Employees' Retirement System of Rhode Island
40 Fountain Street
Providence, Rhode Island 02903-1854
Call Center: 401-457-3900 / Fax: 401-222-2430
Website: www.ersri.org

This booklet was prepared exclusively for use by employers of the Employees Retirement System of Rhode Island (ERSRI). It is not intended as a substitute for the Rhode Island General Laws (R.I.G.L.) nor will its interpretation prevail should a conflict arise between the contents of this booklet and Chapters 16, 36 and 45 of the R.I.G.L. Rules governing retirement are subject to change periodically either by statute of the Rhode Island Legislature or by regulation of ERSRI.

The information contained in this booklet is provided for employers of Rhode Island state employees, Rhode Island public school teachers, general municipal employees as well as police and fire of participating Rhode Island units of the Municipal Employees Retirement System. Different retirement rules and requirements apply to members of the General Assembly. Contact ERSRI call center for additional information if you are an employer of this category.

First Edition: September 2010

Directions: ERSRI is located in downtown Providence, across from the Journal Bulletin. Take Exit 21 Downtown Providence off Route 95. Parking is available in nearby parking garages.
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ERSRI Member Services

ERSRI Website
Employees eligible for membership should visit our retirement website today at www.ersri.org and be sure to create an account and add his/her email address to get retirement news. The ERSRI website can help members better understand the retirement process, view real time information regarding his/her retirement account including member account balance, create an estimate of benefits, retire online, print forms, view monthly pension payroll, read our eCompass Newsletters and eHandbooks, as well as contact us.

eCompass Newsletters
ERSRI is going green! Active and retired members of the retirement system will receive the eCompass Newsletters, a great way to get fast and convenient updates on retirement news. For members to add his/her email address to our system, he/she must simply go to www.ersri.org and create an account. Go to Change Web Profile tab and update or add his/her email account.

eHandbook Series
Membership & Retirement Handbook
Disability Handbook
Police & Fire Handbook
eHandbooks are available on our website

Retirement Counseling Services
ERSRI offers group counseling at our Providence office. A benefit estimate and retirement forms are given at the group session. Members must schedule his/her appointment three to six months before retirement by contacting our call center at 401-457-3900.

For disability applicants, ERSRI offers individual counseling appointments at our Providence office. It is important to schedule a disability appointment within the required time window for applying for disability as members will be ineligible to apply for disability if terminated employment before application received by ERSRI or if exceeded the disability time requirements set by Rhode Island General Laws.

Annual 1099-R
At the end of each January, retired members of the retirement system will receive a 1099-R form. The form provides the details concerning the benefit distributions he/she received during the current tax year and should be used in filing his/her federal income tax return.
Membership Eligibility

Which employees are eligible to become a member of the Employees Retirement System of Rhode Island (ERSRI)?

**State Employees:** Any person who is employed by the State of Rhode Island in a posted position of at least 20-hours-per-week and consistently works every week of the year at a minimum of 20-hours-per-week is eligible for membership in ERSRI. The employment cannot be of a casual or seasonal nature. For example, a lifeguard at a state beach working 10 hours a week for the summer is not eligible for membership. The employee’s business time must be devoted exclusively to the service of the state.

**Correctional Officers** - members employed as assistant director (adult services), assistant deputy director, chief of inspection, and associate directors, correctional officer, chief of security, work rehabilitation program supervisor, supervisor of custodial records and reports, and classification counselor within the department of corrections as provided in R.I.G.L. §36-10-9.2.

**Registered Nurses** - members employed as registered nurses within the department of mental health, retardation, and hospitals as provided in R.I.G.L. §36-10-9.3.

**Public School Teachers:** Public school teachers are eligible for membership in the Employees Retirement System provided they are:
1. certified by the Board of Regents;
2. engaged in teaching as a principal occupation; and
3. regularly employed on at least a half-time basis as a teacher in any city, town, regional school district or collaborative.

The statutory definition of teacher, found in R.I.G.L. §16-16-1, allows the following permissible titles: teacher, supervisor, principal, assistant principal, superintendent or assistant superintendent, director, assistant director, coordinator, consultant, dean, assistant educational administrator, nurse teacher, and attendance officer, or any person working within the educational system certified by the Board of Regents; or occupational or physical therapists licensed by the department of health and employed by a school committee. Other permissible titles are school business administrators and school psychologists. School business administrators are not required to hold a teaching certification.

