

COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER

Every day, my focus as your Treasurer is to ensure all Rhode Islanders – especially those teachers, state and municipal employees, firefighters, and police officers who have spent your life in public service – have a secure retirement. The entire Retirement System team and I work to continually improve member services and financial performance to benefit all active employees and retirees of the Employees' Retirement System of Rhode Island.

I am pleased to report that the pension fund continues to have steady performance under our Back to Basics investment strategy. At the close of the most recent fiscal year, the funded status of the full pension system reached its highest level in more than 13 years, with more than \$10 billion in assets.



Additionally, we continue to use our influence to encourage companies we invest in to adopt more sustainable and responsible business practices in order to further strengthen our long-term investments. On page 3, you will find more detailed updates on our investment performance and shareholder engagement work.

Our commitment to improving customer service is continuing to produce results as well. Our Member Services team is now providing one-on-one retirement counseling to all members who are within three years of their retirement eligibility, and in the coming months we will upgrade ERSRI.org into a brand new user-friendly website.

In this issue we will also introduce you to my friend Pat Page, an educator at East Greenwich High School who has been a tireless advocate for expanding personal finance education to all Rhode Island high school students. You can learn more about Pat, a former Rhode Island Teacher of the Year, on page 4.

I am honored to serve all of you as your General Treasurer and witness the power of public service every day.

Seth Magaziner
– Seth Magaziner

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RETIREMENT SYSTEM UPDATE



ASK FRANK

Q: Tax time will be here soon, which means retirees will need a 1099-R to complete their tax returns. When can I expect my 1099-R?

A: The 1099-R form will include details concerning the benefit distributions you received during the 2021 tax year and should be used when filing your 2021 federal income taxes. The 1099-R's will start to go out in the mail to payees starting on January 10th and all members can expect to receive them by the end of January.

To ensure the 1099-R goes to the correct address, we encourage you to verify that we have your current address by visiting ERSRI.org. You can also get a copy of your 1099-R

by successfully logging into your account, select the ERS, MERS, etc. link to view your pay statement or your 1099-R form.

Q: I need to drop off documents to ERSRI – are you open?

A: The ERSRI Member Service Center lobby is open from 8:30 AM to 4:00 PM Monday-Friday for members who need to obtain forms or drop off documents.

All visitors are required to wear a mask. We can take walk-ins but for faster service, we encourage members to call or email the Member Service Center for assistance or to schedule an appointment.

Limited-contact drop-off is also available using our secure drop-box in our foyer.

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



Frank Karpinski has received the Gary S. Sasse Award for his outstanding contributions to state government from the Rhode Island Public Expenditure Council at their 78th Annual Meeting on November 1st. This is a well-deserved honor for Frank, who has served ERSRI members with integrity, professionalism, humor and care for 27 years. Congratulations, Frank!

INVESTMENT UPDATE

The Rhode Island pension fund continued its steady performance in recent months under the Back to Basic's investment strategy, ending the month of November with more than \$10.5 billion in assets. The pension fund significantly outperformed the U.S. stock market. As of November 30, 2021, the pension fund has outperformed a traditional 60% stock/ 40% bond benchmark over the past year by a wide margin, 17.5% versus 10.8%.

Due to our strong investment performance, the overall funded status of the pension system across all plans has reached its highest level since 2008, at 63.9%. This means that the system is more financially secure, and continuing to improve. Among the 117 municipal plans in the system, 37 are more than 100% funded (up from 30 last year), and 81 are at least 80% funded (up from 76 last year).

Additionally, the pension system was recognized for its commitment to transparency by the Government Finance Officers Association (GFOA) with a Certificate of Achievement for the fourth year in a row. The GFOA Certificate of Achievement is the highest form of recognition in governmental accounting and financial regulation.

Additional information about the Rhode Island pension system, 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

SHAREHOLDER ENGAGEMENT UPDATE

As an investor in some of the world's largest companies, the Rhode Island pension fund continues to use its influence to compel many of those companies to adopt more responsive behavior on key issues like climate change, workers' rights, and corporate diversity.

