



## Tier 3 SPD Updates

UPDATED DECEMBER 2008

This is a glimpse of all that has changed since the last printing of the Tier 3 Summary Plan Description booklet. The most recent version of this update can always be found online under Plans and Updates at [www.nycers.org](http://www.nycers.org). For more information about recent legislation that has affected NYCERS, please refer to the Legislation page of our website.

<b>Tier 3 SPD Updates</b>	
<p><b>Table of Contents:</b> Page #s will be adjusted to accommodate the insertion of the CF-20 Plan.</p>	<p>Correction officers who were suspended for economic reasons on or after May 1, 2003 and returned to service prior to July 1, 2004 may be eligible to receive service credit.</p>
<p><b>Board of Trustees:</b> Replace Virginia Fields with Scott Stringer as the new Manhattan Borough President.</p> <p>Diane D'Alessandro is named Executive Director November 7, 2005.</p> <p>Gregory Floyd replaces Carroll Haynes as President of Local 237.</p>	<p><b>Page 11:</b> Reference the new CF-20 Plan in the note "in addition" which addresses the plans that have required AMCs.</p>
<p><b>Page 2:</b> NYCERS Toll Free # is 1-877-669-2377 (1-877-6NYCERS) if you are calling from a NYC area code</p>	<p><b>Page 12:</b> Indicate that both the CO-20 and CC-20 Plans are closed to members who first become a Tier 3 Correction member on or after October 19, 2004. Those members are mandated to join the new CF-20 Plan.</p>
<p><b>Page 3:</b> Reference the new Correction Force (CF-20) Plan in the paragraph that describes the names of the various Tier 3 Retirement Plans and Programs.</p>	<p>The CC-20 (Captains) AMC rate for all periods from 12/19/90 and going forward is now 5.11%, except for those CO-20 members who (a) paid an AMC rate of 3.61%, (b) were CO-20 members on 10/18/04, and (c) became correction members of the rank of captain or above after 10/18/04.</p>
<p><b>Page 4:</b> Revise the Social Security (max salary subject to FICA) to \$106,800 for 2009.</p>	<p>The 15 year limitation regarding contribution deficiency offsets is no longer applicable. CC-20 participants (existing or those who joined through the reopener) can offset any CC-20 contribution deficiency by the amount of previous CO-20 AMCs already paid. CC-20 members who pay AMCs in excess of what was required, are eligible to receive a refund of that excess if they have 20 or more years of service and they retire on or after 10/19/04.</p>
<p><b>Page 5:</b> Reference the new CF-20 Plan in the service credit introductory paragraph, as well as the box warning members about credit for purchased service.</p>	<p><b>Page 13:</b> Add that upon the death of a participant in the CO-20 Program (if the death occurs on or after 10/20/04) the beneficiary will be eligible for a refund of the member's AMCs, plus interest. Refer to the Refunds Section for additional details. (this information also mentioned on pages 17 and 42).</p>
<p><b>Page 6:</b> Add the cost of purchased service is based on 3% of wages and the applicable AMC rate for the time being purchased.</p> <p>Replace the statement "You may file a request to purchase Previous Service as long as your membership in NYCERS is still active." with "You may file a request to purchase Previous Service as long as you are in Active Service. (Vested members are not eligible to purchase previous service)."</p>	

### ***Tier 3 SPD Updates***

**Page 14:** The Patriot Plan suspends a member's obligation to repay any loan while the member is absent on Military Status for up to a maximum of 5 years. The law is effective until July 1, 2010, unless extended.

#### **Loan Service Fee Increase**

Effective July 1, 2008 the service fee to process loans and the Change of Repayment Form service fee will be increased from \$20 to \$30.

**Page 17:** Because we are adding the CF-20 program, need to change "either of the Special Programs" to say "any of the Special Programs." (occurs in last sentence under the section called Refunds of Basic Tier 3 Contributions).

Add same note as mentioned on Page 13 (CO-20 can get a refund of AMCs for any reason if they have less than 15 years, plus regardless of years AMC refunded to beneficiary if member died on or after 10/20/04.

**Page 19:** Add the page number reference for the new CF-20 Plan (this section refers them to the complete plan description for details on vesting. CF-20 members receive vested benefits for Correction Officer service only.)

**Page 22:** For calls outside NYC area codes dial 1-877-669-2377 (1-877-6NYCERS).

**Page 24:** Replace IRS Section 415 limits with current information, including new legislation regarding benefits in excess of 415 limits.

