

# Compass

NEWSLETTER OF THE EMPLOYEES RETIREMENT SYSTEM OF RHODE ISLAND

## NEW ERSRI EXECUTIVE DIRECTOR APPOINTED Frank J. Karpinski

Treasurer Paul Tavares and the ERSRI Board have announced that Frank Karpinski has been named the new executive director of the Employees Retirement System of Rhode Island. Karpinski, who has served as ERSRI assistant director in charge of finance for six years, replaces Joann Flaminio who resigned in July to pursue private-sector opportunities.



“Frank brings a wealth of experience in finance, a superior knowledge of pension issues and an interactive, team-building management style to the position of executive director,” said Treasurer Tavares. “We look forward to Frank taking the reins of this system and guiding us through our aggressive

modernization project, as well as the day-to-day functions of assisting over 55,000 R.I. retirement system members. I am confident he will provide the strong and proactive management our system requires.”

A nationwide search for candidates was conducted by Executive Management Search of Rhode Island, Inc., and a subcommittee of Board members conducted interviews of recommended candidates. After the interview process, the subcommittee recommended their top two choices to the full Board, with Frank listed as their number one choice. The Board conducted interviews at a special meeting on

February 2. At the monthly meeting on February 14th, the Board unanimously voted to appoint Frank Karpinski as the new executive director.

In his prior ERSRI role, Frank was responsible for managing the daily financial operations of the system, leading the \$16.8 million computerization project and for coordinating and analyzing annual actuarial valuations. Frank took an aggressive approach to improving financial processes in the office. He eliminated a 90-day backlog in pension contribution processing and converted an agency-wide, manual-based pension computation procedure into an automated, streamlined process.

Before coming to ERSRI, Frank spent seven years at Fidelity Investments in Boston, first serving as an assistant supervisor for Transfer Agent Accounting and Control, then a control specialist, and later, as a fund reporting specialist.

Frank, a native Rhode Islander, received a BA in Business Administration from Bryant College in 1993. He is a member of the Government Finance Officers Association (GFOA) and serves as northeast director of the Public Retirement Information Systems Management (PRISM). He began in his new capacity immediately following the vote.

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*Investment Notes from*

**GENERAL TREASURER**

**Paul J. Tavares**

**W**e are excited that the largest investment ever approved by the Retirement Board is a contract with Covansys of Providence and Columbus, Ohio for the complete computerization of the retirement system. The \$16.8 million computer project, approved in December, 1999 includes the design, creation and implementation of a custom software system and a new interactive website to increase the efficiency of our system and provide enhanced service to our members.

The retirement office administers contributions and benefits for over 55,000 members, all in paper files. It is a cumbersome and antiquated system requiring manual calculations and review. Waiting periods of several weeks to several months for purchase invoices and benefit estimates are not uncommon, but are unavoidable under the present system. The new system, which will be installed in two stages, will alleviate these problems and provide a back-up of e-files for each person's information.

#### ***Stage 1 - Active Members / Wages & Contributions***

Stage 1 began in February, 2000, and involves all workings of active members and wage and contribution reporting. By the end of Stage 1, municipalities will be sending payroll contributions electronically, to ensure the most timely and accurate method of accounting. During Stage 1, computer specialists from Covansys have worked closely with retirement office staff. Covansys must ensure that every application now performed manually is converted—and in most cases enhanced—by a software application. New computers have already replaced outdated models in preparation for the first applications of the new system, dubbed "Anchor."

Scanning of the paper in all active member files is underway. Once all paper data is converted to electronic or "e-files," the original files will be archived. Currently, new information received is immediately converted to e-file. Completion of Stage 1 is expected in November.

#### ***Stage 2 - Benefit Calculations & Retiree Payrolls***

Stage 2 of the program will begin in 2002, and will involve defining and designing programming for final benefit calculations and retirement payroll activities.

When both stages are complete, all aspects of member accounts will be computerized, allowing for efficient handling of service credit and benefit administration.

Completion of the "Anchor" project is scheduled for 2003, culminating with the debut of a fully interactive, secure website. Through the site, members will be able to access their accounts and perform their own benefit estimates, purchase requests, address and beneficiary changes, view account balances, adjust pension deductions, and see up-to-date information on retirement issues.

Upon completion of the project, an immediate return on this investment will be recognized by the membership through these additional services. The "Anchor" system will bring ERSRI into the 21st century.

