



# New York City Employees' Retirement System



## Guide to Joining NYCERS Tier 6 & 22-Year Plans

Melanie Whinnery, Executive Director



# Table of Contents

A Message from Melanie Whinnery	3
About NYCERS	4
Top 10 Reasons to Join NYCERS	5
How to Join NYCERS Online	6
How to Register for MyNYCERS	7
Tier 6 Basic Plan	9
○ Tier 6 Basic Plan Fact Sheet	10
Tier 6 Special Plans	13
○ Tier 6 Special Plan Fact Sheet	15
○ Automotive Member 25-Year/Age 50 Plan	19
○ Deputy Sheriff 25-Year Plan	23
○ Dispatcher 25-Year Plan	27
○ Emergency Medical Technician 25-Year Plan	31
○ Police Communications Technician 25-Year Plan	35
○ Special Peace Officer 25-Year Plan	39
○ Transit Operating Force 25-Year/Age 55 Plan	43
○ Triborough Bridge and Tunnel Authority 20-Year/Age 50 Plan	47
Tier 3 22-Year Plans	51
○ DA Investigators 22-Year Plan	52
○ Uniformed Correction Force 22-Year Plan	56
○ Uniformed Sanitation Force 22-Year Plan	60
Buy-Back	64
Customer Service	68



Dear Seminar Attendee:

Welcome to the overview of the New York City Employees' Retirement System (NYCERS) retirement plan and benefits. We are pleased that you are able to attend today's session.

We collaborated with your agency to provide you with information about the benefits of a NYCERS membership. You will learn about the benefits available to new members who are enrolled in Tier 6.

This booklet contains the information covered in this presentation. It is updated regularly, and the most current information will always be available online at [www.nycers.org](http://www.nycers.org). We hope it will assist you with your decision to join NYCERS.

Sincerely,

*Melanie Whinnery*

Melanie Whinnery  
Executive Director  
NYCERS



340 Jay Street, Bklyn, NY  
Mezzanine level



Forms, Brochures,  
Fact Sheets at  
[www.nycers.org](http://www.nycers.org)



Upload Documents at  
[www.mynycers.org](http://www.mynycers.org)



(347) 643-3000  
M - F, 8am to 5pm



30-30 47th Avenue, 10th Fl.  
Long Island City, NY 11101



# About NYCERS

The New York City Employees' Retirement System (NYCERS) was established by an act of the Legislature in 1920. It is the largest municipal retirement system in the country.

## Function

NYCERS' primary function is to administer the statutory pension benefits of its members, retirees, and beneficiaries through defined benefit retirement plans.

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

Defined benefit retirement plans for public sector employees who join NYCERS offer benefits which 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 years of service and Final Average Salary.

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

## Funding

The benefits of the system are financed by employer contributions, employee contributions and from earnings on the funds invested 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 in which they are enrolled 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 plan's assets and the NYS Retirement and Social Security Law establishes the criteria for permissible investments.

# Top 10 Reasons to Join NYCERS



NYC EMPLOYEES'  
RETIREMENT SYSTEM

September 2020

- 1 Pension – An Invaluable Benefit**  
Your membership with NYCERS provides a guaranteed income for life upon retirement, as well as the opportunity to provide a continued retirement benefit to a designated beneficiary upon your death after retirement.
- 2 Less Taxable Federal Income**  
Because your required contributions are made on a tax-deferred basis from federal income taxes, it may lower your current federal taxable income.
- 3 5% Interest**  
Your contributions grow at 5% interest per annum in order to help fund your lifetime benefits after you retire. In the event you leave City service prior to retirement, you may be eligible for a refund, which includes this interest.
- 4 Lower Buyback Costs**  
The sooner you join NYCERS after becoming a City employee, the lower the cost to purchase pre-membership service.
- 5 Borrowing Power**  
Most members may borrow up to 75% of their contributions after one year of Credited Service.
- 6 Tax-Free Benefit in New York State**  
Your future pension benefit is free from New York City and New York State taxes.
- 7 Disability Protection**  
Most members are eligible to apply for Accidental Disability on their first day of membership, and Ordinary Disability after 10 years of Credited Service.
- 8 Death Benefits**  
Death benefits of up to three years of your salary, plus the return of your membership contributions with interest, are payable if you should die as an active employee.
- 9 Portability**  
Your NYCERS membership can be transferred to any other public pension system within New York State if you meet certain criteria.
- 10 Easy, Secure Account Access With MyNYCERS**  
Download the MyNYCERS mobile app from the [App Store](#) or [Google Play](#), or go to [www.mynycers.org](http://www.mynycers.org) to register your account for quick and easy access to your pension account anytime you need it. MyNYCERS allows members to monitor account balances, file online applications, submit a service request and upload documents and forms.

Top 10 Reasons to Join NYCERS – Fact Sheet #721



340 Jay Street, Bklyn, NY  
Mezzanine level



Forms, Brochures,  
Fact Sheets at  
[www.nycers.org](http://www.nycers.org)



Upload Documents at  
[www.mynycers.org](http://www.mynycers.org)



(347) 643-3000  
M - F, 8am to 5pm



30-30 47th Avenue, 10th Fl.  
Long Island City, NY 11101

## Join NYCERS Online

It's easy to join NYCERS online using your smartphone, laptop or tablet. Simply follow the step-by-step instructions below:

Mobile Phone Users	Laptop/Desktop/Tablet Users
<ol style="list-style-type: none"><li>1. Download the NYCERS app via Google Play (Android) or the App Store (iPhone).</li><li>2. Click on <b>New to MyNYCERS?</b></li><li>3. Check <b>I am not a robot</b>, pass the security exercise, and click <b>Start</b>.</li></ol>	<ol style="list-style-type: none"><li>1. Visit <a href="http://www.nycers.org">www.nycers.org</a>.</li><li>2. Scroll to the bottom of the webpage and click on <b>Join NYCERS</b>.</li><li>3. Click on <b>Please submit a NYCERS membership application here</b>, pass the security exercise, then click the <b>Continue</b> button.</li></ol>

4. Enter your personal information in the required fields.
5. Answer the security questions when prompted.
6. Complete your employer information.
7. Review and verify your information in the **Acknowledgment** box.
8. Check the **I agree to the NYCERS' Terms and Conditions** box.
9. Click the **Review and Sign** button.
10. Print and save the confirmation page, which is time-and date-stamped; it will serve as proof that you submitted an application online.

You will receive a membership packet within six to eight weeks of submitting your membership application online. The packet will contain your membership number and the forms required to complete and submit your beneficiary confirmation.

For faster service, we recommend that you register for a MyNYCERS account and submit your beneficiary information online.



# How to Register for MyNYCERS

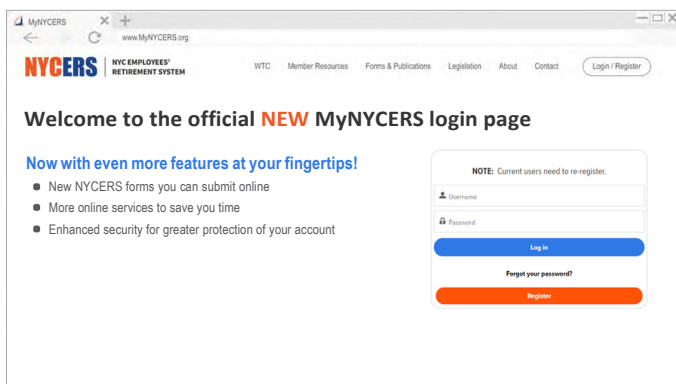


NYC EMPLOYEES'  
RETIREMENT SYSTEM

March 2021



MyNYCERS is your secure online portal to your NYCERS pension account. It has many features, including forms and applications you can file online. Follow the steps below to sign up for MyNYCERS. It's fast, easy, and secure.



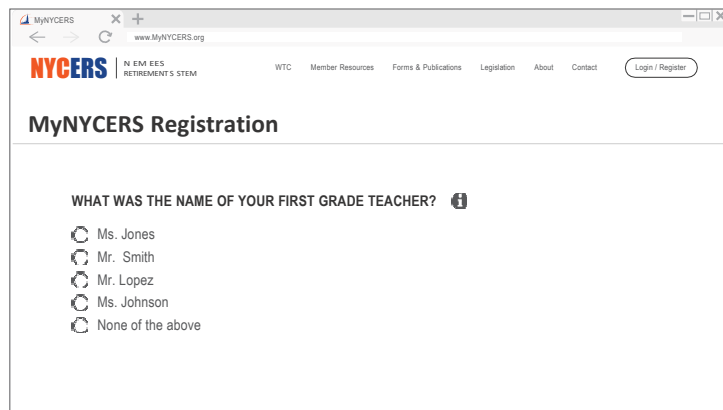
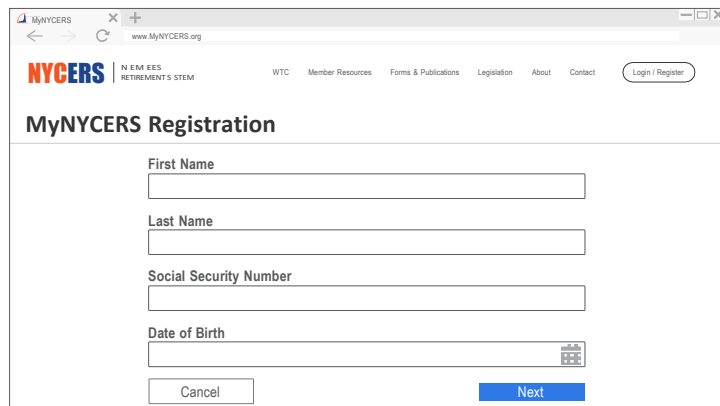
## Step 1 – Go to [www.MyNYCERS.org](http://www.MyNYCERS.org)

**Note:** If you registered for MyNYCERS prior to April 2020, you will need to re-register on the new site.

Once the page is open, click the **Register** button to begin.

## Step 2 – Tell Us Who You Are

Enter your First Name and Last Name (exactly as they appear in NYCERS records), Social Security Number, and Date of Birth. After reviewing and agreeing to the Terms & Conditions, click **Next**.



## Step 3 – Verify Your Identity

NYCERS relies on independent, third-party verification questions to confirm your identity when creating your account.

**Step 4 on next page...**



The screenshot shows the MyNYCERS Registration page. At the top, there is a navigation bar with the NYCERS logo and links for WTC, Member Resources, Forms & Publications, Legislation, About, and Contact. A 'Login / Register' button is also present. Below the navigation bar, the page title is 'MyNYCERS Registration'. The main content area contains four input fields: 'Email Address', 'Mobile Phone', 'User Name', and 'Password'. Each field has a small information icon to its right. At the bottom of the form, there are two buttons: 'Cancel' on the left and 'Sign Up' on the right.

### Step 4 – Create Your Login Credentials

Enter a valid Email Address, Mobile Phone, User Name and Password. User Name must be in the form of an email address. Password must be at least 8 characters, including one capital letter, one number and one special character (!, @, #, \$, %). To prevent errors, you will be asked to enter your password twice. Click **Sign Up** when complete.

### Step 5 – Log In

Click the button to **Log In** and complete your account registration.

The screenshot shows the MyNYCERS Registration confirmation page. The page title is 'MyNYCERS Registration'. The main content area contains a blue message: 'Your MyNYCERS account registration is almost complete.' Below this, it says: 'A welcome email has been sent to email@provider.com. To complete registration, log in now and follow the two-factor authentication instructions.' At the bottom right of the page, there is a blue 'Log In' button.

The screenshot shows the Two-Factor Authentication verification screen. At the top, there is a checkbox labeled 'Two-Factor Authentication' which is checked. Below this, the heading is 'Verify Your Identity'. The text reads: 'To access your MyNYCERS account, enter the verification code sent to you via SMS or Email.' There is a text input field for the verification code. At the bottom of the form, there are two buttons: 'Previous' and 'Next'.

### Step 6 – Two-Factor Authentication

To complete registration, members are required to verify their identity using two-factor authentication. You can choose to have the verification code sent to the email address or mobile number you provided in Step 4.







# Tier 6

## Basic Plan

# Tier 6 Basic Plan Fact Sheet



NYC EMPLOYEES'  
RETIREMENT SYSTEM

Tier 6

January 2022

Chapter 18 of the Laws of 2012, which established Tier 6, amends the retirement benefits of public employees who establish membership in a public employee retirement system **on or after April 1, 2012**. This fact sheet provides answers to frequently asked questions about the obligations and benefits provided to members of a Tier 6 Basic Plan. 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.

