

Automotive Member 25-Year/Age 50 Retirement Plan

Tier 4



NYC EMPLOYEES'
RETIREMENT SYSTEM

May 2023

This brochure describes the benefits of the Automotive Member 25-Year and Age 50 Retirement Plan (AUT 25/50 Plan). The AUT 25/50 Plan is available ONLY to members employed in titles performing automotive service work (Automotive Member Titles [AMTs]).

The following AMTs are eligible to participate in the AUT 25/50 Plan: Auto Body Worker, Auto Electrician, Auto Machinist, Auto Mechanic, Auto Mechanic (Diesel), Automotive Service Worker, Senior Automotive Service Worker, Machinist, Machinist Helper, Marine Maintenance Mechanic, Oil Burner Specialist, Stationary Engineer, Senior Stationary Engineer, and Supervisor of Mechanics (Mechanical Equipment).

PARTICIPATION

Participation in the AUT 25/50 Plan may be optional or mandatory depending on factors such as title and NYCERS membership status. The chart below lists each of the AMTs and the dates the AUT 25/50 Plan first became available for such titles.

Automotive Member Title	Availability Date
Autobody Worker Auto Mechanic Automotive Service Worker Senior Automotive Service Worker Marine Maintenance Mechanic Oil Burner Specialist	12/12/2001
Supervisor of Mechanics (Mechanical Equipment)	08/13/2002
Auto Electrician Auto Machinist Auto Mechanic (Diesel) Machinist	10/21/2003
Machinist Helper Stationary Engineer Senior Stationary Engineer	07/18/2007 (Re-opener under Chapter 349 of the Laws of 2007)

Anyone who was a NYCERS member and employed in an AMT on the availability date (see chart above) had an OPTION to participate in the AUT 25/50 Plan by filing an election form with NYCERS by a specified date. **These options have expired.**

Anyone who was a NYCERS member but was not in an AMT on the availability date who subsequently becomes employed in an AMT after such date, has an OPTION to join the AUT 25/50 Plan. An election form to participate (provided by NYCERS) must be filed within 270 days of appointment to an AMT.

ONCE AN ELECTION TO PARTICIPATE IN THE AUT 25/50 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED

Participation is MANDATORY for anyone who becomes employed in an AMT AND becomes a NYCERS member after the AUT 25/50 Plan availability date for such AMTs.

Participants who cease to hold an AMT will no longer be able to participate in the AUT 25/50 Plan.

Participants who terminate service from an AMT and later return to an AMT will again be required to participate in the AUT 25/50 Plan.

CONTRIBUTIONS

As a Tier 4 member, participants are required to contribute 3% of their pensionable gross wages until they attain 10 years of Credited Service or reach the tenth anniversary of their membership – whichever is earlier. These contributions are referred to as Basic Member Contributions (BMCs) and they are held in the Member Contribution Accumulation Fund (MCAF).

As a member of the AUT 25/50 Plan, participants are also required to contribute Additional Member Contributions (AMCs) of 4.83% on all pensionable gross wages for Credited Service in an AMT (except Supervisor of Mechanics [Mechanical Equipment]) rendered on or after June 15, 2001. Supervisors of Mechanics (Mechanical Equipment) are required to contribute AMCs on all pensionable gross wages earned on or after February 14, 2002.

AMCs are required for the first 30 years of Allowable Service rendered in an AMT, or retirement, whichever comes first.

For members who were previously members of the 55/25 or 57/5 Plans (created by Chapter 96 of the Laws of 1995), the AMCs required under the AUT 25/50 Plan are in lieu of AMCs required under the 55/25 or 57/5 Plans.

AMCs are maintained in the Retirement Reserve Fund, which is an account maintained separately from the MCAF account. Both funds earn interest at a rate of 5%, compounded annually.

All contributions are Federal tax deferred, meaning that a member does not pay Federal taxes on the contributions, only New York State and local taxes. Contributions made while on Union leave are **not** Federal tax deferred.

