



The Road to Your NYCERS Retirement

Tier 4 & Tier 6

Pension Outreach Programs



Melanie Whinnery, Executive Director





About NYCERS

Function

NYCERS' primary function is to administer the statutory pension benefits of its members, retirees, and beneficiaries through Defined Benefit Retirement Plans.

Defined Benefit retirement plans for public sector employees who join NYCERS are defined in law and protected by the New York State Constitution.

You must meet service and contribution requirements to receive a full pension benefit, based on your *years of service and Final Average Salary*.

Other benefits such as loans, disability and death benefits are also offered and specified in law.



About NYCERS

Funding

NYCERS is a cost-sharing multi-employer public retirement system.

The benefits of the system are financed by employer contributions, employee contributions and earnings on the funds' investments by the System.

- **Employer contributions** are determined annually by the Chief Actuary for the City of New York.
- **Employee contributions** are determined based on the plan a participant is enrolled in and are paid through payroll deductions.
- **Investment earnings** from the investment portfolio are a significant component in the funding of the System.

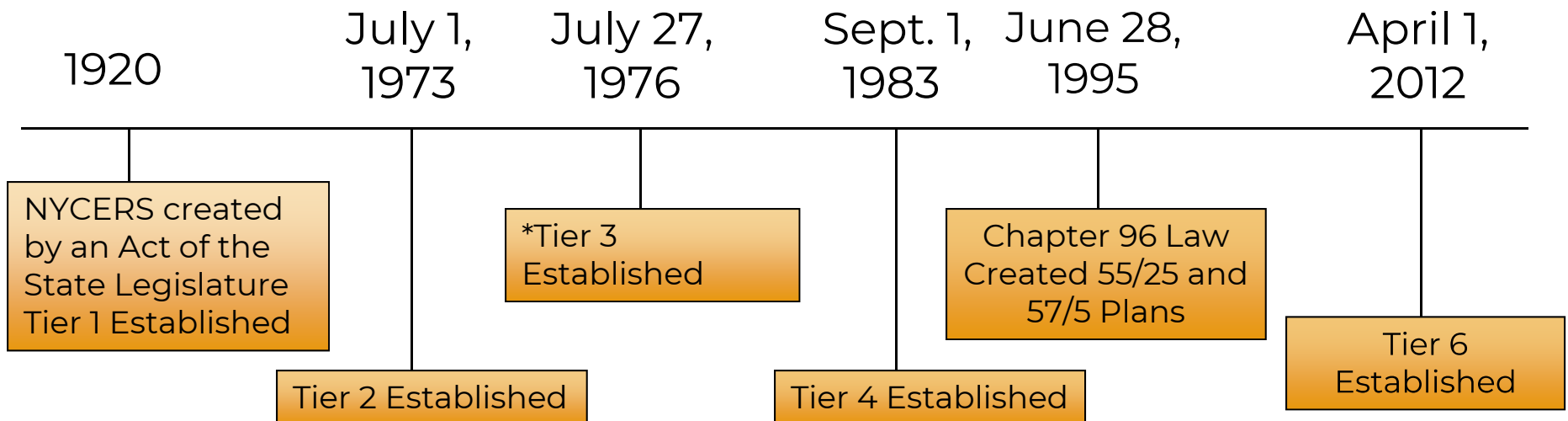
The Comptroller of the City of New York is the custodian of the funds.

NYCERS' Board of Trustees creates and adopts investment policies under which the funds are invested. The Administrative Code of the City of New York authorizes the investment of the system's assets and the NYS Retirement and Social Security Law establishes the criteria for permissible investments.



What is Your Tier?

Your Tier is generally determined by the date you joined NYCERS:



You are a Tier 4 member if you joined NYCERS after July 27, 1976, but before April 1st 2012, except for Correction Officers, Uniformed Sanitation Force and DA Investigators.

Members that joined between 7/27/76 and 9/1/83 are Tier 4 members who can elect their Tier 3 rights.*



62/5 - Basic Tier 4 Plan

62/5

- This is the original Tier 4 plan.
- You joined after 7/27/76, but prior to 6/29/95, and did not elect the 55/25 plan.
- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.
- You may retire as early as 55 (Tier Equity), but beware of the penalty, AND You MUST be on ACTIVE PAYROLL to retire under Tier Equity.
- You can vest with at least 5 years of service.