## Who is a Tier 6 member?

A Tier 6 member is someone who joins the New York City Employees' Retirement System (NYCERS) on or after April 1, 2012, except:

- Members of the Uniformed Force of the NYC Department of Correction
- Members of the Uniformed Force of the NYC Department of Sanitation
- Investigators employed in a District Attorney's Office

## If I am employed as a member of the Uniformed Correction Force, Uniformed Sanitation Force, or as a District Attorney Investigator, am I a Tier 6 member if I join NYCERS on or after April 1, 2012?

No. You will be in a Tier 3 22-Year Plan. (See the 22-Year Plan Fact Sheet #720 for more information.)

## 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 meet the eligibility requirements of the "tier reinstatement" law 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. (See the Membership Reinstatement Brochure #905 for more information.)

## If I am employed in a special occupational title, e.g., New York City Transit Bus Operator, Train Conductor, Emergency Medical Technician, Special Peace Officer, etc., am I a Tier 6 member if I join NYCERS on or after April 1, 2012?

Yes. However, you will not be a participant in the Tier 6 Basic Plan; you will be a participant in a special plan for your title which permits early service retirement based on age and/or service requirements. These special plans have provisions relating to contributions, vesting requirements, and benefit calculations. (See the Tier 6 Special Plan Fact Sheet #719 for more information.)

## I am employed in a physically taxing title, am I eligible for a special plan in Tier 6 affording early retirement?

No. The Tier 6 law eliminated the Tier 4 55/25 and 57/5 Plans, which provided early retirement for members employed in physically taxing titles. Members in physically taxing titles who joined NYCERS on or after April 1, 2012 will be participants in the Tier 6 Basic Plan.

## How much do I have to contribute as a Tier 6 member?

Tier 6 Basic Plan members who joined NYCERS between April 1, 2012 and March 31, 2013 are required to contribute 3% of gross wages. Beginning April 1, 2013, the contribution rate for all Tier 6 Basic Plan members is dependent upon annual wages earned during a "plan year" according to the schedule in the table on page 2.



**Basic Plan Member Contribution Table:**

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%

If you joined NYCERS prior to November 20, 2015, a **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your Basic Member Contributions (BMC) rate (Projected Wage Method). For your fourth plan year and each plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method).

Chapter 510 of the laws of 2015, signed on November 20, 2015, changed the plan year definition to a calendar year (January 1st to December 31st). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. The chart below illustrates the application of each method based on hypothetical wages.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	1st Plan Year	2nd Plan Year	3rd 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)

<b>ACTUAL WAGE METHOD (4th PLAN YEAR AND THEREAFTER)</b>		
	4th Plan Year	5th 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)



### What is Credited Service?

In general, Credited Service is service rendered while a NYCERS member, previous public 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 long do I have to make contributions?

Tier 6 Basic Plan members must contribute until they separate from City service or until they retire.

### When can I retire under the Tier 6 Basic Plan?

Tier 6 Basic Plan members must have a minimum of 10 years of Credited Service **and** be at least age 63 to retire and collect an unreduced Service Retirement Benefit.

### Can I retire earlier than age 63 under the Tier 6 Basic Plan?

Tier 6 Basic Plan members may retire as early as age 55 with at least 10 years of Credited Service provided that they file their service retirement application while still on active payroll. However, early retirement carries a penalty of a permanent reduction in your retirement benefit at a rate of 6.5% for each year that you have retired prior to age 63. The following table illustrates the benefit reduction for retirement between ages 55-63.

Age At Retirement	Benefit Reduction
63	None
62	6.5%
61	13%
60	19.5%
59	26%
58	32.5%
57	39%
56	45.5%
55	52%

### What happens if I leave City service before I'm eligible to retire?

If you have at least 10 years of Credited Service your pension vests automatically, which means you can collect a Vested Retirement Benefit at age 63. If you have less than 10 years of Credited Service, you may request a refund of your contributions, plus 5% compounded interest. Alternatively, you may leave your contributions on deposit with NYCERS for a period of five years. If you do not return to active service within those five years, your NYCERS membership will be terminated. This scenario is commonly referred to as a "five-year out."

### How is my Service/Vested Retirement Benefit calculated?

The Service/Vested Retirement Benefit payable under the Tier 6 Basic Plan is calculated as follows:

- For a Participant with less than 20 years of Credited Service:  
1.67% *times* Final Average Salary (FAS) *times* years of Credited Service
- For a Participant with 20 or more years of Credited Service:  
35% of FAS for the first 20 years of Credited Service; **plus**  
2% *times* each year of Credited Service in excess of 20



### How is my FAS calculated?

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of Credited Service. 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.

### Are all wages included in the FAS calculation?

No. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes. An overtime ceiling of \$15,000 was established as of April 1, 2012 for Tier 6 members, and by law may escalate annually based on the increase in the Consumer Price Index (CPI-U) published by the United States Bureau of Labor Statistics. The overtime ceiling effective January 1, 2022 is \$18,233. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages excludes:

1. Wages in excess of the annual salary paid to the Governor of the State of New York (\$250,000 for 2022);
2. Lump sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. Any form of termination pay;
4. Any additional compensation paid in anticipation of retirement; and
5. In the case of employees who receive wages from three or more employers in a twelve month period, the wages paid by the third and each additional employer.

### If I do not join NYCERS immediately after my employment, can I purchase (buy back) my pre-membership service and, if so, 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 6% 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.

### 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.

### Did the Tier 6 law affect other benefits of membership such as loans, disability and death benefits?

No. Tier 6 Basic Plan members receive the same benefits of membership afforded to members in other tiers.





# Tier 6 - Special Plans

- Automotive Worker 25-Year/Age 50 Plan
- Deputy Sheriff 25-Year Plan
- Dispatcher 25-Year Plan
- Emergency Medical Technician 25-Year Plan
- Police Communications Technician 25-Year Plan
- Special Peace Officer 25-Year Plan
- Transit Authority 25-Year/Age 55 Plan
- Triborough Bridge and Tunnel Authority 20-Year/  
Age 50 Plan

# Tier 6 Special Plan Fact Sheet



NYC EMPLOYEES'  
RETIREMENT SYSTEM

Tier 6

January 2022

Chapter 18 of the Laws of 2012, which established Tier 6, amends the retirement benefits of public employees who establish membership in a public employee retirement system **on or after April 1, 2012**. This fact sheet provides answers to frequently asked questions about the obligations and benefits provided to members of a Tier 6 Special Plan. 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.

## Who is a Tier 6 member?

A Tier 6 member is someone who joins the New York City Employees' Retirement System (NYCERS) on or after April 1, 2012, except:

- Members of the Uniformed Force of the NYC Department of Correction
- Members of the Uniformed Force of the NYC Department of Sanitation
- Investigators employed in a District Attorney's Office

## If I am employed as a member of the Uniformed Correction Force, Uniformed Sanitation Force, or as a District Attorney Investigator, am I a Tier 6 member if I join NYCERS on or after April 1, 2012?

No. You will be a participant in a Tier 3 22-Year Plan. (See the 22-Year Plan Fact Sheet #720 for more information.)

## 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 meet the eligibility requirements of the "tier reinstatement" law 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. (See the Membership Reinstatement Brochure #905 for more information.)

## I am employed in a special occupational title and I am joining NYCERS on or after April 1, 2012. Am I eligible for participation in a Tier 6 Special Plan?

Yes, depending on your title, you will be a participant in one of the following special plans:

- Dispatcher 25-Year Plan
- Transit Authority 25-Year/Age 55 Plan
- Emergency Medical Technician 25-Year Plan
- Triborough Bridge and Tunnel Authority 20-Year/Age 50 Plan
- Deputy Sheriff 25-Year Plan
- Special Peace Officer 25-Year Plan
- Automotive Worker 25-Year/Age 50 Plan
- Police Communications Technician 25-Year Plan

While the Tier 6 law did not eliminate these special plans, many changes were made affecting provisions relating to contributions, vesting requirements, and benefit calculations. The changes are discussed further below.

## Is it possible to opt out of my Tier 6 Special Plan and, if so, which plan would I belong to?

Participants in the Emergency Medical Technician 25-Year Plan, Dispatcher 25-Year Plan, Special Peace Officer 25-Year Plan, and the Police Communications Technician 25-Year Plan who are older than age 30 (age 25 for EMTs) upon being mandated into participation, may elect to opt out of their Tier 6 Special Plan within 180 days after they receive notification that they have this option. In such event, they will be placed in the Tier 6 Basic Plan. For participants in other Tier 6 Special Plans, it is not possible to opt out.

## I am employed in a physically taxing title. Am I eligible for participation in a Tier 6 Special Plan?

No. The Tier 6 law eliminated the Tier 4 55/25 and 57/5 Plans, which provided early retirement for members employed in physically taxing titles. Members in physically taxing titles who joined NYCERS on or after April 1, 2012 will be members of the Tier 6 Basic Plan.



## How much do I have to contribute as a Tier 6 member?

### Basic Member Contributions (BMCs)

Tier 6 Special Plan members who joined NYCERS between April 1, 2012 and March 31, 2013 are required to contribute BMCs equal to 3% of gross wages (2% of gross wages for Transit Authority 25/55 participants). Beginning April 1, 2013, the BMC rate for all Tier 6 Special Plan members is dependent upon annual wages earned during a "plan year" according to the schedule in the table below.

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%

If you joined NYCERS prior to November 20, 2015, a **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth plan year and each plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method).

Chapter 510 of the laws of 2015, signed on November 20, 2015, changed the plan year definition to a calendar year (January 1st to December 31st). The chart below illustrates the application of each method based on hypothetical wages. For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. The chart below illustrates the application of each method based on hypothetical wages.

PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)			
	1st Plan Year	2nd Plan Year	3rd 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 (4TH PLAN YEAR AND THEREAFTER)		
	4th Plan Year	5th 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)

### Additional Member Contributions (AMCs)

In addition to BMCs, Tier 6 Special Plan members must contribute AMCs. AMCs are required because Tier 6 Special Plan members can take advantage of early service retirement either based on a particular age (younger than age 63) or a minimum service requirement without regard to age. The following table shows the AMC rates for each Tier 6 Special Plan.





Tier 6 Special Plan	AMC Rate
Triborough Bridge & Tunnel Authority 20/50	5.5% (Officers); 6% (Sergeants, Lieutenants)
Transit Authority 25/55	None
Emergency Medical Technician 25	6.25%
Dispatcher 25	6%
Deputy Sheriff 25	6.75%
Special Peace Officer 25	6.25%
Automotive Worker 25/50	4.83%
Police Communication Technician 25	6%

### How long do I have to make contributions?

Tier 6 Special Plan members must contribute BMCs until they separate from City service or until they retire.

Tier 6 Special Plan members must contribute AMCs until they attain 30 years of service or retire, whichever comes first, except for Triborough Bridge & Tunnel Authority 20/50 Plan members, who must contribute AMCs until they attain 20 years of service.

### When am I eligible for service retirement under my Tier 6 Special Plan?

Tier 6 Special Plan members are eligible for service retirement according to the provisions of their special plan. The following table shows the minimum age and/or service requirements for service retirement under each Tier 6 Special Plan.

Tier 6 Special Plan	Minimum Requirement for Service Retirement
Triborough Bridge & Tunnel Authority 20/50	20 years of Credited Service and age 50
Transit Authority 25/55	25 years of Allowable Service and age 55
Emergency Medical Technician 25	25 years of Allowable Service regardless of age
Dispatcher 25	25 years of Allowable Service regardless of age
Deputy Sheriff 25	25 years of Credited Service regardless of age
Special Peace Officer 25	25 years of Allowable Service regardless of age
Automotive Worker 25/50	25 years of Credited Service and age 50
Police Communication Technician 25	25 years of Credited Service regardless of age

### What is Credited Service?

In general, Credited Service is service rendered while a NYCERS member, previous public 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.

### What is Allowable Service?

Allowable Service is service rendered while employed in a qualifying title for a specific plan. Most times it is considered as service rendered in a uniformed force. In addition, military service is also included as allowable service.

