

AN OVERVIEW OF YOUR ERSRI RETIREMENT PLAN

HYBRID RETIREMENT BENEFIT

- The Employees' Retirement System of Rhode Island was established in 1936 to provide retirement benefits to all public sector employees.
- We manage retirement plans and administer benefits for over 60,000 active members, inactive members, retirees, and pension beneficiaries:
 - State Employees
 - Public School Teachers
 - Municipal Employees' Retirement System (the municipal retirement plan covering participating cities and towns)
 - Municipal Police and Fire Departments
 - Judicial Retirement Plan
 - State Police Retirement Plan



MANDATORY CONTRIBUTIONS

- Since July 1, 2012 Employees have paid into a hybrid retirement plan, made up of both a Defined Benefit/Pension (DB Plan) and a Defined Contribution/401(a) (DC Plan).
 - The DC Plan is managed by TIAA.
- All new employees immediately begin making **mandatory** contributions to this plan as long as they work 20 or more hours per week.
- All contributions remain within the plan while you are employed under ERSRI-covered service. **There are no withdrawals or loans.**

CONTRIBUTIONS COME OUT OF YOUR PAYCHECK

The DB Plan is listed on your paycheck under “RETIREMENT.” The DC Plan is listed on your paycheck under “401A”

YOUR CONTRIBUTIONS TO THE DB AND DC PLANS

Contributions	Pension Plan (DB)	Defined Contribution (DC) (managed by TIAA)
Employee	3.75%	5% or 7%* (<i>*if not in Social Security</i>)
Employees with 20+ Years of Service as of 6/30/12	11% (3.75+5+2.25)	No longer participates in the plan as of 7/1/15.

As part of the pension settlement, if you **have 20 or more Years of Service credit as of June 30, 2012,** you no longer contribute to the DC Plan as of July 1, 2015.

YOUR **EMPLOYER'S** CONTRIBUTIONS TO THE DC PLAN

LESS THAN 10 YEARS
AS OF 6/30/12

1% salary

**AT LEAST 10 YEARS,
BUT LESS THAN 15 AS OF 6/30/12**

1.25% salary

**AT LEAST 15 YEARS,
BUT LESS THAN 20 AS OF 6/30/12**

1.5% salary

20 OR MORE YEARS
AS OF 6/30/12

No longer participates
in the DC Plan.

NOTE: Members are in one of the above categories based on frozen service as of June 30, 2012.
They do NOT move between categories as they earn additional years of service.

ERSRI | Employees'
Retirement System
of Rhode Island

DEFINED BENEFIT/PENSION PLAN



WHAT IS A DEFINED BENEFIT/PENSION PLAN?

- Your DB Pension is managed by ERSRI and **pays you a specific amount of money per month** when you are eligible to retire.
 - *You contribute towards your individual pension.*
 - *Your employer contributes into the pension fund for all employees.*
- The amount of your monthly pension benefit is based on criteria including your schedule, how long you have worked, and your salary.
- Your DB pension is not based on the dollar amount you have contributed to the plan—it will last your lifetime.

VESTING IN THE PENSION

- You are eligible to receive a pension after 5 years of contributing service and meeting the required minimum age.
- You are able to take a refund of your contributions at any time after leaving ERSRI-covered service if you decide not to take a pension. (Important note: if you take a refund, you forfeit your rights to any future benefit.)
- Contributions to the pension do not have any market fluctuation, so you will always be refunded the exact amount you contributed if you choose not to take a pension (contributions do not earn interest).

Employees who contribute to both the pension and 401(a) contribute 3.75% of their salary to the pension and are currently accruing 1% per year.

