Planning For Your Retirement

Employee Retirement System of the City of Providence

The City of Providence (the “City”) has helped its employees obtain a financially secure, post-employment future through participation in the Employee Retirement System of the City of Providence (hereinafter referred to as the “Plan”). The benefits under Plan are available to all eligible employees of the City and eligible, non-certified employees of the Providence School Department (the “School Department”).

This guide provides a brief overview of the Plan and outlines its main features. Although this guide describes the important aspects of the Plan, it is not intended as a substitute for the official Plan documents or the policies and procedures of the City’s Retirement Office.

Should you have further questions about the Plan, please provide your inquiries to the Retirement Office via the contact information provided in the Plan Directory located on the last page of this Plan guide.

Retirement Benefit Contributing Factors

Several factors determine your eligibility to obtain retirement benefits from the Plan and the amount of such benefits. These factors are described throughout this guide and include, but are not limited to, the following:

- Date of Plan membership
- Length of Plan membership
- Final compensation
- Earned percentage of final compensation
- Total accumulated retirement contributions
- Your age (and your beneficiary’s age)
Membership in the Retirement Plan

Plan Membership Date
You automatically become a member of the Plan either on the first day of your employment as an eligible, full-time, permanent employee of the City (or other eligible department) or on the date that your retirement contributions are first deducted from your regular earnings.

Participation in the Plan is a mandatory condition of full-time, permanent employment with the City and the School Department.

Plan Member Classification
Upon becoming a member of the Plan, you are assigned to a member classification based upon your employment duties.

There are two Plan membership classifications:

**Class A Members** include all employees, other than police department or fire department public safety employees. This classification generally includes professional, administrative and technical positions, laborers, and mechanics.

**Class B Members** include sworn public safety employees of the fire department and the police department.

Once you complete fifteen (15) or more years of Plan membership within one classification, you will remain a member of that classification for the duration of your Plan membership.

Contributions to Your Retirement Benefit

Both you and the City contribute to your retirement benefit.

Member Contributions
Your share of the cost of your retirement benefit is supported by deductions from your regular earnings. Your retirement contributions are deducted from your pay on a pre-tax basis and are equal to the percentage rate of contribution that is adopted by the Plan Administrator. Your payroll-deducted contributions are deposited directly into your individual annuity savings account for the future benefit of you and your designated beneficiary.

The required contribution rate for all **Class A Members** of the Plan is currently eight percent (8.0%) of base compensation (including longevity pay).

The required contribution rate for **Class B members of the Fire Department** who were hired before July 1, 2011 is eight percent (8.0%) of base compensation (including longevity pay).

The required contribution rate for **Class B members of the Fire Department** who were hired on or after July 1, 2011 is nine percent (9.0%) of base compensation (including longevity pay).

The required contribution rate for **Class B Members of the Police Department** is eight percent (8.0%) of base compensation (including longevity pay).

You have the option to request additional contributions, in excess of the mandatory rate of
contribution, to be deducted from your regular earnings. Any such additional contributions will be used to increase your retirement benefit under the Plan.

If you are absent from your employment without pay for longer than one (1) continuous month, you will not receive credit towards your Plan membership for the duration of your absence without pay.

While on a period of employment leave, employees have the option of continuing to make their required contributions to the Plan by providing payment directly to the Retirement Office. Please contact the Retirement Staff for further details on this process.

Upon your return from a period of employment leave, you have twenty-four (24) months in which to pay the amount that you would have contributed towards your retirement benefit had you not taken such period of leave. If you do not pay your retirement contributions, within twenty-four (24) months of the date of your return from leave, then such outstanding contributions will accrue interest at the rate of eight percent (8.0%), compounded annually, from the commencement date of the leave to the date of repayment.

Any retirement benefit that you may be entitled to receive from the Plan will be determined by the accumulated value of your retirement contributions. If you do not contribute the total amount of your required contributions, your retirement benefit will be reduced to reflect the contribution deficiency.

City Contributions

The City makes regular deposits of interest into your individual annuity savings account. The interest that accrues on your accumulated retirement contributions is established by the Plan administrator. The current interest accrual rate is not less than three percent (3.0%) per annum and not greater than four percent (4.0%) percent per annum, compounded annually.

Should you wish to make additional retirement contributions, you may contact the Payroll department to set up your optional retirement savings plan.

Service Retirement Eligibility

Minimum Eligibility Requirements

The minimum service retirement eligibility for Class A Members is based upon the following charts.

