

COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER



Over the past year, we have taken a number of steps to ensure that our pension system is growing healthier, so that you have the secure retirement that you deserve.

We are in the process of implementing our 'Back to Basics' investment strategy, which is designed to provide stronger long-term growth and greater stability for the fund.

With 'Back to Basics' we are moving away from high-cost hedge funds in favor of more traditional strategies for growth and stability. I am pleased to share that we are ahead of schedule, having gotten more than \$340 million back from hedge funds, with a total of \$585 million expected back by the end of this summer.

We are also committing more attention to improving customer service for you, our members.

Listening to your feedback, we have launched efforts to reduce processing times for new retirement applications, streamlining the online tools available to members, and finish bringing our database into the 21st century.

While the process for implementing our improved customer service initiative will take time, we are working to give Rhode Island the highest-quality customer service experience possible.

In this issue of COMPASS we recognize the service of ERSRI's Assistant Executive Director Diane Bourne, who retired this Spring after 24 years with ERSRI. We also highlight the work of one of the members of our system, North Kingstown High School's Richard Garland, who is Rhode Island's 2017 Financial Literacy Educator of the Year.

I hope you enjoy the rest of your summer and, please, let us know if there is anything that we can do for you .

Best,

Seth Magaziner

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ERSRI's Assistant Executive Director Retires

Diane Bourne Retiring after 24 years with Treasury

Following twenty-four years with Employees' Retirement System of Rhode Island, the last sixteen of them as Assistant Executive Director, Diane Bourne retired in May 2017.

"I am grateful for the opportunity to work with terrific public servants like Diane," said Treasurer Seth Magaziner. "There is no doubt that ERSRI is a better-run, and more member-focused, organization because of her dedication".

Ms. Bourne joined ERSRI in March 1993 and was named Assistant Executive Director in 2001.

"Over nearly a quarter century, I have had the privilege to work directly with countless members of the retirement system," said Ms. Bourne.

"While I am looking forward to retirement, I will certainly miss the daily interaction with my colleagues at ERSRI – especially with ERSRI's Executive Director, Frank Karpinski," she added.

During her time at ERSRI, Diane was involved in the design and development of systems that moved the pension fund away from being completely manual and paper-based.

With her leadership, ERSRI implemented technology which uses imaging and automation to significantly improve the speed and accuracy of data processing, creating a more efficient and consumer-friendly system for our members. ✦

Kate Brock to Succeed Bourne as Assistant Executive Director

Kate Brock, who previously served as ERSRI's Director of Member Services, has been appointed to serve as ERSRI's Assistant Executive Director.

"No one can replace Diane," said Ms. Brock. "For decades, she has been a mentor and valued colleague to all of us at ERSRI. We are all thrilled for her and wish her a long and fulfilling retirement."

As Director of Member Services, Kate oversaw ERSRI's retirement counseling, disability, and customer experience departments. She has led efforts to streamline processes and improve member communications.

Additionally, Kate led the successful launch of a new online member portal last summer.

As Assistant Executive Director, Kate will oversee improvements to members' customer service experience, including improved counseling and additional resources for early- and mid-career members.

Prior to joining ERSRI, Kate was the Director of Government Programs for Delta Dental of Rhode Island where she headed up the company's customer focus initiative. ✦



Diane Bourne was featured in the Summer 2001 Issue of Compass when she was Promoted to Assistant Executive Director

Richard Garland: Financial Educator of the Year

Treasurer Magaziner recently paid a surprise visit to North Kingstown High School to honor Richard Garland as Financial Literacy Educator of the Year. The award recognizes teachers who excel in and out of the classroom to provide their students with the financial literacy skills they need to successfully navigate our complex financial system.



Mr. Garland, who left the private sector to begin teaching five years ago, was nominated for the award by both his students and colleagues. Mr. Garland serves as advisor to the school’s Business Club, helping students compete in the Jump\$tart RI Personal Financial Challenge, and partners with People’s Credit Union to fund the school’s financial literacy curriculum.