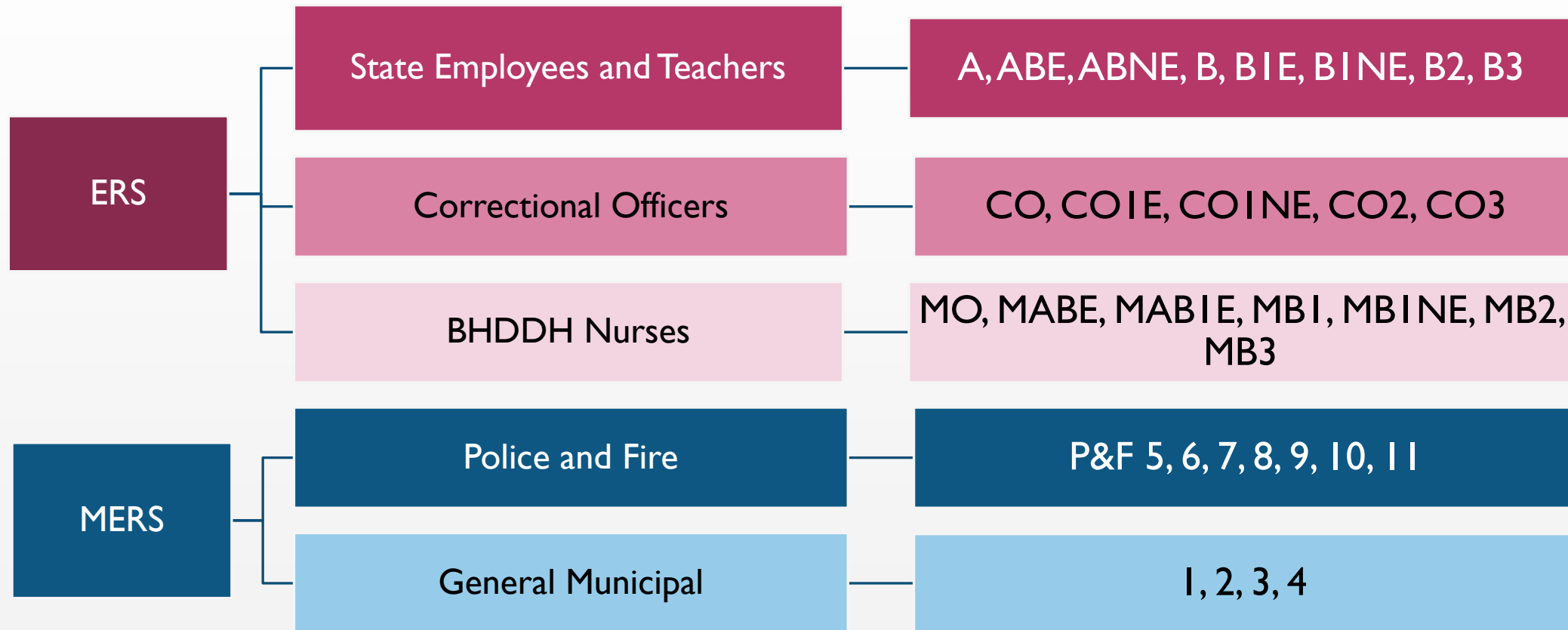
Employees who have stopped contributing to the 401(a) contribute 11% of their salary to the pension and are currently accruing 2% per year.

WHAT'S A SCHEDULE?

- Schedules are determined by when you were hired and how many years of service you had at certain points in time.
 - Years of Service / July 1, 2005
 - Years of Service / September 30, 2009
 - Years of Service / June 30, 2012
- **Schedule type impacts when you are eligible to retire, your accruals and service credit factor, and what your benefit will be when you retire.**