### What happens if I leave City Service before I'm eligible to retire?

If you have at least 10 years of Credited Service (or Allowable Service), but less than the minimum requirement for service retirement, your pension vests automatically. This means that you will be entitled to a Vested Retirement Benefit at a later date. **The Tier 6 law defines age 63 as the age by which Tier 6 Special Plan members are eligible to collect a Vested Retirement Benefit.**

If you have less than 10 years of Credited Service (or Allowable Service), you may request a refund of your BMCs, plus 5% compounded interest. Alternatively, you may leave your contributions on deposit with NYCERS for a period of five years. If you do not return to active service within those five years, your NYCERS membership will be terminated. This scenario is commonly referred to as a "five-year out."



### What happens to my AMCs if my pension vests?

Depending on your special plan and your years of service, you may be eligible for a refund of your AMCs plus 5% compounded interest. If you rendered less than 15 years of service (or five years of service for the Automotive Worker 25/50 and Police Communication Technician 25-Year Plans) and cease to hold your special occupational title for any reason whatsoever, you are eligible for a refund of your AMCs, plus 5% compounded interest.

### How is my Service/Vested Retirement Benefit calculated?

The Service/Vested Retirement Benefit formulas for each of the Tier 6 Special Plans are calculated per the brochures below:

- [Triborough Bridge & Tunnel Authority 20/50, Tier 6 Brochure #985](#)
- [Deputy Sheriff 25, Tier 6 Brochure #989](#)
- [Transit Authority 25/55, Tier 6 Brochure #986](#)
- [Special Peace Officer 25, Tier 6 Brochure #990](#)
- [Emergency Medical Technician 25, Tier 6 EMT Brochure #987](#)
- [Automotive Worker 25/50, Tier 6 Brochure #991](#)
- [Dispatcher 25, Tier 6 Brochure #988](#)
- [Police Communication Technician 25, Tier 6 Brochure #992](#)

The Final Average Salary is also calculated, as noted below.

### How is my Final Average Salary (FAS) calculated?

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of Credited Service or Allowable Service, depending on your plan. 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.

### Are all wages included in the FAS calculation?

No. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes. An overtime ceiling of \$15,000 was established as of April 1, 2012 for Tier 6 members, and by law may escalate annually based on the increase in the Consumer Price Index (CPI-U) published by the United States Bureau of Labor Statistics. The overtime ceiling effective January 1, 2022 is \$18,233. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages excludes:

1. Wages in excess of the annual salary paid to the Governor of the State of New York (\$250,000 for 2022);
2. Lump sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. Any form of termination pay;
4. Any additional compensation paid in anticipation of retirement; and
5. In the case of employees who receive wages from three or more employers in a twelve month period, the wages paid by the third and each additional employer.

### If I do not join NYCERS immediately after my employment, can I purchase (buy back) my pre-membership service and, if so, 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 6% 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. However, depending on the type of service required under your special plan (Allowable or Credited), buying back previous service may not count towards retirement under such plan.

### 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.

### Did the Tier 6 law affect other benefits of membership such as loans, disability and death benefits?

No. Tier 6 Basic Plan members receive the same benefits of membership afforded to members in other tiers.





# Automotive Member 25-Year/Age 50 Retirement Plan For Tier 6 Members (6AU-25)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Automotive Member 25-Year and Age 50 Retirement Plan for Tier 6 members (6AU-25). The 6AU-25 Plan allows participants to retire with 25 years of Credited Service at age 50 or older and is available ONLY to members employed in a series of titles performing automotive service work (Automotive Member Titles [AMTs]).

The following AMTs are eligible to participate in the 6AU-25 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 is mandatory for any person who becomes employed in an AMT and becomes a NYCERS member on or after April 1, 2012.

Participants who cease to hold an AMT will no longer be able to participate in the 6AU-25 Plan.

Participants who terminate service from an AMT and return to an AMT at a later date will again be required to participate in the 6AU-25 Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6AU-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6AU-25 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6AU-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 4.83% on all gross wages, excluding “non-pensionable” earnings (see Final Average Salary section).

AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant has rendered 30 years of Credited Service in an AMT or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit.

In the event of an unresolved deficit at retirement in the MCAF account (BMCs) or in the RRF account (AMCs), an actuarial reduction may be applied to the pension benefit.

If you cease to be employed in an AMT, withdraw your AMCs (and interest) and later become a participant again, you will be charged a deficit, including the 5% statutory interest.

Tier 6 Automotive Member 25-Year/Age 50 Plan (6AU-25) #991 - Page 1

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 6AU-25 Plan participants may borrow 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 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. Refunds will be reduced by the present value of any outstanding loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold an AMT for any reason whatsoever and who have rendered less than five years of Credited Service in an AMT have the option of withdrawing their AMCs, plus accrued interest and minus the present value of any loan. AMCs also may be withdrawn if a participant with less than five years of Credited Service in an AMT changes titles to a non-AMT and remains in City service. After receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6AU-25 Plan, but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met). Refunds of AMCs are not possible for members with five or more years of Credited Service rendered in an AMT.

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## BUY-BACK

6AU-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10 but less than 25 years of Credited Service (at least two of which are Membership Service), and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63. The Vested Retirement Benefit is computed as follows:

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

## SERVICE RETIREMENT BENEFIT

Participants in the 6AU-25 Plan are eligible to receive a Service Retirement Benefit upon attaining age 50 with 25 or more years of Credited Service. The Service Retirement Benefit is calculated using the following formula:

- 50% of FAS for the first 25 years of Credited Service, **plus**
- 2% of FAS for each additional year of Credited Service, up to a maximum of 30 years of such service.

Participants in the 6AU-25 Plan must file a service retirement application at least 30 days prior to the effective date of retirement, but not more than 90 days prior to the effective date of retirement, and must be a participant of the 6AU-25 Plan on the day before their effective date of retirement.

When you file your service retirement application, we strongly encourage you to select an "Interim Option" on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.



Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6AU-25 Plan member, you are eligible for a Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death;  
-- OR --
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year’s current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than five years of Credited Service in an AMT, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having five years of Credited Service in an AMT and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining five years of Credited Service in an AMT.

**PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)**

	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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<sup>th</sup> PLAN YEAR AND THEREAFTER)**

	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	



# Deputy Sheriff 25-Year Retirement Plan For Tier 6 Members (6DS-25)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Deputy Sheriff 25-Year Plan for Tier 6 members (6DS-25). This plan allows participants to retire with 25 years of Credited Service (all service) regardless of age and is available ONLY to Deputy Sheriff Members. A Deputy Sheriff Member is a NYCERS member employed by the City of New York as a Deputy Sheriff Level 1, Deputy City Sheriff Level 2, Supervising Deputy Sheriff or Administrative Sheriff. These are the only titles eligible for the 6DS-25 Plan.

## PARTICIPATION

Any employee in a Deputy Sheriff covered title who becomes a Tier 6 NYCERS member on or after April 1, 2012 is mandated into the 6DS-25 Plan.

Participants who cease to be employed in a Deputy Sheriff covered title will no longer be able to participate in the Plan. However, if you become employed in a covered title at a later date, you will again be required to participate in the Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6DS-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6DS-25 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a

projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6DS-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6.75% of your gross wages, excluding “non-pensionable” earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant attains 30 years of Credited Service in a Deputy Sheriff covered title or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it.

In the event of a deficit at retirement in either account, an actuarial reduction may be applied to the pension benefit. Deficits also impact disability and death benefits.

If you cease to be employed in a Deputy Sheriff covered title and withdraw your AMCs (and interest) and later become a participant again, you will be charged a deficit, including the 5% statutory interest.

Tier 6 Deputy Sheriff 25-Year Retirement Plan (6DS-25) #989 - Page 1

## LOANS

Plan participants may borrow up to 75% of the BMCs in the MCAF account. Loans are subject to the terms and conditions applicable to Tier 4 members. 6DS-25 Plan participants are not allowed to take loans from their AMCs held in the RRF account. Please consult 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, which effectively terminates membership. Refunds will be reduced by the present value of any outstanding loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold a Deputy Sheriff covered title for any reason and who have rendered less than 15 years of Credited Service in a Deputy Sheriff covered title have the option to withdraw their AMCs, plus accrued interest and minus the present value of any loan. Your refund will be reduced by the present value of any outstanding loan. AMCs may also be withdrawn if a participant with less than 15 years of Credited Service changes to a non-Deputy Sheriff covered title and remains in City service. In this case, after receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6DS-25 Plan, but may be entitled to a benefit from the underlying Tier 6 Basic Plan (assuming service requirements have been met). Refunds of AMCs are not possible for members with 15 or more years of Credited Service in a Deputy Sheriff covered title.

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## BUY-BACK

6DS-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10, but less than 25 years of Credited Service (at least two years of which must be Membership Service), and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is calculated using the following formula:

$2.2\% \text{ times Final Average Salary (FAS) times the number of years of Credited Service.}$

## SERVICE RETIREMENT BENEFIT

Participants in the 6DS-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 years of Credited Service, regardless of age. The Service Retirement Benefit is calculated using the following formulas:

- 55% of FAS for the first 25 years of Credited Service **plus**
- 1.7% of FAS for each additional year (or fraction thereof) beyond the first 25 years of Credited Service, up to a maximum of 30 years of such service.

You must file a service retirement application at least 30 days, but no more than 90 days, before your effective retirement date, and you must be a participant of the 6DS-25 Plan on the day before your effective retirement date.

When you file your service retirement application, we strongly encourage you to select an "Interim Option" on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.





Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

### ORDINARY DISABILITY RETIREMENT

As a 6DS-25 Plan member, you are eligible for an Ordinary Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

### THREE-QUARTERS ACCIDENTAL DISABILITY RETIREMENT

NYC Deputy Sheriffs who become physically or mentally incapacitated for the performance of duties as the natural and proximate result of an accident, not caused by their willful negligence, are entitled to a disability benefit equal to three-quarters of Final Compensation. Final Compensation is defined as wages earned during any five consecutive years (subject to certain limitations), minus 100% of the annual payment from the Workers’ Compensation Board associated with the injury. In order to file an application for this type of disability benefit, you must be employed in a Deputy Sheriff title specified in the law at the time you file.

### SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your Designated Beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death; **OR**
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year’s current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than 15 years of Credited Service in a Deputy Sheriff covered title, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having 15 years of Credited Service in a Deputy Sheriff covered title and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law. Eligible Benefi-

ciary(ies) will receive an ADB if NYCERS' Medical Board determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining 15 years of Credited Service in a Deputy Sheriff covered title.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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)
<b>ACTUAL WAGE METHOD (4<sup>th</sup> PLAN YEAR AND THEREAFTER)</b>			
	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	

**Tier 6 Deputy Sheriff 25-Year Retirement Plan (6DS-25) #989 - Page 4**



# Dispatcher 25-Year Retirement Plan For Tier 6 Members (6DI-25)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Dispatcher 25-Year Retirement Plan for Tier 6 members (6DI-25). This plan allows participants to retire with 25 years of Allowable Service regardless of age and is available only to Dispatcher Members. A Dispatcher Member is a NYCERS member employed by the City of New York in the titles of Fire Alarm Dispatcher, Supervising Fire Alarm Dispatcher Levels 1 and 2, Director of Dispatch Operations, and Deputy Director of Dispatch Operations.

## PARTICIPATION

Any employee in a Dispatcher covered title who becomes a Tier 6 NYCERS member on or after April 1, 2012 is mandated into the 6DI-25 Plan. **However, if you exceed age 30 upon being mandated into this plan, you have the option to not participate.** Such mandated participants will be sent Opt-Out Form #177 after which they will have 180 days to opt out of the 6DI-25 Plan. **ONCE AN ELECTION TO OPT OUT OF THE 6DI-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.** If you opt out of the 6DI-25 Plan, you will be placed in the Tier 6 Basic Plan.

Participants who cease to be employed in a Dispatcher covered title will no longer be able to participate in the 6DI-25 Plan. However, if you become employed in a covered title at a later date, you will again be required to participate in the 6DI-25 Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6DI-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013 are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6DI-25 members is dependent upon annual wages earned during a **plan year** according to the schedule below:

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6DI-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6% of your gross wages, excluding “non-pensionable” earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant attains 30 years of Allowable Service or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it.

In the event of an unpaid deficit at retirement in either the MCAF or RRF account, an actuarial reduction may be applied to the pension benefit. Unpaid deficits may also impact disability and death benefits.

If you cease to be employed in a Dispatcher covered title and withdraw your AMCs (and interest) and later become a parti-

participant again, you will be required to repay the AMCs refunded to you, including the 5% statutory interest.

