



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**DEPARTMENT OF ADMINISTRATION**

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### **Voluntary Retirement Incentive (VRI)**

The State of Rhode Island is offering a voluntary retirement incentive payment to state employees in the Executive Branch who participate in the Employees' Retirement System of Rhode Island (ERSRI), who are currently eligible to retire and who are the recipients of longevity payments under the state's longevity program ("Longevity Payments" and "Future Longevity Payments"). The terms of the Voluntary Retirement Incentive (VRI) will be governed by the terms of this policy document and the Frequently Asked Questions that accompany this document.

In order to facilitate the orderly administration of the VRI, and in particular the orderly calculation and payment of pensions by ERSRI, the terms of this plan relating to the timing of the processing of applicants for the VRI incentive may be amended from time to time by the Department of Administration after consultation with the Office of the General Treasurer and ERSRI.

The VRI is intended to allow the State to recognize the long-term service of our employees and provide them with the flexibility to retire. It is also intended to achieve strategic and budgetary objectives by prioritizing the filling of resulting vacancies.

The VRI is a one-time voluntary program designed to meet the State's current and future needs. There are no plans to offer another program.

### **Program Elements**

#### **Participation**

Participation in this program is voluntary. Eligible employees are under no obligation to participate, and no employee will be terminated or suffer any adverse employment consequences for choosing not to participate in this VRI offer.

#### **Eligibility**

The VRI is available to state employees in the Executive Branch who meet all the following criteria:

- Employees must be actively employed with the State of Rhode Island on October 6, 2017 and must have been in continuous employment for at least one year immediately preceding October 6, 2017. Employees who are on or have been on authorized leave during the period will be considered eligible for the VRI, provided they otherwise meet eligibility criteria.
- Employees must be current active participants in ERSRI and have achieved their Full Benefit Retirement Date on or before December 31, 2017. An employee's Full Benefit Retirement Date is the date that the employee is entitled to retire under ERSRI and receive full benefits based on the employee's service with the state. Members eligible to retire with a reduced pension benefit on or before December 31, 2017 are **not** eligible for the incentive.

- Only those employees with a longevity amount calculated as a percentage additional to an employee's salary are covered under the VRI.

Participation by the separately elected General Treasurer, Secretary of State, Attorney General and Lieutenant Governor offices will be determined by their respective general officers.

Employees who do not have separately calculated longevity amounts or who have a longer step progression in their compensation program, such as correctional officers and sheriffs, are not eligible. State police and judges who participate in the state police and judicial retirement benefits trusts are not eligible for this incentive program.

### **Enrollment Period and Retirement Dates**

In order to effectively implement the VRI, the program will be offered to employees in stages in accordance with their longevity entitlements:

- **20% Longevity Recipients:** Employees entitled to Longevity at the 20% level must submit written notice of their election to retire under the VRI on or before January 15, 2018 and must designate a retirement date effective on or before February 15, 2018.
- **17.5% and 15% Longevity Recipients:** Employees entitled to Longevity at the 17.5% and 15% levels must submit written notice of their election to retire under the VRI on or before February 15, 2018 and must designate a retirement date effective on or before March 15, 2018.
- **10%, 7.5% and 5% Longevity Recipients:** Employees entitled to Longevity at the 10%, 7.5% and 5% levels must submit written notice of their election to retire under the VRI on or before March 15, 2018 and they must designate a retirement date effective on or before April 15, 2018.

Exceptions extending these election periods and retirement dates may only be made on an individual employee basis upon application of the employee's agency director with the agreement of the employee and with the written consent of both the Director of Administration and the Executive Director of Human Resources/Personnel Administrator. In no event shall the retirement date be extended later than June 30, 2018.

### **Program Benefits**

- Eligible employees who elect to retire within the enrollment periods designated above will receive a one-time payment in the amount equal to two times (2X) the employee's current annualized Longevity amount to a maximum payment amount of forty thousand dollars (\$40,000.00) (the "Incentive Payment").
- The Incentive Payment is **not** considered pensionable salary and will **not** be included in your pension benefit calculation.
- The Incentive Payment will be paid within 30 days of the employee's retirement date (or last date of service) as specified above.
- For employees entitled to 20% Longevity and who are in the first Enrollment Period ending January 15, 2018, if the employee makes his or her election to retire on or before December 1, 2017 and selects a retirement date on or before December 29, 2017, the Incentive Payment will be made to the employee on or before December 29, 2017.
- The VRI will **not** affect any other benefits provided by the state. Benefits such as your ERSRI pension, TIAA defined contribution plan, retiree health benefits, COBRA benefits and other employer provided benefits remain subject to their current terms and conditions and will not be increased or decreased by participation in the VRI.

**Other Conditions**

- Once an employee submits his/her written election to retire, the employee cannot withdraw that election.

**Certain Limitations**

You may become ineligible for the incentives offered through the VRI program after you have made an election to participate if any of the following occurs:

- If you fail or refuse to timely complete, execute and submit the election form.
- If your employment with the State is terminated by the State prior to your retirement date for cause. "Cause" is defined as:
  - engaging in misconduct or negligence in the performance of your duties;
  - committing a felony or any act of fraud, embezzlement, theft or dishonest conduct in the course of your employment; or
  - falsifying any employment or other record.
- If you fail to return property that belongs to the State on or prior to your retirement date.
- If you fail or refuse to retire from employment with the State on your retirement date.

**I, Michael DiBiase, Director of the Rhode Island Department of Administration, hereby formally adopt the Voluntary Retirement Incentive (VRI) program, which will go into effect immediately.**



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**Michael DiBiase, Director**  
**R.I. Department of Administration**  
**on behalf of the State of Rhode Island and Providence Plantations**

11/1/17  
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**Date**