

Employees' Retirement System of the State of Rhode Island

Pension Trust Funds of the State of Rhode Island

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Abridged Extracts: Pages iii – vi)

ERSRI Membership

As of June 30, 2025, active membership in the Employees' Retirement System totaled 24,581.

The Municipal Employees' Retirement System totaled 8,260 and 7,402 active teachers were in the Teachers' Survivors Benefit Plan.

There are currently 59 judges contributing to the Judicial Retirement Benefits Trust, 272 state police contributing to the State Police Retirement Benefits Trust, and 4 judges contributing to the Rhode Island Judicial Fund Trust.

A total of 31,211 retirees and beneficiaries were receiving benefits from the System.

As of June 30, 2025, there are 45,050 active and retired participants in the State of Rhode Island Defined Contribution Plan

Financial Performance

The major additions for all ERSRI plans are employee and employer contributions.

Total additions for the fiscal year ending June 30, 2025, included \$1,026,555,000 in contributions from employers and employees.

The deductions from the funds consist primarily of payments made to members and beneficiaries for retirement, disability, death, or survivor benefits, refunds, and investment losses. In total, benefit payments for the fiscal year ending June 30, 2025, were \$1,143,070,000 and investment gains were \$1,250,556,000. Net Gain of \$107,486,000

Funding

The ERSRI plans are funded through three sources;

- (1) investment earnings,
- (2) employee contributions as prescribed in RI General Law for each trust, and
- (3) employer contributions

Plan AAL

The actuary determines the actuarial accrued liability of the Plans, which is a measure of the present value of accrued liabilities that is estimated to be payable in the future to current retirees, beneficiaries, and employees for service earned to date. The percentage computed by dividing the actuarial value of net assets for benefits by the actuarial accrued liability is referred to as the funded ratio. The higher the funded ratio, the greater the degree of overall financial health and stability for the pension fund. The funded status alone is not appropriate for assessing the need for future contributions. Also, the funded status is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligations.

The funding objective of the ERSRI is to attempt to develop stable contribution rates and to achieve a funded status of 100%. Per the actuarial valuation dated June 30, 2025, the funded ratio for State Employees increased from 60.7% in the prior year to 63.9%, as well as an increase for Teachers from 64.8% to 67.9%. The funded ratio for the judges also increased from 103.7% in the prior year to 106.3%. The State Police experienced a slight decrease in their funding status from 89.0% to 88.4% in the most recent actuarial valuation. This was due to salary increases proving more than expected and the plan changes resulting from the passage of House Bill 5076 Sub A.

Investment Performance

The annualized time-weighted return (net of fees) on the portfolio for the one-year, three-year, and five-year periods ended June 30, 2025 were 8.4%, 9.3%, and 10.1%, respectively.

NB: The return on the portfolio for the one-year, three-year, five-year and ten-year periods ended 28 February 2026 were 13.8%, 11.3%, and 9%, and 9.7% respectively.

(Ref <https://treasury.ri.gov/investments/investment-performance>)