

A message from General Treasurer, James A. Diosa

GROWTH, GRATITUDE, AND GOODBYE: A MID-YEAR TREASURY UPDATE



Dear ERSRI Member,

I hope you are well and enjoying your summer. In addition to our duties related to ERSRI and its members, Treasury also oversees the issuance of General Obligation bonds on behalf of the state.

Last month, we led a very successful bond offering totaling more than \$238 million, including a record \$37.7 million in orders from Rhode Island retail investors. These bonds will help fund critical projects in education, infrastructure, clean energy, and housing. The success of this issuance reinforces the trust that investors have in our state's financial and economic outlook. That trust extends to ERSRI's portfolio,

which the State Investment Commission and my team oversee with an eye for sustainable and responsible growth on behalf of our members.

Also last month, our dear ERSRI Executive Director Frank Karpinski retired after 31 years of exemplary service to our members and the people of Rhode Island. A lifelong Rhode Islander, he began his service in 1994 under Treasurer Nancy Mayer and went on to serve six General Treasurers with integrity and unwavering commitment. As both Finance Director and Executive Director, Frank led transformative modernization efforts, navigated complex pension reforms, and strengthened ERSRI. On behalf of all ERSRI members and Rhode Islanders, I thank him for his exemplary service and wish him the very best in retirement!

Sincerely,
Treasurer Diosa

ERSRI & TIAA Retirement Plan Overview for Active* Members



Thursday, August 21, 2025 at 6 PM
Johnston High School Auditorium
345 Cherry Hill Rd, Johnston, RI 02919

This one-hour in-person presentation is open to all members of ERS/MERS — no registration is required. Future quarterly presentations will be held in other regions of the state.

**Actively employed or deferred members not yet receiving benefits*

News from TIAA...

CYBERCRIMINALS ARE GETTING SMARTER. ARE YOU?

A 76-year-old retired lawyer lost his entire life savings after trusting a “federal investigator” on the phone. With schemes on the rise as cybercriminals get more sophisticated, it’s more important than ever to protect your account.

Learn to identify the three most common schemes, so you can stop fraudsters in their tracks.

1. Imposter schemes

They can pose as government agents by phone or email, claiming your accounts are compromised. They’ll pressure you to wire money to them “for protections” but take your life savings for themselves.

2. Romance schemes

These cybercriminals play the long game – building trust over weeks by phone, text, or even social media, then asking for “small favors.” Before you know it, they’ve drained your accounts.

3. Call-center schemes

If you get a call or receive a computer pop-up claiming your computer is experiencing a serious error – don’t fall victim to their faked urgency. Allowing remote access is all they need to steal your passwords and your savings.

Here’s a checklist from TIAA experts on how you can protect yourself and your loved ones:

Stay skeptical and verify

Be cautious with urgent messages on your phone or email. Always verify identities by checking for legitimate email or social media accounts and calling back using official phone numbers.

Add protection

Establish a trusted contact on your accounts as an added layer of security. As a client of TIAA, you can also set up passkey access on online accounts for extra protection.

Act fast

If you think a cybercriminal has tricked you into sending them money, trust your buyer’s remorse and contact your bank immediately. Swift action can help recover stolen funds.

Don’t fall for AI

Modern schemes are using AI to create fake content that seems as realistic as possible, especially on social media. Don’t trust everything you see and always reach out for verification. Stay alert to safeguard yourself against schemes. Learn more by going to www.tiaa.org/public/invest/services/wealth-management/perspectives/how-to-avoid-cybercrime.

Act now

Take the first step and set up a passkey for advanced protection if you haven’t done so already. Passkeys make it easier to access your account, but harder for cybercriminals. To set up a passkey, log on to your TIAA account (tiaa.org), click “Profile,” then “Security Preferences.”



A TIAA Financial Consultant can help you with these items and more as a part of your retirement plan – at no additional cost.

Call 800 732-8353, go to www.tiaa.org/schedulenow; or scan the QR code to the left with your phone.

SUMMARY OF 2025 PENSION PROVISIONS

1. Post-Retirement Employment

- **Who it applies to:** Teachers who have retired under the provisions of Title 16

Note: Unlike last year, this provision applies to **teachers providing student instruction**, and not administrators, general school employees, or state employees. *Previous provisions applied to retired administrators, school employees, and state employees but those provisions were not renewed by legislature. Administrators, school employees and state employees must abide by applicable post-retirement employment limits (see RIGL §16-16-24)*

- **What it does:** This year's change allows a

local education authority ("LEA") to hire retired teachers to provide teaching in a classroom on a temporary basis upon written notice to ERSRI of a specialized need. No more than 5% of certified teachers in each LEA may exceed the 90-day limit.