62/5 – Basic Tier 4

Early Retirement – Age Reduction

Tier Equity	
62	No Reduction
61	6%
60	12%
59	15%
58	18%
57	21%
56	24%
55	27%



55/25 - Chapter 96 (Applicable to Tiers 2 & 4) 55/25

- You had to be employed in an eligible position on June 28, 1995 to elect this plan. The 90-day window to opt in was July-September 1995.
- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.
- PLUS Additional Member Contributions for 30 years (originally 4.35%, then 2.85%, now 1.85%).
- You cannot retire under this plan unless you have at least 25 years of service AND are 55 or older.
- There is no vesting provision with this plan.



57/5 - Chapter 96 (Applicable to Tier 4)

57/5

- This was the only plan available to new members beginning June 29, 1995 until March 31, 2012.
- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.
- PLUS Additional Member Contributions for 30 years (originally 4.35%, then 2.85%, now 1.85%).
- You are eligible to retire at age 57.
- You can vest with at least 5 years of service.



Chapter 96 - Physically Taxing

50/25

- Participation is MANDATORY for any member of the 55/25 or 57/5 Plan who is employed in a Physically Taxing Position.
- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.
- PLUS Additional Member Contributions for 30 years (originally 4.35%, then 2.85%, now 1.85%).
- PLUS Physically Taxing AMCs for 30 years 1.98%.
- Eligible to retire at age 50 with 25 years of Physically Taxing service.

The list of Physically Taxing Positions was created by, and may be amended by, the NYC Office of Labor Relations.



63/5 –The Basic Tier 6 Plan

63/5

- Available to members who joined for the first time on or after April 1, 2012.
- You are required to pay basic contributions on *all years* of service at a rate determined by annual wages earned during a “plan year.”
- You are eligible to retire for an unreduced benefit at age 63, provided you have at least 5 years of credited service.
- You can vest with at least 5 years of service.
- An early retirement provision allows you to retire as early as age 55, but with a penalty.



63/5 – Basic Tier 6

Early Retirement – Age Reduction

63	None
62	6.5%
61	13%
60	19.5%
59	26%
58	32.5%
57	39%
56	45.5%
55	52%



Tier 6 Basic Contributions

Annual Wages Earned During Plan Year	Contribution Rate
Up to \$45,000	3%
\$45,001 to \$55,000	3.5%
\$55,001 to \$75,000	4.5%
\$75,001 to \$100,000	5.75%
Greater than \$100,000	6%

PLAN YEAR = January 1st – December 31st (Beginning Jan 1st 2016)



Tier 6 Basic Contributions

PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)			
	1 st Plan Year	2 nd Plan Year	3 rd Plan Year
Projected Annual Salary	\$70,000	\$70,000	\$70,000
Rate Based on Projected Annual Salary	4.5%	4.5%	4.5%
Actual Wages Earned in Plan Year	\$72,000	\$72,500	\$76,000
Contributions Made in Plan Year	\$3,240 (4.5% of \$72,000)	\$3,263 (4.5% of \$72,500)	\$3,420 (4.5% of \$76,000)
ACTUAL WAGE METHOD (4 TH PLAN YEAR AND THEREAFTER)			
	4 th Plan Year	5 th Plan Year	
Actual Wages Earned in Plan Year	\$80,000	\$82,500	
Rate Based on Actual Wages Earned Two Plan Years Prior to the Current Plan Year	4.5%	5.75%	
Contributions Made in Plan Year	\$3,600 (4.5% of \$80,000)	\$4,744 (5.75% of \$82,500)	

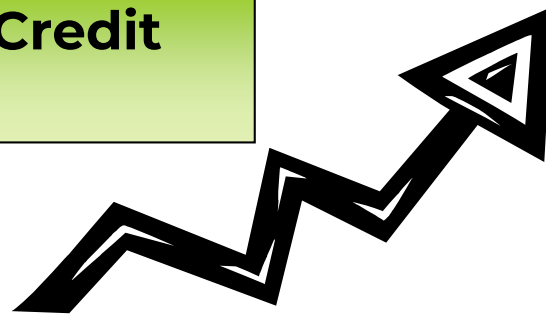


Service Credit

All of these types of credit count towards your retirement:

- Membership Service
- Purchased Service
- Military Service
- Membership Reinstatement
- Transferred Service
- Union Leave
- Part-Time (Lifeguard Law)

**The more Service Credit
you have...**



**...the higher your
pension**



Membership Service

Full-time service is considered 1,827 hours per year.