You must either attain the minimum age or complete the minimum years of Plan membership to qualify for retirement and to receive benefits from the Plan:

<table>
<thead>
<tr>
<th>Membership Date</th>
<th>Minimum Retirement Age</th>
<th>Minimum Plan Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or Before June 30, 1995</td>
<td>55 Years</td>
<td>25 Years</td>
</tr>
<tr>
<td>Between July 1, 1995 and June 30, 2004</td>
<td>55 Years</td>
<td>30 Years</td>
</tr>
</tbody>
</table>
You must complete at least ten (10) years of Plan membership and attain the minimum age (or complete thirty (30) years of Plan membership) to qualify for retirement and be eligible to receive benefits from the Plan:

<table>
<thead>
<tr>
<th>Membership Date</th>
<th>Minimum Retirement Age</th>
<th>Minimum Plan Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between July 1, 2004 and June 30, 2009</td>
<td>60 Years</td>
<td>30 Years¹</td>
</tr>
<tr>
<td>On or After July 1, 2009</td>
<td>62 Years</td>
<td>30 Years¹</td>
</tr>
</tbody>
</table>

Class B Members’ eligibility for retirement is based upon the following charts (Fire or Police):

If you are a Class B member of the Fire Department, you must either attain the minimum age or complete the minimum years of Plan membership to qualify for retirement and to receive benefits from the Plan.

<table>
<thead>
<tr>
<th>Membership Date</th>
<th>Minimum Age</th>
<th>Minimum Plan Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before September 18, 2010</td>
<td>55 Years</td>
<td>20 Years</td>
</tr>
<tr>
<td>On or after September 18, 2010</td>
<td>55 Years</td>
<td>23 Years</td>
</tr>
</tbody>
</table>

If a Class B member has earned less than 5 years of plan membership service as of enactment date of current ordinance (September 18, 2015), retirement eligibility is the attainment of age 55 or earning 23 years of service.

All Class B members of the Fire Department hired on or after July 1, 2012 who elect to retire after reaching 23 years of total plan membership service shall begin receiving their pension benefit upon their 25th anniversary of their date of plan membership (excluding any breaks in service or purchased time).

All Class B members of the Fire Department must retire on or before the first day of the calendar month that follows the member’s sixtieth (60th) birthdate.

If you are a Class B member of the Police Department, you must either attain the minimum age or complete the minimum years of Plan membership to qualify for retirement and to receive benefits from the Plan.

<table>
<thead>
<tr>
<th>Membership Date</th>
<th>Minimum Age</th>
<th>Minimum Plan Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or Before June 30, 1995</td>
<td>55 Years</td>
<td>20 Years</td>
</tr>
<tr>
<td>Between July 1, 1995 and June 30, 2011</td>
<td>55 Years</td>
<td>20 Years</td>
</tr>
<tr>
<td>On or After July 1, 2011</td>
<td>55 Years</td>
<td>25 Years</td>
</tr>
</tbody>
</table>

¹ If you have attained age fifty-five (55) and have a minimum of ten (10) years of Plan membership, you may elect to receive a retirement benefit that is reduced by five-twelfths percent (5/12%) per month for each month in between your actual retirement age and your minimum required retirement age.
All Class B members of the Police Department must retire on or before the first day of the calendar month that follows the member’s sixty-third (63rd) birthdate.

Purchasing Plan Membership (Service Time) Credit
You may purchase certain types of credit towards your total Plan membership time. Purchased credit(s) will be added to the end of your Plan membership duration and will be used for the purpose of calculating your pension benefit under the Plan. In some instances, purchased credit(s) may be used in determining a member’s eligibility for certain benefits under the Plan. Please contact the Retirement Office for further details, if applicable.

After you attain active Plan membership for a minimum of one (1) continuous year, then you may be eligible to purchase one or more of the following types of service credit, if applicable:

- Your active, armed services duty time of between one (1) and four (4) years.
- Your completed Providence Police Training Academy time.
- Your continuous, temporary employment time of at least six (6) months duration immediately prior to your Plan membership.
- Your active, Federal employment time up to five (5) years in the aggregate.

The Retirement Office should be contacted for further details and specifics regarding the purchase rules of any Plan membership credit.

