Your Retirement Benefits

General Municipal Employees (MERS)
Members of the Employees’ Retirement System of Rhode Island have a **Hybrid Retirement Benefits Plan** made up of a Defined Benefit plan (Pension plan) and a Defined Contribution plan (DC plan).
Your Pension Benefit 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 a number of criteria including your schedule, how long you have worked and your salary.

**What is a Defined Benefit or Pension Plan?**
The Defined Contribution (DC Plan) allows you to **save money for your retirement in a tax-deferred account.**

You and your employer contribute a percentage of your salary each pay period into your DC plan that is managed by TIAA.

TIAA manages your investments and when you retire you will withdraw money from this account to pay for your living expenses.

**What is a Defined Contribution (DC) Plan?**
As part of the pension settlement, if you have 20 or more years of service credit as of June 30, 2012, you longer contribute to the DC Plan as of July 1, 2015 and will continue to own your own account.

### Contributions to your Pension and DC plans

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Pension Plan</th>
<th>Defined Contribution (DC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>1%</td>
<td>5% or 7% (if not in Social Security)</td>
</tr>
<tr>
<td>Employee with COLA</td>
<td>2%</td>
<td>5% or 7% (if not in Social Security)</td>
</tr>
<tr>
<td>Employees with 20+ Years of Service as of 6/30/12</td>
<td>8.25% (1+5+2.25)</td>
<td>No longer participates in the plan</td>
</tr>
<tr>
<td>Employees with 20+ Years of Service as of 6/30/12 with COLA</td>
<td>9.25% (2+5+2.25)</td>
<td>No longer participates in the plan</td>
</tr>
</tbody>
</table>
Your Employer Contributions to the DC Plan

<table>
<thead>
<tr>
<th>Years as of 6/30/12</th>
<th>Retirement Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years</td>
<td>1% Salary or 3% if not in Social Security</td>
</tr>
<tr>
<td>At least 10 years, but less than 15</td>
<td>1.25% Salary or 3.25% if not in Social Security</td>
</tr>
<tr>
<td>At least 15 years, but less than 20</td>
<td>1.5% Salary or 3.5% if not in Social Security</td>
</tr>
<tr>
<td>20 or more years</td>
<td>No longer participates in the DC Plan</td>
</tr>
</tbody>
</table>

Note: Members fall into 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.
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.

Schedule type impacts when you are eligible to retire, your accruals and service credit factor, and what your benefit will be when you retire.
How do we Determine Your Schedule?

Schedule 1
Active and eligible to retire with either 30 years of service OR age 58 with 10 years of service on or before 6/30/2012

Schedule 2
• Active, but not eligible to retire as of 6/30/12 and had 5 or more years of service as of 6/30/2012

Schedule 3
• Active as of 7/1/2012, but not eligible to retire as of 6/30/12 and had less than 5 years of service

Schedule 4
• New hires on or after 7/1/2012

Please Note: All years must be years of contributing service to be counted towards retirement eligibility.
1. Retire with Full Benefits:
   a. Schedule Based Retirement Date
   
   **OR**
   
   a. Rule of 95: Your age and service equal 95 (only applies to those whose retirement date is later than age 62)

2. Retire Early with Reduced Benefits
   a) Transition Rule 1
   
   b) Transition Rule 2

***All members have their own unique retirement eligibility age***
## When Can You Retire?

### Schedule Based Retirement Date

<table>
<thead>
<tr>
<th>Schedule 1</th>
<th>Schedule 2</th>
<th>Schedule 3 &amp; Schedule 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currently eligible to retire.</strong>&lt;br&gt;Became eligible with 30 years of service at any age OR Age 58 with 10 years of contributing service as of 6/30/2012</td>
<td><strong>Social Security Normal Retirement Age (SSNRA) proportionally scaled</strong> back based on years of service earned as of 6/30/12&lt;br&gt;- Not less than age 59&lt;br&gt;- 5+ years of contributory service as of 6/30/12</td>
<td><strong>Social Security Normal Retirement Age (SSNRA) and 5 years of contributory service</strong></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Year(s) Before Retirement Eligibility</th>
<th>Per Year Reduction</th>
<th>Cumulative Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>2</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>3</td>
<td>7%</td>
<td>24%</td>
</tr>
<tr>
<td>4</td>
<td>7%</td>
<td>31%</td>
</tr>
<tr>
<td>5</td>
<td>7%</td>
<td>38%</td>
</tr>
</tbody>
</table>
##Retiring Early