**School Nurses** - every certified nurse teacher employed in the respective public schools of the several cities and towns of this state and every person who, prior to any certification as a nurse teacher, has been regularly employed by any city or town as a school nurse in the respective public schools shall be entitled to membership as provided in R.I.G.L. §16-16-4.
Which employees are eligible to become a member of the Municipal Employees Retirement System of Rhode Island (MERS)?

Municipal Employees: Any person employed in a posted position of at least 20-hours-per-week and consistently works every week of the year at a minimum of 20-hours-per-week is eligible for membership in MERS. The employment cannot be of a casual or seasonal nature and the employee’s business time must be devoted exclusively to the service of the participating municipality. City or town council members are eligible for membership as provided in R.I.G.L. §45-21-14.1.

Municipal (Non-Certified) Employees who are employed in a public school department in a posted position of at least 20-hours-per-week and consistently works every week of the school year at a minimum of 20-hours-per-week is eligible for membership in MERS. For example, a teacher assistant or custodian at a public school who works in a posted position of at least 20-hours-per-week and consistently works every week of the school year at a minimum of 20-hours-per-week is eligible for membership in MERS.

Police & Fire: Any regular and permanent police official, officer, or fire fighter of a participating police or fire department are eligible for membership in MERS. The employment cannot be of a casual or seasonal nature and must be a posted position of at least 20-hours-per-week and the employee must consistently work every week of the year at a minimum of 20-hours-per-week.

For information on retirement eligibility for state employees (including correctional officers and registered nurses), teachers, and municipal employees, please see pages 15 through 30 of the Membership & Retirement Handbook.
Qualified Retirement Wages

How does an employer ensure that employee contributions are taken only on qualified retirement wages subject to contributions?

For state employees, teachers, and municipal members, R.I.G.L §36-8-1(7) defines “Compensation” (as used in chapters 8-10 of this title, chapters 16, and 17 of title 16, and chapter 21 of title 45) to mean salary or wages earned and paid for the performance of duties for covered employment, including regular longevity or incentive plans approved by the board, but shall not include payments made for overtime or reasons other than performance of duties or activities, including but not limited to the types of payments listed below:

(i) Payments contingent on the employee having terminated or died;
(ii) Payments made at termination for unused sick leave, vacation leave, or compensatory time;
(iii) Payments contingent on the employee terminating employment at a specified time in the future to secure voluntary retirement or to secure release of an unexpired contract of employment;
(iv) Individual salary adjustments which are granted primarily in anticipation of the employee’s retirement;
(v) Additional payments for performing temporary or extra duties beyond the normal or regular work day or work year.

For teachers, what additional guidance can you provide on payments not subject to pension contributions?

According to ERSRI Policy on Retirement Contributions for Teacher Positions (9/1/01), the following payments shall not be contributory:

• for temporary duties, extra duties, or programs not established for the entire school year;
• for coaching or other activities or duties extending beyond the school day or year;
• for extra days worked before or beyond the school year and not required by contract.
• Contributions should not be submitted on wages for a position that is less than half time.

If contributions were taken for any of the above reasons, such compensation shall not be considered for final average salary. The contributions taken in error shall be returned to the member, without interest.
For teachers, what additional guidance can you provide on stipends paid to a teacher?

According to ERSRI policy, the following stipends paid to a teacher shall be considered payments for which contributions are required:

- for regular longevity or an approved incentive plan;
- for an extra class that is taught by the teacher member for the entire school year;
- for Teacher Mentor Coordinator plans;
- for class overage for either the entire school year, a semester, or quarter;
- for regular department head or chair duties;
- for additional contractual days or positional requirements (teachers only - not superintendents);
- for payment awarded to teachers based on their completion of National Board Certification for Teaching Standards.

Any additional payments not specifically approved by ERSRI in writing should not be subject to retirement contributions. Request for approval of stipends along with copies of contracts where these stipends are documented should be forwarded in writing before the start of the school year to:

Executive Director  
Employees Retirement System of Rhode Island  
40 Fountain Street, 1st Floor  
Providence, RI 02903-1854.

As a rule, stipends must be contractual and be available to all (i.e., not person specific).

Any new positions created during the school year that are not clearly addressed by the statute or ERSRI policy must be submitted for review prior to being subject to retirement contributions.
**Required Contributions**

**How much are employees required to contribute?**

The amount that an employee contributes to the system is based upon a percentage of his/her total salary (qualified retirement wages as explained on previous page), excluding overtime.

