



Membership Reinstatement

ALL TIERS

MARCH 2017

Current members who were previous members of a public retirement system in New York City or New York State may be eligible to restore their original membership date and/or reinstate to their original Tier.

ELIGIBILITY

You may be eligible for a change in your membership date or Tier status if you were a member of one of the following New York public retirement systems:

- 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 (NYSLRS)
- New York State and Local Police and Fire Retirement System
- New York State Teachers' Retirement System (NYSTRS)

AND your membership terminated because:

- a. you did not have sufficient service credit, or
- b. you received a refund of your accumulated contributions, or
- c. your membership terminated by operation of law because you were out of City employment for more than five years (except NYCTRS members), or you were out of public service for more than seven years (for NYCTRS and all State system members)

AND

- a. you apply for Membership reinstatement, and
- b. repay the amount refunded to you under your original membership, plus 5% interest compounded annually from the date of the refund to the date of repayment.

The date of your NYCERS membership will be changed to your original date of retirement system membership. You will have all rights, benefits and privileges in effect on the original date of membership, including, if applicable, a change in Tier status.

NOTE: The date you became a member of NYCERS (or any other New York State public retirement system) determines your Tier status as follows:

- Tier 1 – Members who joined prior to July 1, 1973.
- Tier 2 – Members who joined between July 1, 1973 and July 26, 1976, and DA Investigators who joined between July 1, 1973 and March 31, 2012.
- Tier 3 – Correction Officers who joined between July 27, 1976 and March 31, 2012. General members who joined between July 27, 1976 and August 31, 1983 were originally Tier 3 members but became Tier 4 members with Tier 3 rights (Uniformed Correction Force members remained in Tier 3). Anyone who becomes employed in a NYC Uniformed Correction Force, Uniformed Sanitation Force, or DA Investigator title and joins NYCERS on or after April 1, 2012, or anyone with a current membership who becomes employed in one of these titles on or after April 1, 2012, is 22-Year Plan member subject to the provisions of Tier 3.

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- Tier 4 – Members who joined between September 1, 1983 and March 31, 2012 (except Uniformed Correction Force, Uniformed Sanitation Force, and DA Investigators, who become 22-Year Plan members, as noted above).
- Tier 6 – Members who joined on or after April 1, 2012 (except Uniformed Correction Force, Uniformed Sanitation Force, and DA Investigators, who become 22-Year Plan members, as noted above).

ADVANTAGES OF MEMBERSHIP REINSTATEMENT

Reinstating your original membership date or Tier may result in significant changes to your future retirement benefit, as well as your contribution rate, loan repayment schedule and survivor benefits. For example, if your original membership date was prior to July 1, 1973, you will be eligible to reinstate to Tier 1. Tier 1 and 2 benefits are generally more favorable than those in Tier 3, 4 and 6. Regardless of your Tier, you will be credited with any NYCERS-eligible service between your reinstated membership date and your current membership date.

Original membership date reinstatement

If your prior membership was during the same Tier you are currently in, you are not eligible to get into an earlier Tier but you may want to reinstate to your original membership date. By doing so, you could increase your years of service and the amount of your retirement benefit. An additional benefit for Tier 3 and 4 members is that you may be able to stop your Basic Member Contributions (BMCs) sooner. BMCs cease when you have attained ten years of Credited Service or reached the tenth anniversary of membership, whichever is earlier.

Current Tier 4 Member

If you are a current Tier 4 member who had a prior Tier 3 membership (July 27, 1976 to August 31, 1983), you do not have the option to reinstate to an earlier Tier. However, you may reinstate the earlier membership date within your Tier, which will restore your Tier 3 rights.

Current Tier 6 Member

If you are a current Tier 6 member and had been a member during an earlier Tier, you may reinstate to an earlier Tier. By doing so, you would be eligible to vest after five years rather than ten (Tier 6 members must have ten years to vest.) In addition, you would be eligible to retire at an earlier age, depending on the plan you are placed in upon reinstatement. If your prior membership falls within the dates for Tier 3, you would be reinstated to Tier 4, but would have Tier 3 rights.

Current 22-Year Plan Member

If you are a current 22-Year Plan member, your reinstatement to the Uniformed Correction Force, Uniformed Sanitation Force or District Attorney Investigator Plan in an earlier Tier could enhance your retirement benefits. You should contact NYCERS Customer Service to confirm whether Tier Reinstatement would benefit you.

REINSTATEMENT TO TIER 1 OR 2

When you reinstate your membership to Tier 1 or 2, you will be required to select a plan that was in effect at your restored membership date; for example: the Career Pension Plan (Plan A), Increased-Service-Fraction (Plan B), or Transit 20-Year Retirement Plan for Tier 1 membership, and the Modified Career Pension Plan (Plan C), Modified Increased-Fraction Plan (Plan D) or Modified Transit 20-Year Retirement Plan (20N/C) for Tier 2 membership. Regardless of the plan that you elect, at retirement you will have the opportunity to elect the plan that yields the greater benefit within your Tier, based on the option that you select.

NOTE: Only Plan B and Plan D have a provision for a vested benefit. Therefore, if you plan to leave City service before your eligibility to collect a service retirement benefit, be sure to file Form #162 to switch your Plan A or Plan C to either Plan B or Plan D while you are still on City payroll. This action will make you eligible to collect your Vested Retirement Benefit once you reach the date of payability.

Your contribution rate will change and will be based on the age you were on the date of your reinstated Tier 1 or 2 membership. If you reinstate to the Non-contributory Transit Authority Operating Force Plan, NYCERS will stop taking contributions from your salary. Your accumulated contributions will be transferred to your new account.



