

# COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

## A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER



You have dedicated your career to serving the public, from teaching in our schools, to keeping residents safe, and helping state and local government run effectively.

You deserve certainty and financial security when you retire.

No one should have to struggle to make ends meet when they retire and it's my job to make sure that you –the members who have contributed toward your retirement and dedicated your careers to serving the public– have the certain and secure retirement you deserve.

I am pleased to report that the pension system is getting stronger. In the past year we have moved more than \$500 million out of hedge funds and into more traditional investments. In its first year, our Back to Basics investment strategy earned \$872 million for your retirement system.

In this issue of Compass, you will find information about legislative changes from this year's session, instructions for how to protect your personal information from identity theft, and get to know Michael Allen, a retired teacher from Lincoln who is making the most of his retirement and continuing to give back to his community.

I will continue to work hard every day to make sure you have a retirement system that you can count on.

Best,

Seth Magaziner

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## MEMBER UPDATE

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### Legislative Changes Affecting ERSRI Members

During the 2017 legislative session the Rhode Island General Assembly passed several bills that directly affect members of Employees' Retirement System of Rhode Island.

- With support from Treasurer Magaziner, a 10% increase to the Teachers' Survivor Benefit was approved and went into effect in October 2017. The change is the first increase to the benefit since 2004 and benefits approximately 500 **surviving spouses of teachers**. The annual contribution for participating teachers and their employers was raised from \$96 to \$115, also the first since 2004.
- A new law codified existing Retirement Board practice related to accidental disability retirement for **firefighters and police officers**. The law ensures that a member who becomes permanently disabled due to an illness sustained from a work-related accident is eligible for accidental disability pension.
- Two changes to **post-retirement employment** were approved by the General Assembly and became law:
- The first change in post-retirement employment increased the amount that **retired educators** who are employed part-time by state colleges, universities or schools may earn. Educators may now earn up to \$18,000 in a school year (an increase from \$15,000) without impacting their pension benefit.
- Additionally, **retired nurses** who are employed part-time at a state-operated facility or who teach at a nursing program at a state college or university, may work up to 75 full days or 150 half days without impacting their pension benefit. For nurses, a "half day" is defined as working up to 4 hours. A "full day" is defined as working more than 4 hours. ✦

### Department of Administration's Voluntary Retirement Incentive

On October 6th, the Department of Administration announced a voluntary retirement incentive for State employees who receive longevity and will reach their full retirement benefit eligibility date on or before December 31, 2017.

The Department of Administration will contact all eligible employees directly.

It is possible that the voluntary retirement incentive will lead to a large number of members contacting ERSRI in a short period of time. As such, all members should be prepared to experience delays in application processing and member inquiry response times.

In order to expedite responses, we kindly ask that all voluntary retirement incentive related inquiries be initiated through the a web form which is available at: [www.ersri.org/vri](http://www.ersri.org/vri) ✦

## MEMBER SPOTLIGHT

### Meet Michael Allen

After a long career in public service, including 25 years with the Pawtucket Fire Department followed by 18 years teaching social studies and civics in the Lincoln, RI school system, Michael Allen –known as “Mr. A” to a generation of students– is now a “professional” grandfather.

Mr. Allen got the “bug” to teach after a stint as a training instructor for the Fire Department training school, the RI State Fire Academy and the CCRI EMT program. He returned to Providence College to complete his third Bachelor’s degree in Social Studies with the hope of opening up a new career path. Fortunately, that plan worked out - much to the joy of his wife. She knew that her husband would need to do something after retiring from the fire department. Mr. Allen wasn’t ready to retire and she wasn’t ready for him to retire either.

When he retired from Lincoln High School in June of 2017, there was no chance that Mr. Allen would lose contact with his students. Living in Lincoln, just a couple miles from the High School, Mr. Allen is in regular contact with many of his former students.

“It is easy to reach and teach students who want to be taught. To be successful as a teacher, you have to engage students who may not want to be taught,” said Mr. Allen.

Teaching was never an eight-hour-a-day job for Mr. Allen, nor was teaching limited only to textbooks.



He took his students on field trips, attending both the second Inauguration of President George W. Bush and the first Inauguration of President Obama.

More than just reading about history, Mr. Allen’s students had the opportunity to live history.

