

22-Year Plan Fact Sheet



NYC EMPLOYEES'
RETIREMENT SYSTEM

Tier 3

September 2022

Chapter 18 of the Laws of 2012 was enacted amending the retirement benefits of members of the Uniformed Force of the New York City Department of Correction (Uniformed Correction Force), members of the Uniformed Force of the New York City Department of Sanitation (Uniformed Sanitation Force), and investigator members employed in a District Attorney office (DA Investigators). Generally, anyone who becomes employed in one of these titles on or after April 1, 2012 and becomes a member in the New York City Employees' Retirement System (NYCERS) will be a member of a Tier 3 22-Year Plan. In addition, anyone with a NYCERS membership prior to April 1, 2012, who becomes employed in one of these titles on or after April 1, 2012, will be a member of a 22-Year Plan.

This fact sheet provides answers to frequently asked questions about the obligations and benefits of the 22-Year Plan. For information on the Enhanced Disability Benefit program (EDB), refer to the fact sheets below for additional benefits and obligations:

- Members of the Uniformed Sanitation Force who are participants in the EDB: refer to [Fact Sheet #728 - Sanitation 22-Year Plan EDB](#)
- Members of the Uniformed Correction Force who are participants in the EDB: refer to [Fact Sheet #731 - Correction 22-Year Plan EDB](#)

If you are unsure if you are a member of the EDB, refer to the fact sheet for membership qualifications.

In the event of a conflict between the information provided in this fact sheet and any provision of Chapter 18 and/or applicable law, the provisions of Chapter 18 and/or applicable law shall govern.

I am employed in a covered title under the 22-Year Plan and am joining NYCERS on or after April 1, 2012. Can I elect any other plan?

No. Members of the Uniformed Correction Force, Uniformed Sanitation Force, and DA Investigators who become employed in those titles on or after April 1, 2012 will **not** have the option to join any other plan, unless they change titles and become eligible for the Tier 6 Basic Plan or a Tier 6 Special Plan.

If I was a member of a public retirement system in New York City or New York State before April 1, 2012 and that membership has been terminated, can I be reinstated to an earlier tier?

Yes, provided that you had a prior NYCERS membership in the same covered title before April 1, 2012 and meet the eligibility requirements of the tier reinstatement law (Section 645 of the New York State Retirement and Social Security Law (RSSL)) which, among other things, requires that you repay any contributions refunded to you when your membership was terminated (if any) plus 5% compounded interest from the date of the refund to the date of payment.

If you had a prior membership in any New York City or New York State public retirement system before April 1, 2012, but only became employed in your covered title on or after April 1, 2012, and you meet the eligibility requirements of tier reinstatement above, you will remain in Tier 3 under your 22-Year Plan until you cease to hold the covered title, at which time your tier will become that of your reinstated underlying plan. If you return to the same covered title at a later date or become employed in another covered title on or after April 1, 2012, you will again be required to participate in the Tier 3 22-Year Plan.

How much do I have to contribute as a 22-Year Plan member and how long do I have to contribute?

22-Year Plan members are required to make Basic Member Contributions (BMCs) equal to 3% of gross wages until they attain 25 years of contributions, separate from City service, or retire, whichever occurs first. If you were previously in another plan and your BMCs already ceased, you will be required to contribute BMCs equal to 3% of your gross wages upon joining the 22-Year Plan until you attain 25 years of contributions, separate from City service, or retire, whichever occurs first.

Participants of an EDB should refer to [Fact Sheet #728 - Sanitation 22-Year Plan EDB](#), or [Fact Sheet #731 - Correction 22-Year Plan EDB](#) regarding the required Additional Member Contributions (AMCs).



When can I retire and how is my retirement allowance calculated?

22-Year Plan members who have 22 or more years of Credited Service are eligible to receive a Service Retirement Benefit without regard to age, provided that all required contributions are paid in full ("Service Retirees"). 22-Year Plan members cannot retire with a deficit in their account. The Service Retirement Benefit is calculated as follows:

- 50% *times* Final Average Salary (FAS) *times* years of Credited Service; **minus**
- 50% of the member's Primary Social Security Benefit commencing at age 62, which is determined by a formula based upon pensionable wages earned from a public employer from which Social Security deductions were taken.

What is Credited Service?

In general, Credited Service is service rendered while a NYCERS member, previous public service, union leave service, or military service that was purchased, and service transferred from another public retirement system in New York City or New York State to NYCERS.

How is my Final Average Salary (FAS) calculated?