All service that was validly transferred prior to Tier reinstatement and all NYCERS-eligible service between the date of your reinstated membership and your current membership will be considered Career Pension Plan qualifying service in Plan A or Plan C. If the membership you reinstate was with a retirement system other than NYCERS, that 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. Qualifying service will be described in the plan documents enclosed with your cost letter.

LOANS

If you are currently a Tier 3, 4 or 6 member and you reinstate to Tier 1 or 2, your outstanding loan will be treated under the terms of Tier 1 and 2 Loans (see Brochure #912). Tier 3, 4 and 6 members who revert to an earlier membership date within the same Tier will not be subject to any change of loan rules, repayment schedules, or availability. Reinstating from Tier 2 to Tier 1 will not have an impact on loans. You will be responsible for repaying any outstanding loans due in your restored Tier.

DEATH BENEFITS

The Ordinary Death Benefit is the same for members in Tier 2, Tier 4 and Tier 6 Basic and Special Plans, and it is the same for members in Tier 3 and 22-Year Plans. 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 the death benefit in other Tiers.

Accidental Death benefits are specific to your retirement plan.

APPLYING FOR REINSTATEMENT

Submit NYCERS Tier/Membership Reinstatement Form (#181), available on our website at www.nycers.org. If you are applying to reinstate more than one former membership, you must provide the information for each one separately. Form #181 allows for up to three such entries. If eligible, your membership will be reinstated to your first retirement system membership date.

REINSTATEMENT PROCESS

Once the form is received, NYCERS will verify your former membership dates and former membership refund status, calculate your cost(s) and send you a cost letter. Plan documents will be enclosed with the cost letter to help you make an informed decision. **You will have thirty (30) days from the date on the cost letter** to send NYCERS your full payment for reinstatement. If you are reinstating to Tier 1 or Tier 2, you will also need to submit a new membership application (Form #101), which will be enclosed with your cost letter. No new membership application is required for reinstating to any other Tier.

Your former membership date and, if applicable, Tier status will be reinstated only when NYCERS receives your lump-sum payment. NYCERS will then certify your reinstatement and send you confirmation. If you do not send your payment to NYCERS **within the thirty-day time period**, your reinstatement option expires. If you decide against reinstatement when you receive the cost letter, you do not have to take any action. If you decide at a later date to apply for reinstatement, you must file a new Form #181.

REINSTATEMENT COST

Generally, if you received a refund from your former NYCERS or other retirement system membership, you will be required to repay the full amount in a lump-sum payment to NYCERS, together with 5% interest compounded annually from the date of the refund to the date of repayment.

Your cost letter will provide a comparison of your current tier benefits and your proposed reinstated tier benefits if you are not yet retired. If a retirement application is already on file, no comparison is done. Plan documents will be enclosed with the cost letter to help you make an informed decision.



If you did not obtain a refund of your membership contributions, NYCERS will transfer the amount in your former account to your new membership account to cover the cost of reinstatement. NYCERS will send you a cost letter detailing the amount being transferred for the reinstatement and will provide a comparison of your current Tier benefits and your proposed reinstated Tier benefits if you are reinstating to Tier 1 or Tier 2. Plan documents will be enclosed with the cost letter to help you make an informed decision. You will have **thirty (30) days from the date on the cost letter** to authorize NYCERS to process your membership reinstatement. If you are reinstating to Tier 1 or 2, you will also need to submit a new membership application (Form #101).

- A. If you are currently purchasing previous membership service as a Tier 3, 4 or 6 member and now want to reinstate a former membership for the same period**, NYCERS will transfer the amount you paid for such service to your new membership account to offset the cost of membership reinstatement. NYCERS will determine whether this amount is sufficient to pay the cost of membership reinstatement and will send you a cost letter. Your cost letter will provide a comparison of your current Tier benefits and your proposed reinstated Tier benefits only if the member is reinstating to Tier 1 or Tier 2. Plan documents will be enclosed with the cost letter to help you make an informed decision. If the amount in your former account is not sufficient, you will have **thirty (30) days from the date on the cost letter** to send NYCERS any remaining amount due for membership reinstatement. If the amount is sufficient, you will have thirty (30) days to authorize NYCERS to process your membership reinstatement. If you are reinstating to Tier 1 or 2, you will also need to submit a new membership application (Form #101).
- B. If you fully paid for your previous membership service as a Tier 3, 4 or 6 member and now want to reinstate a former membership for the same period**, the cost of reinstatement is offset by the funds in the account. The balance of any outstanding loan will be incorporated in the calculation of the reinstatement cost.

Any prior City service that is not eligible for NYCERS membership will incur a separate cost and will be explained in your cost letter.

If you are reinstating to an earlier Tier and paid the cost of Tier reinstatement, NYCERS will stop your deductions for your current Tier. Your accumulated contributions will be transferred to your new account and the interest will be adjusted (for Tier 1 and 2 reinstatements only). You will be responsible for any contributions due in your restored Tier, as well as for any outstanding loans.

In most cases, the benefits of reinstatement to an earlier Tier will outweigh any costs, but individual cases differ. Some situations will be beneficial and some not. Because contribution rates vary from Tier to Tier, reinstatement to an earlier Tier may create a deficit in your account that must be paid. Additionally, certain service previously purchased in Tier 4, for example, may not be credited or considered qualifying in Tier 1 or 2. In order to make an informed decision, visit our Customer Service Center at 340 Jay Street, Mezzanine Level, in downtown Brooklyn and speak to a representative.