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 6DI-25 Plan participants may borrow up to 75% of the AMCs held in the RRF account. Loans are subject to the terms and conditions applicable to Tier 4 members. Please consult 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, which effectively terminates their membership. Refunds will be reduced by the present value of any loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold a Dispatcher covered title for any reason whatsoever, and who have rendered less than 15 years of Allowable Service, have the option to withdraw their AMCs, plus accrued interest and minus the present value of any outstanding loan. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service changes titles to a non-Dispatcher covered title and remains in City service. In this case, after receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6DI-25 Plan, but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met). Refunds of AMCs are not possible for members with 15 or more years of Allowable Service.

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## ALLOWABLE SERVICE

To retire for service under the 6DI-25 Plan, participants must meet the service requirement, which is 25 years of Allowable Service.

Allowable Service for the 6DI-25 Plan includes service as a Dispatcher Member, **and** all service in the following NYC Civil Service titles: Chief Fire Alarm Dispatcher, Administrative Fire Alarm Dispatcher, Transit Bus Operator and Train Dispatcher, Firefighter, Police Officer, Correction

Officer, Fire Marshal, Probation Officer, Police Communications Technician, Supervising Police Communications Technician, Principal Police Communications Technician, Police Administrative Aide, Senior Police Administrative Aide, Emergency Medical Technician, Advanced Emergency Medical Technician, Emergency Medical Service Specialist (Levels 1 and 2), Fire Prevention Inspector, Fire Protection Inspector, Senior Fire Prevention Inspector, Principal Fire Prevention Inspector, Associate Fire Protection Inspector, County Detective, Detective (NYPD), Detective Investigator, Senior Detective Investigator, Deputy Sheriff, Senior Deputy Sheriff, Inspector of Fire Alarm Boxes, Radio Operator, Radio Repair Technician, Supervisor of Radio Repair Operations, Taxi and Limousine Inspector, Senior Taxi and Limousine Inspector, Triborough Bridge and Tunnel Officer **and** a member of NYCERS who is employed by the City of New York in a title whose duties require the supervision of employees whose Civil Service title is included above.

Allowable Service in the 6DI-25 Plan also includes certain Military Service and Union Leave Service.

Allowable Service **does not** include other public service rendered in New York State or New York City other than the service specified above. This is significant because only Allowable Service can be used to qualify for service or vested retirement.

## BUY-BACK

6DI-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State, but only previous service rendered in the titles enumerated in the Allowable Service section will count towards vested or service retirement under the 6DI-25 Plan. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.



## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10 years of Allowable Service (at least two years of which are Membership Service), but less than 25 years of Allowable Service, and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is computed as follows:

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

If you leave City service with less than 10 years of Allowable Service but your total Credited Service is 10 years or more, you may be eligible for a vested benefit under the Tier 6 Basic Plan.

## SERVICE RETIREMENT BENEFIT

Participants in the 6DI-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 or more years of Allowable Service, regardless of age. The Service Retirement Benefit is calculated using the following formula:

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

You must file a service retirement application at least 30 days, but no more than 90 days, before your effective retirement date, and you must be a participant of the 6DI-25 Plan on the day before your effective retirement date.

When you file your service retirement application, we strongly encourage you to select an “Interim Option” on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which

limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6DI-25 Plan member, you are eligible for a Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.



An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death;  
-- OR --
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  - 1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  - 2. you were not gainfully employed since last on the payroll; **AND**
  - 3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year's current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than 15 years of Allowable Service, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having 15 years of Allowable Service and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining 15 years of Allowable Service.

PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)			
	1 <sup>st</sup> Plan Year	2 <sup>nd</sup> Plan Year	3 <sup>rd</sup> 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 <sup>th</sup> PLAN YEAR AND THEREAFTER)			
	4 <sup>th</sup> Plan Year	5 <sup>th</sup> 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)	



# Emergency Medical Technician 25-Year Retirement Plan For Tier 6 Members (6EM-25)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Emergency Medical Technician 25-Year Plan for Tier 6 members (6EM-25). This plan allows participants to retire after rendering at least 25 years of Allowable Service, regardless of age. The 6EM-25 Plan is available ONLY to EMT Members. An EMT Member is a NYCERS member employed by the City of New York or the New York City Health and Hospitals Corporation in a title whose duties are those of an EMT, Advanced Emergency Medical Technician (AEMT), or a supervisor of those employees.

## PARTICIPATION

Any EMT who becomes a Tier 6 NYCERS member on or after April 1, 2012 is mandated into participation in the 6EM-25 Plan. However, if he/she is older than age 25, he/she will have an option to not participate in the 6EM-25 Plan. Such participants will be sent Opt-Out Form #176 after which they will have 180 days to opt out of the 6EM-25 Plan. **ONCE AN ELECTION TO OPT OUT OF THE 6EM-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.** If you opt out of the 6EM-25 Plan, you will be placed in the Tier 6 Basic Plan.

Participants who cease to be employed as an EMT Member will no longer be able to participate in the 6EM-25 Plan. However, if they become an EMT Member at a later date, they will be required to resume participation in the 6EM-25 Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6EM-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6EM-25 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6EM-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6.25% of your gross wages, excluding “non-pensionable” earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant attains 30 years of Allowable Service or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it.

In the event of an unpaid deficit at retirement in either the MCAF or RRF account, an actuarial reduction may be applied to the pension benefit. Unpaid deficits may also impact disability and death benefits.

If you cease to be employed as an EMT Member, withdraw your AMCs (and accrued interest), and later become a

Tier 6 Emergency Medical Technician 25-Year Retirement Plan (6EM-25) #987 - Page 1

participant again, you will be required to repay the AMCs refunded to you including statutory interest at a rate of 5% compounded annually.

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 6EM-25 Plan participants may borrow up to 75% of the AMCs held in the RRF account. Any loans taken are subject to the terms and conditions applicable to Tier 4 members. Please consult Brochure #911 for additional information.

## REFUNDS

Plan participants who have rendered less than 10 years of Credited Service (all service) and who leave City service may apply for a refund of BMCs, plus accrued interest, which effectively terminates their membership. Refunds will be reduced by the present value of any loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold an EMT covered title for any reason whatsoever, and who have rendered less than 15 years of Allowable Service, have the option to withdraw their AMCs, plus accrued interest and minus the present value of any loan. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service changes titles to a non-EMT covered title and remains in City service. In this case, after receiving the refund of AMCs such participant will no longer be entitled to a benefit under the 6EM-25 Plan, but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met). Refunds of AMCs are not possible for participants with 15 or more years of Allowable Service.

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## ALLOWABLE SERVICE

To retire for service under the 6EM-25 Plan, participants must meet the service requirement which is 25 years of Allowable Service. Allowable Service for the 6EM-25 Plan is service rendered while employed as an EMT Member, as well as service rendered in the title of Motor Vehicle Operator employed by the City of New York or the New York City Health & Hospitals Corporation.

Allowable Service in the 6EM-25 Plan also includes certain Military Service and Union Leave Service.

Allowable Service does not include other public service rendered in New York State or New York City such as clerical service, etc. This is significant because only Allowable Service can be used to qualify for service or vested retirement. Thus, if a participant was a NYCERS member in a clerical title before becoming an EMT, or purchased previous clerical service, the time does not count.

## BUY-BACK

6EM-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State, but only previous EMT or Motor Vehicle Operator service will count as Allowable Service. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10 years of Allowable Service, but less than 25 years of Allowable Service, and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is computed as follows:

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

If you leave City service with less than 10 years of Allowable Service but your total Credited Service is 10 years or more, you may be eligible for a vested benefit under the Tier 6 Basic Plan.

## SERVICE RETIREMENT BENEFIT

Participants in the 6EM-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 or more years of Allowable Service, regardless of age. The Service Retirement





Benefit is calculated using the following formula:

- 50% of FAS for the first 25 years of Allowable Service, **plus**
- 2% of FAS for each additional year of Allowable Service, up to a maximum of 30 years of such service.

You must file a service retirement application at least 30 days, but no more than 90 days, before your effective retirement date, and you must be a participant of the 6EM-25 Plan on the day before your effective retirement date.

When you file your service retirement application, we strongly encourage you to select an “Interim Option” on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

### FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

### ORDINARY DISABILITY RETIREMENT

As a 6EM-25 Plan member, you are eligible for an Ordinary Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated

to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

### THREE-QUARTERS PERFORMANCE OF DUTY DISABILITY RETIREMENT

EMT Members who become mentally or physically incapacitated as a natural and proximate result of an injury sustained in the performance of duty shall be entitled to a disability benefit equal to three-quarters of FAS, minus 100% of Workers’ Compensation benefits associated with the injury. In order to file an application for this type of disability retirement, you must be an EMT Member at the time you file your application.

### THE HEART LAW

The Heart Law provides a presumption that a disease of the heart was incurred in the performance of duty. EMT Members who are approved for disability under the Heart Law are entitled to a disability benefit equal to three-quarters of FAS, minus 100% of Workers’ Compensation benefits associated with the disease of the heart. This presumption may be rebutted by competent medical evidence.

### HEPATITIS, AIDS AND TUBERCULOSIS LAW (HAT LAW)

If an EMT member contracts HIV, tuberculosis or hepatitis, it may be presumed that the disease was contracted in the performance and discharge of duty. EMT Members approved for disability under this law are entitled to a disability benefit equal to three-quarters of FAS, minus 100% of Workers’ Compensation benefits associated with the disabling condition. The presumption may be rebutted by competent medical evidence.

### SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death;

-- OR --

- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year's current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than 15 years of Allowable Service, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the

refund of your BMCs plus interest. If you die prior to having 15 years of Allowable Service and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence, or while in military service.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining 15 years of Allowable Service.

A state-funded Special Accidental Death Benefit is also payable to the widow, widower, or the children of the deceased (under 18 years of age or under the age of 23 if a student) if the widow or widower is deceased. This benefit is in addition to the Accidental Death Benefit and brings the total Accidental Death Benefit to a pension equal to 100% of your salary.

**PRESUMPTIVE ACCIDENTAL DEATH BENEFITS UNDER THE HEART LAW**

EMT members who die from a disease of the heart will be entitled to a presumption that the disease was incurred in the performance of duty. If approved, members' Eligible Beneficiaries would be entitled to the Accidental Death Benefit and Special Accidental Death Benefit, which are paid in accordance with the relevant statutes(s) that govern such benefits.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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)
<b>ACTUAL WAGE METHOD (4<sup>th</sup> PLAN YEAR AND THEREAFTER)</b>			
	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	

**Tier 6 Emergency Medical Technician 25-Year Retirement Plan (6EM-25) #987 - Page 4**



# Police Communications Technician 25-Year Retirement Plan For Tier 6 Members (6PC-25)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Police Communications Technician 25-Year Retirement Plan for Tier 6 members (6PC-25). This plan allows participants to retire with 25 years of Credited Service (all service) regardless of age. The 6PC-25 Plan is available ONLY to Police Communications Members. A Police Communications member is a NYCERS member employed by the New York City Police Department as a Police Communications Technician, Supervising Police Communications Technician, or Principal Police Communications Technician. These are the only titles eligible for the 6PC-25 Plan.

## PARTICIPATION

Any employee in a Police Communications covered title who becomes a Tier 6 NYCERS member on or after April 1, 2012 is mandated into the 6PC-25 Plan. **However, if you exceed age 30 upon being mandated into this plan, you have the option not to participate.** To opt out of 6PC-25, you must file Form #190 within 180 days of joining NYCERS. **ONCE AN ELECTION TO OPT-OUT OF 6PC-25 IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.** If you opt out of the 6PC-25 Plan, you will be placed in the Tier 6 Basic Plan.

Participants who cease to be employed in a Police Communications covered title will no longer be able to participate in the Plan. However, if you become employed in a covered title at a later date, you will again be required to participate in the Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6PC-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6PC-25 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table in the next column.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6PC-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6% of your gross wages, excluding “non-pensionable” earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant has rendered 30 years of Credited Service in a Police Communications title or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it.

In the event of a deficit at retirement in either account, an actuarial reduction may be applied to the pension benefit. Deficits also impact disability and death benefits.

If you cease to be employed in a Police Communications covered title and withdraw your AMCs (and interest) and later become a participant again, you will be charged a deficit, including the 5% statutory interest.