## **Compass**

**PUBLISHED FOR THE ACTIVE AND RETIRED**

**MEMBERSHIP OF ERSRI**

**PAUL J. TAVARES, CHAIRPERSON**

**FRANK J. KARPINSKI, EXECUTIVE DIRECTOR**

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**VISIT OUR WORLD WIDE WEB HOMEPAGE:  
[HTTP://WWW.STATE.RI.US/TREAS/ERSRI.HTM](http://WWW.STATE.RI.US/TREAS/ERSRI.HTM)**

# LEGISLATIVE UPDATE

## 1999-2000

**H**ere is a summary of some of the retirement legislation that was enacted into law during the 1999 and 2000 sessions of the General Assembly.

### *Public Laws 99-344 and 99-356, Refund of Contributions (amends R.I.G.L. 36-10-8)*

This legislation clarifies the retirement system's statute on refund of contributions and policy on a terminating member's refund of contributions. All ERSRI and MERS members receive no interest on a refund of contributions upon termination of membership and employment.

### *Public Law 99-487, Teachers' Retirement, Out-of-State Service Time and Private School Teaching Time*

This law allows ERSRI teacher members to purchase service credit for out-of-state and private teaching time in increments of one year. The law was enacted on July 8, 1999 and became effective upon passage.

### *Public Laws 00-334 and 00-458, Teachers' Retirement (amends R.I.G.L. 316-16-24)*

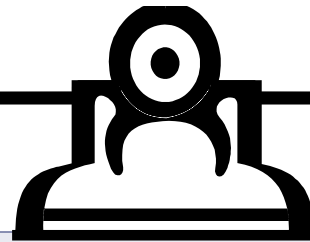
These amendments, effective July 20, 2000, allow retired teachers to substitute for an absent classroom teacher at state and R.I. public schools for up to 90 days (or 180 half-days of 3 hours or less) in any one school year, and still collect a retirement benefit.

### *Public Law 00-199, Membership and Service Credits*

The passage and enactment of this law on July 13, 2000 allows ERSRI members to participate in a tax-qualified, ERISA-covered union retirement plan while retaining membership and benefits from ERSRI.

### *Public Laws 00-349, 00-468, and 00-495, Post retirement employment (amends R.I.G.L. 36-10-36)*

Section 36-10-36, which allows retired ERSRI and MERS retirees to be employed on a part-time bases by any state college, university or state school for providing classroom instruction, academic advising or coaching, was amended to allow compensation of up to \$12,000 gross pay in a calendar year. The \$12,000 limit also applies to ERSRI retired teachers and state employees (those certified while active employees) who provide classroom instruction in driver education or motorcycle driver education courses for the department of elementary and secondary education. The amendments were effective July 20, 2000.



### *From Our Counselors*

If you're retiring, plan on 2-3 months after you terminate before you receive your first pension check. Your first check will be retroactive, but you should arrange your finances to allow for the wait.

Your retirement benefits are payable the day after you terminate or the first day of the month in which this office receives your retirement application, whichever is later.

Send your retirement application in early, and don't forget any other requested paperwork. The sooner all paperwork is in ERSRI's office, the sooner your retirement can be processed.

# Handy Pension Guide *for State Employees*

**H**ow much will your pension be? That depends on your years of service and your average salary (based on your 3 highest consecutive years) when you retire. For a *general estimate*, check the chart to the right. Start at the left side of the chart and find your years of service (you must have at least 10 contributing service years to be eligible for a benefit) then travel to the right to the appropriate column for any additional months of service you may have. Don't forget to add in any purchased service credit. Multiply the percentage you arrive at by your average salary to reach an estimate of your annual benefit. For example, if you have 27 years 9 months of service, your pension would be 59.25% of your (average) salary.

*The chart provides a general estimate for the SRA Maximum plan payment option, and is only for informational purposes. The chart is not to be considered nor relied upon as an estimate provided by ERSRI.*

Thinking of retiring? Contact ERSRI to set up an appointment with a retirement counselor. During your visit, you will be provided with a detailed written estimate of your pension that includes all payment options.