- 70 hours in a bi-weekly pay period.
- 35 hours in a weekly pay period.

If position has a work week with more hours than 35 hours, then that is the requirement for full service (e.g. TRANSIT).

Anything less is considered part-time service (except for a few titles).

- Service is pro-rated based on the hours actually worked.
- Time is counted per pay period.
- No rollover minutes!

Members CANNOT earn more credit in a week than a week!



Buy-Back Basics

Most previous public service rendered in New York State is eligible for buy-back.

When in doubt: APPLY!!!

Cost:

- 3% Basic Member Contributions (6% for Tier 6 members), **plus**
- Additional Member Contributions, (If you are a member of 55/25 or 57/5), **plus**
- Interest: 5 percent, compounded annually



Buy-back should be completed before you retire!!!



Military Buy-Back

Federal and state laws allow members to purchase service credit for time spent in U.S. Military service – the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Article 20 of the New York State Retirement and Social Security Law (RSSL), respectively. Interest is NOT factored into either cost.

- Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service.
- Under Article 20, the cost 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.

For more information, visit www.nycers.org for the Military Buy-Back Brochure.




Applying for Buy-Back

When we receive your online or paper application, we will:


- Verify the service and salary information for the period claimed.
- Send you a cost letter.

Buy-back can be paid via:

- Lump sum;
- Partial lump-sum and payroll deductions;
- Payroll deductions;
- Rollover from 457 or 403(b); or
- MTA Deferred Compensation Plan: May rollover from 457 or 401(k)



NYCERS
NYC Employees' Retirement System



NYCERS USE ONLY **F241**

Application to Purchase Credit for Service
Rendered Prior to Membership Date in NYCERS

NYCERS now offers you two ways to purchase previous service: by submitting this application or using our new on-line buy back application. Members who register on our website (www.nycers.org) can use an online application and submit it instantly for processing. If you choose to continue with this hard copy form, it is important to note that this is a multi-part form consisting of: Form 241 which is to be used to describe your buy-back claim, and Form 242 (for full-time service) or Form 243 (for part-time service) which is the verification of your payroll records for the specific claim. In most cases it is recommended that you allow NYCERS to either supply or obtain the payroll records needed on Form 242 or 243, but you may obtain that information yourself if you wish. NYCERS cannot process your buy-back until all of the information is received. If you have any questions or need help, contact our Call Center at (347) 643-3000.

Member Number	Last 4 Digits of SSN	Home Phone Number	Work Phone Number
<input type="text"/>	<input type="text"/>	()	()
First Name		M.I.	Last Name
<input type="text"/>		<input type="text"/>	<input type="text"/>
Address			Apt. Number
<input type="text"/>			<input type="text"/>
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

Two-Year Rule: Any time purchased will **not** be credited to you until you have two years of membership service.



Leave Without Pay (LWOP)

Any service rendered during employment that is *UNPAID* will NOT be Credited Service.

This includes any unpaid periods for:

- FMLA
- Medical Leave
- Parental Leave
- Suspension

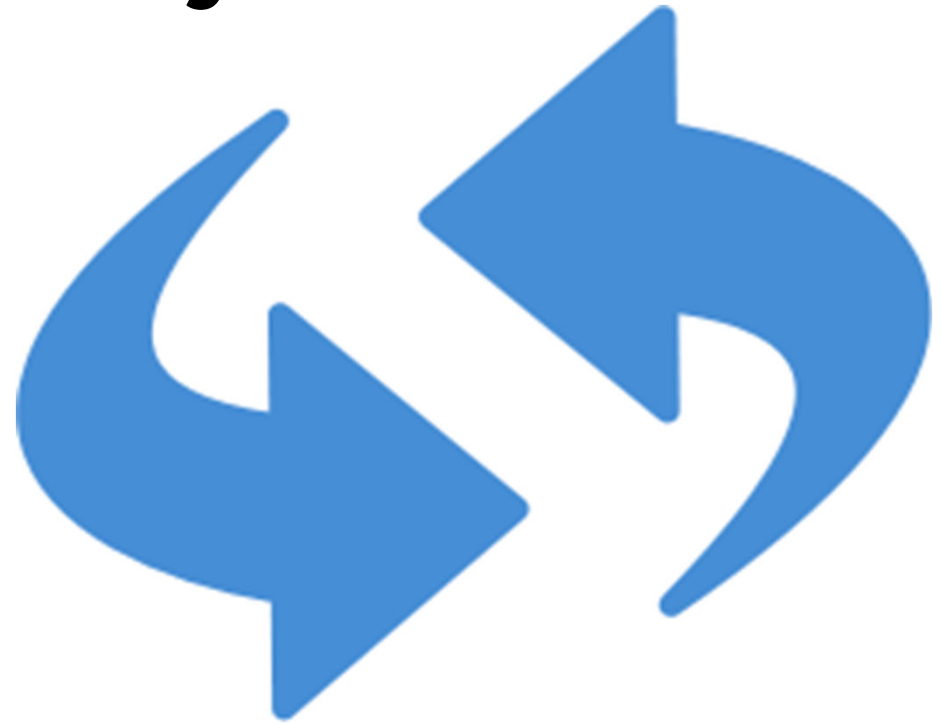
Generally, members are not permitted to buy back previous service for time spent off payroll.



Transfers to a different Retirement System

Enable a member to possibly change their Tier or Plan-only way this can occur.

- Because they were a member before or currently have another membership.





Transfers and Reinstatements

- NYCERS
- Board of Education Retirement System (BERS)
- NYC Police Pension Fund
- NYC Firefighters Pension Fund
- NYC Teachers' Retirement System (TRS)



- New York State and Local Employees' Retirement System (NYSLERS)
- NYS Teachers Retirement System (NYSTRS)
- NYS Police and Fire Retirement System (NYSPFRS)





Union Leave

Members may be given Credited Service for an authorized leave of absence to conduct labor relations activities on behalf of a public employee union.

- Employer needs to adopt a resolution and notify NYCERS with an annual certification.
- Members are still required to pay required contributions-sometimes submitted monthly by the union.





What If I Leave City Service Before Eligibility for Retirement?

Vest



If you have put in the service credit required, then you will be entitled to a pension benefit when you reach your plan's payability age, even if you leave City service.

Refund



If you have less than 10 years of Credited Service, you can request a refund. If you withdraw you forfeit your right to any future benefits from NYCERS.

Transfer



If you become a member of one of the other 7 public pension systems in New York State, you can move your time and money to your new system.



Loans

Members may borrow up to 75% of their account balance.

(Chapter 96 members can also borrow up to 75% of the employee portion of their RRF Account)

- One loan permitted every 12 months
- Member must have at least one year of membership service and be on active payroll to apply for a loan
- Loan must be repaid within five years
- Cost: 6% interest rate, .02% insurance premium, plus a \$30 loan processing fee per transaction.





What If I Am Sick or Hurt?

Disability Retirement

Disability is defined as an injury or illness that prevents an employee from performing the routine duties of his or her job title.

Ordinary Disability

Members are eligible for a benefit for disability retirement not based on a service retirement benefit formula if they have 10 or more years of *Credited Service*, of which 5 years must be *Membership Service*.

Accidental Disability

Members with less than 10 years of *Credited Service*, may be eligible to apply for disability retirement based on a service connected accident which occurred in the performance of City service.



Death Benefit

Years of Service

- 1 year but < 2 years
- 2 years but < 3 years
- 3 years and beyond

Lump Sum* Equals

- One year's Salary
- Two years' Salary
- Three years' Salary

Plus, Refund of BMCs and accrued interest
Plus, Refund of employee share of AMCs accrued interest