Before and After Vesting

Plan Vesting Requirements
You are “vested” in the Plan after you attain ten (10) years of Plan membership service and you have not withdrawn your accumulated contributions from the Plan.²

Employment Termination
Should your employment terminate before you are vested and before you reach retirement eligibility, you will not be eligible to receive retirement benefits from the Plan. Your accumulated contributions within the Plan will continue to accrue interest for a maximum of five (5) years after your employment ends.

You should contact the Retirement Office to initiate the withdrawal of your accumulated contributions from the Plan.

Should your employment terminate after you are vested but before you reach retirement eligibility, you may be eligible to receive a deferred retirement benefit provided that you do not withdraw your accumulated retirement contributions from the Plan. (See Deferred Retirement Benefit below).

Note: If you withdraw your contributions from the Plan before you reach minimum retirement eligibility, you will forfeit any future benefit from the Plan.

² If you became a member of the Plan before July 1, 2004 you may be exempt from the ten (10) year vesting requirement. The Retirement Office should be contacted for further information.
Deferred Retirement Benefit
You may be eligible to receive a deferred retirement benefit if you have attained the minimum vesting period and you have not withdrawn your retirement contributions from the Plan. Should you meet the eligibility requirements for this benefit and properly file your deferred retirement application with the Retirement Office, your deferred retirement will be effective on the date that you attain your minimum retirement age.

Should you meet the eligibility requirements for a deferred retirement benefit but file your application after you attain your minimum retirement age, your deferred retirement will be effective on the date that you file your deferred retirement application with the Retirement Office.

A deferred retirement benefit is calculated in the same manner as a service retirement benefit.

Re-Employment
Should you become employed on a permanent, full-time basis by the City or the School Department, after a previous term of employment and after withdrawing your accumulated contributions from the Plan, you may elect to re-join the Plan. To re-join the Plan you must repay the total amount of your prior contribution withdrawal plus eight percent (8.0%) interest compounded annually. After re-joining the Plan, your prior Plan membership time will be included in the determination of your eligibility for and the calculation of any future retirement benefit.

Should you become employed on a permanent, full-time basis by the City or the School Department after receiving retirement benefits from the Plan, receipt of any such existing retirement benefits will be suspended and any benefit election shall become null and void. Instead, you will again become a Plan member, and upon completion of one (1) year of Plan membership thereafter you may be eligible to receive retirement benefits, adjusted for payments previously received, based upon your total years of Plan membership.

Should you become employed on a part-time or limited basis by the City or the School Department after receiving retirement benefits from the Plan, you may be eligible to continue such benefits provided that your employment does not exceed seventy-five (75) full days or one hundred fifty (150) half days in a calendar year. Should these limits be exceeded, benefit payments will be suspended, and no additional contributions shall be taken nor additional service credits granted.

Pre-Retirement Survivor Benefits
Class A and Class B Members
In the unfortunate event that you pass away prior to retirement as a result of an accident that occurs while you are performing your employment duties, your designated surviving beneficiary is entitled to your total accumulated retirement contributions and the interest accrued thereon (less any outstanding loan against your retirement contributions). In addition, upon written application, your surviving spouse shall receive a monthly benefit equal to fifty percent (50.0%) of your Final Compensation (as defined in the retirement ordinance in effect on the date of your death). Such benefit will continue until the earlier of your spouse’s remarriage or death. Should you have no surviving spouse, then such benefit will be provided to your dependent children until they attain the age of eighteen (18).

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3 The Human Resources Office should be contacted for further information related to returning to work after retirement.
**Class A Members**

Should you die before you attain minimum retirement eligibility as the result of an illness or accident that is **not** related to your employment, your designated beneficiary will receive your total accumulated retirement contributions and the interest accrued thereon (less any outstanding loan against your retirement contributions).

Should you die after you attain minimum retirement eligibility but before retirement as the result of an illness or accident that is **not** related to your employment, your designated beneficiary will receive your total accumulated retirement contributions and the interest accrued thereon (less any outstanding loan against your retirement contributions). In lieu of your accumulated contributions, your surviving spouse may instead elect to receive a monthly benefit. Such benefit would be calculated pursuant to your Retirement Option 2 benefit. (See descriptions of *Retirement Benefit Options*.) Your spouse would receive this benefit for his/her lifetime.

**Class B Members**

Should you die before you attain minimum retirement eligibility as the result of an illness or accident that is **not** related to your employment, your designated beneficiary will receive your total accumulated retirement contributions and the interest accrued thereon (less any outstanding loan against your retirement contributions).

