



# Option Letter

TIER 2

VERSION JULY 2010

Below is a sample Option Letter, which outlines a hypothetical retirement benefit under the various options available. This letter will contain amounts that you, as well as your beneficiary, should you choose to nominate one, will receive under the various options available. Selecting your option is an important decision, so be sure you read the enclosed "Option brochure" to understand each option.

If you are in the process of retiring, an Option Letter may be sent so quickly that the amount of your excess refund (see Taxation of Payments Brochure #959) and any loan taken at retirement may not have been processed and deducted from your Annuity Savings Fund prior to the time that the retirement allowance amounts are determined.

If an excess and/or loan is processed after your Option Letter, the amounts stated in that letter will not be correct. Please contact NYCERS immediately if you realize that this has happened in your case. Failure to contact NYCERS will result in an overpayment in your retirement allowance, a future downward revision in your benefit, and a requirement that you return any overpayments.

MS. SMITH  
012 AMONA ST  
BRKLYN, NY 11212

MAR 21 2003

MEMBERSHIP NUMBER 123456

DEAR MS. SMITH:

SHOWN BELOW ARE APPROXIMATE RETIREMENT ALLOWANCES PAYABLE UNDER VARIOUS OPTIONS AVAILABLE TO YOU. THE RETIREMENT ALLOWANCE, WHICH YOU SELECT, WILL BE PAID RETROACTIVELY TO YOUR RETIREMENT DATE 12/27/20XX.

OPTIONS -----	ANNUAL RETIREMENT ALLOWANCE -----
MAXIMUM(NO-OPTION) ----->	\$ 27,541
FIVE YEARS CERTAIN AND LIFE THEREAFTER --->	\$ 26,667
TEN YEARS CERTAIN AND LIFE THEREAFTER --->	\$ 24,995
OPTION #4 - SETTING ASIDE A LUMP SUM DEATH PAYMENT WILL REDUCE THE MAXIMUM RETIREMENT ALLOWANCE BY	
\$66.29 PER \$1,000 UP TO \$5,000 AND	
\$45.17 PER \$1,000 OVER \$5,000.	

THE ENCLOSED BOOKLET EXPLAINS THE OPTIONS IN DETAIL.

REGARDLESS OF THE OPTION YOU SELECT, A POST-RETIREMENT LUMP-SUM DEATH BENEFIT WILL BE PAYABLE UPON YOUR DEATH TO YOUR ESTATE OR DESIGNATED BENEFICIARY. TO DESIGNATE A BENEFICIARY COMPLETE THE ENCLOSED FORM "DESIGNATION OF BENEFICIARY FOR POST-RETIREMENT LUMP-SUM DEATH BENEFIT". THIS FORM MUST BE NOTARIZED AND RETURNED TO NYCERS. THE LUMP SUM PAYABLE IS PURSUANT TO THE FOLLOWING SCHEDULE:

MONTHS ELAPSED BETWEEN RETIREMENT AND DEATH -----	DEATH-BENEFIT -----
12 MOS. OR LESS	\$45,498.42
OVER 12 MOS. TO 24 MOS.	\$22,749.21
OVER 24 MOS.	\$8,917.69

123456SMITH  
E P S

THE BENEFITS DESCRIBED IN THIS LETTER ARE BASED UPON THE  
FOLLOWING INFORMATION:

TYPE OF RETIREMENT	SERVICE
TIER	II
PLAN	MOD. CAREER PENSION
YOUR DATE OF BIRTH	11/11/19XX
BENEFICIARY UNDER OPTIONS	BILL DOE
2, 3, 4-2, AND 4-3	

COMPENSATION BASE		
THREE YEAR AVERAGE SALARY		\$41,553.57
QUALIFYING SERVICE		25.00 YEARS
EXCESS SERVICE AFTER	6/30/68	3.61 YEARS
-----		
TOTAL SERVICE		28.61 YEARS
QUALIFYING ENHANCEMENT		0.00 YEARS
EXCESS ENHANCEMENT		2.00 YEARS
TOTAL + ENHANCEMENT		30.61 YEARS
QUALIFYING INCENTIVE		0.00 YEARS
EXCESS INCENTIVE		2.55 YEARS
TOTAL + ENHANCEMENT + INCENTIVE		33.16 YEARS
TOTAL ACCUMULATED DEDUCTIONS		\$20,265.28
REQUIRED ACCUMULATED DEDUCTIONS		\$34,008.08
DEFICIT IN ACCUMULATED DEDUCTIONS		\$13,742.80
TOTAL ITHP CONTRIBUTIONS		\$39,460.85
REQUIRED ITHP CONTRIBUTIONS		\$36,782.75
ADDITIONAL ITHP CONTRIBUTIONS		\$2,678.10