## LOANS

Plan participants may borrow up to 75% of the funds in either account. Loans are subject to the terms and conditions applicable to Tier 4 members. Please consult 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, which effectively terminates their membership. Refunds will be reduced by the present value of any outstanding loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold a Police Communications covered title for any reason whatsoever, and who have rendered less than five years of Credited Service in a Police Communications covered title, have the option to withdraw their AMCs, plus accrued interest and minus the present value of any loan. Refunds will be reduced by the present value of any outstanding loan. AMCs may also be withdrawn if a participant with less than five years of Credited Service in a Police Communications covered title changes titles to a non-6PC-25 covered title and remains in City service. In this case, after receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6PC-25 Plan, but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met). Refunds of AMCs are not possible for members with five or more years of Credited Service in a Police Communications covered title.

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## BUY-BACK

6PC-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10, but less than 25 years of Credited Service (two years of which must be Membership Service), and your contributions have not been refunded to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is calculated using the following formula:

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

## SERVICE RETIREMENT BENEFIT

Participants in the 6PC-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 years of Credited Service, without regard to age. The Service Retirement Benefit is calculated using the following formula:

- 50% of FAS for the first 25 years of Credited Service, **plus**
- 2% of FAS for each additional year (or fraction thereof) beyond the first 25 years of Credited Service, up to a maximum of 30 years of such service.

You must file a service retirement application at least 30 days, but no more than 90 days, before your effective retirement date, and you must be a participant of the 6PC-25 Plan on the day before your effective retirement date.

When you file your service retirement application, we strongly encourage you to select an "Interim Option" on the

**Tier 6 Police Communications Technician 25-Year Retirement Plan (6PC-25) #992 - Page 2**



340 Jay Street, Brooklyn, NY  
Mezzanine level



30-30 47th Avenue, 10th Floor  
Long Island City, NY 11101



(347) 643-3000



www.nycers.org

application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6PC-25 Plan member, you are eligible for a Disability Retirement benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained while a member in City service, in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death; **OR**
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year’s current salary.
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary.
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than five years of Credited Service in a Police Communications covered title, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior

to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having five years of Credited Service in a Police Communications covered title and reaching age 63, AMCs plus interest will be refunded as well.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining five years of Credited Service in a Police Communications covered title.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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)
<b>ACTUAL WAGE METHOD (4<sup>th</sup> PLAN YEAR AND THEREAFTER)</b>			
	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	



# Special Peace Officer 25-Year Retirement Plan For Tier 6 Members (6SO-25)

Tier 6

May 2017

This brochure describes the benefits of the Special Peace Officer 25-Year Retirement Plan for Tier 6 members (6SO-25). The 6SO-25 Plan allows participants to retire after 25 years of Allowable Service without regard to age and is available ONLY to members employed in a series of Special Peace Officer (SPO) titles.

The following SPO titles are eligible to participate in the 6SO-25 Plan: 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 is mandatory for any person who becomes employed in an SPO title and becomes a NYCERS member on or after April 1, 2012. However, if you exceed age 30 upon being mandated into this plan, you have the option to not participate. Such participants will be sent Opt-Out Form #186 after which they will have 180 days to opt out of the 6SO-25 Plan. **ONCE AN ELECTION TO OPT OUT OF THE 6SO-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.** If you opt out of the 6SO-25 Plan, you will be placed in the Tier 6 Basic Plan.

Participants who cease to hold an SPO title will no longer be able to participate in the 6SO-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 6SO-25 Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6SO-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6SO-25 Plan

members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

## ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6SO-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6.25% on all gross wages, excluding “non-pensionable” earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant attains 30 years of Allowable Service or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York

Tier 6 Special Peace Officer 25-Year Retirement Plan (6SO-25) #990 - Page 1

State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit.

In the event of an unresolved deficit at retirement in the MCAF account (BMCs) or in the RRF account (AMCs), an actuarial reduction can be applied to the pension benefit. Unpaid deficits may also impact disability and death benefits.

If you cease to be employed in an SPO title, withdraw your AMCs (and accrued interest), and later become a participant again, you will be required to repay the AMCs refunded to you including statutory interest at a rate of 5% compounded annually.

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 6SO-25 Plan participants may borrow 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 Brochure #911 for additional information.

## REFUNDS

6SO-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. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to be employed in an SPO title for any reason whatsoever and who have rendered less than 15 years of Allowable Service have the option of withdrawing their AMCs, plus accrued interest. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service changes titles to a non-SPO title and remains in City service. After receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6SO-25 Plan, but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met).

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## ALLOWABLE SERVICE

Allowable Service is a special term used in the 6SO-25 Plan. It is defined as service rendered in a covered title in the 6SO-25 Plan. Allowable Service in the 6SO-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. This is significant because only Allowable Service can be used to qualify for service or vested retirement.

## BUY-BACK

6SO-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State, but only previous service rendered in an SPO title will count as Allowable Service. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10 years of Allowable Service (at least two years of which are Membership Service), but less than 25 years of Allowable Service, and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is computed as follows:

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





If you leave City service with less than 10 years of Allowable Service but your total Credited Service is 10 years or more, you may be eligible for a vested benefit under the Tier 6 Basic Plan.

## SERVICE RETIREMENT BENEFIT

Participants in the 6SO-25 Plan become eligible to receive a Service Retirement Benefit upon attaining 25 or more years of Allowable Service without regard to age. The Service Retirement Benefit is calculated using the following formula:

- 50% of FAS for the first 25 years of Allowable Service, **plus**
- 2% of FAS for each additional year of Allowable Service, up to a maximum of 30 years of such service.

Participants in the 6SO-25 Plan must file a service retirement application at least 30 days prior to the effective date of retirement, but no more than 90 days prior to the effective date of retirement, and you must be a participant of the 6SO-25 Plan on the day before your effective retirement date.

When you file your service retirement application, we strongly encourage you to select an “Interim Option” on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;

3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6SO-25 Plan member, you are eligible for a Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death; -- OR --
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous



service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year’s current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than 15 years of Allowable Service, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having 15 years of Allowable Service and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMCs will be refunded if you died prior to attaining 15 years of Allowable Service.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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)
<b>ACTUAL WAGE METHOD (4<sup>th</sup> PLAN YEAR AND THEREAFTER)</b>			
	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	



# Transit Operating Force 25-Year/Age 55 Retirement Plan For Tier 6 Members (6TR-25)

Tier 6

May 2017

This brochure outlines the obligations and benefits of the Transit 25-Year/Age 55 Retirement Plan for Tier 6 members (6TR-25). The 6TR-25 Plan allows participants to retire with 25 years of Allowable Service at age 55 and is available only to those employed in a Transit Operating Force (TOF) position.

## PARTICIPATION

Participation in the 6TR-25 Plan is MANDATORY for anyone employed by the NYC Transit Authority (NYCTA) in a TOF position who becomes a NYCERS member on or after April 1, 2012.

Participants who cease to hold a TOF position will no longer be able to participate in the 6TR-25 Plan. Participants who cease to hold a TOF position, and return to a TOF position at a later date, will again be required to participate in the 6TR-25 Plan.

## BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6TR-25 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 2% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6TR-25 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages

earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

BMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit.

In the event of a deficit at retirement in the MCAF account (BMCs), an actuarial reduction can be applied to the pension benefit.

## LOANS

Participants in the 6TR-25 Plan may borrow up to 75% of the BMCs held in the MCAF account. Any loans taken are subject to the same terms and conditions governing loans applicable to Tier 4 members. Please consult Brochure #911 for additional information.

## REFUNDS

Participants in the 6TR-25 Plan 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. Refunds will be reduced by the present value of any loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service.

Withdrawal of BMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.



## ALLOWABLE SERVICE IN THE TRANSIT AUTHORITY

Allowable Service in the Transit Authority is a special term used in the T25/55 Plan, which is defined as membership service while employed by the NYCTA in a Career and Salary title or TOF position. Allowable Service also includes certain Military and Union Leave service, and service purchased by a Transit member who has been appointed off a civil service list and is not immediately certified for deductions. 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. This is significant because only Allowable Service can be used to qualify for service retirement.

## BUY-BACK

Transit Operating Force members may purchase previous public service rendered anywhere in New York City or New York State, but such purchased service is not “Allowable Service” while a member in the 6TR-25 Plan. Purchasing service could be beneficial for anyone not eligible to meet the qualifying age and service requirements for this plan. The cost is 6% 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.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 25 years of Allowable Service, but you are not yet age 55, you are entitled to a Vested Retirement Benefit that becomes payable at age 63. The Vested Retirement Benefit in this case is calculated as follows:

2% *times* Final Average Salary (FAS) *times* the number of years of Allowable Service, up to 30 years of such service, **plus**

1.5% *times* FAS *times* the number of years of Allowable Service in excess of 30 years of such service.

A 6TR-25 participant who leaves City service with at least 10 years of Credited Service (all service, at least two years of which are membership service) is entitled to a Vested Retirement Benefit that becomes payable at age 63. The Vested Retirement Benefit in this case is calculated as follows:

For a participant with less than 20 years of Credited Service:  
1.67% *times* FAS *times* years of Credited Service

For a participant with more than 20 years of Credited Service:  
35% of FAS for the first 20 years of Credited Service,  
**plus**  
2% *times* FAS *times* each year of Credited Service in excess of 20

## SERVICE RETIREMENT BENEFITS

A participant with 25 or more years of Allowable Service in the Transit Authority who has reached age 55 will be eligible to receive a Service Retirement Benefit equal to:

2% *times* FAS *times* the number of years of Allowable Service, up to 30 years of such service, **plus**  
1.5% *times* FAS *times* the number of years of Allowable Service in excess of 30 years of such service.

When you file your service retirement application, we strongly encourage you to select an “Interim Option” on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;



3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6TR-25 Plan member, you are eligible for a Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS' Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS' Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death; -- OR --
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year's current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you had less than one year of service. Your BMCs are not refunded to your beneficiaries.



**PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)**

	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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<sup>th</sup> PLAN YEAR AND THEREAFTER)**

	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	





## Triborough Bridge and Tunnel Authority 20-Year/Age 50 Retirement Plan For Tier 6 Members (6TB-20)

Tier 6

May 2017

This brochure describes the obligations and benefits of the Triborough Bridge and Tunnel Authority (TBTA) 20-Year/Age 50 Retirement Plan for Tier 6 members (6TB-20). This plan allows participants to retire with 20 years of Credited Service (all service) and at least age 50. The 6TB-20 plan is available **ONLY** to those employed in a TBTA Eligible Position.

A TBTA Eligible Position is one held by a Tier 6 member who is employed as a TBTA Bridge and Tunnel Officer, Sergeant or Lieutenant in a non-managerial position.

### PARTICIPATION

Participation is mandatory for any person who becomes employed in a TBTA Eligible Position and joins NYCERS on or after April 1, 2012.

Participants who cease to hold a TBTA Eligible Position will no longer be able to participate in the 6TB-20 Plan.

Participants who terminate service from a TBTA Eligible Position and return to a TBTA Eligible Position at a later date will again be required to participate in the 6TB-20 Plan.

### BASIC MEMBER CONTRIBUTIONS (BMCs)

Participants in the 6TB-20 Plan who join NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of gross wages until a new contribution structure takes effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all 6TB-20 Plan members is dependent upon annual wages earned during a **plan year** according to the schedule in the table below.

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%

A **plan year** was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth Plan year and each Plan year thereafter, NYCERS uses your gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method). Recent legislation changed the plan year definition to a calendar year (1/1 to 12/31). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until you separate from City service or retire. BMCs are not required on “non-pensionable” earnings (see wage exclusions in Final Average Salary section).

### ADDITIONAL MEMBER CONTRIBUTIONS (AMCs)

As a member of the 6TB-20 Plan you are also required to contribute Additional Member Contributions (AMCs) at one of the following rates:

- \*TBTA Officers: 5.5% of gross wages, excluding “non-pensionable” earnings (see Final Average Salary section)
- \*TBTA Sergeants or Lieutenants: 6% of gross wages, excluding “non-pensionable” earnings

AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant has rendered 20 years of Credited Service in a TBTA Eligible Position or until retirement, whichever occurs first.

BMCs and AMCs are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit.

In the event of a deficit at retirement in the MCAF account only (BMCs), an actuarial reduction can be applied to the pension benefit.