Should you die after you attain minimum retirement eligibility as the result of an illness or accident that is **not** related to your employment, your surviving spouse will receive a monthly benefit equal to sixty-seven and one-half percent (67.5%) of the Maximum Option benefit that you would have received if you had retired on the date of your death. Your spouse would receive this benefit until the earlier of his/her remarriage or death. Should you have no surviving spouse, then such benefit will be provided to your dependent children until they attain the age of eighteen (18).

**Your Retirement Benefit**

Upon reaching retirement eligibility, and after your last day of employment with the City or School Department, your retirement benefit options will be determined and provided to you for your selection.

Your retirement benefit options are determined by your Final Compensation and your Earned Percentage. (See definitions of *Final Compensation* and *Earned Percentage* below). The largest retirement benefit available to you is calculated by multiplying your Final Compensation by your Earned Percentage. The result of this calculation is your *Retirement Option Maximum* and all other retirement options are determined from this result. (See *Retirement Option Maximum*.)

**Final Compensation**

Your Final Compensation is currently defined in the retirement ordinance as the average of your highest four (4) consecutive years of base compensation (including longevity payments) earned during your Plan membership. Your Final Compensation is determined by how such term is defined in the retirement ordinance in effect on your retirement effective date.

**Earned Percentage**

Your retirement benefit is based upon a percentage of your Final Compensation. This earned percentage is determined from the following information:
Class A Members

If you became a member of the Plan on or before July 1, 1996, you currently earn two and one-half percent (2.5%) for each year of the first twenty (20) years of Plan membership. For each membership year thereafter, you earn two percent (2.0%). Your Earned Percentage is multiplied by your Final Compensation, as defined in the retirement ordinance in effect on your retirement effective date.

If you became a member of the Plan after July 1, 1996, you currently earn two percent (2.0%) for each year of Plan membership. Your Earned Percentage is multiplied by your Final Compensation, as defined in the retirement ordinance in effect on your retirement effective date.

Class B Members of the Fire Department

You currently earn two and one-half percent (2.5%) for each year of the first twenty (20) years of Plan membership. For each membership year thereafter, you earn two percent (2.0%). Your Earned Percentage is multiplied by your Final Compensation, as defined in the retirement ordinance in effect on your retirement effective date.

All Class B members of the Fire Department hired on or after July 1, 2012 who elect to retire after reaching 23 years of total plan membership service shall begin receiving their pension benefit upon their 25th anniversary of their date of plan membership (excluding any breaks in service or purchased time).

The maximum percentage of your Final Compensation that you may earn is seventy-five percent (75.0%).

Class B Members of the Police Department

If you were hired before September 1, 2001, you currently earn two and one-half percent (2.5%) for each year of the first twenty (20) years of Plan membership. For each membership year thereafter, you earn two percent (2.0%), plus an additional five percent (5.0%) accrual if you retire at twenty-five (25), thirty (30), or thirty-two (32) years of Plan membership. You will receive a maximum of eighty percent (80%) of your Final Compensation after completing thirty-two (32) years of Plan membership.

If you were hired between September 1, 2001 and June 30, 2011, you currently earn two and one-half percent (2.5%) for each year of the first twenty (20) years of Plan membership. For each membership year thereafter, you earn two percent (2.0%). You will receive a maximum of seventy-five percent (75%) of your Final Compensation after completing thirty-two (32) years of Plan membership.

If you were hired on or after July 1, 2011 and you elect to retire after the minimum twenty-five (25) years of Plan membership, you will receive fifty percent (50.0%) of your Final Compensation, as defined in the retirement ordinance in effect on your retirement effective date. You will receive a maximum of seventy-five percent (75.0%) of your Final Compensation after completing thirty-five (35) years of Plan membership.

If you retire from any non-union position, your maximum percentage of your Final Compensation is seventy-five percent (75.0%). Please contact the Retirement Office should you require additional information.

Retirement Benefit Options

Your monthly retirement benefit is based upon the retirement option that you select. You should select the retirement option that is most suited to your financial needs.
Class A Members
If you are a Class A member of the Plan, you may select from any of the five following described retirement benefit options.

Class B Members
If you are a Class B member of the Plan, you may select either the Retirement Option Maximum or Retirement Option 4 benefit upon your service retirement. If you are not married, you may also select the Retirement Option 1 benefit, naming a non-spouse beneficiary.

