Impact of Employee Workshare Program on Your Pension Benefit

The Rhode Island Department of Administration (DOA) and some municipalities are implementing a voluntary Workshare program for employees, to assist in closing budget deficits. The program connects eligible employees with the Unemployment Insurance WorkShare program to replace wages lost due to a reduction in work hours.

A participating employee will work at their regular job 3 days per week, or 60% of their regular schedule. They will be paid 60% of their normal pay. At the same time, the employee can enroll in the WorkShare program, which will provide compensation for the other 40% of the employee’s time.

Employees can learn more about this program by contacting their manager, or going to the DOA website at http://www.dlt.ri.gov/ui/ws.htm

Note: Eligible municipal employees should contact their employer for additional information. For State employees, the WorkShare program is scheduled to take place over 12 weeks from June 14, 2020 - September 5, 2020 (6 pay periods). The maximum number of unworked days will be 24.

For some employees, participating in the WorkShare program may affect your pension benefit.

For more information about the impact of WorkShare on your pension, please see the following Questions and Answers:

Q: Will participating in the WorkShare program impact my retirement eligibility date?
A: No. For purposes of determining your retirement eligibility date, you will still receive full-service credit while on the WorkShare program.

Q: Will the time that I am participating in the Workshare program be deducted from my total years of pension service.
A: No, you will not be assessed any missing time. You will continue to receive full-service credit for the time on Workshare.

Q: Will participating in the WorkShare program impact my pension benefit amount?
A: It depends on whether this year was going to be one of the 5 highest salaried years before you retire. The amount of your pension benefit is based on the average of your five highest years of salary.

If you choose to participate in the Workshare program, the amount of your pension benefit will be impacted only if this year was going to be one of your 5 highest years of salary prior to retirement.

If this year was not going to be one of your 5 highest salaried years, there will be no impact.

If this year is one of your 5 highest years for salary level, you can elect to make a buyback to prevent your pension benefit amount from being impacted.

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Q: What is a buyback and how do I know whether to do one?

A: During the period you participate in the Workshare program, you will not be making any employee contributions to the retirement system for the days in which you are not working. To prevent your pension benefit from being reduced, you will need to reimburse the retirement system for those missed contributions. Remember, this only applies to people who are currently in one of their 5 highest salaried years before retirement.

For employees not in one of your 5 highest years, no buyback is necessary, and no action is required because participating in Workshare will not impact your benefit amount.

Q: How do I make a buyback?

A: To make a buyback, complete the Workshare Verification form at ersri.org/2020-workshare to contribute the “missing” employee contributions. You may elect to “purchase” this salary once the WorkShare program time period has ended in September. Members interested in purchasing the missing salary must submit the request to ERSRI prior to retirement or 12/31/2020, whichever is sooner, to avoid also having to pay interest charges on the missing contributions.

Q: Am I required to make a buyback?

A: No, it is optional. But if you are in one of your 5 highest salaried years before retirement, and you do not elect to make a buyback, your pension benefit amount will be impacted.

For more information visit ERSRI.org and select “Workshare 2020” from the left side menu.

If you have any additional questions, please contact the ERSRI Member Service Center at 401-462-7600 Monday – Friday from 8:30 a.m. – 4:30 p.m.