

Membership Reinstatement

NYCERS
RETIREMENT AND BENEFITS

FOR ALL TIERS

LAST UPDATE OCTOBER 2000

Former members of a public retirement system in New York State who left public employment and later returned to public service may be able to restore their original membership date and tier status. (Chapter 646, Laws of 1999)

You may be eligible for a change in your membership date, and possibly your tier status, if you were a member of one of the following retirement systems before the date of your current membership:

- ▶ New York City Employees' Retirement System (NYCERS)
- ▶ New York City Teachers Retirement System (NYCTRS)
- ▶ New York City Police Pension Fund
- ▶ New York City Fire Department Pension Fund
- ▶ New York City Board of Education Retirement System (BERS)
- ▶ New York State and Local Employees' Retirement System (NYS&LRS)
- ▶ New York State Teachers Retirement System (NYSTRS)
- ▶ New York State and Local Police and Fire Retirement System

and

your membership terminated because:

1. you did not have sufficient service credit, or
2. you received a refund of your accumulated contributions, or
3. your membership terminated by operation of law (you were out of City service for more than five years (for all of the City systems, except TRS members); you were out of service for more than seven years (for NYCTRS and all State Systems).

NYCERS members who are eligible to return to Tier 1, Tier 2 or an earlier membership date in Tier 4 must file a *Membership/Tier Reinstatement Form* (Form #181) in order to obtain a statement of all costs associated with reinstatement.

A change of membership date or tier status may result in significant changes in your future retirement benefit, contribution rates, death benefits payable to your survivors, and loan repayment schedule. These changes may not always be favorable. To get a better idea of the comparative benefits of a membership change, visit NYCERS' Customer Service Center at 340 Jay Street, Mezzanine level, in downtown Brooklyn.

Contribution Rate for Tier 3 and Tier 4 Members who Reinstatement to Tier 1 or Tier 2:

When NYCERS receives your payment for the cost of tier reinstatement, deductions for your current tier will stop. Your accu-

mulated contributions will not be refunded to you. You will be responsible for any contributions due in your restored tier, as well as for any outstanding loans in your prior membership.

If you are reinstated to a Tier 1 or Tier 2 non-contributory plan (Transit Authority Operating Force only), NYCERS will stop taking contributions from your salary. Your accumulated contributions will not be refunded to you.

If, during your Tier 3 or Tier 4 membership, you purchased non-member service which was subsequent to your original membership and/or withdrawn service performed in your original membership, all of your arrears payments, plus interest, will be refunded to you. However, if you have an outstanding loan balance, your refund will first be used to reduce or eliminate your loan balance.

If you are now a member of NYCERS:

- ▶ **AND** your prior membership was in any New York State public retirement system,
- ▶ **AND** you elect Tier 1 or Tier 2 reinstatement,
- ▶ your contribution rate will be based upon your age when you began your original membership.

If you are now a member of NYCERS:

- ▶ **AND** your prior membership was in another New York State public retirement system,
- ▶ your prior service will be included in the calculation of your retirement benefit,
- ▶ **BUT** not included as Career Pension Plan qualifying service in Plan A or Plan C.

If you elect Tier 1 or Tier 2 reinstatement, you may be able to change your contribution rate by --waiving ITHP (Form #212) and by electing to change your Social Security coverage (Form #217).

Loans

If you are now a member of Tier 3 or Tier 4 and you elect reinstatement to Tier 1 or Tier 2, your outstanding loan will be transferred to Tier 1 or Tier 2 loan status.

Members of Tier 3 and Tier 4 who revert to an earlier membership date within those tiers will not be subject to any change of loan rules, repayment schedules, or availability.

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NYCERS' Call Center:

(347) 643-3000 or 1-877-6NYCERS
347-643-3501 - TTY (hearing impaired)

Mail:

335 Adams Street, Suite 2300
Brooklyn, NY 11201-3754

Visit:

Customer Service Center:
340 Jay Street, Mezzanine Level

Web Site:

www.nycers.org

Ordinary Death Benefits

If you are reinstated to another tier, other than Tier 1, there will be no change in your death benefit. The death benefit is the same in Tier 2, Tier 3, and Tier 4.

