

# Special Peace Officer 25-Year Retirement Plan for Tier 4 Members

Tier 4



NYC EMPLOYEES'  
RETIREMENT SYSTEM

May 2023

This brochure describes the benefits of the Special Peace Officer 25-Year Retirement Plan (SPO-25 Plan). The SPO-25 Plan is available ONLY to members in the following Special Peace Officer (SPO) titles:

Special Officers (any rank) employed by a mayoral agency of the City of New York, the NYC Health and Hospitals Corporation (HHC), or the NYC Housing Authority (NYCHA); Parking Control Specialists employed by the NYC Department of Transportation (DOT); School Safety Agents (any rank) employed by the NYC Police Department (NYPD) or Board of Education (BOE); Campus Peace Officers (any rank) employed by the City University of New York (CUNY); Taxi and Limousine Inspectors (any rank) employed by the NYC Taxi and Limousine Commission (TLC); and Urban Park Rangers or Associate Urban Park Rangers employed by the NYC Department of Parks and Recreation.

## PARTICIPATION

Participation in the SPO-25 Plan may be **optional** or **mandatory** depending on factors such as title, NYCERS membership status and the participant's age at the time of their employment in one of the covered titles in the SPO-25 Plan. The chart below lists each of the covered titles and the dates the SPO-25 Plan first became available for such titles.

Special Peace Officer Title and Agency	Availability Date
Special Officers employed by any mayoral agency Parking Control Specialists employed by the NYC DOT School Safety Agents employed by the NYPD Campus Peace Officers employed by CUNY Taxi and Limousine Inspectors employed by the TLC	12/19/2001
Special Officers employed by NYCHA School Safety Agents employed by the BOE	10/02/2002
Urban Park Rangers or Associate Urban Park Rangers employed by NYC Department of Parks and Recreation	10/07/2003

A member employed in a covered title on the availability date (see chart above) had an OPTION to participate in the SPO-25 Plan by filing an election form with NYCERS by a specified date. **These options have expired.**

A member not employed in an SPO title on the availability date, and who subsequently becomes employed in an SPO title after such date, has an OPTION to join the SPO-25 Plan. To participate in this plan, the member must file an election form (provided by NYCERS) within 180 days after appointment to an SPO title.

**ONCE AN ELECTION TO PARTICIPATE IN THE SPO-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.**

Participation is MANDATORY for any person who becomes employed in an SPO title AND becomes a NYCERS member after the availability date for such title **except** for members age 30+ when they become employed in an SPO title. Members who become employed in an SPO title over age 30 have the OPTION to not participate in the SPO-25 Plan. Such members must file Opt-out Form #186 within 180 days of becoming employed in an SPO title or joining NYCERS, whichever is later.

**ONCE AN ELECTION TO OPT OUT OF THE SPO-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.**

Participants who cease to hold an SPO title will no longer be able to participate in the SPO-25 Plan.

Participants who terminate service from an SPO title and return to an SPO title at a later date will again be required to participate in the SPO-25 Plan.

## CONTRIBUTIONS

Tier 4 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 date – 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 SPO-25 Plan, participants are also required to contribute Additional Member Contributions (AMCs) of 6.25% on all pensionable gross wages for Allowable Service in an SPO title rendered on or after December 19, 2001.

AMCs are required for the first 30 years of Allowable Service.

AMCs are maintained in the Retirement Reserve Fund (RRF), 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 BMCs or AMCs will result in a deficit. 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 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.

**ONCE AN ELECTION TO PARTICIPATE IN THE SPO-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.**

Special Peace Officer 25-Year Retirement Plan for Tier 4 Members #934 – Page 1



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## LOANS

SPO-25 Plan participants may borrow up to 75% of the BMCs held in the MCAF account, as well as 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

SPO-25 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, all 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 15 years of Allowable Service in an SPO title have the option of withdrawing their AMCs, plus accrued interest, if they:

- No longer hold an SPO title; **OR**
- Change titles to a non-SPO title and remain in City service. In this case, the participant will no longer be entitled to a benefit under the SPO-25 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 in an SPO title 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.

## ALLOWABLE SERVICE

Allowable Service is defined as service rendered in a covered title in the SPO- 25 Plan. Allowable Service in the SPO-25 Plan also includes certain Military Service, Union Leave Service and Purchased Service for any time rendered in an SPO title before becoming a NYCERS member.

Allowable Service **does not** include other public service rendered in New York State or New York City, e.g., service rendered in a clerical position in another agency.

**Only Allowable Service can be used to qualify for Service retirement or Vested retirement from the SPO-25 Plan.**

## VESTED RETIREMENT BENEFIT

SPO-25 Plan members who separate from service with at least five, but less than 25, years of Allowable Service are entitled to

a Vested Retirement Benefit. The Vested Retirement Benefit is calculated using the following formula:

*2% times Final Average Salary (FAS) times the number of years of Allowable Service*

This benefit becomes payable on the date the participant would have completed 25 years of Allowable Service.

## SERVICE RETIREMENT

Participants in the SPO-25 Plan become eligible to receive a Service Retirement Benefit upon attaining 25 years of Allowable Service, without regard to age. The Service Retirement Benefit is calculated using the following formula:

*50% times Final Average Salary (FAS) for the first 25 years of Allowable Service, plus 2% times FAS for each year of Allowable Service in excess of 25 years, up to a maximum of 30 years.*

Final Average Salary 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 SPO-25 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 SPO-25 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 SPO-25 Plan's requirement of 25 or more years of Allowable 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, including vested members, in the SPO-25 Plan 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 SPO-25 Plan's requirement of 25 or more years of Allowable Service is met. All requirements and benefits of the 57/5 Plan will apply.

## BASIC TIER 4 BENEFITS

Participants in the SPO-25 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. Participants should refer to the Tier 4 62/5 Summary Plan Description for additional information on these benefits.