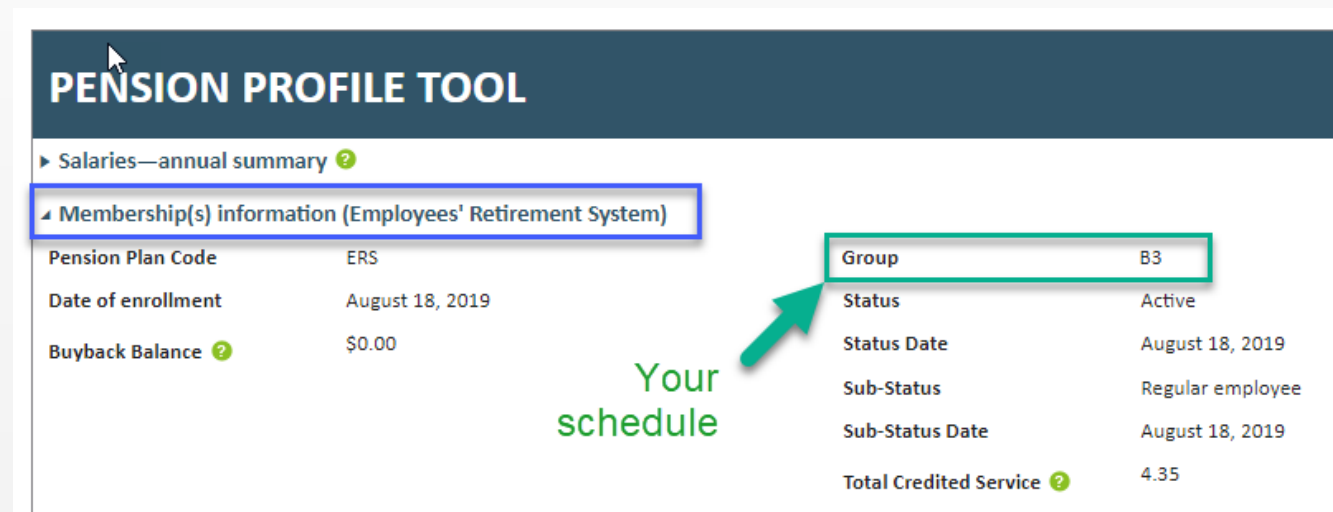
For more information about Schedules, retirement eligibility, and accruals, check out the [ERSRI Member Handbook](#) or www.ersri.org >> Members >> Planning for Retirement

ERS / MERS – OVER 30 SCHEDULES



HOW DO I KNOW MY SCHEDULE?

- You can find your schedule by logging into the ERSRI Member Portal and navigating to the “**Pension Profile Tool**”.
- Your schedule (“Group”) is displayed in the “**Membership Information**” section (below “Salaries”)

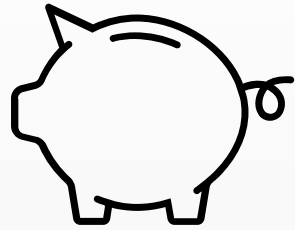


The screenshot displays the 'PENSION PROFILE TOOL' interface. A blue box highlights the 'Membership(s) information (Employees' Retirement System)' section. A green arrow points to the 'Group' field, which is highlighted with a green box and labeled 'Your schedule'. The 'Group' field shows the value 'B3'. Other fields include 'Pension Plan Code' (ERS), 'Date of enrollment' (August 18, 2019), 'Buyback Balance' (\$0.00), 'Status' (Active), 'Status Date' (August 18, 2019), 'Sub-Status' (Regular employee), 'Sub-Status Date' (August 18, 2019), and 'Total Credited Service' (4.35).

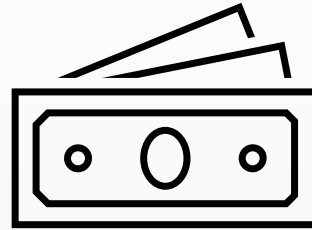
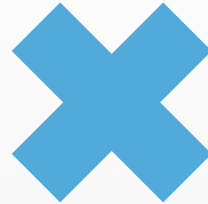
Field	Value
Pension Plan Code	ERS
Date of enrollment	August 18, 2019
Buyback Balance	\$0.00
Group	B3
Status	Active
Status Date	August 18, 2019
Sub-Status	Regular employee
Sub-Status Date	August 18, 2019
Total Credited Service	4.35

Learn more about Schedules at www.ersri.org >> Members >> Retirement Eligibility

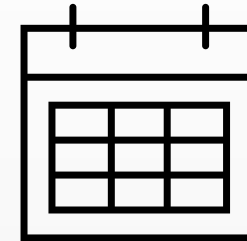
HOW DO WE DETERMINE YOUR PENSION?