###Transition Rule 2

<table>
<thead>
<tr>
<th>Eligibility for Transition Rule 2:</th>
<th>How Early Can You Retire?</th>
<th>How is Your Benefit Reduced?</th>
</tr>
</thead>
<tbody>
<tr>
<td>You completed 10 years of service by June 30, 2012.</td>
<td>You can retire based on your eligibility rules in effect as of 6/30/12.</td>
<td>ERSRI will use your Service Credit Factor and Highest Average Salary earned as of June 30, 2012 to calculate your pension</td>
</tr>
</tbody>
</table>
How is your pension benefit calculated?

Service Credit Factor \times \text{Highest Average Salary} = \text{Your Pension Benefit}
Each year that you work for a participating employer you accrue a set percentage (your accruals) that are added together to determine your Service Credit Factor.

Your total service credit factor cannot exceed 75%

<table>
<thead>
<tr>
<th>Time Earned?</th>
<th>Accrual per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years worked <strong>prior</strong> to June 30, 2012 (all members)</td>
<td>2%</td>
</tr>
<tr>
<td>Years worked <strong>after</strong> July 1, 2012 (all members)</td>
<td>1%</td>
</tr>
<tr>
<td>Years worked after July 1, 2015 (ONLY members with 20+ years of service as of June 30, 2012)</td>
<td>2%</td>
</tr>
</tbody>
</table>
Calculating Your Highest Average Salary

Depending on your schedule, your highest average salary is the average of your highest 3 or 5 consecutive (back to back) years of salary.

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Highest Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 1</td>
<td>3 highest consecutive years</td>
</tr>
<tr>
<td>Schedule 2</td>
<td>5 highest consecutive years</td>
</tr>
<tr>
<td>Schedule 3</td>
<td>5 highest consecutive years</td>
</tr>
<tr>
<td></td>
<td>(Must be equal or greater than highest average salary as of 6/30/12.)</td>
</tr>
<tr>
<td>Schedule 4</td>
<td>5 highest consecutive years</td>
</tr>
</tbody>
</table>
# Your Pension Payment Options

- A Qualified Domestic Relations Order (QDRO) may restrict your pension payment options.
- Option 1: Joint & Survivor 100% and Option 2: Joint & Survivor 50% are actuarially reduced benefits based on difference in age between member and beneficiary.
- One time change is permitted while living if Option 1: Joint & Survivor 100% and Option 2: Joint & Survivor 50%. The change of option form must be received by ERSRI prior to death.

## Payment Options

<table>
<thead>
<tr>
<th>Payment Option</th>
<th>Amount</th>
<th>Spouse/Beneficiary Amount</th>
<th>Allowed to Switch Options One Time?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Retirement Allowance (SRA)</td>
<td>Full benefit paid monthly to the member</td>
<td>$0</td>
<td>No</td>
</tr>
<tr>
<td>Option 1: Joint &amp; Survivor 100%</td>
<td>Reduced benefit</td>
<td>Spouse or beneficiary receives same monthly benefit after member’s death</td>
<td>Yes – to Option 2 or SRA</td>
</tr>
<tr>
<td>Option 2: Joint &amp; Survivor 50%</td>
<td>Reduced benefit</td>
<td>Spouse or beneficiary receives 50% of the monthly benefit after member’s death</td>
<td>Yes – to Option 1 or SRA</td>
</tr>
<tr>
<td>SRA Plus (Only offered if you had 10 or more years of service as of 6/30/2012)</td>
<td>Higher benefit prior to age 62. Reduced pension after 62</td>
<td>$0</td>
<td>No</td>
</tr>
</tbody>
</table>
Receiving Your Pension Payments

- Your first pension payment will be received 2-3 months after retirement. (Payment is retroactive to date of retirement.)
- Each payment will be directly deposited to your bank account.
- An e-mail will be sent to you each month notifying you that your direct deposit stub is available online.
- Payments will be made on the last business day of the month for the month.
What benefits are your survivors entitled to?