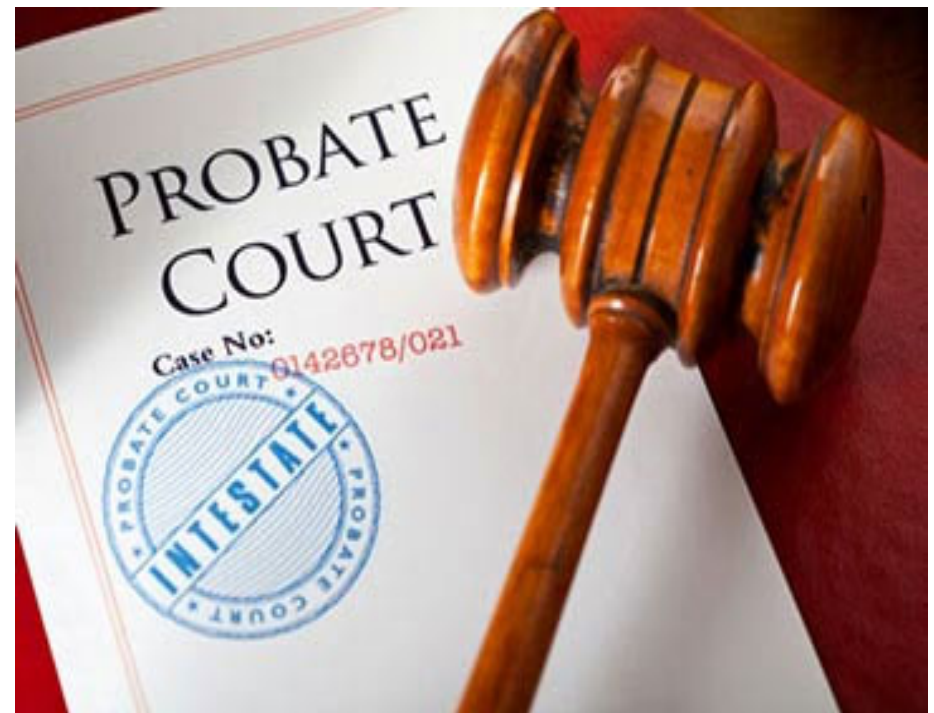
*Benefit is reduced for in-service deaths occurring after age 60 (5% reduction each year beyond age 60). Example: 15% reduction for in-service death at age 63.



What if a member dies and there is no beneficiary on file?

Any death benefit due is payable to the estate. Loved ones will need to go to probate court.

- Takes more time!
- Possible legal costs!





Death Benefit Process

1) Notify NYCERS:

- File an Online Death Report at www.nycers.org;
OR
- Call NYCERS so that a representative can file report.

2) Submit an Original Death Certificate:

- Help us pay any benefits as soon as possible.
- Keep your beneficiary data up-to-date. Submit a beneficiary form to update names and or addresses of your beneficiary(ies).



The Retirement Process

- Tell your employer.
- Establish your last day on City payroll.
- File a Retirement Application with NYCERS.
- Learn how & when you will receive advance payments.
- Select your interim Option.





The Retirement Process

- **File a Retirement Application**
 - NYCERS will need your Last Day on Payroll.
 - You can file your retirement application no earlier than 90 days prior to your retirement date. Please note: **(30-day filing requirement for Special Plan Members!)**
 - Change your mind about retiring? You must withdraw your retirement application *prior* to your retirement date.
- File NYCERS Form #380 for direct deposit.
- **NYCERS will notify NYC Office of Labor Relations of your retirement filing!!!**



Advance Payments

- If you retire the **1st** or **2nd** of the month, you will receive an advance payment at the end of the month in which you retire.
- If you retire on the **3rd** of the month or later, you will not receive an advance payment until the end of the following month.

	1	2	3	4	5	6	7
8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30	31					



How to Calculate Your Final Average Salary Tier 4

Final Average Salary is the greater of:

The average of wages earned in any three consecutive calendar years.