- **Teachers retired under Title 16 are permitted to exceed statutory limits on post-retirement employment without impacting pension benefits only after they have been retired for at least one year.**

Note: Teachers who have been retired less than one year will be limited to 90 days of post-retirement employment, consistent with statutory caps (see RIGL §16-16-24)

FREQUENTLY ASKED QUESTIONS

Q. I am a teacher with a retirement date of 7/1/2025. Under the new provisions, can I work post-retirement providing student instruction in the 2025/2026 school year?

A. Yes, but with limitations. Although you may work post-retirement if you meet all regular criteria, you will be limited to 90 days. Under the new provision, you may only exceed the 90 day limit **after** you have been retired for at least 1 year.

Q. If I am an administrator and I was allowed to exceed the 90 day limit in the 2024/2025 school year, then am I also allowed to exceed the limit in the 2025/2026 school year?

A. No. This year's provision only applies to teachers who are retired under Title 16, and are being hired to provide teaching in a classroom. Administrators must abide by the 90 day limit, or their pension will be impacted.

Q. What about school employees?

A. Under the new provisions, school employees may not exceed the previous 75 day post-retirement limit, or their pension will be impacted.

- LEAs are required to make the **employer** contribution after the retiree exceeds the statutory cap as if the district had hired a new employee. That cap is 90 days for teachers. ERSRI will bill the employers for contributions under this provision based on data transmitted to us.

Note: Retirees are not required to contribute, and do not accrue additional service credit.

- **When Effective:** From June 20, 2025 through June 26, 2026. Contribution payments by employers will begin once employees exceed the pertinent post-retirement employment cap.

- **What it does:** Eligible law enforcement officers seeking an accidental disability benefit from MERS or ERSRI are entitled to the benefit of a presumption that diagnosed heart disease, stroke, or hypertension was the result of their on-the-job duties. This presumption is overcome by a showing of clear and convincing evidence. Fire fighters have received the benefit of this presumption since 2023.

Fire fighters or police officers hired after July 1, 2025 are not entitled to the presumption if:

- (1) A physical examination conducted at the time of hiring revealed pre-existing heart disease or hypertension; and
- (2) A fire fighter or police officer seeking the benefits of the presumption has not regularly or habitually used tobacco products within the five-year period before a stroke or heart disease or hypertension diagnosis.

- **When Effective:** June 30, 2025

2. Police Officer Heart Disease and Hypertension Presumption

- **Who it applies to:** Active municipal police officers in the Municipal Employees' Retirement System ("MERS"), or members of the Employees' Retirement System of Rhode Island ("ERSRI") limited to deputy sheriffs, members of the fugitive task force, capitol police officers, environmental police officers or criminal investigators employed by the Department of Environmental Management, or police officers employed by the Rhode Island Airport Corporation that have been diagnosed with debilitating heart disease or hypertension, or who have suffered a debilitating stroke.



3. Changes to the Final Average Salary (“FAS”) Formula

- **Who it applies to:** State police officers hired before July 1, 2007
- **What it does:** Modifies a member’s FAS from the average highest five (5) consecutive years of compensation to the average highest three (3) consecutive years of compensation for service earned on or after July 1, 2012.
- **When Effective:** Eligible state police officers with **retirement dates on or after July 1, 2024**

4. Target Funded Ratio

- **Who it applies to:** Workers’ Compensation judges **who retired on or after July 1, 2012.**
- **What it does:** This provision reduces the minimum funded requirement for full statutory COLA from 80% to 75%, mirroring legislative changes made for other retirees in 2024.
- **When Effective:** Retroactive to July 1, 2024

5. Excess Revenue

- **What it does:** The Fiscal Year 2026 budget as enacted includes a \$21.6 million transfer of excess state revenue to ERSRI, which will help continue to reduce unfunded liabilities.

6. Video Recording and Archiving of Retirement Board Meetings

- **What it does:** ERSRI is required to video record and archive all meetings of the Retirement Board. Recordings are available to the public under the “Quick Links” section of ERSRI’s homepage – ERSRI.org – or on YouTube at “ERSRI-video-library.”



ERSRI PENSION VALUATION

Investment Portfolio
(as of May 31, 2025)

\$11,817,247,131

Funded Ratio
(as of June 30, 2024)

RI Employees: 60.7%

Teachers: 64.8%

MERS: 88.1%

For more detailed information, follow this link: <https://treasury.ri.gov/about/retirements-vs-benchmarks> or scan the QR code below.



JULY 2025

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COMPASS

EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND

ERSRI
Employees' Retirement System
of Rhode Island

**Para descargar una traducción
al español de este número:**
ersri.org/publications/compass

Office of the General Treasurer
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Chairman, ERSRI Board

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