- 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.

Please be sure to keep your beneficiary information up to date with ERSRI.
What About A Cost of Living Adjustment?

Annual COLA and 4 Year COLA:

- The Annual COLA is suspended if your plan is under 80% funded.
- Until the plan is 80% funded, an interim 4 Year COLA is paid to members once they become COLA eligible.
- The Annual COLA resumes when your plan is 80% funded.

COLA Eligibility

- Members retiring today become eligible for the Annual COLA and 4 Year COLA the month after reaching their Social Security Normal Retirement Age AND the three year anniversary date of their retirement.
- Please note: Not all municipal plans offer COLA to all employees. If your plan does not offer COLA you are not eligible to receive a COLA.
What About A Cost of Living Adjustment?

COLA Calculation:

- The Annual and 4-Year COLAs are calculated based on equal parts of 50% of investment performance minus 5.50%, and 50% of inflation with a maximum COLA of 3.5%.

- For members retiring now, the Annual and 4 Year COLAs are paid on the first $25,855 (indexed) of your annual pension benefit.
Retirement Forms

Divorced?

Please be sure to provide you final court entered divorce judgement and property settlement agreement with your retirement paperwork.

- **Beneficiary Nomination Form**
  - Send to ERSRI, 50 Service Ave, 2nd Floor, Warwick, RI 02886 before your last day.

- **Retirement Benefit Statement Form**
  - Send to ERSRI, 50 Service Ave, 2nd Floor, Warwick, RI 02886 before your last day.

- **Application for Retirement**
  - Send to ERSRI, 50 Service Ave, 2nd Floor, Warwick, RI 02886 before your last day.

- **Tax Withholding Form**
  - Send to ERSRI, 50 Service Ave, 2nd Floor, Warwick, RI 02886 before your last day.

- **Direct Deposit Form**
  - Send to ERSRI, 50 Service Ave, 2nd Floor, Warwick, RI 02886 before your last day.

- **Employees’ Certification of Retirement and Final Wages**
  - Send to your payroll/human resources department within 3 months prior to terminating employment.
Beneficiary Designation Form
# Membership Information

Every effort has been made to ensure the accuracy of the information shown below. Any changes in the information below may affect the amount of benefit or refund displayed on the Retirement Benefit Statement. If you feel that any of the information is incorrect, please contact ERSRI. If no information is displayed in the "Beneficiary as per our records" section, or if the information is incorrect, please complete the Beneficiary Designation Form available on the ERSRI website at [www.ersri.org](http://www.ersri.org).

## Retirement Information
- Last day of employment
- Date of retirement
- Termination Date
- Retirement Date

## Personal Information
- Date of birth
- Date of employment
- Date of 1st contribution
- Birth Date
- Employment Date
- Membership Date
- Marital status

## Beneficiary as per our records

<table>
<thead>
<tr>
<th>Name of beneficiary</th>
<th>FirstName LastName</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of birth of beneficiary</td>
<td>Birth Date</td>
</tr>
<tr>
<td>Relationship</td>
<td>Type</td>
</tr>
<tr>
<td>Benefit type</td>
<td>Benefit Type</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of beneficiary</th>
<th>FirstName LastName</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of birth of beneficiary</td>
<td>Birth Date</td>
</tr>
<tr>
<td>Relationship</td>
<td>Type</td>
</tr>
<tr>
<td>Benefit type</td>
<td>Benefit Type</td>
</tr>
</tbody>
</table>

## Service
- Contributing service (including refund buyback)
- Other purchased service
- Total service as of retirement date
- Contributing service
- Purchased service
- Total service

## Service Credit Factor
- Service credit factor as of retirement date
- Service credit factor

## Highest Average Salary
- Highest average salary as of retirement date
- Salary
Retirement Benefit Statement Form

Before making any decision, carefully read the Explanation of Benefits section and review the options available below. Please select only one payment option by placing your initials next to the payment option you choose and then writing in the latter choice below. Sign and date this statement.

