



New York City Employees' Retirement System

Information about Tier 6

 **Melanie Whinnery, Executive Director**



Pension Outreach Programs



About NYCERS

Function

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

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

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

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



About NYCERS

Funding

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

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

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

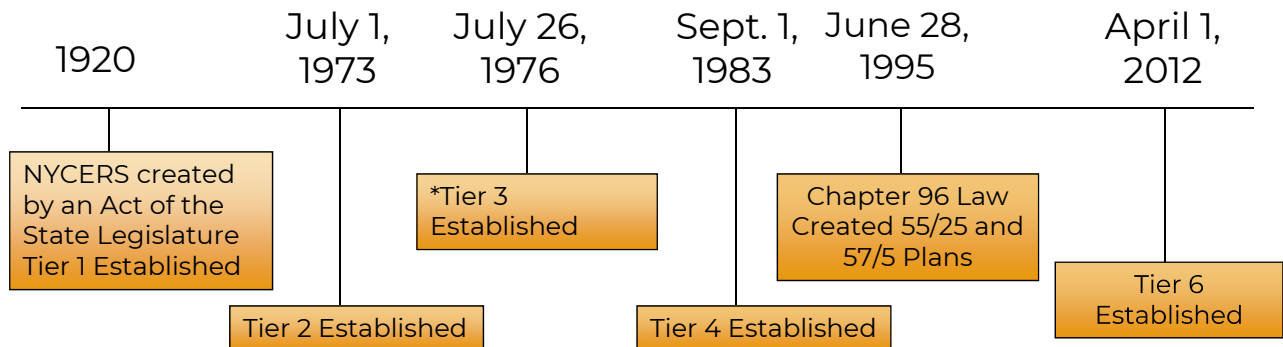
The Comptroller of the City of New York is the custodian of the funds.

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



What is A Tier?

A Tier is generally determined by the date you join NYCERS:



You are a Tier 4 member if you joined NYCERS after July 26, 1976, but before April 1st 2012, except for Correction Officers, Uniformed Sanitation Force and DA Investigators.

Members that joined between 7/26/76 and 9/1/83 are Tier 4 members who can elect their Tier 3 rights.*



63/5 – Basic Tier 6

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



63/5 – Basic Tier 6

Early Retirement – Age Reduction

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



Tier 6 Basic Contributions

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

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



Tier 6 Basic Contributions

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



Service Credit

All of these types of Service Credit count towards retirement:

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

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



**...the higher your
pension**



Membership Service

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

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

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

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

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

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



Buy-Back Basics

Must be a member of NYCERS to purchase previous service

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

When in doubt: APPLY!!!

Cost:

- 6% Basic Member Contribution Rate, **plus**
- Interest: 5 percent, compounded annually



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



Applying for Buy-Back


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

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


Buy-back can be paid via:

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

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



NYCERS
New York City
Employee Retirement System



NYCERS USE ONLY **F241**

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

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

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



Military Buy-Back

Federal and state laws allow members to purchase service credit for times spent on active duty in the United States military.

- The Uniformed Services Employment and Reemployment Rights Act (USERRA).
- Article 20 of the New York State Retirement and Social Security Law.

For more information, visit www.nycers.org for the Military Buy-Back Brochure #902 and Form #244.



Leave Without Pay (LWOP)

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

This includes any unpaid periods for:

- FMLA
- Medical Leave
- Parental Leave
- Suspension

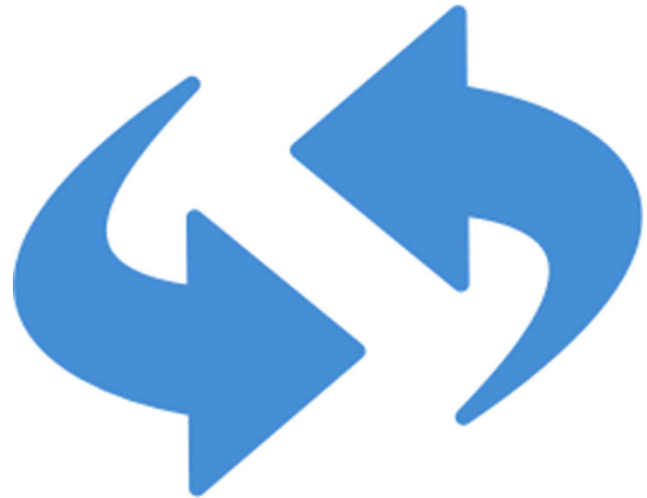
Generally, members are not permitted to buy back previous service for time spent off payroll.



Transfers and Reinstatements

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

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





Transfers and Reinstatements

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



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





Union Leave

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

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





What If I Leave City Service Before Eligibility for Retirement?

Vest



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

Refund



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

Transfer



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



Loans

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

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

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





What If I Am Sick or Hurt?

Disability Retirement

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

Ordinary Disability

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

Accidental Disability

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



Death Benefit

You must be a member of NYCERS for death benefit to be paid

Years of Service

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

Lump Sum* Equals

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

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

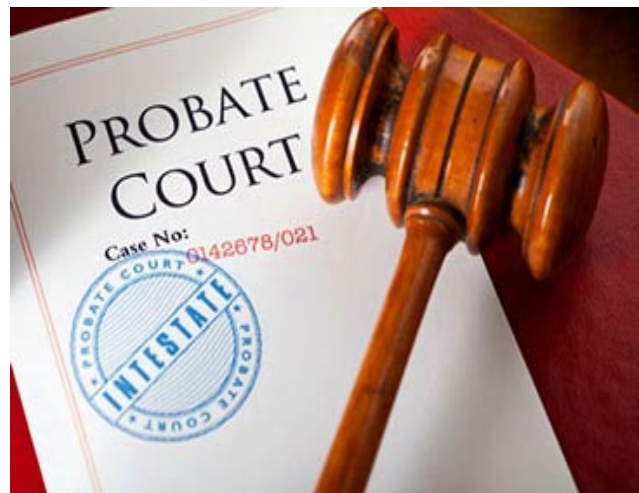
*Benefit is reduced for in-service deaths occurring after age 60 (5% reduction each year beyond age 60). Example: 15% reduction for in-service death at age 63.



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

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

- Takes more time!
- Possible legal costs!





Death Benefit Process

1) Notify NYCERS:

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

2) Submit an Original Death Certificate:

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



The Retirement Process

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





The Retirement Process

- **File a Retirement Application**
 - NYCERS will need your Last Day on Payroll.
 - You can file your retirement application no earlier than 90 days prior to your retirement date. Please note: **(30-day filing requirement for Special Plan Members!)**
 - Change your mind about retiring? You must withdraw your retirement application *prior* to your retirement date.
 - File NYCERS Form #380 for direct deposit.
 - NYCERS will issue a receipt – Give it to your Human Resources Representative or Benefit Coordinator.



Advance Payments

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

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



How to Calculate Your Final Average Salary Tier 6

Final Average Salary is the greater of:

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

or

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

The majority of NYCERS members fall into this category



The Kingston Limitation (Tier 6)

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

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

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



Governor's Salary Limit

Reportable Salary Limit for Tier 6:

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



Reportable Overtime Limit (Tier 6)

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



Calculating Your Retirement Benefit Tier 6

Less Than 20 Years:

1.67% x Years of Credited Service x Final Average Salary

20 or more years of Credited Service:

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

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





Outstanding Loans at Retirement

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

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



Retirement Options Tiers 6

MAXIMUM RETIREMENT ALLOWANCE

OR,

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



Pension Finalization

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

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



Taxation

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

Beware! Other states may tax you on your benefits.

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



What If I Want to Work After Retirement?

Where can I work without being subject to any limits?

