

COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

A MESSAGE FROM GENERAL TREASURER SETH MAGAZINER

At Treasury, we work every day to ensure that you, our state and municipal employees, teachers, firefighters, and police officers, have financial security during your retirement.

Our 'Back to Basics' investment strategy continues to deliver strong performance for members. To date, the State has redeemed more than \$555 million from hedge funds, reallocating that money into investments designed to add stability in challenging global equity markets. In fiscal year 2018, for the second year in a row, we outperformed our internal benchmark, as well as a standard 60% stock/ 40% bonds portfolio. You can read more about the fund's investment performance on page two.

I am pleased to share that ERSRI recently hired two new retirement counselors with a goal of improving our service to members, including reducing the time it takes to provide pension estimates for active members and process retirement paperwork. We are also working to make the online tools easier to use for our members and to bring our database into the 21st century.

In this issue of Compass, you will find information on when to notify ERSRI of your plans to retire, Rhode Island Treasury's YOUR MONEY initiative, as well as a profile of Michael Jolin, who works with the Rhode Island Office of Veterans Affairs to ensure that every veteran has an opportunity to make it in Rhode Island.

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

Best,




Seth Magaziner

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RETIREMENT SYSTEM UPDATE

Investments Finish Fiscal Year Ahead of Benchmarks

The State’s pension fund finished its fiscal year ending on June 30, 2018 ahead of its investment target and benchmarks.

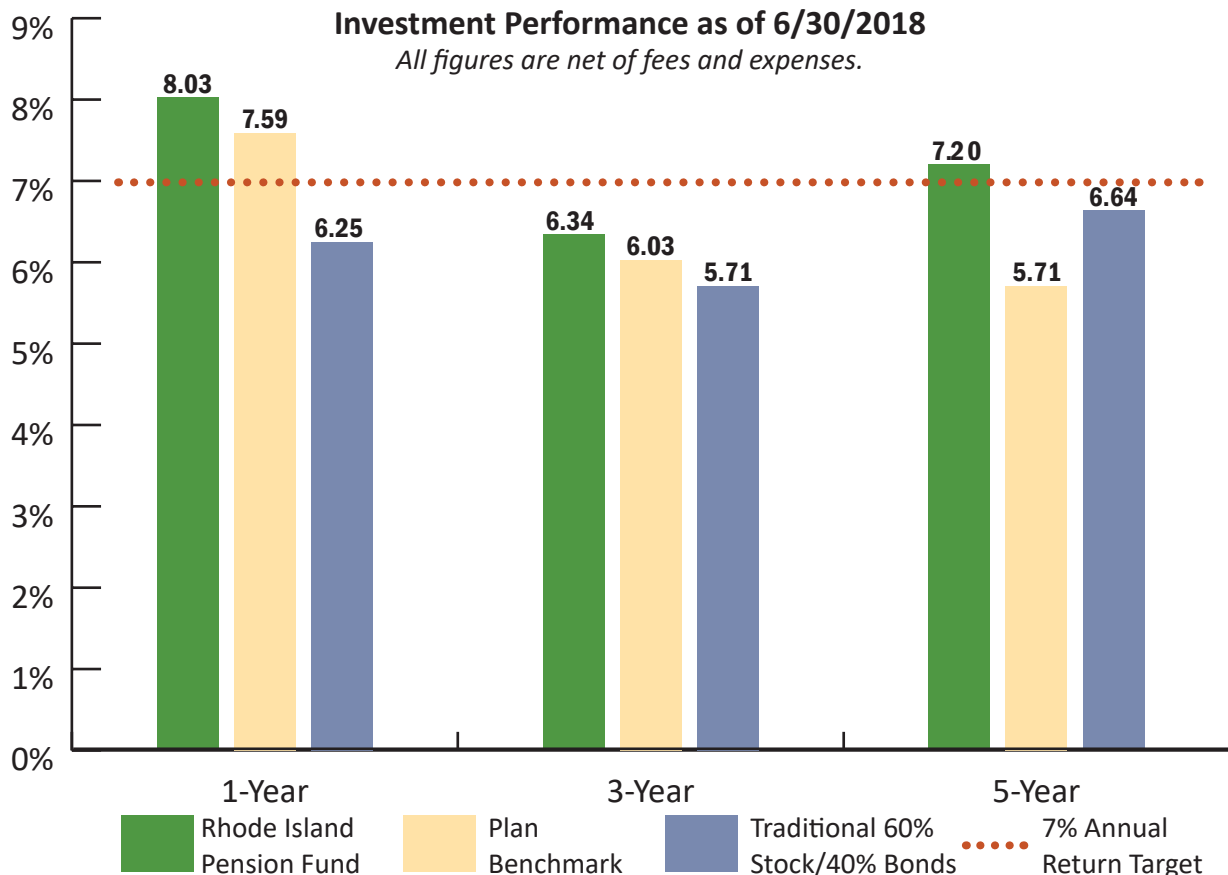
The fund returned 8.03 percent in the fiscal year ending June 30, 2018, compared to its 7.0 percent annual target and its own benchmark which returned 7.59 percent over the same period. The fund also outperformed a traditional 60 percent stock/40 percent bonds portfolio which would have earned just 6.25 percent.