The final amounts will be determined upon processing the pension payment.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Monthly pension payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SRA – Service Retirement Allowance</td>
<td>$0.00</td>
</tr>
<tr>
<td>B</td>
<td>Option 1 – Joint &amp; Survivor 100%</td>
<td>$0.00</td>
</tr>
<tr>
<td>C</td>
<td>Option 2 – Joint &amp; Survivor 50%</td>
<td>$0.00</td>
</tr>
<tr>
<td>D</td>
<td>SRA Plus – Social Security Option *</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

* If you choose SRA Plus – Social Security Option, your benefit will be reduced the month following your 62nd birthday.

All options are equivalent to the Service Retirement Allowance. For more information on the assumptions used, please contact the Employees' Retirement System of Rhode Island (ERSRI).

I hereby request that the benefits to which I am entitled under the Plan be paid according to (indicate the letter of your choice):

Signature of Member ___________________________ Date ________________
Application for Retirement
### Certificate of Tax Withholding Preference or Tax Withholding Change

**Section 1 – Member Information**

**First and middle names**

**Last name**

**Address (street number, street name and apartment number)**

**City**

**State**

**Zip code**

**Home phone number (area code and number)**

**Social Security number (4 last digits only)**

**Section 2 – Federal tax withholding status and exemptions**

- **Withholding status:** (check one):  
  - Single
  - Married

  **Number of exemptions claimed:**

**Section 3 – Federal tax withholding preference (check one)**

- If I do not wish to have federal taxes deducted from my monthly pension payment, I agree to have ERSRI determine the amount, if any, of federal taxes to be withheld from my monthly pension payment in accordance with the applicable tax tables using the marital status and exemptions indicated above.

- I wish to have ERSRI determine the amount, if any, of federal taxes to be withheld from my monthly pension payment in accordance with the applicable tax tables using the marital status and exemptions indicated above. I wish to have an additional $ withheld from each monthly pension payment in addition to the amount to be withheld on the basis of withholding status and exemption indicated above.

- I wish to have ERSRI withhold a total amount of $ from each monthly pension payment.

**Section 4 – RI state income tax withholding preference (check one)**

- If I do not wish to have Rhode Island state taxes deducted from my monthly pension payment, I agree to have ERSRI determine the amount, if any, of Rhode Island state taxes to be withheld from my monthly pension payment in accordance with the applicable tax tables using the marital status and exemptions indicated above.

- I wish to have ERSRI determine the amount, if any, of Rhode Island state taxes to be withheld from my monthly pension payment in accordance with the applicable tax tables using the marital status and exemptions indicated above. I wish to have an additional $ withheld from each monthly pension payment in addition to the amount to be withheld on the basis of withholding status and exemption indicated above.

- I wish to have ERSRI withhold a total amount of $ from each monthly pension payment.
Direct Deposit Form
EMPLOYER CERTIFICATION OF RETIREMENT AND FINAL WAGES

Section 6 – Salary certification (continued)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate payments (if applicable to years listed)</th>
<th>Effective date of retro</th>
<th>Amount of retro per pay period</th>
<th>10 month employee</th>
<th>12 month employee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 7 – Disclaimer and signatures

The member understands that the Employment information, Termination information and Unreported wages, contributions and service credits contained on this form have been provided solely by the employer. By signing this form the member acknowledges that he/she has voluntarily made the decision to submit the completed form to the Employees’ Retirement System of Rhode Island (ERSRI) which includes the member’s date of termination and projected final wages and service credits through the date of termination. The member further understands that if he/she has made the determination not to terminate, after submission of this form, he/she must notify ERSRI in writing immediately. After the member’s pension has been processed, no further contributions will be accepted after the date of termination provided on this form, and once the member has cashed a pension check, the member’s retirement is final and cannot be rescinded.

The undersigned acknowledges that he/she has read the foregoing disclaimer, understands the contents, has reviewed all information provided for accuracy and has determined it to be correct, and is signing it freely and voluntarily.

I understand that any person who makes a false statement or shall falsely or permit to be falsified any record to the retirement system in an attempt to defraud the system may be subject to criminal prosecution, and with that understanding, I certify that all information on this form is true and correct.