While in Washington, DC his students had the opportunity to tour the U.S. Capitol, which included a rare visit to the floor of the U.S. House of Representatives. They also visited the U.S. Supreme court. Mr. Allen remembers that the students who joined

him on the trip more clearly understood the solemn responsibilities of representing people as an elected official or sitting on the nation’s highest court.

Mr. Allen’s teaching career was not about achieving greatness, it was about inspiring greatness in his students. As much as he loved teaching, his students continue to return that love to him.

During his retirement ceremony, Mr. Allen read a poem by John W. Schlatter. The poem is in a book that sat on his desk every day of his teaching career – and is still on the desk of his home office today. It reads, in part: “I am the most fortunate of all who labor. A doctor is allowed to usher life into the world in one magic moment. I am allowed to see that life is reborn each day with new questions, ideas and friendships.” ✨

## PROTECTING YOUR IDENTITY

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Each year, millions of Americans find themselves victims of identity theft.

There are many ways that thieves will seek to learn personal financial information and victims usually don't know that they have been compromised until they start to notice unusual bills, collection statements, or other unauthorized financial activity.

Understanding how to protect your personal information and what to do if you think your identity has been stolen are important to protecting your financial security. ✦

### EQUIFAX DATA BREACH

Earlier this year, 145 million Americans had personal information compromised in a massive data breach at credit reporting company Equifax.

Whether your information was exposed in the data breach or not, you can receive a year of free credit monitoring if you enroll by January 31, 2018 by visiting [www.equifaxsecurity2017.com](http://www.equifaxsecurity2017.com).

You should also request your credit reports from each of the three national credit bureaus by calling 1-877-322-8228 or visiting [www.annualcreditreport.com](http://www.annualcreditreport.com).

This is a free service, required by The Fair Credit Reporting Act, and is available to anyone who has a credit report. If you see accounts or activity that you don't recognize, that could indicate identity theft. ✦

### THINK YOUR IDENTITY HAS BEEN STOLEN?

If you suspect that your sensitive personal information has been used, you should immediately contact the fraud department at each of the companies where the fraud occurred and let them know your identity has been stolen and ask the company to "close" or "freeze" your account.

It is important that you also change your passwords, as well as the Personal Identification Numbers for your accounts.

Next, place a "fraud alert" with one of the three national credit bureaus. You only need to contact one of the three companies listed below, as the companies are required to share "fraud alert" information with the other two companies.

**Experian:**  
1-888-397-3742 or  
[www.Experian.com/fraudalert](http://www.Experian.com/fraudalert)

**TransUnion:**  
1-800-680-7289 or  
[www.TransUnion.com/fraud](http://www.TransUnion.com/fraud)

**Equifax:**  
1-888-766-0008 or  
[www.Equifax.com/CreditReportAssistance](http://www.Equifax.com/CreditReportAssistance)

You may also report the theft of your identity to the Federal Trade Commission, which is our nation's consumer protection agency. You can visit [www.IdentityTheft.gov](http://www.IdentityTheft.gov) or call 1-877-438-4338. You will be asked to provide as much detail on the theft as possible.

You also have the option of reporting identity theft with your local police department. When visiting your police station, be sure to bring your photo I.D. as well as the report you filed with the Federal Trade Commission. ✦

## RETIREMENT SYSTEM UPDATE

### R.I. Pension Fund Earns \$851 Million in Fiscal Year 2017, Returns 11.6%

Rhode Island’s pension fund earned 11.62% outperforming the plan’s benchmark and growing to \$8,041,060,035 in the fiscal year ending on June 30, 2017.

