



# Correction Officer 25-Year Retirement Plan

TIER 3

MARCH 2013

This brochure describes the benefits of the Correction Officer 25-Year Retirement Plan (CO-25 Plan). The CO-25 Plan is available ONLY to members of the uniformed force of the NYC Department of Correction who became Tier 3 NYCERS members before December 19, 1990 (the start date of the Correction Officer 20-Year Plan).

## CONTRIBUTIONS

As a Tier 3 member you are required to contribute 3% of your gross wages until the earlier of attaining 10 years of Credited Service or upon reaching your tenth anniversary of membership. These contributions are referred to as Basic Member Contributions (BMCs) and they are held in the Member Contribution Accumulation Fund (MCAF).

All contributions are Federal tax deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and local taxes. Contributions made while on Union leave are not Federal tax deferred.

## DEFICITS

Failure to pay any of the BMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit. In the event of a deficit at retirement in the MCAF account, an actuarial reduction can be applied to the pension benefit.

## LOANS

CO-25 Plan participants have the ability to borrow up to 75% of the BMCs held in the MCAF account. Any loans taken are subject to the same terms and conditions applicable to Tier 3 members. Please consult Brochure #911 for additional information.

## CREDITED SERVICE

Below is a listing of the different types of Credited Service, followed by a brief explanation of each.

**Membership Service** – paid full-time or part-time service rendered after joining NYCERS.

**Transferred Service** – service credited while a member of another public employee retirement system in New York City or New York State which has not been terminated and which is transferred to NYCERS.

**Purchased Service (buy-back)** – previous full-time or part-time public service rendered in the employ of a public entity anywhere in New York City or New York State that has been fully paid for and credited (also see the following section on Child Care Leave).

**Membership Reinstatement** – service credited after the restoration of a previous membership in a public employee retirement system in New York City or New York State which had been terminated.

**Military Service** – service rendered in active military duty which has been purchased pursuant to federal or state law.

**Union Leave Service** – service rendered while on an authorized leave of absence without pay to conduct labor relations activity on behalf of a public employee union.

**Part-Time Service** – service (Membership, Purchased and/or Transferred) equal to less than 1,827 hours in a calendar year.

## CHILD CARE LEAVE

Participants in the CO-25 Plan may purchase up to one year of service credit for each instance of authorized child care leave.

In order to purchase service credit for a child care leave of absence, you must be in active service and:

- ▶ Apply within 90 days of the termination of the child care leave by filing Form #246; AND
- ▶ Pay an amount equal to what your required contributions would have been during the child care leave, plus accrued interest.

You may receive up to one year of service for each period of authorized child care leave.

## REFUNDS

CO-25 Plan participants who have rendered less than 10 years of Credited Service and who leave City service may apply for a refund of BMCs, plus accrued interest, effectively terminating their membership. Members with between five and 10 years of Credited Service must also waive their right to a Vested Retirement Benefit. Refunds of BMCs are not possible for members with 10 or more years of Credited Service.

## VESTED RETIREMENT BENEFIT

If you end your employment with at least five years of Credited Service, two of which are Membership Service, you are entitled to a Vested Retirement Benefit. The Vested Retirement Benefit is payable at age 62 and is calculated using the following formula:

### For members with less than 20 years of Credited Service:

- ▶ 1.67% *times* Final Average Salary (FAS) *times* years of Credited Service

### For members with 20 or more years of Credited Service:

- ▶ 2% *times* FAS *times* years of Credited Service

Vested CO-25 Plan members may elect to receive their Vested Retirement Benefit in the form of an Early Service Retirement Benefit, which is payable as early as age 55 and results in a permanent reduction in your retirement benefit.

The following table shows the percentage reduction for various ages:

AGE PAYMENT BEGINS	PERCENT OF BENEFIT REDUCTION
61	6.7%
60	13.3%
59	16.7%
58	20.0%
57	23.3%
56	26.7%
55	30.0%

**PLEASE NOTE:** The percentages shown in the table assume retirement at exact ages for illustration purposes. Retirement between ages will be calculated on a prorated basis per month.

## SERVICE RETIREMENT

Participants in the CO-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 years of Credited Service without regard to age.

The Service Retirement Benefit is 50% of FAS (the benefit cannot exceed this amount).

FAS is defined as the greater of:

The average of wages earned during any three consecutive calendar years, **OR**

The average of wages earned during the 36 months immediately preceding your retirement date.

**Note:** Wages earned in any year used in the FAS computation cannot exceed more than 10% of the average of the previous two years.

## DISABILITY RETIREMENT BENEFITS

Members of the uniformed force of the NYC Department of Correction who become physically or mentally incapacitated and can no longer perform the duties of their job title may apply for Disability Retirement Benefits. There are 4 separate disability provisions in the NYS Retirement and Social Security Law (RSSL) under which they may qualify. The chart on page 3 of this brochure summarizes the qualifications and the benefits provided under each of these provisions. In addition, such members are covered under other disability provisions described in the following section labeled "Other Disability Provisions."

## OTHER DISABILITY PROVISIONS

### Heart Law

The Heart Law provides a presumption to members of the uniformed force of the NYC Department of Correction that a disease of the heart was incurred in the performance of duty. Members of the uniformed force of the NYC Department of Correction who are approved for disability under the Heart Law are entitled to a disability benefit equal to 75% of FAS minus 100% of the annual payment from the Workers' Compensation Board associated with the disease of the heart. This presumption may be rebutted by competent medical evidence.