Authorized employer representative signature

Date of signature

Authorized employer representative name

Print

Title

Authorized employer representative phone number

( area code and number )

Member signature

Date of signature

Please forward this completed form, dateline, and signed, to the following address:

Employees’ Retirement System of Rhode Island
50 Service Avenue 2nd Floor
Woonsocket, RI 02895-1021
Office: (401) 462-7639  Fax: (401) 462-7691
Email: ers@ersri.org  Web site: www.ersri.org
What is Pension Spiking?
• Pension spiking is the inappropriate enhancement of one’s salary immediately prior to retirement in order to artificially inflate one’s pension benefit.

When does the Anti-Spiking Rule apply?
• If more than one half (1/2) of your total years of service consist of years during which you devoted less than thirty (30) business hours per week, but your highest average salary consists of three (3) or more years during which you devoted more than thirty (30) business hours per week.

How Does the Anti-Spiking Rule Impact Your Pension Calculation?
• Your highest average salary will be calculated using one of the below methodologies
  • The average of your 10 highest consecutive years of salary.
  • If your highest average salary is under $35,000 (indexed to inflation) your highest average salary will be the greater of your 10 year or schedule based highest average salary calculation.
• In no event will your highest average salary be less than it would have been as of June 30, 2012.
ERSRI Online Registration

Go to www.ERSRI.org to register your My Retirement account.

The self registration process will ask you for identifying personal information and give you a log in ID.

Be sure to write down your log in ID and password in a safe place.
How to Run a Benefit Estimate Online
### Post Retirement Employment

<table>
<thead>
<tr>
<th>Hired Post Retirement as a...</th>
<th>Days Allowed Before Pension Suspension</th>
<th>Gross Pay Allowed Before Pension Suspension</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Employee</td>
<td>0</td>
<td>$0</td>
<td>N/A</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>75 (or 150 half days)</td>
<td>N/A</td>
<td>Calendar Year</td>
</tr>
<tr>
<td>Classroom Instructor, Academic Advisor, or Coach at a State School Or College</td>
<td>N/A</td>
<td>$18,000</td>
<td>Calendar Year</td>
</tr>
<tr>
<td>Drivers Ed Teacher</td>
<td>N/A</td>
<td>$15,000</td>
<td>Calendar Year</td>
</tr>
<tr>
<td>MERS Employee</td>
<td>75 (or 150 half days)</td>
<td>N/A</td>
<td>Calendar Year</td>
</tr>
<tr>
<td>Teacher</td>
<td>90 (or 180 half days)</td>
<td>N/A</td>
<td>School Year</td>
</tr>
<tr>
<td>Elected MERS official</td>
<td>Unlimited *</td>
<td>Unlimited *</td>
<td>N/A</td>
</tr>
<tr>
<td>Unpaid state or municipal board</td>
<td>Unlimited *</td>
<td>Unlimited *</td>
<td>N/A</td>
</tr>
<tr>
<td>Non Participating Municipality Employee</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Any employment or reemployment may begin no earlier than 45 days after separation/termination from employment*

* Unlimited except for those who previously worked and earned service credit as an elected official or board member.
Your Employer’s Post Retirement Employment Responsibilities:

- Retirement contributions will not be deducted from your wages and you will not earn any additional retirement service credit for any post-retirement employment.

- Reporting days worked or earnings depending on employment type to ERSRI on a monthly basis.

Your Post Retirement Employment Responsibilities:

- It is your responsibility to ensure that while collecting a retirement benefit your employment does not violate any statutory restrictions.

- Your post retirement earnings or days will be reported to ERSRI and available to review in your member portal at www.ersri.org. It is your responsibility to ensure your employer is accurately reporting your employment. Please follow up with your employer if there is a discrepancy.

- No “mixing and matching”. You cannot participate in more than 1 area that is limited by statute.

- Post-retirement provisions apply if you are a consultant or corporation or employee of another party providing services to a ERS or MERS employer.
Employees’ Retirement System of Rhode Island (ERSRI)
50 Service Avenue, 2nd Floor, Warwick, RI 02886
(401) 462-7600
www.ersri.org

TIAA - DC Plan Coordinator
Providence Office
1-800-897-1026
http://www.tiaa-cref.org/ri

Federal Social Security
Providence Office
1-877-402-0808
www.ssa.gov

For inquiries regarding retiree health benefits contact your employer.