<table>
<thead>
<tr>
<th>Type of Employee</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>9.50%</td>
</tr>
<tr>
<td>State Employees</td>
<td>8.75%</td>
</tr>
<tr>
<td>Police &amp; Fire Members</td>
<td>7.00%*</td>
</tr>
<tr>
<td>Municipal Employees</td>
<td>6.00%*</td>
</tr>
</tbody>
</table>

* Those public employees whose municipalities have Cost of Living Adjustment (COLA) provisions, or police and fire members whose municipalities have accepted the 20-year plan, contribute an extra one percent (1%) into the retirement system for each additional benefit provision.

**What does the state or municipal employer contribute to the retirement system?**

Each year, the retirement system’s actuary determines the amount of money necessary to fund the benefits of retirees and future retirees of the system. Based on the liability of the system, the actuary determines a percentage of payroll, or employer contribution rate, necessary to properly fund the required benefits. The actuary determines a different employer contribution rate for state employees, teachers, and each participating municipality (including police and fire plans).
Reporting Wages & Contributions

(For Teachers and MERS Plan Employers)

When are payroll data and contributions determined to be delinquent?

Consistent with R.I.G.L. §16-16-22 (d) Contributions to state system (for Teachers) and §45-21-42 (3)(d) Contributions by municipalities (for MERS plans), these contributions and data shall be remitted to the retirement board on a monthly basis, payable by the 15th of the following month. Therefore, data and contributions not remitted to ERSRI by the statutory deadline is determined to be delinquent. For example, if a unit has payrolls with the following end dates of 1/15/XX and 1/31/XX, the contributions are due to ERSRI no later than 2/15/XX.

What are the ramifications for being delinquent in posting payroll data or remitting contributions?

Consistent with R.I.G.L §16-16-22 (c) Contributions to state system (for Teachers) and §45-21-42 (3)(c) Contributions by municipalities (for MERS plans), the General Treasurer’s Office is authorized to withhold any monies due to your community to satisfy the statutory requirements prescribed.

What is the effective date of all wages and contributions data reported to ERSRI?

The effective date for all wages and contributions for retirement purposes is based on the Pay Period End Date (PPE) and not on the effective date of the payroll check for the employees. For example, if a payroll ends on 4/30/XX and the check is issued to employees on 5/7/XX then the effective date for wage and contribution purposes will be 4/30/XX.

What is the contribution rate for pay periods that cross fiscal years?

PPE dates that end after June 30 of any given fiscal year are subject to the actuarial rates for the next fiscal year. For example, if the pay period covered 6/17/10 to 7/1/10 the contribution rate for this period would be the actuarial rate that is in effect as of 7/1/10.
What is the process for posting payroll data?

The Wage and Contribution time line for posting payroll follows:

(1) Employer (ER) uploads a report by entering date parameters and report type on the ERSRI website.

(2) Report will be loaded in the nightly validation batch cycle
   a. A system generated email is distributed to all Payroll Coordinators that includes validation statistics, a prompt to correct errors and confirm totals.
   b. "Confirming" the totals is the trigger for ERSRI to accept the report for posting.

   Note: The ER should use the link to “Print Summary Sheet” as they confirm the report totals. The “Summary Sheet” is required as supporting documentation for each contribution payment.

Once the report has been accepted by ERSRI, it is processed in the nightly posting batch cycle.

(3) After the report has gone through the posting batch:
   a. A system generated email is distributed to the Payroll Coordinator that includes posting statistics and a prompt to correct errors if necessary.
      i. If the report status is “Suspended”, the ER needs to “edit” the suspended records and re-confirm totals. ERSRI is not able to accept the report for posting unless the ER re-confirms the totals.
      ii. This process will be repeated until the report is “Posted”

For the basic steps in the process of Wage and Contribution Reporting through the website, you may visit the secure employer section of our website at www.ersri.org.

What supporting documentation does my unit need to provide ERSRI when remitting the retirement contributions?

The appropriate documentation that should accompany your retirement contribution payments should be the “Summary Sheet” that is generated by the Anchor System when data is uploaded and posted. The Summary Sheet includes the organization’s unit number and payroll dates. This will ensure that the employer’s payment is applied accurately.
Employment

Are new hires eligible for membership in the retirement system required to complete any forms?

Yes. New hires are required to complete a Membership Application and Beneficiary Nomination Form. ERSRI sends these forms to the member once he/she becomes an active contributing member.

What must the employer provide for newly hired members?

Employers must provide ERSRI with the status of employment for newly hired members by completing and certifying Section B of the Membership Application (see excerpt below).