FAS is defined as the average of wages earned by a member during any five consecutive years which provide the highest average wage. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than ten percent. Additionally, when the period used to compute FAS immediately precedes the date of retirement, any leaves of absence without pay shall not be included in the FAS calculation and an equal period of time shall be substituted in lieu of such leaves of absence. If you are retiring as a Vested member with less than nine years of service, your FAS will include projected earnings to fill in any missing years of service.

Can I retire for service before attaining 22 years of Credited Service?

Yes. 22-Year Plan members may retire with an Early Service Retirement Benefit after attaining at least 20 years of Credited Service ("Early Service Retirees"). The Early Service Retirement Benefit is calculated as follows:

- 2.1% *times* (FAS) *times* years of Credited Service at the completion of 20 years of Credited Service; **plus**
- .33% *times* (FAS) *times* each month of service in excess of 20 years, but not more than 50% of (FAS); **minus**
- 50% of the member's Primary Social Security Benefit commencing at age 62, which is determined by a formula based upon wages earned from a public employer from which Social Security deductions were taken.

What if I leave City service before I'm eligible to receive an Early Service Retirement Benefit?

22-Year Plan members who have at least five years of Credited Service but less than 20 years of Credited Service may qualify for a Vested Retirement Benefit payable on the date they would have attained 20 years of Credited Service ("Vested Retirees"). The Vested Retirement Benefit is calculated as follows:

- 2.1% *times* (FAS) *times* years of Credited Service; **minus**
- 50% of the member's Primary Social Security Benefit commencing at age 62, which is determined by a formula based upon wages earned from a public employer from which Social Security deductions were taken.

A 22-Year Plan member may elect to receive their Vested Retirement Benefit before the date they would have attained 20 years of Credited Service, but not earlier than age 55. In such case, the benefit will be reduced by 1/15 for each year, if any, that the Early Retirement Age (the date they would have attained 20 years of Credited Service) is in excess of the age the benefit commences or age 60, whichever is higher, and by 1/30 for each additional year, if any, by which the Vested Retirement Benefit commences prior to age 60.

If I leave City service, can I get a refund of my contributions?

22-Year Plan members who have rendered less than 10 years of Credited Service and who leave City service may apply for a refund of contributions, plus accrued interest, which effectively terminates their membership. Refunds are not possible for members with 10 or more years of Credited Service. Withdrawal of contributions will trigger a Federal tax liability and may result in an early distribution tax penalty.

What happens if I work more than 22 years?

The Service Retirement Benefit formula does not provide any additional benefit increments for service rendered beyond 22 years. However, you may be eligible for an Escalation if you complete more than 22 years of service (see next page).



Will I be eligible for any increases to my retirement benefit after I retire?

You may be eligible for Escalation on your Service Retirement Benefit, Early Service Retirement Benefit, or Vested Retirement Benefit. Escalation is a post-retirement increase (or decrease) to your retirement benefit based on the Consumer Price Index (CPI). If the payment of benefits commences on the Full Escalation Date, which is defined as the first day of the month following the date a 22-Year Plan member completes or would have completed 25 years of Credited Service, the Escalation is equal to the lesser of 3% or the increase in the CPI. In the event of a decrease in the CPI, the annual retirement benefit shall be decreased by the lesser of 3% or the amount of the decrease in the CPI. In no event will the member's benefit be reduced below the amount of their initial benefit at retirement.

Full Escalation Example:

| Type of Retirement | Years of Service | Commencement of Benefit | Full Escalation? |
|--------------------|------------------|-------------------------|------------------|
| Service | 22 | Defer to 25th year | Yes |
| Early Service | 20 | Defer to 25th year | Yes |
| Vested | 15 | Defer to 25th year | Yes |

If a 22-Year Plan member retires for service with 22 years of Credited Service or less, or separates from City service after attaining the minimum service requirement to vest, and elects to receive their benefit between the date they would have completed 22 years and one month of Credited Service and the Full Escalation Date, they will be eligible for Escalation. In such event, the benefit will be 2% of FAS minus 50% of the member's Primary Social Security Benefit commencing at age 62. However, for each month that the benefit commences before the Full Escalation Date, the Escalation is reduced by 1/36. No Escalation is provided when the commencement of benefits is more than three years prior to the Full Escalation Date.

Reduced Escalation/No Escalation Example:

| Type of Retirement | Years of Service | Commencement of Benefit | Escalation? |
|--------------------|------------------|-----------------------------|-----------------------|
| Service | 22 | Defer to 22 years, 8 months | Yes, reduced by 28/36 |
| Early Service | 20 | Defer to 23 years, 6 months | Yes, reduced by 18/36 |
| Vested | 15 | Defer to 24th year | Yes, reduced by 12/36 |

| Type of Retirement | Years of Service | Commencement of Benefit | Escalation? |
|--------------------|------------------|-------------------------|-------------|
| Service | 22 | Immediate | No |
| Early Service | 20 | Immediate | No |
| Vested | 15 | Defer to 20th year | No |

Members who elect to defer their collection of a Service Retirement Benefit until their Full Escalation Date ("Deferred Service Retirees") are only eligible for Escalation. Normal Service Retirees, who are not Deferred Service Retirees, are eligible to get the better of the Cost-of-Living-Adjustment (COLA) or Escalation. Early Service Retirees and Vested Retirees, who are not Deferred Service Retirees, are eligible only for COLA (as they are not eligible for Escalation).