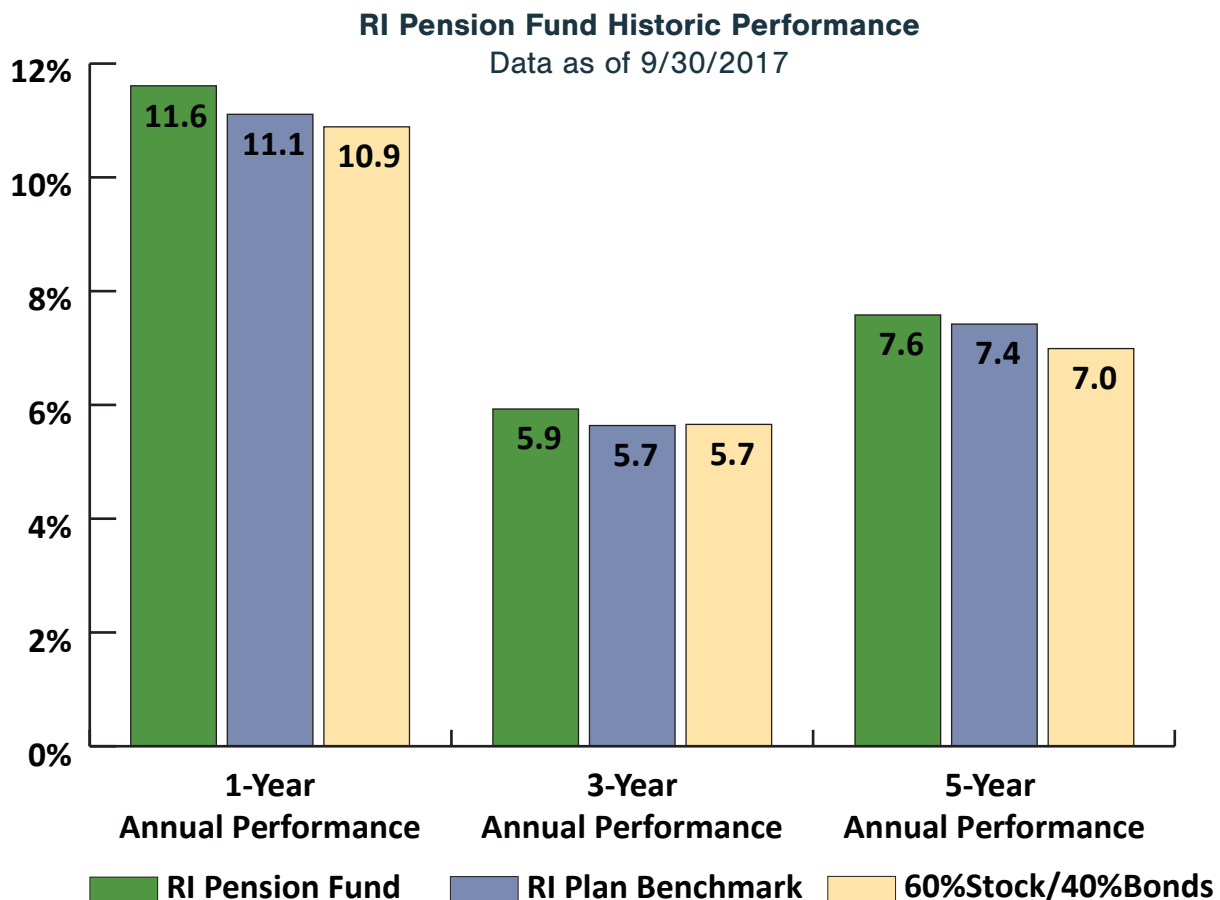
“Our ‘Back to Basics’ investment approach is improving investment returns for the fund,” said Treasurer Magaziner. “My office will continue to work on strengthening retirement security for our public employees.”

The fund earned \$851,428,237 in fiscal 2017. Net investment performance was 11.62%, beating both the 11.34% return of the fund’s benchmark, as well as the 10.80% return for a traditional 60% stock/40% bonds investment portfolio.

Rhode Island’s net investment performance also outperformed its benchmark for the one, three, five and ten-year periods ending June 30, 2017.

For the 12-month period ending September 30, 2017, the pension fund earned over \$872 million, with a return of 11.6 percent, which beat the plan’s 11.1 percent benchmark and a traditional 60% stock/40% bonds portfolio which would have earned 10.9 percent.

In September 2016, Treasurer Magaziner announced a Back to Basics investment strategy for the Rhode Island pension fund, which includes a significant reduction in the State’s investments in hedge funds. ✦



# COMPASS

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- *Protecting Your Identity*
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- *2017 Legislative Update*
- *Retirement System Update*
- *Message from Treasurer Magaziner*

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Seth Magaziner, General Treasurer  
Chairman, ERSRI Board