Membership Application

<table>
<thead>
<tr>
<th>SECTION - B TO BE COMPLETED BY EMPLOYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT EMPLOYMENT INFORMATION</td>
</tr>
<tr>
<td>Date Employed</td>
</tr>
<tr>
<td>Current Position</td>
</tr>
<tr>
<td>(For State Employees Only)</td>
</tr>
<tr>
<td>Contractual Salary</td>
</tr>
<tr>
<td>Calendar Year - Others</td>
</tr>
<tr>
<td>☐ STATE</td>
</tr>
<tr>
<td>☐ 12 MONTH EMPLOYEE</td>
</tr>
<tr>
<td>☐ TEACHER</td>
</tr>
<tr>
<td>☐ PART TIME - If Part-Time</td>
</tr>
<tr>
<td>(1/5, 2/5, 3/5, ETC.)</td>
</tr>
<tr>
<td>☐ LTS</td>
</tr>
<tr>
<td>☐ MUNICIPAL</td>
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<tr>
<td>☐ 12 MONTH EMPLOYEE</td>
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<tr>
<td>☐ POLICE &amp; FIRE</td>
</tr>
<tr>
<td>☐ 25 YEAR PLAN</td>
</tr>
</tbody>
</table>

EMPLOYER CERTIFICATION

I certify that the above named individual meets the stated requirements for membership in the Employees Retirement System of Rhode Island

Authorized Signature | Date of Signature
Title | Business Telephone, Fax, Email

Rev. 02/22/10
What must the employer provide for teachers changing employment status.

For a teacher changing employment status, employers must provide ERSRI with a letter or Teacher Day Count Verification form (see page 19) indicating the status of employment (i.e., 2/5, 3/5, long-term sub, etc.) along with the contractual full-time salary for the school year.

What must the employer provide for a state or municipal employee working part time?

Provide a letter indicating the type of position, whether it is a posted part-time position, and the hours required to work. If the state or municipal employee is occupying a full-time position, but voluntarily working a reduced work schedule, this should be indicated.

What must the employer provide for school department non-certified employees?

For school department non-certified employees, please provide a letter indicating the type of position (i.e., ten-month employee) and for what years in the position, as some eventually move to a twelve-month position.

What resources are available for members and new hires?

You may refer members and new hires to our ERSRI website at www.ersri.org. The ERSRI website can help members better understand the retirement process, view real-time information regarding his/her retirement account including member account balance, create an estimate of benefits, retire online, print forms, view monthly pension payroll, read our eCompass Newsletters and eHandbooks, as well as contact us.

How do members change their address?

Employees should know that any change of address or contact information must be reported directly to ERSRI via their secure website account at www.ersri.org or by downloading the Change of Information Form available in the ERSRI Forms section of our website. Forms must be submitted to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, RI, 02903.
How do members change beneficiaries?

Employees should know that any change of beneficiaries must be reported directly to ERSRI by downloading the Beneficiary Nomination Form available on the ERSRI Forms section of our website at www.ersri.org and submitting the notarized form to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, RI, 02903.

How do you determine creditable service for teacher members?

Every teacher as defined in R.I.G.L. §16-16-1 (12) who is an active member of the Employees Retirement System of Rhode Island shall be eligible for one year of service credit for each school year served as a teacher. All teachers who complete at least 3/4 of the school year shall be given a year of service for that year.

In accordance with Regulation Number 10, in those years in which a teacher works less than the 3/4 of the school year necessary to constitute a full year of service credit, ERSRI will award service credit according to the following chart:

<table>
<thead>
<tr>
<th>Days in School Year</th>
<th>1 year</th>
<th>9 months</th>
<th>6 months</th>
<th>3 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>180</td>
<td>135</td>
<td>91</td>
<td>67</td>
<td>45</td>
</tr>
</tbody>
</table>

For example, a teacher who works 125 days in a school year (number of days required by R.I.G.L. §16-2-2 that school be in session) will be awarded nine months of service credit by ERSRI. These rules shall apply to the crediting of substitute teaching service by the teacher and shall also apply to all teacher members of the retirement system regardless of the day he/she commences employment in any given school year.
(For MERS Plan Employers)

My employer unit is interested in adopting a Cost of Living Adjustment (COLA) for its employees. What information does the employer need to provide ERSRI to begin the process?

Consistent with R.I.G.L. §45-21-52 local legislative bodies of cities and towns may extend to their respective employees a COLA. In order for the employer’s unit to receive a COLA the legislative body (town council, board of governors, etc.) would have to adopt a resolution indicating the type of COLA they desire. Once the resolution is adopted, ERSRI would provide the unit with the new employee and employer contribution rates and the effective date for these rates.