or

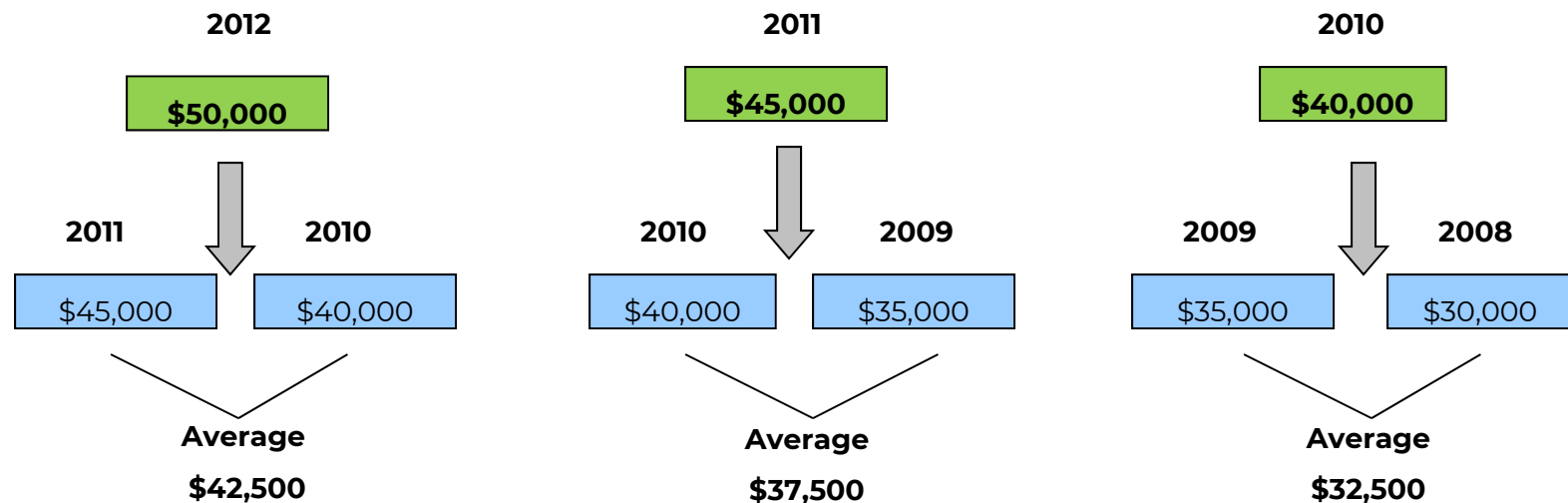
The average of wages earned in the 36 months immediately preceding your retirement date.

The majority of NYCERS members fall into this category



The Kingston Limitation (Tier 4)

Wages earned in any year used in the FAS computation cannot exceed more than 10% of the average of the previous two years



Final Average Salary After Kingston Limitation is Applied

2012	+	2011	+	2010	=	\$123,750 / 3 = \$41,250 (FAS)
\$46,750		\$41,250		\$35,750		



Maximum Compensation Limit Internal Revenue Code (IRC) 401(a)(17)

The Omnibus Budget and Reconciliation Act of 1993 (OBRA '93) reduced the maximum compensation limit under IRC 401(a)(17) for employees of the private sector. After a transition period the compensation limit was extended to include eligible participants of governmental state and local plans.

NYCRS members who joined the retirement system prior to July 1, 1996 (first plan year beginning after 12/31/1995) are exempt from the OBRA '93 Compensation Limit reductions and are “grandfathered” in the Compensation Limit rules that were in effect as of July 1, 1993 as escalated to the date of benefit determination.

However, members who first joined the plan on or after July 1, 1996 are not eligible for the “grandfathered” Pre-OBRA '93 Compensation Limit and are subject to the private sector reduced Compensation Limit under OBRA '93 as escalated to the date of benefit determination.



Calculating Your Retirement Benefit Tier 4

Less Than 20 Years:

$1.67\% \times \text{Years of Credited Service} \times \text{Final Average Salary}$

20 – 30 Years:

$2\% \times \text{Years of Credited Service} \times \text{Final Average Salary}$

Over 30 Years:

$1.5\% \times \text{Years of Credited Service in excess of 30} \times \text{Final Average Salary}$





How to Calculate Your Final Average Salary Tier 6

Final Average Salary is the greater of:

The average of wages earned in any five consecutive calendar years.

or

The average of wages earned in the 60 months immediately preceding your retirement date.

The majority of NYCERS members fall into this category.



The Kingston Limitation (Tier 6)

Wages earned in any year used in the FAS computation cannot exceed more than 10% of the average of the previous four years

Year	2012	2011	2010	2009	2008
	55k	48k	45k	42k	40k
Four Previous Years	2011	2010	2009	2008	2007
	2010	2009	2008	2007	2006
	2009	2008	2007	2006	2005
	2008	2007	2006	2005	2004
AVERAGE	\$43,750	\$41,750	\$39,500	\$38,000	\$36,250
Plus 10%	\$4,375	\$4,175	\$3,950	\$3,800	\$3,625
MAX Salary for FAS	\$48,125	\$45,925	\$43,450	\$41,800	\$39,875

Salary Data
2007=40k
2006=36k
2005=36k
2004=33k



Governor's Salary Limit

Reportable Salary Limit for Tier 6:

- Reportable salary may not exceed the salary of the Governor of the State of New York, which is set by law and is currently \$250,000 (for 2022).
- If the Governor's salary changes, the reportable salary limit would change accordingly.
- When a member reaches the reportable salary limit, contributions should not be deducted from any salary paid in excess of the limit.
- All salary paid, days worked and any loan and/or arrears should still be reported.