In the event of a deficit at retirement in the RRF account (AMCs), **participants may not retire until the deficit is paid in full.**

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 6TB-20 Plan participants may borrow 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 Brochure #911 for additional information.

## REFUNDS

6TB-20 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. Refunds will be reduced by the present value of any loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service.

Participants who cease to hold a TBTA Eligible Position for any reason whatsoever and who have rendered less than 15 years of Credited Service in a TBTA Eligible Position have the option of withdrawing their AMCs, plus accrued interest. AMCs may also be withdrawn if a participant with less than 15 years of Credited Service in a TBTA Eligible Position changes titles to a non-TBTA Eligible Position and remains in City service. After receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the 6TB-20 Plan but may be entitled to a benefit from the Tier 6 Basic Plan (assuming service requirements have been met).

You must be off payroll for thirty (30) or more days to qualify for a refund. If your agency records indicate that you are on a leave of absence with or without pay, you are not eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

## BUY-BACK

6TB-20 Plan members may purchase previous public service rendered anywhere in New York City or New York State. The cost is 6% of the wages earned during the period you are buy-

ing back, plus 5% interest compounded annually from the date of your previous service until the date of payment.

## 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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. No interest is charged on military buy-back.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. If you leave City service with at least 10, but less than 20 years of Credited Service (at least two years of which must be Membership Service), and your contributions have not been returned to you, you are entitled to a Vested Retirement Benefit that becomes payable at age 63.

The Vested Retirement Benefit is calculated using the following formula:

$2.5\% \text{ times Final Average Salary (FAS) times the number of years of Credited Service.}$

## SERVICE RETIREMENT BENEFIT

Participants in the 6TB-20 Plan become eligible to receive a Service Retirement Benefit upon attaining age 50 with 20 or more years of Credited Service. The Service Retirement Benefit is calculated using the following formula:

- 50% of Final Average Salary (FAS) for the first 20 years of Credited Service, **plus**
- 1.5% *times* FAS *times* the number of years of Credited Service in excess of 20, up to a maximum of 30 years.

When you file your service retirement application, we strongly encourage you to select an “Interim Option” on the application. This precautionary measure enables you to leave some form of pension payment to a beneficiary should you die before a final option selection is made and your pension is finalized.

## FINAL AVERAGE SALARY (FAS)

FAS is defined as the average of wages earned by a member during any continuous period of employment for which the member was credited with five years of service. However, wages earned during any year used in an FAS calculation



cannot exceed the average of the previous four years by more than 10 percent.

Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes to no more than \$15,000; this amount is indexed annually according to the Consumer Price Index. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages also excludes:

1. wages in excess of the annual salary paid to the Governor of the State of New York;
2. lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. any form of termination pay;
4. any additional compensation paid in anticipation of retirement; and
5. in the case of employees who receive wages from three or more employers in a twelve-month period, the wages paid by the third and each successive employer.

## DISABILITY RETIREMENT

As a 6TB-20 member, you are eligible for a Disability Retirement Benefit at any age if you have 10 or more years of Credited Service and NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties and were so incapacitated at the time you ceased performance of your duties.

If you have less than 10 years of Credited Service, you are eligible to receive a Disability Retirement Benefit if NYCERS’ Medical Board determines that you are physically or mentally incapacitated to perform your job duties AND your disability is the result of an accidental injury sustained in the performance of your duties, and not caused by your own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- 1/3 of your FAS; **OR**
- 1.67% *times* FAS *times* years of Credited Service; **OR**
- if you are eligible for a service retirement, your Service Retirement Benefit.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to your beneficiary(ies) if you die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) you were being paid on payroll at the time of your death; -- **OR** --
- b) you were off payroll or you were on an authorized leave without pay at the time of your death; **AND**
  1. you were on payroll, in service, and paid within the last 12 months before death; **AND**
  2. you were not gainfully employed since last on the payroll; **AND**
  3. you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB payable is a multiplication of your salary as indicated below:

- if you have at least one, but less than two years of service, a lump-sum benefit equal to one year’s current salary
- if you have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- if you have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Your beneficiary(ies) will also receive a refund of your BMCs plus earned interest, and a refund of your AMCs if you rendered less than 15 years of Credited Service in a TBTA Eligible Position, plus earned interest.

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to age 63, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your BMCs plus interest. If you die prior to having 15 years of Credited Service in a TBTA Eligible Position and reaching age 63, AMCs plus interest will be refunded as well.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law. Eligible Beneficiary(ies) will receive an ADB if NYCERS’ Medical Board determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence, or while in military service.

The annual benefit equals 50% of the wages you earned during your last year of service, or your annual wage rate if you

had less than one year of service. Your BMCs are not refunded to your beneficiaries, but your AMC's will be refunded if you died prior to attaining 15 years of Credited Service in a TBTA Eligible Position .

A state-funded Special Accidental Death Benefit is also payable to the widow, widower, or the children of the deceased (under 18 years of age or under the age of 23 if a student) if the widow or widower is deceased. This benefit is in addition to the Accidental Death Benefit and brings the total Accidental Death Benefit to a pension equal to 100% of your salary.

<b>PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)</b>			
	<b>1<sup>st</sup> Plan Year</b>	<b>2<sup>nd</sup> Plan Year</b>	<b>3<sup>rd</sup> Plan Year</b>
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)
<b>ACTUAL WAGE METHOD (4<sup>th</sup> PLAN YEAR AND THEREAFTER)</b>			
	<b>4<sup>th</sup> Plan Year</b>	<b>5<sup>th</sup> Plan Year</b>	
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)	



# Tier 3

## 22-Year Retirement Plans

- DA Investigators
- Uniformed Correction Force
- Uniformed Sanitation Force

# DA Investigators 22-Year Retirement Plan (DA-22)



Tier 3

October 2021

This brochure describes the obligations and benefits of the District Attorney Investigators Tier 3 22-Year Plan (DA-22). This plan allows participants to retire for service after rendering at least 22 years of Credited Service, regardless of age.

## PARTICIPATION

Participation in the DA-22 Plan is mandated for all investigator members employed in a New York City District Attorney Office on or after April 1, 2012. Participation in the DA-22 Plan is also mandated for NYCERS Members with a membership date prior to April 1, 2012 who become DA Investigator members on or after April 1, 2012.

## CONTRIBUTIONS

As a DA-22 Plan participant, you are required to contribute 3% of gross wages until you attain 25 years of Credited Service, separate from City service, or retire, whichever occurs first. If you were previously in another Plan and your contributions already ceased, you will be required to make 3% contributions again upon joining the DA-22 Plan until you attain 25 years of contributions, separate from City service, or retire, whichever occurs first. Your contributions are held in the Member Contribution Accumulation Fund where they accrue interest at the rate of 5%, compounded annually. Member contributions are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## LOANS

**22-Year Plan participants may not borrow against their pension contributions.** If you have an outstanding loan that you took as a member of a prior plan, your loan balance must be paid in full before you retire from the DA-22 Plan.

## DEFICITS

Failure to pay any of the required contributions will result in a deficit. Members in this plan are not permitted to retire with a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it. Unpaid deficits will also impact disability and death benefits.

## REFUNDS

DA-22 Plan participants 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.

## CREDITED SERVICE

DA-22 Plan participants may retire for service after completing at least 22 years of Credited Service, regardless of age.

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

## BUYBACK

DA-22 Plan participants 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.



## MILITARY BUYBACK

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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. Interest is not factored into either cost.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. DA-22 Plan participants who have **at least five years of Credited Service** may qualify for a Vested Retirement Benefit payable on the date they would have attained 20 years of Credited Service, calculated as follows:

- 2.1% *times* Final Average Salary *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.

As a DA-22 Plan participant, you may elect to receive your Vested Retirement Benefit before the date you would have attained 20 years of Credited Service, but not earlier than age 55. In such case, the benefit will be reduced by 6.6% for each year, if any, that the member's early retirement age is in excess of age 60, and by 3.3% for each additional year by which the Vested Retirement Benefit commences prior to early retirement age (the date you would have attained 20 years of Credited Service).

For example, if you leave City service at age 54 with 16 years of Credited Service, your payability date would be age 58 without a reduction because you would have attained 20 years of Credited Service at this age if you hadn't separated from City service. But if you leave at age 54 with 16 years of Credited Service and choose your payability date to be age 56, when you would have attained 18 years of Credited Service, your permanent annual reduction would be 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year. If you leave City service at age 61 with 18 years of Credited Service and choose your payability date to be age 61, your permanent reduction would be 6.6% (because your early retirement age is one year greater than age 60) **plus** 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year.

## SERVICE RETIREMENT BENEFIT

DA-22 Plan participants who have 22 or more years of Credited Service, including Credited Service prior to becoming a participant in the DA-22 Plan, are eligible to receive a Service Retirement Benefit without regard to age.

The Service Retirement Benefit payable upon accruing 22 years of Credited Service is calculated using the following formula:

- 50% of Final Average Salary (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.

The Service Retirement Benefit formula does not provide any additional benefit increments for service rendered beyond 22 years.

**Early Service Retirement:** DA-22 Plan participants may retire with an Early Service Retirement Benefit after attaining at least 20 years of Credited Service. The Early Service Retirement Benefit is calculated as follows:

- 2.1% *times* FAS *times* 20 years of Credited Service; **plus**
- 0.33% *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.



## FINAL AVERAGE SALARY (FAS)

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 10 percent.

## ESCALATION

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 DA-22 Plan participant 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.

### 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 you retire for service with 22 years of Credited Service or less, or separate from City service after attaining the minimum service requirement to vest and elect to receive your benefit between the date you would have completed 22 years and one month of Credited Service and the Full Escalation Date, you will be eligible for Escalation. In such event, the benefit will be 2% of FAS minus 50% of your 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 one thirty-sixth. 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

Escalation may be provided on Ordinary Disability Benefits, Accident Disability Benefits, and Accidental Death Benefits. The Full Escalation Date for these types of benefits is the first day of the month following the date a retiree or beneficiary becomes eligible for the disability or death benefit, respectively.



## DISABILITY RETIREMENT

DA-22 Plan participants who become physically or mentally incapacitated and can no longer perform the duties of their job may be eligible for either an Ordinary Disability Benefit or an Accidental Disability Benefit.

You are eligible for an Ordinary Disability Benefit if you have at least five years of Credited Service and are considered disabled by the Social Security Administration. The benefit is equal to the greater of:

- 1/3 of FAS; **or**
- 2% *times* FAS *times* years of Credited Service, but not in excess of 22 years of such service; **minus**
- 50% of the member's Primary Social Security Disability Benefit; **and**
- 100% of any Workers' Compensation benefits payable.

You are eligible for an Accidental Disability Benefit 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. The benefit 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.

DA-22 Plan participants are not eligible for an Accident/Performance of Duty Disability Benefit equal to three-quarters of FAS, and are also not eligible for any presumptive disability benefits.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiary/beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is payable to your designated beneficiary/beneficiaries if you were in City service for at least 90 days and were in active service at the time of your death.

The benefit is calculated as follows:

- Three times your salary, **plus**
- A refund of your contributions, plus 5% interest

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to receiving such benefit, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your contributions plus interest.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence. The annual benefit equals 50% of your Final Average Salary (FAS).



# Uniformed Correction Force 22-Year Retirement Plan (CF-22)



NYC EMPLOYEES'  
RETIREMENT SYSTEM

Tier 3

October 2021

This brochure describes the obligations and benefits of the Uniformed Correction Force Tier 3 22-Year Plan (CF-22). This plan allows participants to retire for service after rendering at least 22 years of Credited Service, regardless of age.

## PARTICIPATION

Participation in the CF-22 Plan is mandated for members of the uniformed force of the New York City Department of Correction (Uniformed Correction Force) who join NYCERS on or after April 1, 2012. Participation in the CF-22 Plan is also mandated for NYCERS Members with a membership date prior to April 1, 2012 who become members of the Uniformed Correction Force on or after April 1, 2012.

## CONTRIBUTIONS

As a CF-22 Plan participant, you are required to contribute 3% of gross wages until you attain 25 years of Credited Service, separate from City service, or retire, whichever occurs first. If you were previously in another Plan and your contributions already ceased, you will be required to make 3% contributions again upon joining the CF-22 Plan until you attain 25 years of contributions, separate from City service, or retire, whichever occurs first. Your contributions are held in the Member Contribution Accumulation Fund where they accrue interest at the rate of 5%, compounded annually. Member contributions are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## LOANS

**22-Year Plan participants may not borrow against their pension contributions.** If you have an outstanding loan that you took as a member of a prior plan, your loan balance must be paid in full before you retire from the CF-22 Plan.