What are the different COLA options available to select?

Listed below are the following options:

Cola Plan B – covers all employees and beneficiaries of those employees receiving a retirement allowance under the provisions of this chapter 21 of title 45 as of December 31st of the year their municipality accepts this plan. The COLA will be 3% of the original retirement allowance. This adjustment is added to the amount of the retirement allowance as of January 1st following the adoption of this plan and a non-compounding 3% is payable in each succeeding year in the month of January. For example, if an employer seeks to adopt this COLA during 2009 they would have to have a resolution passed and submitted to ERSRI no later than November 30, 2009 to become effective for December 31, 2009. The COLA would then be paid to retirees and beneficiaries in January 2010.

Cola Plan C – covers all employees and beneficiaries of those employees who retire on or after January 1 of the year following acceptance of this plan. The COLA will be paid on the first January following the date of retirement. The COLA will be an adjustment equal to 3% of the original retirement allowance. In each succeeding January the retirement allowance will be increased an additional non-compounding 3%. For example, if an employer seeks to adopt this COLA and wants to have the effective date for the COLA to be January 1, 2010, then employer would have to submit their resolution to ERSRI no later than December 1, 2009 to ensure that this COLA will be applied to all employees that retire on or after January 1, 2010. The first COLA payment will be on January 1, 2011.
If a unit adopts a COLA, what are the new employee and employer rates?

Upon acceptance of any of the COLA plans, the employee contribution rate will be increased an additional one percent (1%). The employer contribution rate for any of the COLA plans will be determined by the retirement system’s actuary.
Optional Service Credit

What constitutes an official leave? Is it a block of time or are various days considered a leave?
ERSRI considers an official leave to be at least four (4) weeks in duration. Sporadic days, such as leave without pay (LWOP), are not considered to be an official leave.

When a request form asks for the contractual salary, what does it include? Is it just the base salary or does it include longevity?
Consistent with R.I.G.L. §36-8-1(7) the contractual salary includes base salary, incentive plans, and longevity. Overtime is not included (see page 8 for more details).

What does it mean when the Optional Service Credit (OSC) form asks whether the employment was seasonal or casual?
Consistent with R.I.G.L. §36-8-1(6) casual employees are those persons hired for an occasional period to perform special jobs or functions. Seasonal employees are those persons hired for a certain time period annually.

The Prior Time Verification Form asks for the reason member did not contribute during the time requested for purchase. What if we do not know why member did not contribute?
ERSRI will not bill members for prior time without knowing the reason member did not contribute. Membership in Employees Retirement System (ERS) or MERS is a condition of employment, so the reason might be that the employee did not meet the eligibility requirements; and the time is therefore not purchasable.

What does an employer do when a member wants to buy time for prior service credit but the employer does not have records that date back to the time period in question?
ERSRI relies on employers to submit true and correct information based on official records. If the employer cannot provide documentation, the member will not be permitted to purchase optional service credit.
What is the purpose of the Teacher Day Count Verification?

The Teacher Day Count Verification form enables ERSRI to verify with the employer the days per school year worked and contributed on by the teacher or administrator. This verification form is utilized for school years that may be less than full time to determine the amount of service credit the teacher or administrator has earned.

How do employers report information on the Teacher Day Count Verification form submitted by ERSRI?

Below is an excerpt of the Employer Certification section of the Teacher Day Count Verification form. Teachers and administrators are reported by school year.

For each school year requested, employers need to include the number of school days in that year, the number of school days the teacher worked, and indicate if the teacher was full time (F). If the teacher was less than full time, you must indicate the percentage of the position. For example, if a two-fifths percent (2/5 %) position, the teacher is working 72 days a year which would give then six months of service credit (2/5 x 180 days in school year = 72 days).

Include total retirement wages earned and contributed upon for the school days worked (see pages 8 and 9 for information on qualified retirement wages).

The Contractual Fulltime Salary for this School Year should include what the teacher would have earned if he/she worked the full number of school days in this school year.