With this fiscal year’s returns, the \$8.3 billion fund continued its strong performance under Treasurer Magaziner’s administration. Since taking office in January 2015, the fund earned more than \$1.67 billion from its investments, \$1.24 billion of which

has been earned since Treasurer Magaziner’s Back to Basics investment strategy was adopted in September 2016.

Part of the Back to Basics strategy includes exiting most hedge funds in favor of more traditional strategies for growth and stability. Over the past 12 months, investments in private equity returned 17.9 and global index funds earned 11.5 percent net of fees and expenses.

Investment information, including performance, fees and expenses, information about managers, the status of the fund, and public records requests are available online at the Treasurer’s Transparency Portal at: investments.treasury.ri.gov



MEMBER NEWS

Ask Frank

What happens if I leave my job before I reach my retirement eligibility date? Will my eligibility date be pushed out? Will my benefit be reduced?

If you leave your job and terminate employment with a participating employer but are vested in the system (currently 5 years of contributing service), you may begin collecting your pension benefit when you meet your retirement eligibility criteria — as long as you do not withdraw your contributions.

In some cases, your eligibility date may be adjusted if you leave employment prior to reaching your retirement date. However, your benefit will be the same as it was the day you left. There are options to receive your benefit prior to reaching your full eligibility date but they will require a reduction of your benefit.

If I leave my job before my retirement date, will I automatically receive my pension benefits when I retire?

It is your responsibility to notify the Retirement System of your eligibility and to fill out a retirement application approximately three to six months before you are eligible to begin collecting your benefit.

If you do not apply for your pension benefit when you first become eligible, you will not receive retroactive benefits to the date when you were initially eligible. Deferred benefits are payable beginning on your eligibility date or on the first of the month in which your completed application is received by ERSRI, whichever is later.

What should I do if I am planning to retire soon? When is the right time to contact the retirement system?

If you are planning to retire in the next nine months, please call ERSRI at 401-462-7600 to schedule your retirement counseling session. The Member Service Center is open Monday - Friday from 8:30 a.m. until 4:00 p.m.



Frank Karpinski
Executive Director, ERSRI

“Over the 24 years that I have worked for the Retirement System, first as Finance Director and in my current role as Executive Director, I have had the pleasure of meeting many of our members. Our team is working hard to improve service to our members, with a goal of reducing wait times and improving access to important information.”

MEMBER SPOTLIGHT

Meet Michael Jolin

Michael Jolin has spent the last 16 years of his career in public service, working at both the state and national level.

With 13 years in the U.S. Armed Forces, Mike currently serves as a Major in the Rhode Island National Guard, while working full-time at the Rhode Island Office of Veterans Affairs.

“I joined the Army Reserve at age 37. I had always wanted to serve, but life got in the way,” said Mike. “In 2005, the Army raised the enlistment age from age 34 to age 39, and I knew that this was my chance. When I reported to basic training, I was nearly 20 years older than most of the soldiers in my company, but it was a great experience and I knew I made the right choice.”

A practicing attorney, Mike enlisted as a truck driver – with a goal of expanding his skill set and to do something entirely different. Before long, his Training Officer convinced him that using his skills as a lawyer would provide a more positive impact for the Army and for soldiers. Consequently, Mike joined the Army’s Judge Advocate General Corps with the Army Reserve. He then transferred to the Rhode Island National Guard to become its first full-time legal assistance attorney, where he provided high-quality, free legal services to Rhode Island’s service men and women and their families.