For **service retirees**, there are no earnings limitations if you are age 65 and over OR if you are under age 65 and work for:

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

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

Section 212 Limit:

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

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



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

NYCERS NEW YORK CITY EMPLOYERS' RETIREMENT SYSTEM

NYCERS (R-10) 1 **PS-1**

Election by a Retiree Reentering City Service to Rejoin NYCERS

This form is for retirees who are reentering City service and who wish to rejoin NYCERS. This form must be completed and returned to NYCERS within 90 days after your return to City service. If you do not wish to rejoin NYCERS, do not file this form. Alternatively, you will receive notice from the Department of Social Services (DSS) by completing Form R-11. Filing Form R-11 will allow you to opt up to \$10,000 in any calendar year before your pension is suspended. Should you have any questions, please contact our Call Center at (212) 443-3100.

Pension Number: _____ Last 4 Digits of SSN: _____ Home Phone Number: _____ Work Phone Number: _____
 First Name: _____ MI: _____ Last Name: _____
 Address: _____ Apt. Number: _____
 City: _____ State: _____ Zip Code: _____
 Title: _____

I have reentered City service as a _____ in the Department of _____ effective _____ at a salary of \$ _____ per annum.

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

I further understand that filing this form will trigger the suspension of my pension payments and cause my membership to be reinstated, if it cannot be reinstated during my post-retirement public employment.

*This is the deadline for the calendar year 2012. This earnings limitation may be increased by an act of the New York State Legislature. Please consult the legislative action or our website or our Registration Unit for more information on this deadline.

Signature of Member: _____ Date: _____

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

State of _____ County of _____ On this _____ day of _____, 2012, I, _____ personally appeared _____ before me the above named _____ to the individual described to me who executed the foregoing instrument, and he or she acknowledged to me that he or she executed the same, and that the statements contained therein are true. If you have an official seal, affix it to _____

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

Sign this form and have it notarized. THIRD PAGE

2012-14 **Client** 401 City Street, 10th Floor, New York, NY 10013 **Helping** 212-443-3100 **Page 1 of 1**
 Services: Brooklyn, NY 11201 **www.nycers.org** **Address:** 212 Avenue Street, Suite 2000 **Address:** Brooklyn, NY 11201-2200

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



Understanding Your Annual Disclosure Statement (ADS)



YOUR ANNUAL DISCLOSURE STATEMENT as of December 31, 2020

ADAM SMITH
123 MAIN STREET
BROOKLYN, NY 11222

03/21/2022
Member #: 1A2B3C

Dear Adam Smith:

The New York City Employees' Retirement System (NYCERS) is providing you with this Annual Disclosure Statement showing the status of your account(s) as of December 31, 2020.

Please review the data on all pages of this statement carefully. If you believe any information is incorrect, notify NYCERS immediately by contacting the Call Center at (347) 643-3000, or log in to your MyNYCERS account at www.nycers.org and submit an inquiry via a Service Request.

The address above is the address NYCERS has on file for you. NYCERS members with a registered MyNYCERS account may change their address online or via our mobile application. Keeping your address current is important, as an incorrect address on file may lead to a delay in processing a transaction or hinder efforts to contact you about your account. For name changes, please complete Form #291 available on NYCERS' website at www.nycers.org and upload it via your MyNYCERS account.

MEMBERSHIP INFORMATION

Member #	1A2B3C
Membership Date	09/26/2014
Tier	2
Pension Plan	UNIFORMED SAN FORCE SA 23F

LOAN ACTIVITY

Loans taken in 2020	\$0.00
Total Outstanding Balance	\$0.00
Loans Available	\$0.00
2020 Forfeited Amount Reported to IRS	\$0.00

LOANS ARE PROHIBITED UNDER YOUR PLAN

All loan activity above is as of December 31, 2020 and does not reflect loans, loan balances, or loan availability after that date. Eligible Tier 3, 4, and 6 members: Your MyNYCERS account is the gateway to your personal pension account. If you have not already registered, visit www.nycers.org to register. Once registered, you can manage your profile, view updated information about your pension account and correspondence from NYCERS, and submit forms. You can also view your benefit estimate and loan eligibility status, apply for a loan, or make a payment by credit/debit card or e-check. Download the MyNYCERS mobile application today from Google Play or the App store and explore the services available to you on-the-go.