Here are some examples from the past year of how your power as investors through the Rhode Island pension system has made a difference in recent years:

- Filing a shareholder proposal at Walmart aimed at reducing greenhouse gas emissions
- Joining the call for hazard pay for Stop and Shop employees in the early months of the Covid-19 pandemic
- Initiating a shareholder lawsuit at Facebook regarding inappropriate use of user data
- Successfully pressuring the NASDAQ stock exchange to require all listed companies to report data regarding diversity on corporate boards

In October, Treasurer Magaziner released a report on his work to use the influence of the \$10.4 billion pension fund to compel companies to adopt more responsible corporate practices on climate change, workers' rights, corporate diversity and other key issues. Highlights of the report include actions to reduce prescription drug costs, fight opioid distributors, continue hazard pay for essential workers, protect user privacy on Facebook and increase corporate diversity.

A full report on Rhode Island's shareholder engagement work is available at: www.treasury.ri.gov/shareholderengagement

MEMBER PROFILE



DR. PATRICIA PAGE, EDUCATOR, EAST GREENWICH HIGH SCHOOL

Patricia (Pat) Page, a Management and Finance educator, holds an MBA in Finance, a master's degree in education, and a PhD specializing in Educational Technology. Her varied career includes senior-management positions in the public and private sector with responsibility for corporate communications, organizational development, compensation and benefits, and information technology.

Dr. Page has spent the last 15 years in East Greenwich Public Schools. "With the support of my school district, my focus has been on financial literacy education for students, raising awareness about the need for it, and supporting educators who are teaching it," says Dr. Page. "Personal finance education is vital instruction for our students to succeed, whether by continuing their education or entering the job market."

"While working in the private sector I helped to on-board new employees, and it was painfully clear how few of them had enough knowledge to make really important decisions about retirement, healthcare, or flexible spending accounts. I knew that we needed to start this education before someone's first day on the job."

Even before she was named "Rhode Island's 2014 Teacher of the Year," Dr. Page had been advocating that all students receive high-quality personal finance instruction "that will equip them with skills that will prepare them for a successful financial future." She even raised the issue when she met with President Barack Obama.

"I had just about one minute to speak with the President. I thanked him for the work that his administration was doing in the financial education space and told him about the students I was teaching, who were pushing to establish financial literacy standards here in Rhode Island," recalls Dr. Page.

A diverse group of stakeholders, including Dr. Page, have been working to improve support and access for educators who are teaching financial education, to increase their access to teaching materials, and build their confidence to teach the subject.

Earlier this year, the Rhode Island General Assembly passed financial literacy legislation, proposed by Treasurer Magaziner, Dr. Page, and a broad coalition of educators, students, and advocates, which guarantees that all students in Rhode Island will receive financial literacy education prior to graduating high school.

"For years, Pat Page has provided valuable support, guidance, and feedback," said Treasurer Magaziner. "Our strongest advocates, who worked very hard to get a financial literacy bill passed, were teachers and students — students who very much wanted this to be taught, and teachers who are ready to teach it."

MEMBER SERVICES UPDATES

The Retirement System now offers one-on-one retirement counseling for members who are within 3 years of their retirement eligibility date.

To request benefit information or schedule a personalized retirement counseling session, you can visit www.ersri.org and click on "I am a member."

ERSRI BENEFIT PAYMENT SCHEDULE 2022

PAYMENT MONTH	PAYMENT DAY	BENEFIT PAYMENT DATE
January	Monday	January 31, 2022
February	Monday	February 28, 2022
March	Thursday	March 31, 2022
April	Friday	April 29, 2022
May	Tuesday	May 31, 2022
June	Thursday	June 30, 2022
July	Friday	July 29, 2022
August	Wednesday	August 31, 2022
September	Friday	September 30, 2022
October	Monday	October 31, 2022
November	Wednesday	November 30, 2022
December	Friday	December 30, 2022

ERSRI pays in arrears on the **last business day** of each month

For example, the March 31st benefit payment covers the period of March 1st through March 31st.

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

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50 Service Avenue, 2nd Floor,

Warwick, RI 02886



Seth Magaziner, General Treasurer
Chairman, ERSRI Board

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