Teacher Day Count Verification
(Excerpt of the Employer Certification section of form)
This form is to be completed and signed only by ERSRI Employer

<table>
<thead>
<tr>
<th>EMPLOYER CERTIFICATION</th>
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<tbody>
<tr>
<td><strong>School Year</strong></td>
<td><strong>Number of School Days in this Year</strong></td>
</tr>
<tr>
<td>80/81</td>
<td></td>
</tr>
<tr>
<td>81/82</td>
<td></td>
</tr>
<tr>
<td>90/91</td>
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</tbody>
</table>

SCHOOL OFFICIAL’S STATEMENT AND SIGNATURE

I hereby certify the above information to be true and correct based upon our official records

SIGNATURE DATE OF SIGNATURE

PRINT NAME TITLE
Salary Verification

What is the purpose of the Salary Verification?
The Salary Verification for Service Credit form enables ERSRI to verify with the employer the contractual salary for state and municipal employees (including police & fire). This verification form is utilized for years that may have missing time to determine the amount of service credit the state and municipal employee has earned.

How do employers report information on the Salary Verification form submitted by ERSRI?
Below is an excerpt of the Employer Certification section of the Salary Verification for Service Credit form. State and municipal employees (including police & fire) report salary on calendar year (January-December).

For each calendar year requested, employers need to include the Contractual Salary for the full twelve months of the calendar year. The contractual salary should include what the state or municipal employee would have earned if he/she worked the entire calendar year with no missing time (see page 8 and 9 for information on qualified retirement earnings). For non-certified municipal employees working in a public school department, the contractual salary must be reported on a calendar year basis. Employers should indicate if the contractual salary given is for a ten or twelve month employee.

Salary Verification for Service Credit
(Excerpt of Employer Certification section of this form)
This form is to be completed and signed only by ERSRI Employer

| EMPLOYER CERTIFICATION of SERVICE CREDIT & SALARY |
|---------------------------------|---------------------------------|
| Calendar Year (State/Muni) | Contractual Salary (Full Twelve Months) |
| 1990 |  |
| 1991 |  |
| 2001 |  |

EMPLOYER OFFICIAL STATEMENT AND SIGNATURE
I hereby certify the above information to be true and correct based upon our official records.

<table>
<thead>
<tr>
<th>SIGNATURE</th>
<th>DATE OF SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINT NAME</td>
<td>TITLE</td>
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</tbody>
</table>
How do employers report on the Employers’ Certification of Retirement and Final Wages for a retiring state employee?

State Employees

If there were any retroactive payments (positive adjustments) made to a state employee in his/her three highest consecutive years of salary (78 pay periods for those state employees eligible to retire as of September 30, 2009) or in his/her five highest consecutive years of salary (130 pay periods for those state employees ineligible to retire as of September 30, 2009), the employer must complete the State Salary Certification section of the Employers’ Certification of Retirement and Final Wages form (see excerpt below).

In the Retro Payments column, the employer must report each retroactive payment made to a state employee in his/her three or five highest consecutive years of salary as explained above. In the Effective Date of Retro column, the employer must report the effective start and end dates for the period covered by each retroactive payment. In the Amount of Retro Per Pay Period column, the employer must report the per pay period amount and number of pay periods. This information enables ERSRI to remove any retro payments that do not belong in the pay periods included in the three or five highest consecutive years of salary.

For example, a state employee may be paid by his/her employer a $650 retroactive amount in June of calendar year 2010. Since the effective date of this $650 retro is January 1, 2010 through June 30, 2010, the employer must report the per pay period amount of $50 for 13 pay periods; therefore, showing which pay periods were impacted.

Employers’ Certification of Retirement and Final Wages - State
(Excerpt of State Salary Certification section of form)

<table>
<thead>
<tr>
<th>Year</th>
<th>Retro 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>2010</td>
<td>$650</td>
<td>1/1/10 - 6/30/10</td>
<td>$50 @ 13 pp</td>
<td>□</td>
<td>x</td>
</tr>
<tr>
<td>2009</td>
<td>$520</td>
<td>7/1/09 - 12/31/09</td>
<td>$40 @ 13 pp</td>
<td>□</td>
<td>x</td>
</tr>
</tbody>
</table>
Service Retirement - Teacher

How do employers report information on Employers’ Certification of Retirement and Final Wages for Public School Teachers?

Public School Teachers/Administrators

Report by school year the three highest consecutive years of salary (for teachers/administrators eligible to retire as of September 30, 2009) or five highest consecutive years of salary (for teachers/administrators ineligible to retire as of September 30, 2009) on the Teacher Salary Certification section of the Employers’ Certification of Retirement and Final Wages form (see excerpt below).

In the Contractual Salary column, the employer must report the contractual fulltime salary for the school year. The contractual salary is what the teacher would have earned if he/she worked the full number of school days in this school year (see pages 8 and 9 for information on qualified retirement wages including teacher stipends).

The employer must also report the number of days in school year and the number of days worked in school year (days teacher worked while school was in session; students in class).

