



Tier 2 SPD Updates

AUGUST 2017

This is a glimpse of all that has changed since the last printing of the Tier 2 Summary Plan Description booklet. The most recent version of this update can be found on our website at www.nycers.org. For more information about recent legislation that has affected NYCERS, please see the Legislation section of our website.

Board of Trustees

The Mayor's representative is Chairperson of the Board.

Honorable Gale Brewer is the Manhattan Borough President.

Honorable Ruben Diaz, Jr. is the Borough President of The Bronx.

Honorable Eric Adams is the Brooklyn Borough President.

Honorable Melinda Katz is the Queens Borough President.

Honorable James Oddo is the Borough President of Staten Island.

Honorable Scott Stringer is the Comptroller of the City of New York.

Honorable Letitia James is the Public Advocate.

Gregory Floyd replaces Carroll Haynes as President of the International Brotherhood of Teamsters, Local 237.

John Samuelsen replaces Roger Toussaint as President of TWU.

Revised August 2017:

Henry Garrido replaces Lillian Roberts as Executive Director of DC 37.

Karen Mazza is named Interim Executive Director of NYCERS January 1, 2017.

Melanie Whinnery is Executive Director of NYCERS as of September 5, 2017.

Pg. 2 – Introduction

Revised August 2017 as follows:

Our mailing address for Forms and Correspondence (no drop-off) is:

NYCERS
30-30 47th Avenue, Suite 1010
Long Island City, NY 11101

EXCEPT Medical forms 605, 606, 607, 608, 609 and 613. Mail these forms to NYCERS' Medical Division at 335 Adams Street, Suite 2300, Brooklyn, NY 11201, or bring them to our Customer Service Center at 340 Jay Street in downtown Brooklyn.

Executive Offices:
335 Adams Street, Suite 2300
Brooklyn, NY 11201

Pg. 4 – Social Security Participation

Updated August 2017 for calendar year 2016 and 2017:

The maximum salary subject to the Federal Insurance Contributions Act is \$127,200 for calendar year 2017; and \$118,500 for calendar year 2016.

Pg. 6 – Purchased Service

Revised August 2017 as follows:

The last three paragraphs are replaced with the following:

"The cost to purchase previous service is based on your current earnings. You may pay for this service in a lump sum, by payroll contributions,



or by transferring funds from a Deferred Compensation Plan or Individual Retirement Account (IRA) listed below (if allowed by your plan administrator). If you choose payroll deductions, you will pay double your full, unreduced “basic” employee contribution rate for the period being claimed. For example, if you want to buy back six months of previous service, you will pay double deductions for the next six months.

“Examples of such a purchase include, but are not limited to: pre-member service, military service, and tier reinstatement (prior membership portion only). You will need to send a copy of the cost letter you receive from NYCERS to the administrator of your Deferred Compensation Plan or IRA **at least 15 days** before the payment is due at NYCERS. Funds will be transferred directly to NYCERS as a payment for your previous service.

- 457 Deferred Compensation Plan
- 403(b) Deferred Compensation Plan
- 401(a) or 401(k) Qualified Defined Benefit or Contribution Plan
- 408(a) or 408(b) Individual Retirement Account
- 403(a) Annuity Plan

“**Note:** Transfers from Inherited IRAs, Roth IRAs and Inherited Roth IRAs are not permitted.

“For complete details, please see our Fact Sheet #708, Other Available Options for Lump-Sum Payment, available on our website at www.nycers.org.”

Pg. 7 – Military Service

Revised August 2017 as follows:

The following paragraph is added:

“Chapter 41 of the Laws of 2016 removes the specified periods of time, medal requirements, and theaters of operation in which military service would had to have been rendered for applying to purchase military service credit. Chapter 41 is deemed to have been in full force and effect on May 31, 2016.”

While not a Member/Employee

The sentence that reads “Active duty military service must have been during specified times of war, military conflicts, or rendered in certain combat theatres (see next page).” is deleted.

Pg. 8

Revised August 2017 as follows:

The section that begins “To be purchasable...” and ends with “...to the end of such hostilities.” is deleted.

Pg. 16 – Loans

The Patriot Plan suspends a member’s obligation to repay any loan while the member is absent on Military Duty for up to a maximum of five years.

Pg. 27 – Health Benefits

The contact number for TBTA Health Benefits Division is now (646) 376-0123.

Withdrawing an Application for Service Retirement

Revised August 2017 as follows:

This paragraph is revised to provide the form number of the withdrawal application and to read as follows:

“You may withdraw your application for service retirement by filing Withdrawal of Service Retirement Application Form #542 with NYCERS up to the day before your effective date of retirement.”

Pg. 28 – Service Retirement Dollar Limitations

Chapter 623 of the Laws of 2004 established an excess benefit plan. The result of this legislation is that NYCERS members are generally no longer affected by the IRS Section 415 Limits because the excess benefit plan replaces any amounts limited by IRS Section 415.

Chapter 623 of the Laws of 2004 also made provisions for excess benefits to be paid retroactively to all pensioners who retired on or after July 1, 2000. Excess benefits are incorporated automatically into a retiree’s normal pension payment.

Pg. 34

Revised August 2017 as follows:

OPTION 5 (Five-Year Certain Option)

In the paragraph that begins "Under Option 5..." the sentence which reads "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the five-year period is continued to the retiree's contingent beneficiary" is replaced with "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the five-year period is paid in a lump sum to the retiree's contingent beneficiary."

OPTION 6 (Ten-Year Certain Option)

In the paragraph that begins "Under Option 6," the sentence which reads "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the ten-year period is continued to the retiree's contingent beneficiary" is replaced with "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the ten-year period is paid in a lump sum to the retiree's contingent beneficiary."

