



# Special Peace Officer 25-Year Retirement Plan For Tier 4 Members

TIER 4

MARCH 2013

This brochure describes the benefits of the Special Peace Officer 25-Year Retirement Plan (SPO-25 Plan). The SPO-25 Plan is available ONLY to members employed in a series of Special Peace Officer (SPO) titles.

The following SPO titles are eligible to participate in the SPO-25 Plan: Special Officers (any rank) employed by a mayoral agency of the City of New York, the NYC Health and Hospitals Corporation (HHC), or the NYC Housing Authority (NYCHA); Parking Control Specialists employed by the NYC Department of Transportation (DOT); School Safety Agents (any rank) employed by the NYC Police Department (NYPD) or Board of Education (BOE); Campus Peace Officers (any rank) employed by the City University of New York (CUNY); Taxi and Limousine Inspectors (any rank) employed by the NYC Taxi and Limousine Commission (TLC); and Urban Park Rangers or Associate Urban Park Rangers employed by the NYC Department of Parks and Recreation.

## PARTICIPATION

Participation in the SPO-25 Plan may be **optional** or **mandatory** depending on factors such as title, NYCERS membership status and your age at the time of your employment in one of the covered titles in the SPO-25 Plan. The chart below lists each of the covered titles and the dates the SPO-25 Plan first became available for such titles.

Special Peace Officer Title and Agency	Availability Date
Special Officers employed by any mayoral agency Parking Control Specialists employed by the NYC DOT School Safety Agents employed by the NYPD Campus Peace Officers employed by CUNY Taxi and Limousine Inspectors employed by the TLC	12/19/2001
Special Officers employed by the NYCHA School Safety Agents employed by the BOE	10/02/2002
Urban Park Rangers or Associate Urban Park Rangers employed by NYC Department of Parks and Recreation	10/07/2003

Anyone who was a member of NYCERS and employed in a covered title on the availability date (see chart) had an OPTION to participate in the SPO-25 Plan by filing an election form with NYCERS by a specified date. THESE OPTIONS HAVE EXPIRED.

Anyone who was a NYCERS member but was not in an SPO title on the availability date who subsequently becomes employed in an SPO title after such date, has an OPTION to join the SPO-25 Plan. An election form to participate must be filed within 180 days after appointment to an SPO title.

Participation is MANDATORY for any person who becomes employed in an SPO title and becomes a NYCERS member after the availability date for such title **except** for members who have exceeded age 30 upon becoming employed in an SPO title. Members who become employed in an SPO title after age 30 have the OPTION to not participate in the SPO-25 Plan. Such members must file Form #186 within 180 days after becoming employed in an SPO title or joining NYCERS, whichever is later.

Participants who cease to hold an SPO title will no longer be able to participate in the SPO-25 Plan.

Participants who terminate service from an SPO title and return to an SPO title at a later date will again be required to participate in the SPO-25 Plan.

## CONTRIBUTIONS

As a Tier 4 member you are required to contribute 3% of your gross wages until the earlier of attaining 10 years of Credited Service or 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).

As a member of the SPO-25 Plan, you are also required to contribute Additional Member Contributions (AMCs) of 6.25% on all gross wages for Allowable Service in an SPO title rendered on or after December 19, 2001.

AMCs are required to be made for the first 30 years of Allowable Service.

ONCE AN ELECTION TO PARTICIPATE IN THE SPO-25 PLAN IS FILED WITH NYCERS IT MAY NOT BE REVOKED



AMCs are maintained in the Retirement Reserve Fund (RRF), which is an account maintained separately from the MCAF account. Both funds earn interest at a rate of 5%, compounded annually.

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 required BMCs or AMCs 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 an unresolved deficit at retirement in the MCAF account (BMCs) or in the RRF account (AMCs), an actuarial reduction can be applied to the pension benefit.

## LOANS

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, SPO-25 Plan participants may borrow up to 75% of the AMCs held in the RRF account. Any loans taken are subject to the same terms and conditions applicable to Tier 4 members. Please consult the Tier 4 62/5 Summary Plan Description (SPD) booklet or Brochure #911 for additional information.

## ALLOWABLE SERVICE

Allowable Service is a special term used in the SPO-25 Plan. It is defined as service rendered in a covered title in the SPO-25 Plan. Allowable Service in the SPO-25 Plan also includes certain Military Service, Union Leave Service and Purchased Service for any time rendered in an SPO title before becoming a NYCERS member.

Allowable Service *does not* include other public service rendered in New York State or New York City, e.g., service rendered in a clerical position in another agency. This is significant because only Allowable Service can be used to qualify for service retirement or for vested retirement under the SPO-25 Plan.

## VESTED RETIREMENT BENEFIT

SPO-25 Plan members who separate from service with at least five, but less than 25, years of Allowable Service are entitled to a Vested Retirement Benefit. This benefit becomes payable on the date you would have completed 25 years of Allowable Service. The Vested Retirement Benefit is calculated using the following formula:

$2\% \text{ times Final Average Salary times the number of years of Allowable Service}$

## REFUNDS

SPO-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.

Participants who cease to be employed in an SPO title for any reason whatsoever and who have rendered less than 15 years of Allowable Service have the option of withdrawing their AMCs, plus accrued interest. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service changes titles to a non-SPO title and remains in City service. After receiving the refund of AMCs, such participant will no longer be entitled to a benefit under the SPO-25 Plan, but will be entitled to a benefit from his or her underlying Tier 4 plan (assuming service requirements have been met).

## SERVICE RETIREMENT

Participants in the SPO-25 Plan become eligible to receive a Service Retirement Benefit upon attaining 25 or more years of Allowable Service without regard to age. The Service Retirement Benefit is calculated using the following formula:

$50\% \text{ times Final Average Salary (FAS) for the first 25 years of Allowable Service, plus}$

$2\% \text{ times FAS for each year of Allowable Service in excess of 25 years, up to a maximum of 30 years.}$

Final Average Salary 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.

Participants in the SPO-25 Plan must file a service retirement application at least 30 days prior to the effective date of retirement, but no more than 90 days prior to the effective date of retirement.

## BASIC TIER 4 BENEFITS

Participants in the SPO-25 Plan are entitled to other benefits applicable to Tier 4 members besides the Vested and Service Retirement Benefits conferred by such plan. Such benefits include, but are not limited to, disability and death benefits. Participants should refer to the Tier 4 62/5 Summary Plan Description for additional information on these benefits.