## DEFICITS

Failure to pay any of the required contributions will result in a deficit. Members in this plan are not permitted to retire with a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it. Unpaid deficits will also impact disability and death benefits.

## REFUNDS

CF-22 Plan participants 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.

## CREDITED SERVICE

CF-22 Plan participants may retire for service after completing at least 22 years of Credited Service, regardless of age.

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

## BUYBACK

CF-22 Plan participants 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. CF-22 Plan participants may not purchase time spent on childcare leave.





## MILITARY BUYBACK

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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. Interest is not factored into either cost.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. CF-22 Plan participants who have **at least five years of Credited Service** may qualify for a Vested Retirement Benefit payable on the date they would have attained 20 years of Credited Service, calculated as follows:

- 2.1% *times* Final Average Salary *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.

As a CF-22 Plan participant, you may elect to receive your Vested Retirement Benefit before the date you would have attained 20 years of Credited Service, but not earlier than age 55. In such case, the benefit will be reduced by 6.6% for each year, if any, that the member's early retirement age is in excess of age 60, and by 3.3% for each additional year by which the Vested Retirement Benefit commences prior to early retirement age (the date you would have attained 20 years of Credited Service).

For example, if you leave City service at age 54 with 16 years of Credited Service, your payability date would be age 58 without a reduction because you would have attained 20 years of Credited Service at this age if you hadn't separated from City service. But if you leave at age 54 with 16 years of Credited Service and choose your payability date to be age 56, when you would have attained 18 years of Credited Service, your permanent annual reduction would be 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year. If you leave City service at age 61 with 18 years of Credited Service and choose your payability date to be age 61, your permanent reduction would be 6.6% (because your early retirement age is one year greater than age 60) **plus** 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year.

## SERVICE RETIREMENT BENEFIT

CF-22 Plan participants who have 22 or more years of Credited Service, including Credited Service prior to becoming a participant in the CF-22 Plan, are eligible to receive a Service Retirement Benefit without regard to age.

The Service Retirement Benefit payable upon accruing 22 years of Credited Service is calculated using the following formula:

- 50% of Final Average Salary (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.

The Service Retirement Benefit formula does not provide any additional benefit increments for service rendered beyond 22 years.

**Early Service Retirement:** CF-22 Plan participants may retire with an Early Service Retirement Benefit after attaining at least 20 years of Credited Service. The Early Service Retirement Benefit is calculated as follows:

- 2.1% *times* FAS *times* 20 years of Credited Service; **plus**
- 0.33% *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.



## FINAL AVERAGE SALARY (FAS)

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 10 percent.

## ESCALATION

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 CF-22 Plan participant 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.

### 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 you retire for service with 22 years of Credited Service or less, or separate from City service after attaining the minimum service requirement to vest and elect to receive your benefit between the date you would have completed 22 years and one month of Credited Service and the Full Escalation Date, you will be eligible for Escalation. In such event, the benefit will be 2% of FAS minus 50% of your 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 one thirty-sixth. 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

Escalation may be provided on Ordinary Disability Benefits, Accident Disability Benefits, and Accidental Death Benefits. The Full Escalation Date for these types of benefits is the first day of the month following the date a retiree or beneficiary becomes eligible for the disability or death benefit, respectively.



## DISABILITY RETIREMENT

CF-22 Plan participants who become physically or mentally incapacitated and can no longer perform the duties of their job may be eligible for either an Ordinary Disability Benefit or an Accidental Disability Benefit.

You are eligible for an Ordinary Disability Benefit if you have at least five years of Credited Service and are considered disabled by the Social Security Administration. The benefit is equal to the greater of:

- 1/3 of FAS; **or**
- 2% *times* FAS *times* years of Credited Service, but not in excess of 22 years of such service; **minus**
- 50% of the member's Primary Social Security Disability Benefit, **and**
- 100% of any Workers' Compensation benefits payable.

You are eligible for an Accidental Disability Benefit 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. The benefit 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.

CF-22 Plan participants are not eligible for an Accident/Performance of Duty Disability Benefit equal to three-quarters of FAS, and are also not eligible for any presumptive disability benefits.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiary/beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is payable to your designated beneficiary/beneficiaries if you were in City service for at least 90 days and were in active service at the time of your death.

The benefit is calculated as follows:

- Three times your salary, **plus**
- A refund of your contributions, plus 5% interest

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to receiving such benefit, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your contributions plus interest.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence, or while in military service. The annual benefit equals 50% of your Final Average Salary (FAS).

A state-funded Special Accidental Death Benefit is also payable to the widow, widower, or the children of the deceased (under 18 years of age or under the age of 23 if a student) if the widow or widower is deceased. This benefit is in addition to the Accidental Death Benefit and brings the total Accidental Death Benefit to a pension equal to 100% of your FAS.



# Uniformed Sanitation Force 22-Year Retirement Plan (SA-22)



NYC EMPLOYEES'  
RETIREMENT SYSTEM

Tier 3

October 2021

This brochure describes the obligations and benefits of the Uniformed Sanitation Force 22-Year Plan (SA-22). This plan allows participants to retire for service after rendering at least 22 years of Credited Service, regardless of age.

## PARTICIPATION

Participation in the SA-22 Plan is mandated for members of the uniformed force of the New York City Department of Sanitation (Uniformed Sanitation Force) who join NYCERS on or after April 1, 2012. Participation in the SA-22 Plan is also mandated for NYCERS Members with a membership date prior to April 1, 2012 who become members of the Uniformed Sanitation Force on or after April 1, 2012.

## CONTRIBUTIONS

As an SA-22 Plan participant, you are required to contribute 3% of gross wages until you attain 25 years of Credited Service, separate from City service, or retire, whichever occurs first. If you were previously in another Plan and your contributions already ceased, you will be required to make 3% contributions again upon joining the SA-22 Plan until you attain 25 years of contributions, separate from City service, or retire, whichever occurs first. Your contributions are held in the Member Contribution Accumulation Fund where they accrue interest at the rate of 5%, compounded annually. Member contributions are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred.

## LOANS

**22-Year Plan participants may not borrow against their pension contributions.** If you have an outstanding loan that you took as a member of a prior plan, your loan balance must be paid in full before you retire from the SA-22 Plan.

## DEFICITS

Failure to pay any of the required contributions will result in a deficit. Members in this plan are not permitted to retire with a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve it. Unpaid deficits will also impact disability and death benefits.

## REFUNDS

SA-22 Plan participants 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.

## CREDITED SERVICE

SA-22 Plan participants may retire for service after completing at least 22 years of Credited Service, regardless of age.

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

## BUYBACK

SA-22 Plan participants 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.



## MILITARY BUYBACK

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. 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. Under USERRA, the cost is the equivalent of the contributions required if you had never left for military service. Interest is not factored into either cost.

## VESTED RETIREMENT BENEFIT

Vesting means that you have earned the right to receive benefits in the future. SA-22 Plan participants who have **at least five years of Credited Service** may qualify for a Vested Retirement Benefit payable on the date they would have attained 20 years of Credited Service, calculated as follows:

- 2.1% *times* Final Average Salary *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.

As an SA-22 Plan participant, you may elect to receive your Vested Retirement Benefit before the date you would have attained 20 years of Credited Service, but not earlier than age 55. In such case, the benefit will be reduced by 6.6% for each year, if any, that the member's early retirement age is in excess of age 60, and by 3.3% for each additional year by which the Vested Retirement Benefit commences prior to early retirement age (the date you would have attained 20 years of Credited Service).

For example, if you leave City service at age 54 with 16 years of Credited Service, your payability date would be age 58 without a reduction because you would have attained 20 years of Credited Service at this age if you hadn't separated from City service. But if you leave at age 54 with 16 years of Credited Service and choose your payability date to be age 56, when you would have attained 18 years of Credited Service, your permanent annual reduction would be 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year. If you leave City service at age 61 with 18 years of Credited Service and choose your payability date to be age 61, your permanent reduction would be 6.6% (because your early retirement age is one year greater than age 60) **plus** 6.6% (3.3% per year x 2) because you are retiring two years earlier than your 20th year.

## SERVICE RETIREMENT BENEFIT

SA-22 Plan participants who have 22 or more years of Credited Service, including Credited Service prior to becoming a participant in the SA-22 Plan, are eligible to receive a Service Retirement Benefit without regard to age.

The Service Retirement Benefit payable upon accruing 22 years of Credited Service is calculated using the following formula:

- 50% of Final Average Salary (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.

The Service Retirement Benefit formula does not provide any additional benefit increments for service rendered beyond 22 years.

**Early Service Retirement:** SA-22 Plan participants may retire with an Early Service Retirement Benefit after attaining at least 20 years of Credited Service. The Early Service Retirement Benefit is calculated as follows:

- 2.1% *times* FAS *times* 20 years of Credited Service; **plus**
- 0.33% *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.



## FINAL AVERAGE SALARY (FAS)

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 10 percent.

## ESCALATION

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 SA-22 Plan participant 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.

### 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 you retire for service with 22 years of Credited Service or less, or separate from City service after attaining the minimum service requirement to vest and elect to receive your benefit between the date you would have completed 22 years and one month of Credited Service and the Full Escalation Date, you will be eligible for Escalation. In such event, the benefit will be 2% of FAS minus 50% of your 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 one thirty-sixth. 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

Escalation may be provided on Ordinary Disability Benefits, Accident Disability Benefits, and Accidental Death Benefits. The Full Escalation Date for these types of benefits is the first day of the month following the date a retiree or beneficiary becomes eligible for the disability or death benefit, respectively.



## DISABILITY RETIREMENT

SA-22 Plan participants who become physically or mentally incapacitated and can no longer perform the duties of their job may be eligible for either an Ordinary Disability Benefit or an Accidental Disability Benefit.

You are eligible for an Ordinary Disability Benefit if you have at least five years of Credited Service and are considered disabled by the Social Security Administration. The benefit is equal to the greater of:

- 1/3 of FAS; **or**
- 2% *times* FAS *times* years of Credited Service, but not in excess of 22 years of such service; **minus**
- 50% of the member's Primary Social Security Disability Benefit.

**NOTE:** Uniformed Sanitation Force members do not receive Workers' Compensation (WC) payments so there is no WC offset to disability benefits.

You are eligible for an Accidental Disability Benefit 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. The benefit 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.

**NOTE:** Uniformed Sanitation Force members do not receive Workers' Compensation (WC) payments so there is no WC offset to disability benefits.

SA-22 Plan participants are not eligible for an Accident/Performance of Duty Disability Benefit equal to three-quarters of FAS, and are also not eligible for any presumptive disability benefits.

## SURVIVOR BENEFITS

In the event of your death prior to retirement, your NYCERS membership entitles your beneficiary/beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is payable to your designated beneficiary/beneficiaries if you were in City service for at least 90 days and were in active service at the time of your death.

The benefit is calculated as follows:

- Three times your salary, **plus**
- A refund of your contributions, plus 5% interest

If you have at least 10 years of Credited Service, are awaiting payability of a Vested Retirement Benefit, and die prior to receiving such benefit, your beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if you had died on your last day in active service, plus the refund of your contributions plus interest.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS determines that your death was the result of an accident sustained in the performance of your duty, not caused by your own negligence, or while in military service. The annual benefit equals 50% of your Final Average Salary (FAS).

An amendment of section 208-f of the New York State General Municipal Law provides a Special Accidental Death Benefit to eligible beneficiaries of NYCERS Members who are employed in the Uniformed Force of the Department of Sanitation, 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.



## Defining Purchased Service

Purchased Service, commonly referred to as buy-back, is previous full-time or part-time public service that was rendered before you became a member of a public retirement system in New York City or New York State and that has been fully paid for and credited. This brochure describes the benefits and the process for purchasing previous public service.

## Benefits of Purchased Service

**For Tier 3 and 4 members**, except participants of the Transit 25-Year/Age 55 Plan, purchased service may accelerate the cessation of Basic Member Contributions. Basic Member Contributions are no longer required after you have either accumulated 10 years of Credited Service or reached your tenth anniversary of membership in NYCERS.