“Mr. Garland takes a personal interest in his students sending lengthy emails to individual families on how to best assist their children and how he can partner with them. This is why everyone succeeds in his classes,” said North Kingstown High Principal Denise Mancieri.

“In everything he does, Mr. Garland refuses to let us feel trapped in the classroom,” wrote one student in support of Garland. “His teaching style, full of his own experiences, hooked me on his classes. His own successes have made my goals appear to be in my reach.”

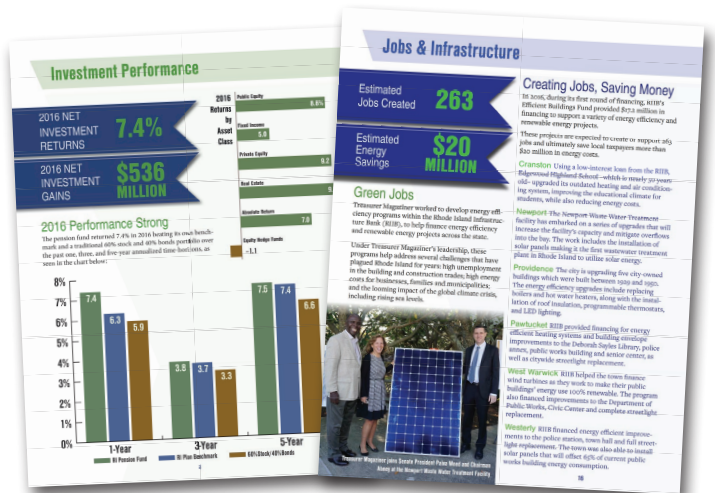
“It is my distinct pleasure to recognize Mr. Garland’s contribution to Rhode Island with this year’s Financial Literacy Educator of the Year award,” said Treasurer Magaziner. “He, like so many of our remarkable teachers, regularly goes above and beyond to prepare students for personal and professional success.” ✨

2016 Annual Report Now Available

General Treasurer Seth Magaziner released Rhode Island Treasury’s 2016 Annual Report, which contains highlights from the past year, including more than \$500 million in investment gains, the Treasurer’s new ‘Back to Basics’ investment strategy, turnaround of the state’s CollegeBound program, and a roundup of progress made in programs throughout Treasury.

“2016 was a productive and successful year for our team at Rhode Island Treasury,” said Treasurer Magaziner. “We announced significant changes to our pension investment strategy, completed a successful turnaround of the state’s CollegeBound program, launched a new program to help disabled Rhode Islanders become more financially secure, and began implementation of a new debt reform initiative that will help Rhode Island save money.”

Highlights in the report include the Treasurer’s turnaround of the state’s CollegeBound program –which is now ranked as one of the best 529 college savings plans in the country– as well as the launch of “Rhode Island’s ABLE”, a program allowing Rhode Islanders with disabilities save for disability-related expenses.



\$12 million of unclaimed property was returned to nearly 9,000 people during the year, and \$17.2 million in low cost financing was provided to municipal energy-efficiency projects across the Ocean State through the Treasurer’s green banking initiative. ✨

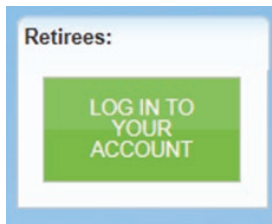
Visit: treasury.ri.gov/AnnualReport to download the full report.

HELPFUL NOTES

DOES ERSRI HAVE YOUR CURRENT EMAIL ADDRESS?

Each month, ERSRI sends an e-mail to retirees letting you know that your Pay Statement is available to view, as well as quarterly e-mails letting you know when *Compass* is available. Additionally, each year ERSRI mails 1099 tax statements to retirees.

To update your information, visit www.ersri.org and click on the green box on the top right of the screen to log into your account.



After logging in, click on the “Update My Personal Information” icon:



There, you will see a “Changing Your Personal Information” box (above right).