ACCRUAL RATE
PER YEAR



FINAL AVERAGE
SALARY (FAS)



YOUR ANNUAL
PENSION

SCHEDULE B3 ACCRUES 1% PER YEAR:

We use your **top consecutive 3 years of salary** to calculate your pension.
These do not have to be your final 3 years of service.

CALCULATING YOUR SERVICE CREDIT

- Each year that you work for a participating employer, you accrue a set percentage (your accruals) of pay that is added together at retirement to determine your Service Credit Factor.
- After 7/1/2012, most schedules earn an accrual of 1% each year
 - The annual accrual for members who had 20+ years of service by 6/30/2012 is 2%
- **Your total service credit factor cannot exceed 75-80% depending on your schedule.**

PURCHASING SERVICE CREDIT

THERE ARE STRICT TIME LIMITS ON PURCHASING SERVICE CREDIT

- All service purchases (with the exception of Armed Service credit) must be initiated **within 3 years of entering or returning to service.**
- Purchase of service credit for years prior to July 1, 2012 must have been made by June 30, 2015.
- **Only Restoration of Service Credit, Workers' Compensation Leave, and Armed Service leave** *during* active employment count toward vesting—all other types do *not* count toward vesting.

TYPES OF SERVICE YOU CAN PURCHASE INCLUDE:

- Official Leave
- Official Layoff
- Out-of-State or Private School Teaching
- Service from a Non-Participating Municipality
- Restoration of Service Credit
- Armed Service Credit

CALCULATING YOUR HIGHEST AVERAGE SALARY

- For members retiring on or after July 1, 2024*, your highest average salary is the average of your highest 3 consecutive years of salary.

**except State Police and Judicial plan members*

WHEN CAN YOU RETIRE?

- Retire with **full benefits**:
 - Schedule based retirement date
OR
 - **Rule of 95**: Your age and service equal 95 (only applies to those whose retirement date is age 62 or later).
- Retire early with **reduced benefits**
 - **Transition Rule 1**

All members have their own unique retirement eligibility age based on their Schedule

WHEN CAN YOU RETIRE?

State / Teacher Schedule Based Retirement Date

Schedule A, ABE, B, and B1E	Schedule ABNE	Schedule B1NE	Schedule B2 and B3
Currently eligible to retire.	<p>Social Security Normal Retirement Age (SSNRA)* proportionally scaled back based on years of service earned as of 9/30/2009 and 6/30/12.</p> <ul style="list-style-type: none"> • Not less than age 59 • 5+ years of contributory service. 	<p>Social Security Normal Retirement Age (SSNRA)* proportionally scaled back based on years of service earned as of 9/30/2009 and 6/30/12.</p> <ul style="list-style-type: none"> • Not less than age 59 • 65 if determined by Article 7 calculation • 5+ years of contributory service at 6/30/12. 	<p>Social Security Normal Retirement Age (SSNRA)* and 5 years of contributory service.</p>

*SSNRA is set by the Social Security Administration and is age 67 for those born in 1960 or later.

WHEN CAN YOU RETIRE?

MERS (General) Schedule Based Retirement Date

Schedule 1	Schedule 2	Schedule 3 & 4
<p>Currently eligible to retire. Became eligible with 30 years of service at any age. OR Age 58 with 10 years of contributing service as of June 30, 2012.</p>	<p>Social Security Normal Retirement Age (SSNRA)* proportionally scaled back based on years of service earned as of June 30, 2012.</p> <ul style="list-style-type: none">• Not less than age 59• 5+ years of contributory service as of June 30, 2012.	<p>Social Security Normal Retirement Age (SSNRA)* and 5 years of contributory service.</p>

*SSNRA is age 67 for those born in 1960 or later.