Pg. 40 – WTC Disability Law

This creates a presumption that eligible members/retirees who develop pre-defined qualifying conditions or health impairments as a result of participating in rescue, recovery, or clean-up operations at one of four covered sites contracted such condition in the performance and discharge of duty thereby conferring an accidental disability benefit. A precursory notice MUST be filed no later than September 11, 2015 except for members in the Chapter 489/2013 covered group (see below).

Chapter 214 of the Laws of 2007 expands the covered sites defined in the WTC Presumptive Disability Law to include members who repaired, cleaned or rehabilitated vehicles contaminated by debris at the WTC site, regardless of whether the vehicles were tended to at the WTC site.

Chapter 489 of the Laws of 2013 allows Tier 2 vested members to file a Notice of Participation no later than September 11, 2014 and to subsequently apply for a three-quarters disability benefit pursuant to NYC Administrative Code §13-168. It also allows the eligible beneficiaries of deceased Tier 2 vested members (who die prior to payability of a retirement allowance) to file a Notice of Participation and apply for accidental death benefits. Please see the WTC Fact Sheet at www.nycers.org.

Chapter 472 of the Laws of 2014 extends the deadline for filing a Notice of Participation under WTC Disability Law from September 11, 2010 to September 11, 2015 for all members who participated in the Rescue, Recovery or Cleanup operations related to the World Trade Center attack on September 11, 2001. However, the deadline for filing a Notice of Participation under the WTC Disability Law for the Chapter 489/13 Covered Groups (vested members in NYCERS in Tiers I and II; vested Uniformed Corrections members in NYCERS in Tier III; vested Uniformed Sanitation members in NYCERS in Tier IV; vested Deputy Sheriff members in NYCERS in Tier IV and Tier VI; vested EMT members in NYCERS in Tier IV and Tier VI) would remain unchanged at September 11, 2014.

Added August 2017:

Chapter 326 of the Laws of 2016 extends the deadline to file a Notice of Participation in WTC Rescue, Recovery, or Cleanup Operations to September 11, 2018.

Please refer to the WTC Fact Sheet on our website at www.nycers.org.

Pg. 41 – Survivor Benefits

Any member who dies while performing service in the uniformed services, as defined in USERRA, shall be considered to have died as the natural and proximate result of an accident sustained in the performance of duty. The beneficiaries of members who die while on military duty may be entitled to receive either an Ordinary Death Benefit or an Accidental Death Benefit. Depending on the deceased member's title, a Special Accidental Death Benefit might also be paid.

WTC Death Benefits - This provides line-of-duty death benefits to the statutory beneficiary(ies) of eligible members/vested members/retirees who die from a Qualifying Condition or Impairment of Health contracted as a result of their participation in WTC rescue, recovery or clean-up operations.



Pg. 42 – Post-Retirement Death Benefits Paid Under Death Benefit Plan 2

The paragraph that begins “If you had elected Death Benefit Plan 2 while an Active Member,” is replaced with “If you had elected Death Benefit Plan 2 while an Active Member, at retirement you may designate a beneficiary(ies) to receive a Post-Retirement Death Benefit (PRDB). The amount of the PRDB benefit is dependent upon your date of death after retirement (see table below).”

Revised August 2017:

Page 42 is further updated to add the following:

“If there is no valid Designation of Beneficiary for the PRDB on file, the benefit shall be payable based on the last valid Designation of Beneficiary for Ordinary Death Benefit on file. If the pensioner survives all duly nominated beneficiary(ies) on the Designation of Beneficiary for the PRDB, the Post-Retirement Lump-Sum Death Benefit shall be payable to the pensioner’s estate. NOTE: A pensioner may designate his or her estate for all or a percentage of the PRDB.”

Pg. 43 – Accidental Death Benefit

The Accidental Death Benefit is as follows:

- A lump-sum payment equal to your Accumulated Deductions; **plus**
- A lump-sum payment equal to the amount in your ITHP Reserve Account; **plus**
- A pension equal to 50% of your Final Compensation;
less
- 100% of any Workers' Compensation benefits

Chapter 652 of the Laws of 2006 allows beneficiaries to elect to receive an Ordinary Death Benefit as an Annuity.

Pg. 44 – Special Accidental Death Benefit

The widow or widower, or children under the age of 18 or age 23 if a student, of Correction, Housing, Transit and TBTA Officers or certain EMT members killed in the line-of-duty or while in military service are eligible for special accidental death benefits pursuant to Section 208-f of the General Municipal Law. This is a supplemental monthly payment in addition to the accidental death benefit pension and is state-funded.

Naming Beneficiaries

If you designate your spouse as a beneficiary for an Ordinary Death Benefit, your designation will be revoked upon divorce, annulment of marriage or judicial separation. However, the revocation will not take effect if you designate such person as a beneficiary after the divorce, annulment or separation.

Pg. 49 – Employment After Retirement

Although there are no earnings limitations for retirees re-entering the workforce in public benefit corporations (such as HHC, Transit, OTB, etc.) each agency has its own internal policy on rehiring retirees. Please contact the agency for more information.

Pg. 50 – Section 212

The current Section 212 earnings limitation is \$30,000. The maximum earnings limitation does not apply to Police Officers, Correction Officers, Deputy Sheriffs and Fire Marshals who are appointed to the Office of New York City Marshal. Such employees may earn compensation as a New York City Marshal without any diminution of their pension benefit.

Pg. 55 (Appendix A - Physically Taxing Titles)

This list is replaced in its entirety by a revised OLR listing updated through February 2006. Please see NYCERS' Fact Sheet # 712, Physically Taxing Titles, on our website at www.nycers.org.