Simply update any outdated information and click the green “Update” button and you’re done.

If you need assistance, please contact ERSRI at 401-462-7600. The ERSRI Customer Service Center is open Monday - Friday from 8:30 a.m. until 4:00 p.m. ✦

REPORTING POST-RETIREMENT EMPLOYMENT

Rhode Island law limits when, how much and for whom retirees from the Employees’ Retirement System of Rhode Island can work before pension payments must be adjusted or suspended.

As of October 1, 2016, retirees must have a 45-day break in service prior to beginning post retirement employment. There are also certain reporting requirements that employers and retirees must follow.

ERSRI has recently implemented a post-retirement reporting system that will make it easier for both retiree members and their employer to track time worked and money earned.

Employers now have the ability to submit post-retirement information directly through the “Employer” portal at www.ersri.org.

The new system automatically keeps track of post-retirement hours worked and salary earned for each member, even if member works for multiple employers. Additional functionality is being planned for the future, including the ability of members to track their own post-retirement employment information.

Members who are participating in post-retirement employment should log into their online account at www.ersri.org and use the “Pension Profile” tool to confirm post-retirement earnings or days reported by their employer. Members should contact their employer with questions regarding the information reported to ERSRI.

If you have questions about how the post-retirement employment rules apply to your specific situation, please contact ERSRI at (401) 462-7600. ERSRI representatives are available Monday through Friday from 8:30 a.m. – 4:00 p.m.

For more information on the rules governing post-retirement employment visit www.ersri.org and click the “Post Retirement Employment” tab. ✦

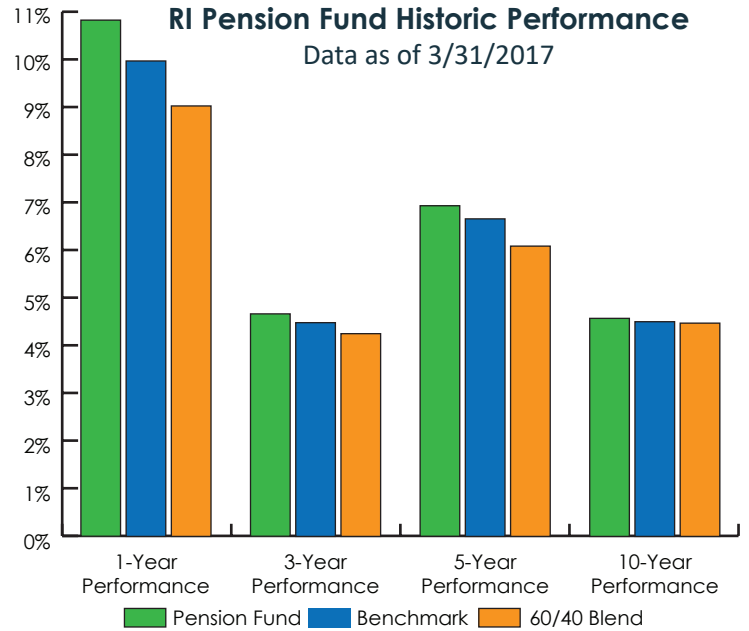
ERSRI Update

Six months after announcing its 'Back to Basics' investment strategy, Rhode Island's pension fund is continuing a strong run, posting a 1-year return of 10.8%, which amounts to more than \$750 million in investment earnings.

The pension fund has beaten its own internal benchmark and a traditional 60% stock/40% bond portfolio across 1,3,5 and 10-year time periods.