WHEN CAN YOU RETIRE?

Rule of 95

- Members of any schedule type can retire when their age (at least 62 years old) plus their years of service equal 95.
- **For example:**
 - 62 years old + 33 years of service = Rule of 95 Eligible.

The rule of 95 is only used to provide an **EARLIER** retirement date than your Schedule Based Eligibility Date.

RETIRING EARLY: TRANSITION RULE 1

- **Eligibility for Transition Rule 1:**
 - You have 20+ years of service and are within 5 years of your full benefit eligibility date.
- **How early can you retire?**
 - Up to five years before your full benefit eligibility date.
- **How is your benefit reduced?**
 - Your benefit is reduced by a set percentage for each year you leave before your full benefit eligibility date.
 - **For example:** If you left 5 years before reaching eligibility you would receive 62% of the benefit earned through your last day of employment.

Year(s) before retirement eligibility	Per year reduction	Cumulative reduction
1	9%	9%
2	8%	17%
3	7%	24%
4	7%	31%
5	7%	38%

YOUR PENSION PAYMENT OPTIONS

Payment option	Amount	Spouse/beneficiary amount	Allowed to switch options one time?
Service Retirement Allowance (SRA)	Full benefit paid monthly to the member	\$0	No
Option 1: Joint & Survivor 100%	Reduced benefit	Spouse or beneficiary receives same monthly benefit after member's death.	Yes—to Option 2 or SRA
Option 2: Joint & Survivor 50%	Reduced benefit	Spouse or beneficiary receives 50% of the monthly benefit after member's death.	Yes—to Option 1 or SRA
SRA Plus (Schedule A & AB only)	Higher benefit prior to age 62. <i>Reduced pension after 62.</i>	\$0	No

- A Qualified Domestic Relations Order (QDRO) may restrict your pension payment options.
- **Option 1: J&S100** and **Option 2: J&S50** are actuarially reduced benefits based on difference in age between member and beneficiary.
- One time change is permitted while living if **Option 1: J&S100** and **Option 2: J&S50**. The change of option form must be received by ERSRI prior to death.

OTHER BENEFITS THROUGH ERSRI

DISABILITY BENEFITS

- For those who qualify and are approved by the ERSRI Board, a member can collect a pension based on a disability or illness **if they apply for disability before they terminate employment.**
 - **Ordinary**—injury/illness **not** based on work within ERSRI-covered service. *Must be vested with 5 years of service to qualify.*
 - **Accidental**—injury occurred at work within ERSRI-covered service <<or>> is attributed to work circumstances within ERSRI-covered service.

SURVIVOR BENEFITS

- Your pension could continue for a survivor if you choose a J&S option upon retirement.
- If you die after vesting in the system, but before you begin collecting a pension, a designated beneficiary could receive a pension or a refund of your contributions.

DEATH BENEFITS

- A member's designated beneficiary is eligible to receive a one-time death benefit payment regardless of retirement option selected.
- Benefit is \$800 per year of completed service, up to a maximum benefit of \$16,000 with 20 years of service.
- Benefit reduces 25% each year of retirement to a minimum death benefit of \$4,000.
- If you take a refund of contributions or pass away while you are in deferred status, no death benefit is payable.

BENEFICIARY DESIGNATION

- Be sure to keep your beneficiary information up to date with ERSRI.
- You can find the Beneficiary Designation Form online at www.ersri.org/forms/member.
- Visit www.ersri.org/members/changes-in-your-life/beneficiary-change for information to help you complete your forms, including a “How to” video.

How-to video on designating a beneficiary

This brief video outlines the steps to take to designate or change your beneficiary.