**In all tiers**, purchasing previous service will generally increase your retirement benefit. For example, the retirement benefit for Tier 4 members in certain plans (62-5, 57-5, and 55-25) who have less than 20 years of Credited Service is calculated at 1.67% of Final Average Salary per year. Upon purchasing enough service to reach 20 years, the percentage increases to 2%.

Purchased service will NOT increase your retirement benefit under your current plan if:

- You are in a special plan that requires “Allowable Service” and the service you wish to buy back is not creditable, such as in the Tier 4 and Tier 6 Transit 25/55 Plan (see your plan brochure to find out if your service is Allowable or Credited). Note, however, that if you cannot meet the service requirements under your current plan, you may purchase service in order to retire under your underlying plan.
- You are in a plan that limits your retirement benefit calculation to a maximum number of years and you have already attained that number of years, or the amount of previous service you wish to buy back will bring your total Credited Service to more than the maximum number of years.

If you are unsure of the rules under your plan, contact NYCERS’ Call Center at (347) 643-3000 or visit NYCERS’ Walk-in Center at 340 Jay Street in downtown Brooklyn before you apply for buy-back.

**Note:** Purchasing previous public service does not change your membership date. Members who had a prior membership in a New York City or New York State retirement system which was terminated can apply to reinstate that membership. In this case, not only will previous service be credited, but the original date of membership will be restored. Please read Membership Reinstatement Brochure #905 for more information.

## Eligibility

Generally, members must be in active payroll status to be eligible to apply for buy-back. Service is credited only after the completion of two full years of membership service, and must be paid for prior to being credited. Membership service is service rendered in a NYCERS-eligible position while a NYCERS member, transferred service, and purchased military service. Please see the **ESTIMATING COST** and **PAYMENT OPTIONS** sections below for details.

### **The following exceptions apply:**

Members who have left City service with at least two years of membership service but whose memberships have not been terminated may apply for buy-back after leaving City service. Such members may purchase only enough credit to reach the minimum service required to vest or apply for ordinary disability.

Members who are laid off for economic reasons will be deemed to be on payroll for an additional 90 days from the date of layoff in order to purchase service. If you file a buy-back application within 90 days of being laid off, you may purchase as much previous





service as you wish. If you file after the 90-day period, you may buy back only enough service to vest or to apply for ordinary disability provided your claim is received by NYCERS before your membership is terminated. The termination will occur five years after you have left City service if you are not vested. A layoff letter from your employer must accompany your application.

## Service That May Be Purchased

**Tier 1 members** may purchase only New York City service rendered in a NYCERS-eligible title prior to their NYCERS membership.

**Tier 2, 3, 4 and 6 members** may purchase public service rendered in New York City or State in a position that would have been eligible for membership in a New York City or State public retirement system, or in a position that otherwise would have been creditable in such system(s).

**All Tiers:** Members who were in the U.S. Military may be allowed to purchase service for time spent in military service under Federal or State laws. Each law has different provisions for granting service, and you are entitled to receive credit under whatever law provides you with the greatest benefit. Under all provisions, military service must have been satisfactorily completed and a discharge under honorable circumstances received. See Military Buy-back Brochure #902 to determine if you are eligible to purchase credit for your military service.

Generally, service for time spent off payroll, including an approved leave of absence without pay, **cannot** be purchased except:

- (a) **Tier 1, 2 or 3 Uniformed Correction Force only:** Members in Uniformed Correction Force titles may purchase up to one year of service credit for each instance of authorized child care leave. In order to purchase credit for child care leave, you must be in active service and apply within 90 days of termination of the child care leave by filing an Application to Purchase Service for Child Care Leave Form #246, and pay an amount equal to what your required contributions would have been during the child care leave, plus accrued interest.
- (b) **New York City Carpenters and Supervisory Carpenters** who were laid off because of economy measures on or after June 1, 1991 and who returned to service prior to July 1, 1993 may purchase the period of time they were laid off. Such layoff shall not have been longer than 25 months.
- (c) **New York City Parks Department employees** in the title of Climber and Pruner who were laid off because of economy measures on or after July 1, 1991 and who returned to service prior to July 1, 1995 may purchase the period of time they were laid off. The length of layoff service eligible for purchase cannot exceed 25 months.
- (d) **Members employed with the School Construction Authority** who were laid off due to economic measures on or after December 1, 2002 and who returned to service prior to January 8, 2008 may purchase the period of time during which they were laid off.
- (e) **Members of the NYC Department of Correction** who had been suspended for economic reasons on or after May 1, 2003 and returned to service prior to July 1, 2004 may purchase the time spent on suspension.
- (f) **Members of the Uniformed Force of the NYC Department of Sanitation** who were laid off for economic reasons on or after July 1, 1990 and returned to service may purchase the period of time during which they were laid off, not to exceed 33 months.
- (g) **Members of the T25/55 Plan** who were placed on a preferred eligible list during the period between 5/11/2010 and 7/25/2012 by reason of the abolition of their position, may purchase the service for the time period that they were on the preferred eligible list.

**All Tiers:** Service rendered while a member of a retirement system in a state other than New York, or with the Federal government, **cannot** be purchased.

Members on Union Leave and certain members employed by the Triborough Bridge and Tunnel Authority and the NYC Transit Authority who are off payroll receiving Workers' Compensation, are eligible to receive service credit for this time spent off payroll. Although members are required to pay for this service (if contributions are required), it is more akin to a deficit than a buy-back.

Buy-Back #901 – Page 2



340 Jay Street, Brooklyn, NY  
Mezzanine level



[www.nycers.org](http://www.nycers.org)



(347) 643-3000



30-30 47th Avenue, 10th Floor  
Long Island City, NY 11101

NYCERS WALK-IN and CALL CENTER Hours: Monday & Wednesday 8 am - 6 pm Tuesday & Thursday 8 am - 5 pm Friday 8 am - 3 pm

## Estimating the Cost

**Tier 3 and 4 members** who have activated their MyNYCERS account and registered their PIN can use the online Buy-Back Calculator to obtain an estimated cost. You can input various dates, salary amounts and other scenarios to compare costs. Keep in mind, though, that these are only estimates. The true cost of purchasing service can be determined only by submitting a buy-back application to NYCERS (see **APPLYING FOR BUY-BACK** below).

**For Tier 1 and 2 members**, the cost to buy back previous service is based on your current earnings.

**For Tier 3, Tier 4, and 22-Year Plan members:** The cost is based on the wages earned during the period claimed, times your Basic Member Contribution (BMC) rate, plus 5% interest, compounded annually. Participants in a Tier 4 Chapter 96 Plan (55/25 plan, only for those with a membership date after July 1, 1993; 57/5 plan) must also pay Additional Member Contributions (AMCs) on wages earned during the period claimed and at the rate in effect during the time being purchased, plus 5% interest, compounded annually. The sooner you apply and pay for previous service, the less interest you will have to pay.

**For Tier 6 Basic Plan and Tier 6 Special Plan members**, the cost is 6% of the wages you earned during the period claimed, plus 5% interest, compounded annually.

## Applying for Buy-Back

NYCERS offers you two ways to apply to purchase previous service:

- 1) Apply online after activating your MyNYCERS account and registering your PIN, or
- 2) Download the application from [www.NYCERS.org](http://www.NYCERS.org) (Form #241) and mail to 30-30 47th Ave., 10th Floor, Long Island City, NY 11101, or bring it to NYCERS' Walk-in Center at 340 Jay Street in downtown Brooklyn. You may also need your agency to fill out Departmental Certificate Form #242.

If you have payroll records – W-2s, salary history, and employment history or roster card – you can speed up the process by providing these documents yourself. Otherwise, upon receipt of your application NYCERS will contact your New York City/State employer(s) to verify your earnings and service history. If the information is not available for any reason, you will be responsible for obtaining the information and submitting it to NYCERS.

NYCERS will review all documents related to your claim, calculate the costs and send you a cost letter describing your payment options. This letter is time-sensitive. Please read it carefully.

**Your buy-back application must be filed before your retirement date or before you leave City service.** If you have been considering buy-back and are approaching retirement, we strongly urge you to file your buy-back application as soon as possible.

## Payment Options

The payment options to purchase previous service are:

- (a) A lump-sum payment, OR
- (b) Payroll deductions, OR
- (c) A direct rollover of funds from a NYC Deferred Compensation Plan or Individual Retirement Account. Rollover instructions are included in the cost letter, OR
- (d) Partial lump-sum payment or rollover combined with payroll deductions.

**Tier 1 and 2 members:** If payment is made through payroll deductions, the amount deducted is based on your current earnings and full rate of contribution for a period equal to the service being purchased.

**Only Tier 3, 4 and 6 members** may elect to change the period of time and/or the dollar amount deducted from their paycheck by submitting a Request to Adjust Payment for the Purchase of Pre-Member or Military Service Form #237.



**Regardless of your Tier, if you do not remit payment or cancel your buy-back application by the time referenced in the cost letter, payroll deductions will begin automatically.** If you elect to purchase your time through payroll deductions and later wish to pay the balance in a lump sum, you may file a Request for a Lump-Sum Payoff Balance for the Purchase of Pre-Member or Military Service Form #240 and a payoff amount will be calculated and sent to you.

**Note:** There is no tax advantage to buying back time through payroll deductions. Unlike current pension deductions, payments for previous service are not eligible for Federal income tax deferral [IRC Section 414(h)]. If you pay for your previous service through payroll deductions, those deductions are subject to Federal, state and local income taxes.

**ANY MONIES PAID OR DEDUCTED FOR THE PURCHASE OF PREVIOUS SERVICE ARE NOT REFUNDABLE.**

## Canceling the Buy-Back

If you wish to cancel your application, you must file a Request to Cancel Application for the Purchase of Pre-Member or Military Service Form #238 prior to the date payroll deductions are scheduled to begin. You may file another application at a later date, but it must be prior to retirement and submitted while on payroll (unless one of the off-payroll exceptions apply). If payroll deductions have begun, you may cancel the deductions by filing a Request to Cancel Current Pre-Member or Military Service Payroll Deductions Form #239. You will receive credit for service you purchased up to the effective cancellation date.

## Receiving Credit for Previous Service

**Tier 1 Members:** Purchased service is credited as you pay for it, whether by payroll deductions or in a lump sum.

**Tier 2, 3, 4 and 6 Members:** Purchased service is credited when the buy-back is paid for **and** you have completed two full years of membership service, which includes service rendered while a NYCERS member, transferred service, and purchased military service.

If you leave City service before paying off the full buy-back amount, you will receive credit for any time already paid in full. You may complete payment on your claimed service later, but it must occur before the termination of your membership or your retirement benefit is finalized.

## Windfall Elimination Provision

Under Social Security regulations, the Windfall Elimination Provision may reduce your Social Security benefits if you are purchasing years of service during which you did not pay the Social Security (FICA) tax. NYCERS cannot advise you on this topic. For more information, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) and download SSA Publication No. 05-10045.



## NYCERS CALL CENTER HOURS:

The Call Center (347-643-3000) is open Monday through Friday, 8 am to 5 pm, to answer questions and schedule consultations. Telephone and video consultations are available to maximize your health and safety. Due to increased volume, you may experience longer wait times, and voicemails may be returned after hours.

### EXPANDED ONLINE SERVICES ARE NOW AVAILABLE

- The following forms can be submitted online at [www.mynycers.org](http://www.mynycers.org) after registering (new MyNYCERS users) or re-registering (current MyNYCERS users) your online account. Registration instructions are provided on the website.
  - Loan (Tier 3, 4, 6)
  - Buyback
  - Change of Address and other contact information updates
  - Beneficiary and Guardian
  - Online Payment
  - Refunds
  - Federal Tax Withholding (retirees)
  - Direct Deposit (pension payments, loans, and refunds)
- New York City employees who are eligible for NYCERS membership and have not yet joined may submit a [NYCERS Membership Application online](#). Registration is not required.
- [All other forms can be downloaded HERE](#). Once you have completed the form you can upload it in your secure MyNYCERS account (log in and look for the link labeled "Upload a Form or Document"), or mail it to NYCERS at 30-30 47th Ave., Suite 1010, Long Island City, NY 11101. NYCERS also accepts forms and documents by fax to 347-643-3884, but please note that faxed documents will take longer to process. Fully completed forms may also be placed in a secure Drop Box at NYCERS' 340 Jay Street entrance Monday through Friday, 8 am to 5 pm.

Customer Service Hours #740



(347) 643-3000



[www.nycers.org](http://www.nycers.org)