# es & Teachers

## STATE/TEACHERS PENSION CHART

### Additional Months

YEARS of SERVICE	Additional Months											
	0	1	2	3	4	5	6	7	8	9	10	11
10	17.00	17.16	17.32	17.48	17.63	17.79	17.95	18.11	18.27	18.43	18.58	18.74
11	18.90	19.06	19.22	19.38	19.53	19.69	19.85	20.01	20.17	20.33	20.48	20.64
12	20.80	20.96	21.12	21.28	21.43	21.59	21.75	21.91	22.07	22.23	22.38	22.54
13	22.70	22.86	23.02	23.18	23.33	23.49	23.65	23.81	23.97	24.13	24.28	24.44
14	24.60	24.76	24.92	25.08	25.23	25.39	25.55	25.71	25.87	26.03	26.18	26.34
15	26.50	26.66	26.82	26.98	27.13	27.29	27.45	27.61	27.77	27.93	28.08	28.24
16	28.40	28.56	28.72	28.88	29.03	29.19	29.35	29.51	29.67	29.83	29.98	30.14
17	30.30	30.46	30.62	30.78	30.93	31.09	31.25	31.41	31.57	31.73	31.88	32.04
18	32.20	32.36	32.52	32.68	32.83	32.99	33.15	33.31	33.47	33.63	33.78	33.94
19	34.10	34.26	34.42	34.58	34.73	34.89	35.05	35.21	35.37	35.53	35.68	35.84
20	36.00	36.25	36.50	36.75	37.00	37.25	37.50	37.75	38.00	38.25	38.50	38.75
21	39.00	39.25	39.50	39.75	40.00	40.25	40.50	40.75	41.00	41.25	41.50	41.75
22	42.00	42.25	42.50	42.75	43.00	43.25	43.50	43.75	44.00	44.25	44.50	44.75
23	45.00	45.25	45.50	45.75	46.00	46.25	46.50	46.75	47.00	47.25	47.50	47.75
24	48.00	48.25	48.50	48.75	49.00	49.25	49.50	49.75	50.00	50.25	50.50	50.75
25	51.00	51.25	51.50	51.75	52.00	52.25	52.50	52.75	53.00	53.25	53.50	53.75
26	54.00	54.25	54.50	54.75	55.00	55.25	55.50	55.75	56.00	56.25	56.50	56.75
27	57.00	57.25	57.50	57.75	58.00	58.25	58.50	58.75	59.00	59.25	59.50	59.75
28	60.00	60.25	60.50	60.75	61.00	61.25	61.50	61.75	62.00	62.25	62.50	62.75
29	63.00	63.25	63.50	63.75	64.00	64.25	64.50	64.75	65.00	65.25	65.50	65.75
30	66.00	66.25	66.50	66.75	67.00	67.25	67.50	67.75	68.00	68.25	68.50	68.75
31	69.00	69.26	69.50	69.75	70.00	70.25	70.50	70.75	71.00	71.25	71.50	71.75
32	72.00	72.25	72.50	72.75	73.00	73.25	73.50	73.75	74.00	74.25	74.50	74.75
33	75.00	75.25	75.50	75.75	76.00	76.25	76.50	76.75	77.00	77.25	77.50	77.75
34	78.00	78.17	78.33	78.50	78.67	78.83	79.00	79.17	79.33	79.50	79.67	79.83
35	80.00 (Maximum percentage)											

# Retirement Board ELECTION 2000

## RESULTS

The retirement board election held in January, 2000 resulted in one new member elected to serve on the Board, and three incumbent retirement board members being re-elected.

The only change to the composition of the Board resulted from the election of Michael E. Reis, a lieutenant with the Department of Corrections, who won a state employee seat.

There was no teacher member election due to the fact that no one ran against the two incumbent teacher members, who will serve another four years on the Retirement Board. Board members John P. Maguire and William B. Finelli, who ran unchallenged, remain the two teacher members on the Retirement Board.

### Retirement Board of the Employees Retirement System of R.I.

Paul J. Tavares, *General Treasurer, Chairman*

William B. Finelli, *Vice Chairman, Teacher Rep.*

Ponzi A. Angelone, *C.L.U., Public Representative*

Daniel L. Beardsley, *R.I. League of Cities and Towns*

Michael R. Boyce, *Retired Member Representative*

Leslie E. Clark, *Municipal Representative*

Rep. Gordon D. Fox, *House Finance Comm. Designee*

John P. Maguire, *Teacher Representative*

John A. Marginson, *Public Representative*

Stephen McAllister, *State Budget Officer*

Sandra Murphy Crowe, *Dir. of Administration, Designee*

Michael F. O'Keefe, *House Fiscal Advisor*

Linda C. Riendeau, *State Employee Representative*

Michael E. Reis, *State Employee Representative*

Sen. John M. Roney, *Senate Finance Comm. Designee*

The Retirement Board was sworn in at the March, 2000 meeting, at which time William B. Finelli was also re-elected as vice-chairman of the Board. Members of the Retirement Board serve four years.