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 contributions will result in a deficit in either the Member Contribution Accumulation Fund (BMCs) or the Retirement Reserve Fund (AMCs). If the deficit is identified prior to retirement, NYCERS will notify the member so they can resolve the deficit.

ONCE AN ELECTION TO PARTICIPATE IN THE AUT 25/50 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.

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If there is an unresolved deficit at retirement, NYCERS will notify the member of the choice to either pay the deficit in full or apply an actuarial reduction (a lifetime reduction to your pension based on your deficit amount) to resolve the deficit.

LOANS

AUT 25/50 Plan participants may borrow up to 75% of the BMCs held in the MCAF account, and up to 75% of the AMCs held in the RRF 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.

REFUNDS

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. Credited Service includes most public service rendered in New York City or New York State towards calculating your retirement benefit. Credited Service includes: Membership Service, Transferred Service, Purchased Service, Military Service, Union Leave Service, Part-time Service and Purchased Service for periods of Child Care Leave.

Participants who have rendered less than five years of Credited Service in an Automotive Member Title may withdraw their AMCs, plus accrued interest if they:

- No longer hold an AMT; OR
- Change titles to a non-AMT and remain in City service. In this case, after receiving the refund of AMCs, the participant will no longer be entitled to a benefit under the AUT 25/50 Plan, but will be entitled to a benefit from their underlying Tier 4 plan (assuming service requirements have been met).

A participant who is no longer employed as an Automotive Member and withdraws their AMCs (and earned interest), who later becomes a participant again, will be charged with a deficit (including 5% per-annum statutory interest) calculated as if the AMCs had never been made. Payment of a deficit can be made in a lump-sum or through payroll deductions.

VESTED RETIREMENT BENEFIT

AUT 25/50 Plan members who separate from service with at least five (but less than 25) years of Credited Service, two of which are Membership Service, are entitled to a Vested Retirement Benefit. The Vested Retirement Benefit is calculated using the following formula:

$2\% \text{ times Final Average Salary (FAS) times the number of years of Credited Service}$

This benefit becomes payable on the date the participant would have completed 25 years of Credited Service or attain age 50, whichever is later.

SERVICE RETIREMENT

Participants in the AUT 25/50 Plan are eligible to receive a Service Retirement Benefit upon attaining age 50 with 25 years of Credited Service. The Service Retirement Benefit is calculated using the following formula:

50% of Final Average Salary (FAS) for the first 25 years of Credited Service, **plus**

2% *times* FAS for each year of Credited Service in excess of 25, up to a maximum of 30 years of service.

FAS is defined as the greater of:

The average of wages earned during any three consecutive calendar years

OR

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

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

Participants in the AUT 25/50 Plan must file a service retirement application at least 30, but no more than 90, days prior to the effective date of retirement.

UNDERLYING PLANS

Retirement From Underlying 62/5 Plan:

Participants in the AUT 25/50 Plan, including vested members who have left City service, who became employed in an eligible position before June 28, 1995, and who do not meet the AUT 25/50 Plan's requirement of attaining age 50 with 25 or more years of Credited Service, may retire from the Basic 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 (except in the case of vested members).

Retirement From Underlying 57/5 Plan:

Participants in the AUT 25/50 Plan, including vested members who have left City service, who became employed in an eligible position after June 28, 1995 and before April 1, 2012, may retire from the 57/5 Plan **whether or not** the AUT 25/50 Plan's requirement of attaining age 50 with 25 or more years of Credited Service is met. All requirements and benefits of the 57/5 Plan will apply.

BASIC TIER 4 BENEFITS

Participants in the AUT 25/50 Plan are entitled to other benefits applicable to Tier 4 members besides the Vested and Service Retirement Benefits conferred by such plan. Such benefits include, but are not limited to, disability and death benefits. Members should refer to the Tier 4 62/5 Summary Plan Description for details on these benefits.

