



Automotive Worker 25 Year, Age 50 Plan for Tier 2 Members (AUT-I)

Tier 2

February 2004

The Automotive Service Worker 25-Year and Age 50 Retirement Program (AUT-I) is available ONLY to members employed by the City of New York as auto body workers, auto electricians, auto machinists, auto mechanics, auto mechanics (diesel), automotive service workers, senior automotive service workers, machinists, machinist helpers, marine maintenance mechanics, oil burner specialists, stationary engineers, senior stationary engineers, or supervisor of mechanics (mechanical equipment). Collectively these titles define an *Automotive Service Worker*.

Words that are italicized throughout this brochure have special meaning, and possibly require further explanation. The definitions of these words can be found on the back of this brochure.

ELIGIBILITY

Participation is **OPTIONAL** for:

- any person who was already a Tier 2 member of NYCERS on December 12, 2001, and becomes an auto body worker, auto mechanic, automotive service worker, senior automotive service worker, marine maintenance mechanic, or oil burner specialist after December 12, 2001 (must file an election form to participate with NYCERS within 270 days after becoming an *Automotive Service Worker*)

OR

- was a Tier 2 auto body worker, auto mechanic, automotive service worker, senior automotive service worker, marine maintenance mechanic, or oil burner specialist on December 12, 2001. The filing period for these titles has expired.

OR

- was already a Tier 2 member of NYCERS on August 13, 2002 and becomes a supervisor of mechanics after August 13, 2002 (must file an election form to participate with NYCERS within 270 days after becoming an *Automotive Service Worker*)

OR

- was a Tier 2 supervisor of mechanics on August 13, 2002. The filing period for this title has expired.

OR

- was already a Tier 2 member of NYCERS on October 21, 2003 and becomes an auto electrician, auto machinist, auto mechanic (diesel), machinist, machinist helper, stationary engineer, or senior stationary engineer after October 21, 2003 (must file

an election form to participate with NYCERS within 270 days after becoming an *Automotive Service Worker*)

OR

- was a Tier 2 auto electrician, auto machinist, auto mechanic (diesel), machinist, machinist helper, stationary engineer, or senior stationary engineer on October 21, 2003 (must file an election form to participate with NYCERS no later than July 19, 2004)

provided

they are an *Automotive Service Worker* on the date such application is filed with NYCERS.

When any *Participant* in the *Program* ceases to hold a position qualifying him/her for participation in the *Program*, he/she shall cease to be a *Participant* and shall not be eligible for the benefits of the *Program*.

Any *Participant* in the *Program*, who terminates service as an *Automotive Service Worker* and returns to such service at a later date will be mandated into participation in the *Program* on that date. (Refer also to the *AMC* Deficiency section.)

ELIGIBILITY TO QUALIFY FOR BENEFITS

Service Retirement

A *Participant* who is at least age 50 with 25 or more years of Credited Service, has paid all *Additional Member Contributions (AMCs)*, and files for retirement at least 30 days, but no more than 90 days, before it is to become effective will be eligible to receive a Service Retirement Benefit under this *Program*.

SERVICE RETIREMENT BENEFIT

The Service Retirement Benefit is computed as follows:

- 50% of *Final Average Salary (FAS)* the first 25 years of Credited Service,
plus
- 2% times *Final Average Salary (FAS)* for each year of *Allowable Service* in excess of 25, to a maximum of 30 years of service

AMCs ARE MANDATORY

In addition to the basic contributions that all Tier 2 members are required to pay, *Participants* must contribute to NYCERS

ONCE AN ELECTION TO PARTICIPATE IN THE AUTOMOTIVE SERVICE WORKER 25 YEAR AND AGE 50 PROGRAM IS FILED WITH NYCERS, IT MAY NOT BE REVOKED

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Additional Member Contributions (AMCs) of 4.83% of gross *Wages* each payroll period for all *Credited Service* in a covered title (except supervisor of mechanics) rendered on and after June 15, 2001. (February 14, 2002 for supervisor of mechanics)

These contributions are in lieu of *AMCs* under Chapter 96 of the laws of 1995, and no member paying these contributions is required to pay Chapter 96 *AMCs*. An existing Chapter 96 *AMC* deficit, however, would still be owed.

A *Participant* shall contribute until the later of:

- The date he or she is eligible to retire with 25 years of *Credited Service*.
OR
- December 12, 2002 (every covered title except supervisor of mechanics)
August 13, 2003 (supervisor of mechanics)

AMCs may not be offset by Social Security deductions or reduced by Increase Take Home Pay (ITHP).

AMCs ARE TAX DEFERRED

All *AMCs* made from wages earned on and after June 15, 2001 (or on or after February 14, 2002 for supervisor of mechanics) are not included in current gross income for Federal income tax purposes [IRC §414(h)]. However, those contributions are subject to New York City, New York State, and Social Security taxes. Any distribution of these *AMCs* makes them subject to Federal income tax.

DEFICIENCY

Any *Participant* who, while in active service, has not paid in full any contribution deficiency (in his or her *AMCs*), will still be entitled to a Service Retirement Benefit under this *Program*. However, the benefit will be reduced according to an actuarial formula that takes into account any deficiencies in *AMCs*.

If you have less than 5 years of *Credited Service*, and you cease to hold a position as an *Automotive Service Worker* for any reason whatsoever, you may withdraw your *AMCs* and interest. However, if you return to the program at a later date, you will be charged a deficiency. This deficiency will be calculated as if *AMCs* had never been made, including the 5% per annum statutory interest. Payment of a deficiency can be made in a lump sum or through payroll deductions.

A Disability Retirement Benefit and a Death Benefit, payable by NYCERS to a *Participant* or his or her designated beneficiary or estate, will be reduced according to an actuarial formula that takes into account any deficiency in *AMCs*.

LOANS

A *Participant* in the Automotive 50/25 Program may borrow up to 75% of his or her *AMCs* under the same rules for loans to Tier 4 members.

REFUNDS

A *Participant* who has rendered less than 5 years of *Credited Service* and who ceases to hold such a position, for any reason whatsoever, may withdraw his or her *AMCs*, and interest earned thereon.

DEFINITIONS

Automotive Service Worker: a member employed by the City of New York as an auto body worker, auto electrician, auto machinist, auto mechanic, auto mechanic (diesel), automotive service worker, senior automotive service worker, machinist, machinist helper, marine maintenance mechanic, oil burner specialist, stationary engineer, senior stationary engineer, or supervisor of mechanics (mechanical equipment).

Additional Member Contributions (AMCs): contributions in addition to the Basic Tier 2 Plan member contributions.

Credited Service: service rendered while a member of NYCERS; service transferred from another New York City or New York State Public Retirement System; and/or all purchased service.

Final Average Salary (FAS): the greater of the average annual *Wages* earned during any three consecutive calendar-year periods or the final 36 months immediately preceding the member's retirement date, whichever is greater. The salary earned cannot exceed the average of the previous two years by more than 20%. The amount in excess of 20% is not included in the calculation.

Participant: a member of NYCERS who elects or is required to contribute to the Automotive Service Worker 25-Year and Age-50 Retirement Program.

Program: the Automotive Service Worker 25-Year and Age-50 Retirement Program.

Retirement Reserve Fund (RRF): an account maintained for *AMCs* that are deducted from the member's paycheck and deposited, plus earned interest.

Wages: is any earnings paid for services rendered to a public employer in New York City or New York State.