The Retirement Option 1 and Option 4 benefits are not available to those Class B members who are granted an accidental disability retirement (Maximum is the only option under this scenario).

Retirement Option Maximum:
The Retirement Option Maximum benefit is a monthly benefit that is paid to you during your lifetime. Should any balance of your accumulated contributions remain unpaid to you, upon your death such balance will be paid to your designated beneficiary via a one-time payment.
This Option Maximum benefit is calculated by multiplying your Final Compensation by your Earned Percentage. All other benefit options are determined using the result of the Option Maximum benefit calculation.

Retirement Option 1:
The Retirement Option 1 benefit is a monthly benefit that is paid to you during your lifetime. Should any balance of the present value of your total retirement benefit (calculated as of your retirement effective date) remain unpaid to you, upon your death such balance will be paid to your designated beneficiary via a one-time payment.

This Option 1 benefit is calculated by multiplying your Option Maximum benefit by an age-related mortality factor that is associated with your designated beneficiary and applicable to the present value calculation of your retirement benefit. The mortality factor is provided by a third party actuary.

Retirement Option 2:
The Retirement Option 2 benefit is a monthly benefit that is paid to you during your lifetime. Upon your death, your designated beneficiary will receive this same benefit amount each month for the remainder of their lifetime.

This Option 2 benefit is calculated by multiplying your Option Maximum benefit by an age-related mortality factor that is associated with your designated beneficiary and is applicable to the continuation of your monthly benefit after your death. The mortality factor is provided by a third party actuary.

Retirement Option 3:
The Retirement Option 3 benefit is a monthly benefit that is paid to you during your lifetime. Upon your death, your designated beneficiary will receive fifty percent (50.0%) of this benefit amount each month for the remainder of their lifetime.

This Option 3 benefit is calculated by multiplying your Option Maximum benefit by an age-related mortality factor that is associated with your designated beneficiary and is applicable to the continuation of fifty percent (50.0%) of your gross monthly benefit after your death. The mortality factor is provided by a third party actuary.
factor is provided by a third party actuary.

**Retirement Option 4:**

The Retirement Option 4 benefit is a monthly benefit that is paid to you during your lifetime. Your accumulated retirement contributions and the interest accrued thereon will be returned to you via a one-time payment (generally within sixty (60) days from the date that you begin to receive your monthly retirement benefit). Upon your death, your monthly retirement benefit shall cease.

This Option 4 benefit is calculated by reducing your Option Maximum benefit by the annuitized value of your total accumulated retirement contributions.

**Retirement Effective Date**

Your retirement effective date is the date that you officially separate from employment from the City or the School Department, provided that such date occurs after you attain eligibility to receive retirement benefits from the City.

Your retirement benefit is calculated using your retirement effective date and your benefit under the Plan will be paid to you retroactive to this date.

**Retirement Benefit Payments**

You will receive your selected retirement benefit at the end of each calendar month for the duration of your life. Your monthly retirement benefits cease upon your death unless you select a benefit option that provides for a continued benefit to your designated beneficiary.

*Note: Upon the commencement of your monthly retirement benefit, your option selection may not be changed.*

**Cost of Living Adjustments**

Cost of Living Adjustments (COLAs) are considered a voluntary gratuity from the City. Therefore, the payment of any COLA by the City may be reduced or suspended at any time. Currently, COLAs are suspended until at least January 1, 2023. Please contact your union representative, as applicable, or the Retirement Office should you need additional information.

**Healthcare Benefits**

For details related to post-retirement healthcare eligibility rules and/or available coverage and costs, please contact the Benefits Office of the Department of Human Resources at 401-680-5279 (City retirees), or 401-680-5285 (School retirees).

**Post-Retirement Death Benefits**

Upon your death, any portion of your accumulated contributions, not paid to you during your lifetime, will be paid to your designated beneficiary.

**Class A Members**

Upon your death, and upon application to the Retirement Office, your designated beneficiary will receive the benefit associated with the retirement option that you selected, if applicable.

**Class B Members**

Upon your death, and upon application to the Retirement Office, sixty-seven and one-half percent
(67.5%) of your gross monthly benefit will be paid to your surviving spouse until his or her death or remarriage. Should you have no surviving spouse at the time of your death, then such benefit percentage will be paid to your dependent children until they attain age eighteen (18).

**Disability Retirement**

The City provides assistance to those employees who become injured or disabled and are no longer able to perform their employment duties.