Summary of your NYCERS membership activities for the previous calendar year, including:

- **Work history** (Membership Service) as reported by your employer
- Contributions
- Interest
- Estimated benefits
- And much more!



Benefits of Reviewing Your ADS



- Opportunity to correct inaccurate information which could potentially affect your retirement
- Information may help you manage your membership and plan for retirement

Note

Information provided in the ADS is as of **December 31**.

To see more recent changes to your beneficiaries, log in to your MyNYCERS account.



Important Notes About Your ADS

Service

- Credited service may differ on your ADS
- NYCERS is continuously working to ensure your service is up-to-date prior to your retirement

Pension-Related Earnings

- Account Activity Detail page lists the pension-related earnings you received as reported to NYCERS by your employer during the Annual Disclosure Statement period
- The pension-related earnings reported by your employer may not match your W2 earnings

Non-Pension Earnings

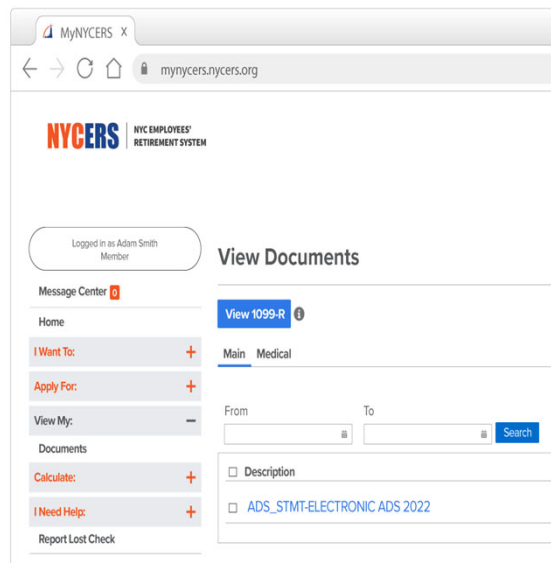
- The amount in your paycheck other than your regular salary, such as*:
 - Overtime pay
 - Longevity pay
 - Retroactive pay
- Some or all of these MAY be excluded when calculating your contribution amount and/or retirement benefits

*Your union contract and your tier determines whether these are considered pensionable earnings.



Accessing Your Annual Disclosure Statement

- Delivered automatically to your MyNYCERS account during the summer
- **Only available in your MyNYCERS account** – it is not mailed to you
- View, print or download your ADS





Retiree Health Benefits

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

CONTACT:

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





Sign up for a MyNYCERS Account!

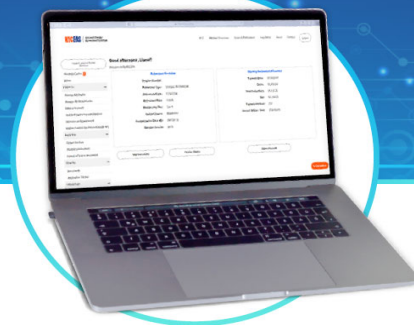
Go to www.nycers.org

- Follow the steps to activate your account.
- Your verification code will be sent immediately by text or email.
- Register the code for full access to MyNYCERS!





Managing your NYCERS account just got a whole lot easier!



- Schedule, cancel and manage appointments
- Print a list of your beneficiaries
- Track the status of your application
- And more – all from your MyNYCERS account!



Log in at mynycers.org and use the new features today!



Contact NYCERS!

Website: www.nycers.org

Call Center: (347) 643-3000 &

Monday – Friday: 8:00AM - 5:00PM

Mailing Address:

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



Q & A

