if below income limit	Yes	\$18,000 per calendar year	None	Reported by the Employer via the ERSRI Employer Portal
Rhode Island State Nursing Facility	No, if below day count limit	Yes	None	75 Full Days, 150 Half Days per CALENDAR year	Reported by the Employer via the ERSRI Employer Portal
MERS City or Town	No, if below day count limit	Yes	None	75 Full Days, 150 Half Days per CALENDAR year	Reported by the Employer via the ERSRI Employer Portal
Rhode Island Public School	No, if below day count limit	Yes	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
Non-MERS City or Town	No	No	None	None	None
Private Company or Non-Profit (excludes consulting to the State of RI, MERS cities or towns, and RI public schools)	No	No	None	None	For non-profit positions funded by state funds, retiree must notify ERSRI in writing before starting position
Out of State Public Sector Work (eg. MA or CT)	No	No	None	None	None

If you have questions about how the post retirement employment rules apply to your specific situation, please contact ERSRI by e-mail via the "Contact Us" page on our website or by phone at 401-462-7600 Monday - Friday 8:30 a.m. - 4:00 p.m.



The pension system now offers individual retirement counseling for members who are within 3 years of retirement.

Visit www.ersri.org and click on the "I'm a member" to request benefit information or to schedule a personalized retirement counseling session.

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

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

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Seth Magaziner, General Treasurer
Chairman, ERSRI Board

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