Reportable Overtime Limit (Tier 6)

- Overtime is compensation paid under a law or policy where employees are paid at a rate greater than their standard rate for additional hours worked beyond those required.
- Tier 6 members have limits on how much overtime can be included in their final average salary calculation.
- Members and employers are not required to make pension contributions on overtime pay that's above the annual limit.
- Employers shouldn't report overtime pay that exceeds the limit.
- The overtime reporting period changed from fiscal year to calendar year beginning January 1, 2018.
- The overtime ceiling percentage shall be increased by an amount equal to annual inflation, which will be determined based on the increase in the consumer price index (CPI) in the one year period ending on the September 30th prior to the overtime ceiling adjustment effective on the following January 1st.



Calculating Your Retirement Benefit Tier 6

Less Than 20 Years:

1.67% x Years of Credited Service x Final Average Salary

20 or more years of Credited Service:

35% x Final Average Salary; **plus**

2% x each year of Credited Service in excess of 20 x Final Average Salary





Outstanding Loans at Retirement

- An outstanding loan at retirement will *permanently* reduce your annual retirement benefit.
- The average *annual* reduction of your retirement benefit is \$70 for every \$1,000 of outstanding loan.

Which is better, cash in hand with a lower monthly pension or a higher monthly pension with no cash?



Retirement Options Tier 4 & 6

MAXIMUM RETIREMENT ALLOWANCE

OR,

- Option 1: 100% Joint-and-Survivor
- Option 2: 25%, 50%, or 75% Joint-and-Survivor
- Option 3: Five-Year Certain
- Option 4: Ten-Year Certain
- Option 5: 50% or 100% “Pop-Up”



Pension Finalization

- After you have selected an option, you are placed on the pension payroll for the full amount of your benefit.
- This will include retroactive amounts for the difference between your advance payment and finalized pension payment.

Note: If you don't select your option timely, your advance payment could be suspended OR your pension could be finalized under the temporary option selected at retirement!



Taxation

- NYCERS benefit payments are subject to Federal Income Taxes, but are EXEMPT from New York State and local income tax.

Beware! Other states may tax you on your benefits.

- Taxes are generally withheld from all benefit checks based on a member's direction.
- A 1099R tax form is sent each January to retirees reflecting pension income received and federal income tax withheld from that income during the previous tax year.



What If I Want to Work After Retirement?

Where can I work without being subject to any limits?

For **service retirees**, there are no earnings limitations if you are age **65 and over**

OR if you are under age 65 and work for:

- The private sector;
- Federal government;
- City or State public service employment other than within New York State; OR
- Public benefit corporations.

What if I am under age 65 and want to work for NYC or NYS?

Section 212 Limit:

- You may receive income from public service employment in NYC or NYS; however, your earnings are subject to an annual limit.
- Annual Limit - \$35,000

NOTE: Transit retirees can work for a NYC or NYS agency without any earnings limitations.



What If I Want to Return to City Service?...Restored Pensioner

NYCERS
New York City Employees Retirement System

NYCERS USE ONLY **F351**

Election by a Retiree Reentering City Service to Rejoin NYCERS

This form is for retirees who are reentering City service and who wish to rejoin NYCERS. This form must be completed and returned to NYCERS within 90 days after your return to City service. If you do not wish to rejoin NYCERS, do not file this form. Alternatively, you can file an election under Retirement and Social Security Law (RSSL) §212 by completing Form #351. Filing Form #351 will allow you to earn up to \$30,000* in any calendar year before your pension is suspended. Should you have any questions, please contact our Call Center at (347) 643-3500.