Run time: 1:44 minutes

How to:

DESIGNATE OR CHANGE
YOUR BENEFICIARY

Added: June 2022

▶ WATCH THE VIDEO: HOW TO DESIGNATE A
BENEFICIARY



TEACHERS SURVIVORS' BENEFITS (TSB)

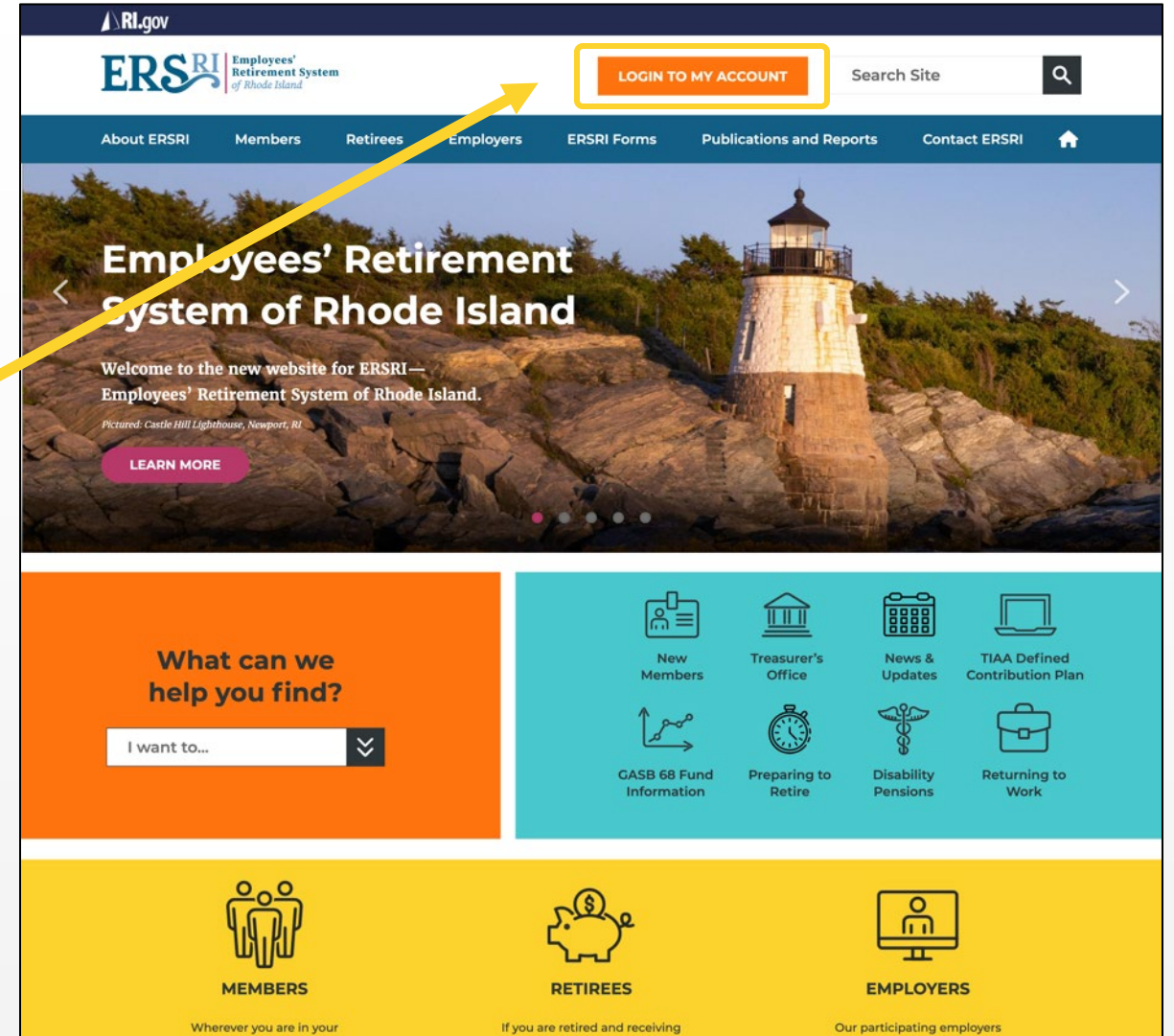
- TSB provides a lifetime monthly benefit to qualified survivors upon the death of the member.
- School districts that do not participate in Social Security offer TSB.
- Teacher Contributions = \$115.00 per year
- Teachers must make TSB contributions for 6 consecutive calendar months prior to their death or retirement in order to qualify for a TSB benefit.
- Maintaining coverage provides up to a \$1,375 monthly benefit for a spouse, domestic partner or dependent parent or up to \$1,031.25 for a dependent child upon your death.