In the Amount Earned this School Year, the employer must report total retirement wages earned and contributed upon for the school days worked (see pages 8 and 9 for information on qualified retirement wages).

For example, a teacher who retires at the end of the 2009/2010 school year but was ineligible to retire as of September 30, 2009, the employer would report his/her five highest consecutive years of salary earned and contributed upon in the Amount Earned this School Year column. The contractual salary reported would be the fulltime salary for the school year assuming the teacher worked the full number of school days in the school year (see excerpt below).

Employers’ Certification of Retirement and Final Wages - Teacher
(Excerpt of Teacher Salary Certification section of form)

<table>
<thead>
<tr>
<th>Year</th>
<th>Contractual Salary</th>
<th># Days in School Year</th>
<th># of Days Worked in School Year</th>
<th>Amount Earned this School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>58,000</td>
<td>181</td>
<td>181</td>
<td>58,000</td>
</tr>
<tr>
<td>08/09</td>
<td>55,000</td>
<td>181</td>
<td>181</td>
<td>55,000</td>
</tr>
<tr>
<td>07/08</td>
<td>50,000</td>
<td>181</td>
<td>181</td>
<td>50,000</td>
</tr>
<tr>
<td>06/07</td>
<td>45,000</td>
<td>180</td>
<td>170</td>
<td>42,500</td>
</tr>
<tr>
<td>05/06</td>
<td>40,000</td>
<td>180</td>
<td>160</td>
<td>35,580</td>
</tr>
</tbody>
</table>
How do employers report information on Employers’ Certification of Retirement and Final Wages for Municipal/Police & Fire Employees?

Municipal/Police & Fire employees

Report the **three highest consecutive years** of salary on the Municipal Salary Certification section of the Employers’ Certification of Retirement and Final Wages form (see excerpt below).

In the **Full Contractual Salary** column, employers must report the three highest consecutive years of salary using the **full twelve months** of the calendar year. The contractual salary should include what the municipal employee or police & fire employee would have earned and been paid if he/she worked the entire twelve months of the calendar year (or ten months if ten month employee) with no missing time (see page 8 and 9 for information on qualified retirement earnings). For non-certified municipal employees working in a public school department, the contractual salary must be reported on a calendar year basis. In addition, employers must include the number of pay periods for the contractual salary reported and indicate if the contractual salary given is for a ten or twelve month employee.

In the **Longevity Earned** column, employers must report for each calendar year the longevity amount paid and included in the Full Contractual Salary column. In the **Effective Date of Longevity** column, employers must report the **effective** start and end dates for the period covered by each longevity payment. For example, a municipal employee may earn his/her longevity on December 31, 2009 but it is paid by the town and reported to ERSRI every January. Therefore, this longevity paid in January would be included in the Full Contractual Salary reported for the 2010 calendar year, but the effective start and end dates for the period covered by this longevity payment would be January 1, 2009 to December 31, 2009.

Employers’ Certification of Retirement and Final Wages - Municipal
(Excerpt of Municipal Salary Certification section of form)

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Contractual Salary (Calendar Year)</th>
<th># of Pay Periods</th>
<th>Longevity Earned</th>
<th>Effective Date of Longevity</th>
<th>10 Month Employee</th>
<th>12 Month Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$25,000</td>
<td>13</td>
<td>$1,000</td>
<td>1/1/09 - 12/31/09</td>
<td>□</td>
<td>x</td>
</tr>
<tr>
<td>2009</td>
<td>$46,000</td>
<td>26</td>
<td>$1,000</td>
<td>1/1/08 - 1/31/08</td>
<td>□</td>
<td>x</td>
</tr>
<tr>
<td>2008</td>
<td>$45,000</td>
<td>26</td>
<td>$900</td>
<td>1/1/07 - 12/31/07</td>
<td>□</td>
<td>x</td>
</tr>
<tr>
<td>2007</td>
<td>$22,000</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>□</td>
<td>x</td>
</tr>
</tbody>
</table>
What if the Municipal/Police & Fire employee leaves after the end of the calendar year?