As a member of the Guard, Mike deployed to Afghanistan with the 43rd Military Police Brigade out of Warwick in 2011.

When he returned stateside, Mike joined the staff of U.S. Senator Sheldon Whitehouse, assisting

veterans and their families with getting the benefits they earned.

“When our service members deploy, they have access to some terrific resources. They also have additional rights for securing their jobs and providing some financial protections. I want to make sure that they know about them and use them when necessary.”

Mike continues to serve our nation’s veterans at the Rhode Island Office of Veterans Affairs. In his current position, he works to ensure that veterans and their families are aware of the services the office provides, serves as legislative liaison to the Rhode Island General Assembly to represent the Governor’s priorities for veterans, and leads

the *RIServes* initiative, a coordinated network of over 35 community service providers that assists those who have served.

“I am grateful Rhode Island has such a robust group of service providers for our deserving veterans. We have recently launched *RIServes* to leverage their strengths and make it easier to collaborate for the benefit of veterans and their families. It’s a great example of what we can accomplish when we work together.”



If you are Rhode Island veteran and would like more information on available benefits and services, please visit www.vets.ri.gov or call (401) 921-2119.

Notice to Members:

State returning millions in Unclaimed Property: Find yours today

The State of Rhode Island is currently holding 1.7 million properties, worth over \$350 million, that is waiting to be returned to its rightful owner.

Every year Rhode Island Treasury receives unclaimed cash and assets from businesses, banks, securities, bank accounts, safety deposit boxes, and utility deposits. The property is recorded and kept safe until it can be returned to its rightful owner.

This money doesn't belong to the bank or to the state: it is **YOUR MONEY!**

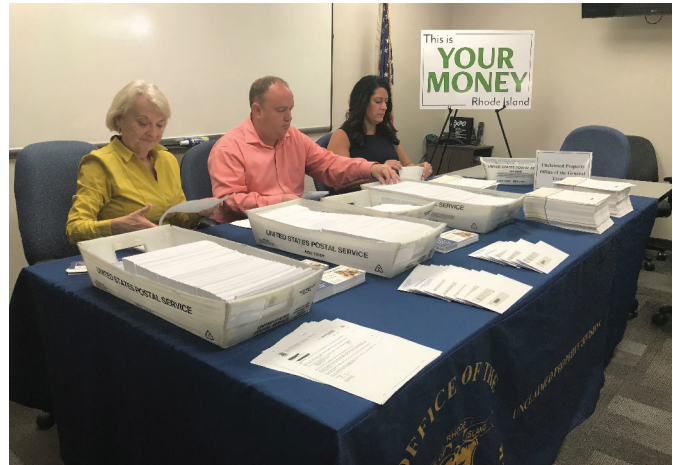
Last year, Treasurer Magaziner announced the launch of **YOUR MONEY**, a new initiative which matches unclaimed property for people whose current address can be verified, so their money can be returned to them automatically.

In 2017, **YOUR MONEY** automatically matched more than 35,000 Rhode Islanders with about \$10 million of their missing money. To date in 2018, an additional 8,000 people were automatically reunited with \$1.3 million of their money.

While **YOUR MONEY** can automatically return money to people with verified addresses, nearly 1-in-5 adult Rhode Islanders have missing money, and most don't even realize it. Searching for, and claiming your missing money is a free service provided by the State of Rhode Island.

All Retirement System members are encouraged to visit www.findRImoney.com to see if they have missing money waiting for them.

Visit:
findRImoney.com



How does **YOUR MONEY** work?

1

Each year, Rhode Island Treasury recovers unclaimed cash and assets from banks, safe deposit boxes, utility companies, landlords, and insurance companies.

2

Treasury keeps your property secure until it is returned. Until this year every owner had to check the state's database and submit a claim.

3

Now thousands of Rhode Islanders are reunited with their missing money automatically, but there are still millions waiting to be claimed, so visit findRImoney.com today.

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IN THE SUMMER 2018 COMPASS NEWSLETTER

- **Member Profile:**
Michael Jolin
- **Pension Fund outperforms benchmark and investment target in Fiscal Year 2018**
- **Member alert: RI returning millions in unclaimed property to rightful owners**
- **Ask Frank: What happens if you leave work before your retirement date?**

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Seth Magaziner, General Treasurer
Chairman, ERSRI Board