Pension Number _____ Last 4 Digits of SSN _____ Home Phone Number _____ Work Phone Number _____
 First Name _____ M.I. _____ Last Name _____
 Address _____ Apt. Number _____
 City _____ State _____ Zip Code _____
 Title _____
 I have reentered City service as a _____ in the Department of _____
 effective _____ at a salary of \$ _____ per annum.

I, the undersigned, understand that this form must be completed and returned to NYCERS within 90 days after my return to City service. I understand that I will forfeit my right to rejoin NYCERS if I do not file this form within the aforementioned timeframe.

I further understand that filing this form will trigger the suspension of my pension payments and once my membership has been established, it cannot be revoked during my post-employment public employment.

*This is the limitation for the calendar year 2015. This earnings limitation may be increased by an act of the New York State Legislature. Please consult the Legislation section of our website to see if legislation has been enacted to increase the limitation.

Signature of Member _____ Date _____

This form must be acknowledged before a Notary Public or Commissioner of Deeds

State of _____ County of _____ On this _____ day of _____, 20____, personally appeared _____ before me the above named, _____, to me known, and known to me to be the individual described in and who executed the foregoing instrument, and he or she acknowledged to me that he or she executed the same, and that the statements contained therein are true. _____ If you have an official seal, affix it

Signature of Notary Public or Commissioner of Deeds _____
 Official Title _____
 Expiration Date of Commission _____

Sign this form and have it notarized, THEN PAGE

12/25/14 Client 300 Jay Street, Brooklyn, NY 11201 347-643-3500 www.nycers.org Mailing 330 Adams Street, Suite 2000, Brooklyn, NY 11201-5724 Page 1 of 1

If you return to City service in a NYCERS-eligible position, you have 90 days from the date of appointment to rejoin NYCERS if you wish to become a member again.



Retiree Health Benefits

Health care benefits for retirees
are **NOT** administered by NYCERS.

CONTACT:

- NYC Office of Labor Relations: (212) 513-0470 or www.nyc.gov/html/olr





Sign up for a MyNYCERS Account!

Go to www.nycers.org

- Follow the steps to activate your account.
- A PIN number will be sent immediately by text or email.
- Register the PIN for full access to my NYCERS.





NYCERS mobile app is now available for download from Google Play or the App Store.

NYCERS Mobile App



Download from Google Play or the App Store



MyNYCERS Member Website

www.mynycers.org

Online services are available 24/7 from both the mobile app and the MyNYCERS website.

Register for the MyNYCERS member portal on the mobile app or at www.mynycers.org to file forms online and manage your NYCERS account from the safety and comfort of your home.

Username and password are the same on website and mobile app.



Online Features for Members



**APPLY FOR A
LOAN**



**BENEFIT
ESTIMATOR**



**SERVICE
BUYBACK**



CHATBOT



**UPDATE CONTACT
INFORMATION**



**DISABILITY
RETIREMENT**



**DOCUMENT
VIEWING**



**VIEW ACCOUNT
DATA**



**GUARDIANSHIP FORM
(Minors Only)**



**MANAGE BENEFICIARIES
(as eligible)**



SECURE MESSAGING



**ONLINE PAYMENTS
(e.g. loan after retirement)**



**SAVE FOR LATER
(where available)**



**OPTION
ELECTION**



**PLAN
ENROLLMENT**



**REFUNDS AND
TRANSFERS**



**SET-UP AN
APPOINTMENT**



**SERVICE
RETIREMENT**



**KNOWLEDGE
ARTICLES**



Online Features for Retirees and Beneficiaries



CHATBOT



SET-UP AN APPOINTMENT



**PUSH NOTIFICATIONS
(NYCERS to Retiree only)**



UPDATE CONTACT INFORMATION



ELECTRONIC FUNDS TRANSFER (EFT)



W-4P TAX FORM



DOCUMENT VIEWING



**MANAGE BENEFICIARIES
(as eligible)**



**SAVE FOR LATER
(where available)**



**ONLINE PAYMENTS
(e.g. loan after retirement)**



VIEW RETIREMENT ACCOUNT DATA



KNOWLEDGE ARTICLES



Contact NYCERS!

Website: www.nycers.org

Call Center: (347) 643-3000

Monday – Friday: 8:00AM - 5:00PM

Mailing Address:

30-30 47th Avenue, 10th Floor

Long Island City, NY 11101



Q & A