**Accidental (Employment Related) Disability**

Should you become physically or mentally disabled as the result of an accident or injury that occurred while in the performance of your employment duties, then you may become eligible for an accidental disability retirement.

You or your department director must submit your completed application for an accidental disability to the Retirement Office within eighteen (18) months of the disabling incident in order to be considered for this type of retirement benefit.

Upon meeting all eligibility requirements under the then-current retirement ordinance, and after submitting a complete accidental disability application to the Retirement Office, you must submit to three (3) independent medical examinations arranged by the City.

Should you be granted an accidental disability retirement, your Retirement Option Maximum benefit will be calculated by multiplying your Final Compensation (as defined in the retirement ordinance in effect on your retirement effective date) by an Earned Percentage of the greater of sixty-six and two-thirds percent (66.67%) or the percentage earned had you retired on the same date under a service retirement. (See *Retirement Option Maximum*.)

**Class A Members**

Should you be granted an accidental disability retirement, you may select from any of the five (5) benefit options described herein. (See descriptions of *Retirement Benefit Options*.)

**Class B Members**

Should you be granted an accidental disability retirement, the only benefit option available to you is the Option Maximum benefit. However, should you designate a non-spouse as your beneficiary, then you may also select the Option 1 benefit.

The Retirement Option 4 benefit is not available to those Class B members who are granted an accidental disability retirement. (See descriptions of *Retirement Benefit Options*.)

**Post-Retirement Accidental Death Benefit**

Should you die within five (5) years of the date you were granted an accidental disability retirement, and evidence is provided to prove your death was the natural and proximate result of the accident or injury causing your disability, your legal dependents may apply for a post-retirement benefit equal to fifty percent (50.0%) of your Final Compensation (as defined in the retirement ordinance in effect on your retirement effective date). Such monthly benefit will be paid to your surviving spouse until the earlier of the date that your spouse remarries or dies or, if no spouse, then to any of your dependent children until they attain the age of eighteen (18).

**Ordinary (Non-Employment Related) Disability**
Should you become physically or mentally disabled as the result of an accident or injury that did not occur while in the performance of your employment duties and you have been a member of the Plan for at least ten (10) years, then you may become eligible for an ordinary disability retirement.

You or your department director must submit your completed application for an ordinary disability to the Retirement Office to initiate the process to retire with a disability benefit.

Upon meeting all of the eligibility requirements under the then-current retirement ordinance, and after submitting a complete ordinary disability application to the Retirement Office, you must submit to three (3) independent medical examinations arranged by the City.

**Class A Members**

Should you be granted an ordinary disability retirement by the Retirement Board of the Plan, your Option Maximum benefit will be calculated by multiplying your Final Compensation (as defined in the retirement ordinance in effect on your retirement effective date) by an Earned Percentage of one and eight tenths percent (1.8%) for each year of Plan membership, calculated as of the date you would reach your minimum retirement age (the date which is the earlier of the date on which you meet the service requirement or the date on which you meet the age requirement). However, no such Earned Percentage may exceed forty-five percent (45.0%). (See [Retirement Option Maximum](#).)

Should you be granted an ordinary disability retirement, you may select from any of the five (5) benefit options described herein. (See descriptions of [Retirement Benefit Options](#).)

**Class B Members**

Should you be granted an ordinary disability retirement by the Retirement Board of the Plan, your Option Maximum benefit will be calculated by multiplying your Final Compensation (as defined in the retirement ordinance in effect on your retirement effective date) by an Earned Percentage of two and one-fourth percent (2.25%) for each year of Plan membership, calculated as of the date you would reach your minimum retirement age (the date which is the earlier of the date on which you meet the service requirement or the date on which you meet the age requirement). However, no such Earned Percentage may exceed forty-five percent (45.0%). (See [Retirement Option Maximum](#).)

Should you be granted an ordinary disability retirement, you may select either the Option Maximum or the Option 4 benefit. However, if you designate a non-spouse as your beneficiary, then you may also select the Retirement Option 1 benefit. (See descriptions of [Retirement Benefit Options](#).)

**Recovery from Your Disability**

Proof of the continuance of your disability may be required on an annual basis. You are required to submit to an examination upon direction by the City’s Human Resources Department.

If an examination establishes that your disability no longer exists, or should you refuse to submit to re-examination, your disability retirement benefit may be suspended or discontinued. Should you recover from your disability, you are eligible for reinstatement to employment. Upon your return to work, you will receive credit for your Plan membership before and during your disability.

