

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
Notes to Financial Statements
Fiscal Year Ended June 30, 2005

7. Post-Employment Health Care Benefits

In accordance with the General Laws, post-employment health care benefits are provided to State employee members of the ERS plan who retire on or after July 1, 1989. The benefits in general cover medical and hospitalization costs for pre-Medicare retirees and a Medicare supplement for Medicare eligible retirees. The State's share of the costs of these benefits ranges from 50% for retirees with 10-15 years of service to 100% for retirees with 35 years of service. These benefits are provided on a pay-as-you-go basis and are not accounted for as part of the Employees' Retirement System. The financial activity related to post-employment benefits for state employees is reflected in the State's general fund.

8. Subsequent Events

In November 2005, the System obtained title to commercial real estate located in Providence, Rhode Island as a result of bankruptcy foreclosure proceedings in the U.S. Bankruptcy Court. The System held a first lien on the commercial real estate owned by an obligor of a mortgage loan receivable held as a plan specific investment. The mortgage loan receivable is guaranteed by the Rhode Island Economic Development Corporation (RIEDC) to the extent of \$3 million. The System has requested payment of the guarantee by RIEDC. In January 2006, the System leased the premises to a corporation pursuant to a 3-year operating lease.

TITLE 36

Public Officers and Employees

CHAPTER 36-8

Retirement System – Administration

SECTION 36-8-19

§ 36-8-19 Annual audits. – The auditor general shall conduct upon the request of the retirement board a separate annual performance audit of the retirement system which shall include a report on the actuarial valuation of the assets and liabilities of the retirement system. The auditor general may examine all records, files, and other documents, and evaluate all policies and procedures for purposes of conducting the audit. The aforementioned performance audit shall be in addition to the annual audit conducted by the auditor general of the financial statements of the retirement system. A copy of the report shall be given to the governor, the state retirement board, and the joint committee on legislative services.

History of Section.

(P.L. 1991, ch. 44, art. 75, § 1; P.L. 1992, ch. 306, art. 1, § 1.)