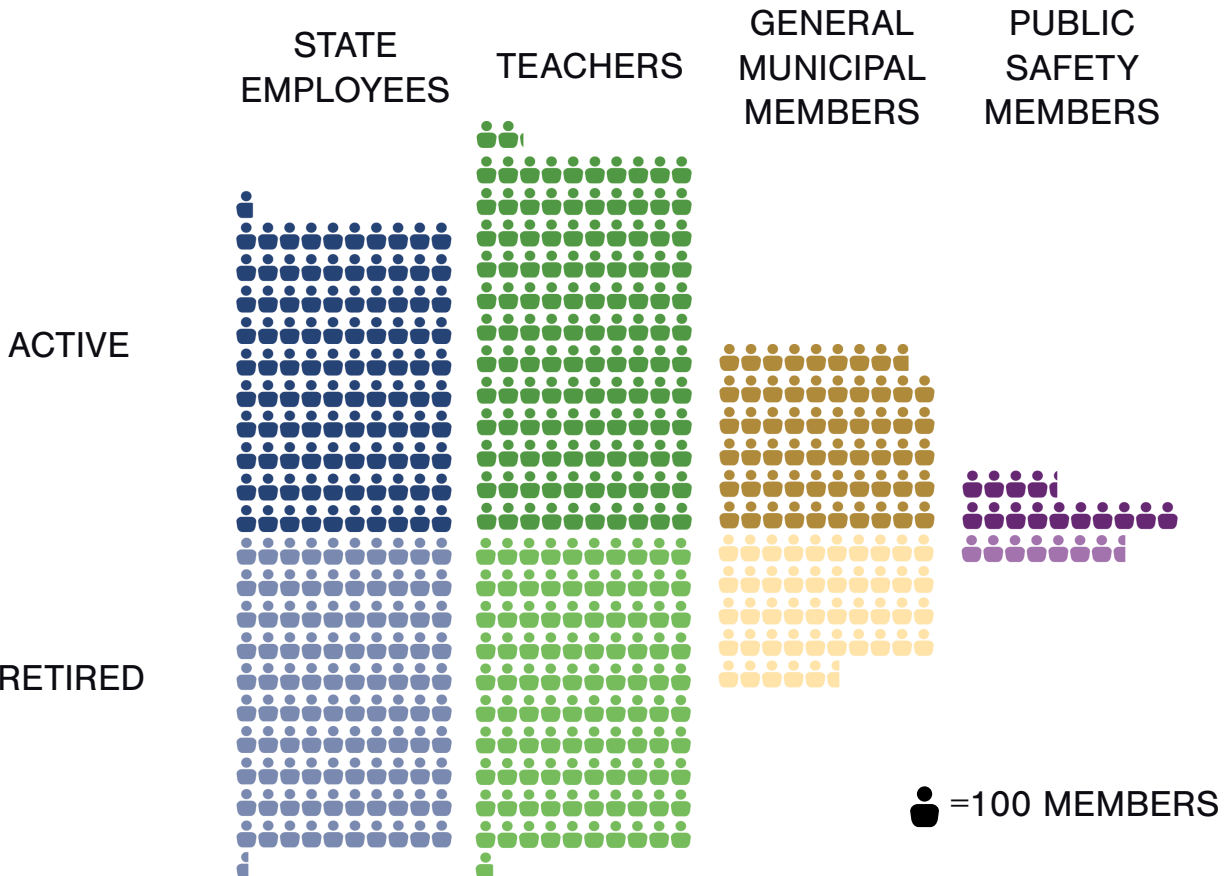
In a move designed to provide stronger long-term growth and reduce risk, the state is moving away from most of its investments in high-cost hedge funds.

To date, the State has redeemed more than \$340 million from hedge funds and expects that number to grow to more than \$500 million by Summer 2017. That money will be invested in more traditional strategies for growth and stability. ↗



ERSRI MEMBERSHIP BREAKDOWN

Data as of 1/1/2017



COMPASS

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IN THE SUMMER 2017 COMPASS NEWSLETTER

- *NK's Richard Garland named Financial Educator of the Year*
- *Stay in-the-know with emails from ERSRI*
- *Highlights from Treasury's 2016 Annual Report*
- *ERSRI membership by the numbers*
- *ERSRI's Asst. Dir. Diane Bourne retires, Kate Brock assumes role*
- *Message from Treasurer Magaziner*

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Seth Magaziner, General Treasurer
Chairman, ERSRI Board