**Elected Officials**

If you served as an elected official of the City prior to January 1, 2015, you may be eligible to receive retirement benefits from the Plan.

**Service Retirement Eligibility for Elected Officials**
To meet eligibility requirements, you must: 1) have served the City in the capacity of either mayor or city council member for at least eight (8) full legislative years; 2) have either attained age fifty-two (52) or completed twenty (20) consecutive years as an elected official; and 3) have contributed both eight percent (8%) of your compensation plus an additional three hundred fifty dollars ($350) per year.

Disability Retirement Eligibility for Elected Officials
Should you become totally and permanently disabled for the performance of your duties as an elected official, then you may become eligible for ordinary disability retirement.

Upon meeting the eligibility requirements and submitting a completed ordinary disability application to the Retirement Office, you must submit to three (3) independent medical examinations arranged by the City.

Should you be granted an ordinary disability retirement by the Retirement Board of the Plan, you may select from any of the five (5) benefit options described herein. (See descriptions of Retirement Benefit Options.)

Any benefit provided to you under the Plan shall be subject to annual medical examinations as required by the City’s Human Resources Department.

Required Contributions for Elected Officials
You are required to make retirement contributions to the Plan for a maximum of twenty (20) years.

Your accumulated contributions that remain within the Plan will continue to accrue interest for a maximum of four (4) years following your last day served as an elected official.

You may withdraw your accumulated contributions from the Plan at any time prior to your retirement. However, upon such withdrawal, you give up any and all rights to any future benefits under the Plan.

Retirement Benefits for Elected Officials Prior to January 1, 2015
Your monthly retirement benefit will be computed at the rate of three hundred fifty dollars ($350) for each year you served as an elected official for the City, up to a maximum of twenty (20) years.

Depending on your class of membership, you may select from any of the five (5) retirement benefit options described herein. (See descriptions of Retirement Benefit Options.)

You will receive your selected retirement benefit at the end of each calendar month for the duration of your life. Your monthly retirement benefits cease upon your death unless you select a benefit option that provides for a continued benefit to your designated beneficiary.

You will not receive any retirement benefit while you are receiving compensation from the City or any of its agencies, commissions, or boards except to the extent that your retirement benefit exceeds such compensation.

You will not receive any retirement benefit if you have been removed from your elected duties pursuant to the provisions of the Providence Home Rule Charter or if you are convicted of a felony or other crime involving moral turpitude.

Death Benefit for Elected Officials

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4 Applies only to those elected official whose term ended prior to January 1, 2015. The additional three hundred fifty dollars ($350) per year is used to defray the costs of the benefits provided under the Plan.
Should you die before you become eligible to receive a benefit under the Plan, your designated beneficiary will receive your contributions plus any accrued interest.

Should you die after completing twenty (20) years of service as an elected official, but have not yet attained age fifty-two (52), your surviving spouse may elect to receive a monthly retirement benefit pursuant to your Retirement Option 2 benefit. Such benefit will be calculated as of the date of your death and will be in lieu of the receipt of your accumulated contributions via a one-time payment. If elected, your spouse would continue to receive such Option 2 benefit for his/her lifetime or until remarriage. (See descriptions of Retirement Benefit Options.)

Should you die after completing twenty (20) years of service as an elected official and after your retirement benefits have commenced, your surviving spouse will receive a monthly benefit equal to fifty percent (50%) of your gross retirement benefit for his/her lifetime or until remarriage.

**Borrowing from Your Retirement Account**

Your accumulated retirement contributions, plus any interest accrued thereon, must remain in your annuity savings account until your employment with the City or School Department ends. However, after you have been a member of the Plan for at least three (3) years, you may be eligible to borrow a portion of your accumulated contributions from your annuity savings account.

To be eligible to borrow from your annuity savings account, you must attain a minimum of three (3) years of Plan membership and your employment status must be active and full-time. You may not borrow funds if you are receiving workers’ compensation benefits, are on a leave of absence, or have not received your full, regular wages for at least one (1) entire payroll cycle.

The maximum amount that you may borrow from your annuity savings account is fifty percent (50%) of your total accumulated contributions.

The minimum amount that you may borrow from your annuity savings account is one thousand dollars ($1,000).

You must sign a promissory note at the time you borrow from your annuity savings. The rate of interest and repayment terms will be fixed on the date that you sign the promissory note.