The COLA is an annual adjustment to a retiree's retirement allowance that is based on the CPI. The COLA calculation is based on 50% of the CPI. This figure is then multiplied by either \$18,000 or the retiree's Maximum Retirement Allowance (including any prior years' COLA), whichever is less. The result is then added to any previous permanent COLA amounts. The sum of these COLA figures equals the current year's COLA payment, which may not be less than 1% nor more than 3% in any year. See [Fact Sheet #707 - Cost-of-Living Adjustment \(COLA\)](#) for additional details about eligibility.

Are disability benefits eligible for annual Escalation?

Disability retirees are only eligible for COLA, not Escalation.



What happens if I am injured in the line of duty? Is there an Accident Disability Benefit available?

Yes. If you are found to be disabled by the NYCERS Medical Board as the natural and proximate result of an accident not caused by your own willful negligence, you may qualify for an Accident Disability Benefit from NYCERS. The benefit for 22-Year Plan members is calculated as follows:

- 50% of (FAS); **minus**
- 50% of the member's Primary Social Security Disability Benefit or Primary Social Security Benefit, whichever begins first; **and**
- 100% of any Workers' Compensation benefits payable.

22-Year Plan members who are participants in an EDB are eligible for a different Accidental Disability Benefit. For details on the EDB see [Fact Sheet #728 - Sanitation 22-Year Plan EDB](#), or [Fact Sheet #731- Correction 22-Year Plan EDB](#).

Am I covered under the same death benefits afforded to members who joined NYCERS before April 1, 2012?

If a 22-Year Plan member passes away while in active City Service, their designated beneficiary will be eligible to the same Ordinary Death Benefit (ODB) provisions as members in such titles who joined NYCERS before April 1, 2012. For more information, see the [Tier 3 Summary Plan Description](#).

If a 22-Year Plan member passes away as a result of an accident (as defined by law), the member's "Eligible Beneficiary" (as defined by law) shall be entitled to Accidental Death Benefits (ADB). The member's designated beneficiary/beneficiaries for the ODB are not eligible for the ADB unless they qualify as an Eligible Beneficiary (surviving spouse, child, etc.).

An amendment of section 208-f of the New York State General Municipal Law provides a Special Accidental Death Benefit to an Eligible Beneficiary (as defined by law) of a 22-Year Plan member employed in the Uniformed Correction Force or Uniformed Sanitation Force, if the member dies as a natural and proximate result of an accident sustained in the performance of duty on or after November 1, 1996.

If a 22-Year Plan member who is a DA Investigator dies after retirement, there is a Post-Retirement Death Benefit (PRDB) payable to the retiree's designated beneficiary/beneficiaries.

Am I eligible for a pension loan as a 22-Year Plan member?

No, 22-Year Plan members cannot borrow against their contributions. However, participants may become 22-Year Plan members while having an outstanding loan from their membership in a prior plan. 22-Year Plan members must repay that outstanding loan balance in full before being eligible to retire under the 22-Year Plan.

If I do not join NYCERS immediately after my employment, can I purchase (buy back) my pre-membership service and how much will it cost me?

You may purchase previous public service rendered anywhere in New York City or New York State. The cost is 3% of the wages earned during the period you are buying back, plus 5% interest compounded annually from the date of your previous service until the date of payment.

Am I eligible to buy back periods of child care leave without pay?

No. 22-Year Plan members are not eligible to purchase periods of child care leave without pay.

I served in the U.S Military prior to my NYCERS membership. Can I purchase my military service?

Yes, if you meet the eligibility criteria specified in Article 20 of the New York State Retirement and Social Security Law (RSSL). The cost to purchase military service under Article 20 of the RSSL is 6% *times* the number of years of military service being purchased *times* the salary you earned during the 12 months prior to the date of your application. Interest is not factored into the cost.

I served in the U.S Military during my NYCERS membership. Can I purchase my military service?

Yes, if you meet the eligibility criteria specified under the Uniformed Service Employment and Reemployment Rights Act (USERRA). The cost to purchase military service under USERRA is the equivalent of the contributions required if you had never left for military service. Interest is not factored into either cost.