POST RETIREMENT EMPLOYMENT

- Post Retirement employment laws apply to public sector jobs with employers that participate in the Employees' Retirement System of Rhode Island and Municipal Employees' Retirement System.
- These laws apply if you are a consultant or corporation or employee of another party, *including non-profits*, that are funded (wholly or in part) by State funds.
- Any employment or reemployment may begin no earlier than **45 days** after separation/termination from employment.
- It is your responsibility to ensure that while collecting a retirement benefit your employment does not violate any statutory restrictions.
- See www.ersri.org >> [Retirees](#) >> [Post Retirement Employment](#) for more information.
- **Submit any questions to ERSRI before accepting employment!**

MANAGING YOUR ACCOUNT

- Register your account online at www.ersri.org.
- Press the orange “login to my account” button at the top.
 - **First time users:**
Click self-registration link to create online account (*if no valid email is on file with ERSRI, call 401-462-7600*).
 - **Forgot password/login ID:**
Click the link below the login to access your credentials.



MANAGING YOUR ACCOUNT

THE SITE ALLOWS YOU TO:

- Update phone number and email address.
 - *Remember that when you leave service, we cannot contact you through your work or employment information!*
- Review your pension account information – your service credit, contributions, pensionable salary, beneficiaries – and run your own benefit estimates.
- Access your 401(a) by clicking the “My TIAA Account” link.

The screenshot displays the 'My Retirement' dashboard for the Employees' Retirement System of Rhode Island. At the top, there is a logo for the system, a 'Log out' button, and a search bar. The main content area is titled 'My Retirement' and features a banner with the text 'Introducing... your pension plan' and a photo of a woman. Below the banner, there is a 'Tools' section with icons for 'Update My Personal Information', 'View My Documents', 'Pension Profile', 'Pension Projection tool', and 'Appointments'. On the right side, there are two main sections: 'My Pension' and 'My Plans'. The 'My Pension' section includes links for 'Use the Pension Projection tool', 'Update My Personal Information', 'View My Pension Profile', 'View My Documents', and 'View My Appointments'. The 'My Plans' section lists various plan types: 'My Employer Pension Plan' (with sub-links for 'Plan description', 'Forms', and 'Publications & Reports'), 'Defined Contribution Plan' (with 'My TIAA Account'), 'Optional Savings Plans' (with 'Retirement@Work'), and 'Government Plans (External)' (with 'Social Security'). A 'HELP' sidebar on the far right contains 'Call Us' and 'Email Us' options.

PENSION PROJECTION TOOL

Access the Pension Projection Tool to get retirement eligibility dates and **estimated** income at retirement.*

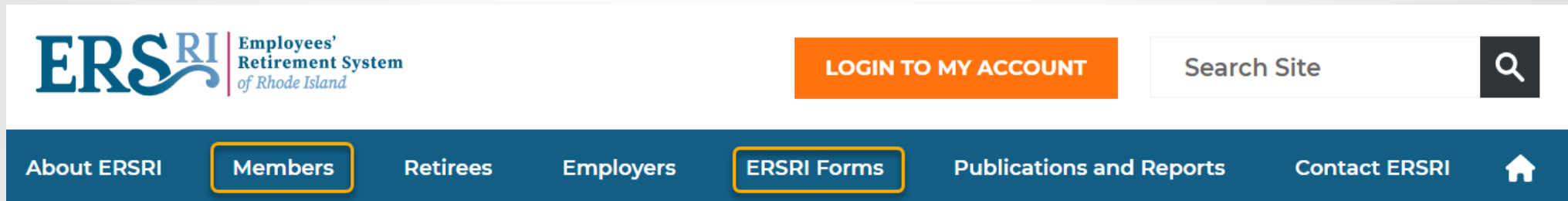
***PLEASE NOTE:**

The figures within the Pension Projection Tool are estimated based on the data reported by your employer. Be sure to read and agree to the disclaimer.