Repayments of borrowed amounts will be made through regular payroll deductions and/or through separate payments issued to the Retirement Office. Payroll deductions will be equal to the greater of five percent (5%) of your base compensation or the minimum required to repay the amount borrowed within ten (10) years. **Separate payments through the Retirement Office are required at any time that you are not earning your regular pay.**

In addition to a promissory note, you must sign a sworn affidavit certifying to your purpose for borrowing from your annuity savings. You may not borrow for any reason other than medical, funeral, or education expenses or for repairs to, or the down payment towards the purchase of, your primary residence.

Should you retire without repaying the entire balance of any amount borrowed from your annuity savings, your retirement benefit will be reduced to reflect such outstanding loan balance.

The loan process can be completed by plan members online in many instances. Please contact the Retirement Office for further information regarding the online loan process.
Additional Information

Social Security
For Class A Members, Federal Social Security payments are intended to supplement your Plan retirement benefits. You may obtain more information and apply for federal benefits at any local social security office. The amount of your Social Security benefit may only be determined by the United States Social Security Administration (https://www.ssa.gov/).

Tax Withholding
You may elect not to have income taxes withheld from your monthly retirement benefit. If you wish to change your existing tax withholding(s), please provide the completed applicable form(s) to the Retirement Office. Such forms are available at the following locations:

IRS Form W-4P
"Withholding Certificate for Pension or Annuity Payments"
- Visit https://www.irs.gov/ and search the IRS Forms and Publications for “W-4P”
- The Retirement Office

Form RI W-4
“State of Rhode Island and Providence Plantations Employee’s Withholding Allowance Certificate”
- Visit http://www.tax.state.ri.us/taxforms/withholding.php
- The Retirement Office

You may be subject to tax penalties if you fail to either properly estimate and pay your tax liability or withhold sufficient taxes from your monthly benefit to meet your tax liability.

Questions related to federal or state taxes should be directed to either an appropriate tax official or your personal tax advisor.

Assignment of Benefits
Your benefits under the Plan are solely for you and/or your surviving beneficiary. Generally, they cannot be assigned to any other party.

Copies of Plan Documents
This guide is designed to provide information related to the main features of the Plan. It does not address every question or scenario that may arise in connection with your retirement. This guide should not be considered a substitute for any statute, municipal ordinance, or agreement which may apply to or govern the operation of the Plan and it is subject to amendment at any time. Any questions that are not covered by this guide, or should this guide appear to conflict with any official Plan Documents, the official Plan Documents will supersede the information contained within this guide.

Note: When investigating your benefits under the Plan, you should rely only upon responses from authorized representatives of the Retirement Office.

Retirement Benefit Estimates
Active city and school employees who meet retirement eligibility (See Retirement Benefit Eligibility), have not experienced periods of leave from work, and have access to Lawson, the city’s Human Resources software, may visit “Pension Option Modeling” under the Employee Self Service bookmark in Lawson to receive a draft of estimated and non-audited retirement pension benefit amounts.
Please be advised that any retirement benefit estimate is not binding and is based upon the retirement ordinance provisions in effect as of the time the estimate is calculated. The data, information, and results are furnished for your general guidance with respect to retirement benefits. Providence’s City Charter, Code of Ordinances, and any policies and terms applicable to the Employee Retirement System of the City of Providence (the “Retirement System”) will govern your entitlement to a retirement allowance and/or other retirement benefit.
Plan Directory

Plan Name
Employee Retirement System of the City of Providence

Plan Sponsor
City of Providence

Plan Administrator
Retirement Board of the Employee Retirement System
City Hall – Room 409
25 Dorrance Street
Providence, RI 02903

Retirement Board Members:

Lawrence J. Mancini, Chair  Betty Jackson
Raymond A. Hull, Vice Chair  Jenna Karlin
Joseph Callei  David D. L'Europa, Jr.
April Chase-Lubitz  James J. Lombardi
Joseph R. Colannino  Carl H. Richards
Thomas D'Amico  Toby Shepherd
Councilman John J. Igliozzi

Retirement Office
Jill Reese
Pension Administrator

City Hall – Room 409
25 Dorrance Street
Providence, RI 02903

(401) 680-5296

Controller's Office
Krystle Lindberg
City and School Controller

797 Westminster Street
Providence, RI 02903

(401) 458-4198 X11535

http://www.providenceri.gov/retirement
retirement@providenceri.gov