

# Sanitation 20-Year Plan for Tier 4 Members (SA-20)

Tier 4



NYC EMPLOYEES'  
RETIREMENT SYSTEM

August 2023

This brochure describes the benefits of the Sanitation 20-Year Retirement Plan (SA-20 Plan).

The SA-20 Plan is available ONLY to employees in the uniformed force of the NYC Department of Sanitation. (See Allowable Service for a list of titles.)

Words that are italicized throughout this brochure have special meaning and possibly require further explanation. Definition of terms can be found on page 2.

## ELIGIBILITY

Any NYCERS member who was employed in the uniformed force of the NYC Department of Sanitation on July 24, 1992 had the option to participate by filing an election form by October 21, 1992. **This option has expired.**

Any Tier 4 member of NYCERS prior to July 24, 1992 who subsequently became employed in the uniformed force of the NYC Department of Sanitation has the **OPTION** to participate in the SA-20 Plan. An election form (Form #175) must be filed with NYCERS within 90 days of becoming employed in the uniformed force.

Participation is **MANDATORY** for any employee of the uniformed force of the NYC Department of Sanitation who becomes a Tier 4 member after July 24, 1992 and before April 1, 2012. Such a member will automatically become a participant in the SA-20 Plan on the date they join NYCERS.

Participants who cease to hold a uniformed Sanitation title will no longer be able to participate in the SA-20 Plan.

Participants who terminate service as a uniformed force employee of the NYC Department of Sanitation and return to a uniformed Sanitation title at a later date will be mandated to participate in the SA-20 Plan on the date of return.

## ALLOWABLE SANITATION SERVICE

**Allowable Sanitation Service includes:**

- *Credited Service* rendered as a member of the uniformed force of the NYC Department of Sanitation.
- *Credited Service* rendered in another uniformed force immediately prior to becoming a member of the uniformed force of the NYC Department of Sanitation (including NYC Housing Police, NYC Transit Police, and the NYC Department of Correction).
- *Credited Service* rendered in the uniformed force of the NYC Police Department or NYC Fire Department immediately prior to becoming a member of the uniformed force of the NYC

Department of Sanitation, if the service was transferred to NYCERS pursuant to Section 43 of the RSSL.

## AMCs

In addition to the basic contributions of 3% of *Wages* that all Tier 4 members are required to pay, participants must contribute *Additional Member Contributions (AMCs)* of 5.35% of gross *Wages* each payroll period for all service as a uniformed force of the NYC Department of Sanitation member rendered on and after June 28, 1992.

Participants must contribute *AMCs* for the first 20 years of *Allowable Sanitation Service*.

*AMCs* are maintained in the Retirement Reserve Fund (RRF), which is an account maintained separately from the Members' Contribution Accumulation Fund (MCAF) account. The MCAF contains only the member's contributions of 3% of *Wages*. Both funds earn interest of 5% per-annum, compounded annually.

Please note: If participants were previously enrolled in another special plan, *AMCs* may still be required under the previous plan(s).

## DEFICITS

Failure to pay any of the required *AMCs* will result in a deficit. Under the SA-20 Plan, if you have not paid, in full, any deficit in *AMCs*, you will not be entitled to a Service Retirement Benefit or Vested Retirement Benefit.

If the deficit is identified prior to retirement, NYCERS will certify payroll deductions (where applicable) and notify the member so they can resolve the deficit.

If you cease to be a uniformed force employee and withdraw your *AMCs* (and interest), and later become a participant again, you will be charged with a deficit, including 5% per-annum statutory interest.

If a participant retires on a disability retirement, their benefit will be reduced according to an actuarial formula that takes into account any deficits.

## LOANS

SA-20 Plan participants are not permitted to borrow against their *AMCs*.

SA-20 Plan participants may borrow up to 75% of the *BMCs* held in the MCAF account. Any loans taken are subject to the same terms and conditions applicable to Tier 4 members. Please consult the Tier 4 62/5 Summary Plan Description (SPD) or the Loans Brochure #911 for additional information.

ONCE AN ELECTION TO PARTICIPATE IN THE SANITATION 20-YEAR PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.