### Hepatitis, AIDS and Tuberculosis (HAT) Law

The HAT Law provides that a member of the uniformed force of the NYC Department of Correction who contracts HIV (where he or she may have been exposed to bodily fluids of an inmate or a person confined to an institution under the jurisdiction of the NYC Department of Correction or Department of Health) tuberculosis or hepatitis, will be presumed to have contracted such disease in the performance and discharge of duty. Members approved for disability under this law are entitled to a disability benefit equal to 75% of FAS minus 100% of the annual payment from the Workers' Compensation Board associated with the disease. The presumption may be rebutted by competent medical evidence.

### World Trade Center Disability Law

The World Trade Center (WTC) Disability Law provides that NYCERS' members, vested members or retirees (retired after 9/11/01) who Participated in WTC Rescue, Recovery, or Clean-up Operations during a Qualifying Period may be entitled to a presumption that any current or future disability caused by a Qualifying Condition or Impairment of Health arose from participation in such operations, unless the contrary is proven. A Notice of Participation must be filed no later than September 11, 2010. Please visit our website and consult the WTC Disability Law Fact Sheet for additional information.

## CORRECTION FORCE DISABILITY PROVISIONS AT-A-GLANCE

	Ordinary	Accidental	Dual Purpose Disability Statute	Performance-of-Duty (also see HAT Law, pg. 2)
<b>RSSL Section</b>	506	507	507-a	507-c
<b>What is the service requirement?</b>	5 or more years of Credited Service	None	10 or more years of Credited Service. If less than 10 years, may qualify if injury is due to on-the-job accident.	None
<b>How does the member qualify for disability?</b>	Member qualifies if found to be disabled by the Social Security Administration and has been awarded Primary Social Security Disability Benefits.	Member qualifies if found to be disabled by the Social Security Administration as the natural and proximate result of an accident sustained in active service and not the result of his/her own willful negligence and he/she is awarded Primary Social Security Disability Benefits. NYCERS' Medical Board must also determine if the injury was caused by an accident.	Member is physically or mentally incapacitated and cannot perform the duties of his or her job title as determined by NYCERS' Medical Board. If the member has less than 10 years of service, the Medical Board must also determine if the injury was the natural and proximate result of an accident not caused by his/her own willful negligence.	Member is found to be disabled by NYCERS' Medical Board as the natural and proximate result of injuries sustained in the performance of duties by an act of an inmate or any person confined under the jurisdiction of the Department of Correction or Department of Health.
<b>How is the disability benefit calculated?</b>	One-third of FAS <b>OR</b> 2% <i>times</i> FAS <i>times</i> Credited Service up to 30 years. Benefit reduced by 100% of any Workers' Compensation benefit and 50% of the Primary Social Security Disability Benefit.	60% <i>times</i> FAS reduced by 100% of any Workers' Compensation benefit and 50% of the Primary Social Security Disability Benefit.	One-third of FAS <b>OR</b> 1.67% <i>times</i> FAS <i>times</i> Credited Service <b>OR</b> if eligible to retire for service, the service retirement benefit if greater than the aforementioned calculations.	75% <i>times</i> FAS reduced by 100% of any Workers' Compensation benefit.

## DEATH BENEFITS

In the event of your death prior to retirement, your beneficiary(ies) may be entitled to a death benefit. There are two primary types of death benefits: an Ordinary Death Benefit and an Accidental Death Benefit.

The Ordinary Death Benefit is:

- ▶ Three times your salary, *plus*
- ▶ A refund of your BMCs, plus interest, *and*
- ▶ A refund of your AMCs, plus interest.

The Ordinary Death Benefit is payable only if you were in City service for at least 90 days and you were in active service at the time of your death.

The Accidental Death Benefit is an annual pension of 50% of your wages during your last year of City service.

The Accidental Death Benefit is payable to an Eligible Beneficiary (defined in law in a priority order, not designated by you) if you were in active service at the time of your death and your death was the result of an accident sustained in the performance of duties.

### Heart Law-Accidental Death Benefit

Members of the uniformed force of the NYC Department of Correction who die from a disease of the heart may be entitled to a presumption that the disease was incurred in the performance of duty, unless the contrary is proven by competent medical evidence. Your Eligible Beneficiary(ies) would be entitled to the Accidental Death Benefit and Special Accidental Death Benefit (described below) which are paid in accordance with the relevant statutes that govern such benefits.

### World Trade Center Law-Accidental Death Benefit

The World Trade Center (WTC) Law provides that deceased NYCERS' members, vested members or retirees (retired after 9/11/01) who Participated in WTC Rescue, Recovery, or Clean-up Operations during a Qualifying Period may be entitled to a presumption that their death was caused by a Qualifying Condition or Impairment of Health which arose from participation in such operations, unless the contrary is proven. A Notice of Participation must be filed no later than September 11, 2010. Please visit our website and consult the WTC Disability Law Fact Sheet for additional information.

## SPECIAL ACCIDENTAL DEATH BENEFIT

A Special Accidental Death Benefit is a supplemental monthly payment in addition to the Accidental Death Benefit of 50% of Wages. The effect of this benefit is to continue pay-

ing the equivalent of the decedent's salary including earned overtime, night differential, longevity payments and any other type of pensionable earnings, where applicable.

The benefit is paid to the widow, widower, or the children of the deceased (under 18 years of age or under the age of 23 if a student) if the widow or widower is deceased, of a member of the uniformed force of the NYC Department of Correction who has died of injuries sustained in the line of duty as the natural and proximate result of an accident, not caused by his or her own willful negligence, or while in military service.

The Special Accidental Death Benefit is generally increased annually by a percentage determined on the basis of the Consumer Price Index (CPI). The maximum potential benefit will be reduced by the basic amount of any Social Security survivors' benefit and Workers' Compensation award.