# Outreach Retirement Counseling SCHEDULE

ERSRI's Member Services department takes to the road from October to May to provide retirement counseling services to its many members. In order to meet with one of our retirement counselors at an outreach location, you must first call ERSRI and arrange an appointment. Days and locations are listed below.

### First Tuesday of each month:

**Woonsocket Senior Center**  
84 Social Street, Woonsocket RI

### First Wednesday of each month:

**Greenville Public Library**  
Putnam Pike, Smithfield RI

### Third Wednesday of each month:

**Middletown Town Hall**  
350 East Main Road, Middletown RI

### Second and fourth Wednesday of each month:

**Washington County  
Government Center, Room 109**  
Tower Hill Road, Wakefield RI

Of course, you may also arrange an appointment in our main office in Providence if you wish. Contact Member Services at 222-2203 ext. 206 to arrange an appointment.

# Do you have over 10 years of Service?

## *Optional Annuity Protection*

Optional Annuity Protection (OAP) is available to members with 10 years or more of contributing service credit. If you have over 10 years of service credit in the Retirement System, you've earned a benefit that can be left to someone you love should you die before your retire. OAP allows you to name a beneficiary who, in the event of your death prior to retirement, will be offered the option of a monthly lifetime annuity or a return of your contributions.

**If you're completed a regular beneficiary form and named only your spouse, he or she will automatically receive the option of an annuity or a return of your contributions.**

**Police and Fire Members should NOT complete an OAP form unless naming someone other than a spouse.**

Complete the form below and return it to ERSRI, 40 Fountain St., Providence RI 02903-1854 if you wish to name an OAP beneficiary. This designation will be void upon your retirement.

### OPTIONAL ANNUITY PROTECTION (OAP) FORM

ERSRI MEMBER INFORMATION	
MEMBER'S NAME	SOCIAL SECURITY NUMBER
ADDRESS	DATE OF BIRTH
CITY, STATE, ZIP	
CHECK ONE:	<input type="checkbox"/> STATE EMPLOYEE <input type="checkbox"/> PUBLIC SCHOOL TEACHER <input type="checkbox"/> MUNICIPAL EMPLOYEE
OAP BENEFICIARY INFORMATION	
NAME	SOCIAL SECURITY NUMBER
ADDRESS	DATE OF BIRTH
CITY, STATE, ZIP	
MEMBER'S STATEMENT AND SIGNATURE	
<p>I hereby designate the above-listed individual to be my OAP beneficiary. This designation shall replace any Optional Annuity Protection form currently on file with the Employees Retirement System of Rhode Island and shall remain in effect until such time as a new completed OAP beneficiary form is received by the system.</p>	
Signature _____	Date _____
Print Name _____	

# Aging Study Needs Elderly Volunteers

The Harvard Medical School, Children's Hospital and the Beth Israel Deaconess Medical Center of Boston are conducting research studies on aging. They are looking for genes that enable some people to avoid diseases that so commonly afflict the elderly.

The research team is seeking the following participants:

- Persons 100 years or older who do not have living brothers or sisters aged 90 or older;
- Persons 98 or older and their living brothers or sisters who are at least 90 years old.

The research team will ask questions about the participant's health and family history, and will also take a small blood sample.

If you or someone you know would like to discuss participation in the study, please call Dr. Louis Kunkel or Stephanie Jo Brewster toll-free 1-877-890-4080.

F.Y.I. F.Y.I. F.Y.I. F.Y.I. F.Y.I. F.Y.I. F.Y.I.

## Is Your Favorite Charity *Really Charitable?*

The **American Institute of Philanthropy (AIP)** is a nationally prominent charity watchdog service whose purpose is to help donors make informed giving decisions. AIP reports on numerous charities so you can choose the organization that will best use your donation for its intended purpose. For more information, please contact AIP directly:

**The American Institute of Philanthropy**  
4905 Del Ray Avenue, Suite 300W  
Bethesda, Maryland 20814  
Phone: (301) 913-5200  
[HTTP://WWW.CHARITYWATCH.ORG](http://www.charitywatch.org)

Bulk Rate  
U.S. Postage  
Permit No. 1286  
Providence, RI

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Paul J. Tavares, General Treasurer  
Chairman, ERSRI Board