Internal Revenue Code Section 415(b) requires defined benefit plans such as NYCERS to apply limits on certain annual pension benefits (particularly those benefits received under a pension enhancement or early retirement incentive). Most NYCERS members are not adversely affected by Section 415 because the amount of their base pension plus enhancements does not exceed Section 415 limits currently \$175,000 annually for benefits commencing at age 62.

A recent law (Chapter 623 of the Laws of 2004) establishes an excess benefit plan which restores benefits to those pensioners whose annual pension benefits were previously limited by Section 415.

Pensioners whose benefits were previously limited will now receive the full amount of their annual pension benefit. The excess benefits will be paid to all pensioners who retired on or after July 1, 2000. The excess benefit is incorporated in the retiree's monthly pension payment. As with monthly pension payments the excess benefits are exempt from New York State and local income taxes. Please go to our website ([www.nycers.org](http://www.nycers.org)) and click on the link "Planning Your Retirement" - Tier 3, for complete details.

**Page 25:** Add the new CF-20 Plan description page number references (this section describes the CO-25 as the fall-back plan to the CO-20, CC-02 and now CF-20 plan descriptions).

**Page 26:** The Escalation rates effective April 1, 2008 for members who retired under Tier 3 (Article 14) is 3.00% if the date of retirement is prior to April 1, 2007. If the date of retirement is April 1, 2007 through March 31, 2008 the escalation rate is 3.00 % (prorated). This rate also appears on Page 40.

**Page 35:** The annual Disability Income Limitation is updated each spring for the previous year. The 2006 limits were \$25,000. The 2007 limits were \$26,000. This limit also appears on page 53.

**Page 37:** Fix typo in heading "Appearing Before NYCERS' Medical Board for Examination".

**Page 41:** WTC- Disability Bill-- This creates a presumption that eligible members/retirees who develop pre-defined qualifying conditions or health impairments can file for disability. A precursory notice MUST be filed no later than September 11, 2010.

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 2008 makes several changes. Please refer to our WTC Fact Sheet on our website.

**Page 42:** Same note about CO-20 AMCs upon death (see also pages 13 and 17).

### **Tier 3 SPD Updates**

#### **Accidental Death Benefit**

A correction needs to be made to this section. The Accidental Death Benefit is equal to 50% of the member's Final Average Salary.

**Page 43:** Any member who died while on active military duty other than for training purposes on or after 6/14/2005 shall be considered to have died as the natural and proximate result of an accident sustained in the performance of duty.

**Page 44:** The special accidental death benefit for eligible beneficiaries of deceased Correction Officers was increased by 3% or more for deaths that occurred in 2008 or earlier.

#### **Page 46: Outstanding Loans at Retirement**

All retirees are permitted to repay any outstanding loan balance, at anytime during retirement, provided the payment is in full. Upon repayment of the entire loan balance, the pensioner's benefit will revert to what it would have been had it never been reduced. The new adjusted retirement allowance will be effective upon the date of receipt of payment.

**Page 52:** Although there are no earning limitations for those returning to public benefits corporations (such as HHC, Transit, OTB, etc.) each agency has their own internal policies. Please contact the agency directly for more information.

**Page 53:** Update the Section 212 (re-employment after retirement earnings) to \$30,000 for 2009.

Update the Disability Income Limitation (Personal Service Income). 2007 limits were \$26,000.

**Page 54:** Mention that the new CF-20 is also one of the Special Programs described in this SPD.

**Page 55:** Add a note that no one first becoming a Tier 3 member and a Corrections Officer on or after 10/19/04 can join the CO-20 Plan (must join CF-20). The same note goes on Page 58 (CC-20 program).

**Page 58:** Note that new members can no longer join the CC-20 Plan. Also at bottom of page revise the paragraph on the refund of AMCs upon the death of the

member. (see pages 13, 17, and 42 - same reference).

**Page 62:** Explains the new CF-20 plan. For complete details, please obtain a copy of NYCERS brochure # 917. This is available on our web site under "Plans and Brochures" or by request from our Call Center or Customer Service Center. The following is a brief overview:

Plan is restricted to Officer below the rank of Captain, Correction Captain, Asst Deputy Warden, Deputy Warden, Deputy Warden-in-Command, Deputy Chief, or Chief of Department.

Need 20 years of Allowable Correction Service Retirement benefit is 50% FAS for the first 20 years and 1 2/3 for each year thereafter

Vesting is 2 1/2 FAS for each year of Allowable Correction Service

Contributions are 3% basic (to be paid for 10 years) and 4.61% AMCs (to be paid for 20 years)

**Glossary Page 64:** Fix page number reference for Personal Service Income

**Glossary Page 65:** Add the new CF-20 plan to the list of mentioned Special Programs under T3