If you are reinstated to Tier 1, the amount of your death benefit could be less if you die before you are eligible to retire. If you are eligible to retire and you die while in service, your Tier 1 death benefit may be substantially greater than that of other tiers.

Am I Eligible for Reinstatement?

How do I find out if I am Eligible for Reinstatement?

You must be a member of NYCERS to be eligible for reinstatement. If your membership in NYCERS or any other New York State retirement system was terminated prior to your current membership, file a *Membership/Tier Reinstatement Form* (Form #181). NYCERS will then verify your eligibility and send you a statement of any costs associated with your reinstatement.

If I am Eligible for Reinstatement, how do I know which Tier I belong in?

The date you became a member of NYCERS (or any other New York State public retirement system) determines your tier status.

If you became a member of NYCERS before July 1, 1973, you were a member of Tier 1, and may be eligible for reinstatement to that tier.

If you became a member of NYCERS on or after July 1, 1973 but before July 27, 1976, you were a member of Tier 2, and may be eligible for reinstatement to that tier.

If you became a member of NYCERS after July 26, 1976, you are a member of Tier 4 (except members of the uniformed force of the NYC Department of Correction). You do not have the option of electing an earlier tier. However, you may choose to reinstate an earlier membership date within your current tier.

To reinstate your earlier membership date, file Form #181.

Once I submit Form #181, can I change my mind about Reinstatement?

Yes. Your *Membership/Tier Reinstatement Form* requests NYCERS to verify your prior membership date and send you a statement of reinstatement costs, if any. If there are no costs associated with the reinstatement, you will receive a letter from NYCERS stating that fact.

Once you receive the statement, you have thirty days from the date on the letter to send NYCERS your payment for reinstatement costs, along with a membership application. If you do not send your payment to NYCERS within the thirty-day window, **your reinstatement option expires**. If you decide at a later date to elect reinstatement, you must file Form #181 again.

If there are no costs associated with reinstatement, you must still file a membership application appropriate to your former tier.

Once I submit Form #181, is Reinstatement Automatic?

No. Before NYCERS reinstates your membership date and/or tier status, you must pay any associated costs, if applicable, and submit a membership application appropriate to your reinstated tier. When NYCERS receives your lump-sum repayment and/or your membership application, your membership date and tier rights will be reinstated.

If there are no costs to reinstate your prior membership, you must still file a membership application to effectuate the reinstatement.

How can I find out if Membership Reinstatement is right for me?

We recommend that you visit NYCERS' Customer Service Center and consult with a customer service representative to find out if membership reinstatement is right for you.

In many cases, the benefits of an earlier membership will outweigh any associated cost. However, in some instances, the benefits may not equal the cost.

To make an informed decision about your own unique situation, here are some of the questions you will want to ask a NYCERS' customer service representative:

- ▶ *If I elect to reinstate to Tier 1, will the death benefit payable to my survivors change?*
- ▶ *Will my election of an earlier membership date result in an improved retirement benefit?*
- ▶ *Will my election of an earlier membership date create a deficit in my Member Contribution Accumulation Fund or my Annuity Savings Fund, and will this affect my future retirement benefit?*
- ▶ *How will NYCERS treat my outstanding loan, if I elect an earlier membership date?*
- ▶ *Will my election of an earlier membership date or tier create a tax liability now or when I retire?*
- ▶ *If I reinstate to my previous tier, will my contribution rate change? Will I be eligible for any reductions in contributions? Will I be eligible for a refund of any contributions I made in my current tier membership?*

Where can I get a Membership/Tier Reinstatement Form (#181)?

You can pick up a form in person at NYCERS' Customer Service Center. If you prefer, you can make your request for Form #181 by telephone, by letter, or by e-mail at our web site. We will send you the form by mail. See the box (below) for contact details.

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