The employer must include the equivalent of the three highest consecutive years of salary. If employees are paid every two weeks (26 pay periods in a calendar year), be sure to include the equivalent of 78 highest consecutive pay periods on the salary certification. For example, if the member terminates June 30, 2010 and the last 78 consecutive pay periods are the member’s highest, the employer should include 13 pay periods for 2010, 26 pay periods for 2009, 26 pay periods for 2008, and 13 pay periods for 2007 for an equivalent of three consecutive years totaling 78 pay periods (see excerpt of Employers’ Certification of Retirement and Final Wages form on page 23).
Disability Retirement

Are there different types of disability benefits?
Yes. Ordinary disability benefits are if the reason for the disability of the member is independent of his/her employment as a public employee. Accidental disability benefits are for someone who is physically or mentally incapacitated as a result of their work and the disability is causally related to his/her employment.

When should an employee terminate employment?
An employee/member considering applying for a disability retirement, even if he/she is currently collecting workers’ compensation, must apply for the disability with ERSRI prior to termination from employment. Once an employee/member has terminated employment, he/she cannot apply for a disability. There are no exceptions. An employer must never tell a member that they can go back to work for one day or one week and then apply for a disability.

Can anyone apply for Ordinary Disability benefits?
No. In order to apply for ordinary disability benefits, a member must have at least five (5) years of contributing service, three of which must be consecutive. The applicant cannot be eligible for a regular service retirement. An application for disability must be filed with ERSRI prior to termination.

Can anyone apply for Accidental Disability benefits?
No. Although there is no service requirement, a member must be under the age of 65 to apply and an injury/accident report is required. The accidental disability application for state employees, teachers, and municipal employees must be filed within 5 years of the date of the injury (within 18 months of the date of injury for police and fire). For a state employee or a teacher who has a re-injury, the application must be filed within 3 years of the re-injury or aggravation (within 18 months of the re-injury or aggravation for police and fire). Municipal employees have no re-injury provision.

Can an employer apply for disability benefits on behalf of an employee?
Yes. R.I.G.L. provides that application can be made by a member, his or her department head, or a person acting in the member’s behalf.
What forms or documentation does the employer provide?

The employer must provide the below documents and submit them to the Disability Case Manager at ERSRI, 40 Fountain Street, 1st Floor, Providence, RI 02903 within 90 days of the date the disability application is date stamped and received by ERSRI.

- Employer’s Disability Statement
- Job Description
- Injury/Accident Report (accidental disability)
- Work History Three Years Prior to Date of Injury (accidental disability)
  - Summary of employment records which detail absences (i.e. sick LWOP, vacation, etc.)
Can an employer hire or rehire a retired employee?

A person collecting a benefit from ERS or MERS is subject to restrictions on employment with the State of Rhode Island, any Rhode Island public school, or any Rhode Island municipality participating in MERS. Any employment or reemployment may begin no earlier than 30 days after retirement.

A retiree cannot go back to work full time for the State of Rhode Island or any participating municipality without suspension of their pension benefit. There are no limitations for working in a municipality that is not part of MERS.

Teacher/Certified Re-Employment

Teachers may substitute in a Rhode Island public school for up to 90 full days (or 180 half days of 3 hours or less) in the school year. They may be hired to fill a vacant position for not more than 90 full days (or 180 half days of 3 hours or less) in any one school year if the school certifies in writing to its collective bargaining units and ERSRI that they have made a “good faith effort” to fill the position with a non-retiree (see R.I.G.L. §16-16-24 for more specifics).

Teachers may also be employed by a state school, college, or university to teach a course, advise students, coach, or teach driver or motorcycle education for wages not to exceed $15,000 in a calendar year.

Participating (MERS unit) Municipal Re-Employment

A retiree may work in a municipal position for a participating Rhode Island municipality for up to 75 full days (or 150 half days of 3 hours or less) in a calendar year (see R.I.G.L. §45-21-54 for more specifics). If they work in a municipal (non-certified) position in a school department, the 75 days will be counted on a school year basis, September 1 – August 31.

Registered Nurses

A person retired from the state as a registered nurse may work on a per-diem basis at a state operated facility in Rhode Island (i.e. MHRH) as a registered nurse, with gross wages not to exceed $12,000 per calendar year.

State Employment

The only provision for returning to state service is the limited employment under the $15,000 restriction for state schools and colleges explained above. No other state employment is permitted under current retirement statutes.
If a retiree is hired, does the employer have to notify ERSRI?

Yes. The employer (as well as the employee) must notify ERSRI monthly by submitting the “Monthly Notification of Post-Retirement Employment” form. ERSRI provides these reporting forms to all schools and participating municipalities, and the forms are also available to all retirees on the ERSRI website at www.ersri.org.

The statute governing post retirement employment (R.I.G.L. §36-10-36) is complex. If you have a question on post-retirement employment that has not been addressed, please visit our website at www.ersri.org and click contact us to email your question.