The screenshot displays the 'PENSION PROJECTION TOOL' interface. At the top right, there are navigation links: 'Administrator tools', 'Recent estimates', 'Yearly amounts', and 'Printable statement'. The main content is divided into several sections:

- WHAT THIS IS:** A brief description of the tool's purpose and a 'VIEW DEMO' button.
- WHAT I KNOW:** Fields for 'Date of birth' (January 1, 1908) and 'Total years of service' (11.57). A 'Earned salary' field is set to \$50,000. A link to 'SEE ALL PERSONAL AND DESIGNATED JOINT & SURVIVOR INFORMATION' is provided.
- WHAT IF ...:** A section for 'My future annual earnings increase is' set to 0%.
- I RETIRE AT ...:** A section with three rows of selection options for age and date:
 - Age 62, Date 01-01-2042
 - Age 64, Date 01-01-2045
 - Age 64, Date 01-01-2045
- CALCULATE:** A prominent green button.
- YOUR ESTIMATED INCOME AT RETIREMENT:** A bar chart showing the 'Employer Pension Plan' income for two retirement scenarios:
 - Age 62:** Estimated income of approximately \$15,000.
 - Age 64:** Estimated income of approximately \$23,000.

MORE RESOURCES AT WWW.ERSRI.ORG



The screenshot shows the top portion of the ERSRI website. On the left is the logo for ERSRI, Employees' Retirement System of Rhode Island. To the right of the logo is an orange button labeled "LOGIN TO MY ACCOUNT". Further right is a search bar with the text "Search Site" and a magnifying glass icon. Below these elements is a dark blue navigation bar with white text links: "About ERSRI", "Members" (highlighted with a yellow border), "Retirees", "Employers", "ERSRI Forms" (highlighted with a yellow border), "Publications and Reports", "Contact ERSRI", and a home icon.



[ERSRI Member Handbook](#)



[Planning for Retirement](#)

[Retirement Planning Checklist](#)
[Counseling Information](#)



[Member Forms](#)

[Beneficiary Designation Form](#)
[Service Purchase Forms](#)

A NOTE ON HEALTH CARE COVERAGE

- ERSRI does not administer health care benefits for retirees.
- The Office of Employee Benefits (OEB) administers health care benefits for retired **state employees** between the age of 59-64 and Via Benefits manages benefits for members 65+.
 - Members who take a deferred pension (terminate employment prior to reaching retirement eligibility) and wait to collect their benefit are *not* eligible for state health coverage.
- Health care benefits are administered by the individual employers for retired **municipal employees**

Learn about your health care options BEFORE making your decision about when to retire.

IMPORTANT CONTACT INFORMATION

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

Address: 50 Service Avenue, 2nd floor, Warwick, RI 02886

Phone: (401) 462-7600 | **Email:** ersri@ersri.org | **Website:** www.ersri.org

TIAA – DC PLAN COORDINATOR

The Gateway Center
15 Park Row West, Suite 102
Providence, RI 02903

(800) 842-2252

www.tiaa.org/ri

FEDERAL SOCIAL SECURITY

Providence Office
(877) 402-0808

www.ssa.gov

OFFICE OF EMPLOYEE BENEFITS

Department of Administration
One Capitol Hill, 3rd floor
Providence, RI 02908

(401) 574-8530

www.employeebenefits.ri.gov

QUESTIONS?

Thank you!