## REFUNDS

Participants with less than 15 years of *Allowable Service* who cease to hold a position may withdraw their *AMCs*, and interest earned thereon, for one of the following reasons:

- Death
- Resignation
- Disability Retirement
- Promotion
- Transfer
- Dismissal

Withdrawal of *AMCs* will trigger a Federal tax liability and may result in a tax penalty. Repayment of any *AMC* deficits is not eligible for deferred treatment under Federal income tax rules [IRC Section 414(h)].

Once participants have 15 or more years of *Allowable Sanitation Service*, withdrawal of *AMCs* is not possible, except in the case of death.

If a participant dies, all of their *AMCs*, with interest, will be paid to their *Designated Beneficiary*. If they do not designate a beneficiary, payment will be made to their estate. This refund is made at the time of death.

Plan participants who have rendered less than 10 years of *Credited Service* and who leave City service may apply for a refund of *BMCs*, plus accrued interest, effectively terminating their membership. Members with between 5 and 10 years of *Credited Service* must also waive their right to a Vested Retirement Benefit. Refunds of *BMCs* are not possible for members with 10 or more years of *Credited Service*.

## SERVICE RETIREMENT

Participants in the SA-20 plan become eligible to receive a Service Retirement Benefit upon attaining 20 years of *Allowable Sanitation Service*, without regard to age. The Service Retirement Benefit is calculated using the following formula:

50% **times** *Final Average Salary (FAS)* for the first 20 years of *Allowable Sanitation Service*, **plus**

1½% **times** *Final Compensation* for each year of *Allowable Sanitation Service* in excess of 20 years **plus**

1% **times** *Final Compensation* for each year of *Credited Service* other than *Allowable Sanitation Service*.

## UNDERLYING PLANS

### Retirement from Underlying 62/5 Plan:

Participants in the SA-20 Plan, including vested members who have left City service, who do NOT meet the SA-20 requirements for service retirement may retire under the 62/5 plan, assuming service requirements have been met for the underlying plan. All requirements and benefits of the Basic 62/5 Plan will apply, including the ability to retire prior to age 62 with a benefit reduction.

### Retirement from the SA-30 Plan:

Participants who have at least 30 years of *Credited Service* and have attained age 55 may retire from the SA-30 plan, assuming service requirements have been met for the underlying plan.

## VESTED RETIREMENT BENEFIT

SA-20 Plan members who separate from service with least five, but less than 20, years of *Allowable Sanitation Service*, are eligible for a Vested Retirement Benefit. This benefit will become payable on the date the member would have completed 20 years of *Allowable Sanitation Service*, had they continued service. The Vested Retirement Benefit is calculated using the following formula:

2½% of *FAS times* the number of years of *Allowable Sanitation Service plus*

1% of *Final Compensation* for each year of *Credited Service* other than *Allowable Sanitation Service*.

**Note:** The maximum Service Retirement Benefit (computed without optional modification) under the Sanitation 20-Year Plan shall equal that which is payable upon completion of 30 years of service.

If you have at least five years of *Credited Service* you may vest under the 62/5 Plan.

## DEFINITIONS

**Additional Member Contributions (AMCs)** - Contributions that are in addition to the basic contributions that are required to be paid each payroll period. The AMC percentage for the SA-20 Plan is 5.35%. All *AMCs* are maintained in the Retirement Reserve Fund (RRF).

**Allowable Sanitation Service** - Service rendered by a NYCERS member while employed by the City of New York in the positions of NYC Department of Sanitation, NYC Housing Police, NYC Transit Police, and the Department of Correction.

**Credited Service** - Service rendered while a member of NYCERS; Service transferred from another NYC or NYS Public Retirement System and/or all purchased service; Military Service, Union Leave Service, and Part-time Service.

**Designated Beneficiary** - Any person whom a member has named, by filing a properly completed form with NYCERS, to receive a survivor benefit upon the death of the member in Active Service.

**Final Average Salary** - The greater of the average annual Wages earned during any three consecutive calendar year periods, or the final 36 months immediately preceding the member's retirement date. Salary earned during any year included in this three-year average cannot exceed the previous two years by more than 10%.

**Final Compensation** - The average compensation earned during the five-year period immediately preceding a member's retirement, or any consecutive five-year period prior to the member's retirement that would provide them with the greatest compensation.

**Wages** - Any earnings paid for services rendered to a public employer in NYC or NYS.

