This brochure outlines the benefits of the 57/5 Retirement Plan for Tier 4 members.

**PARTICIPATION**

Any person who becomes employed in an Eligible Position after June 28, 1995 and becomes a Tier 4 member must participate in the 57/5 Plan.

An Eligible Position is any position in City service except for the following:

1. Any Transit Authority member eligible to participate in the Transit 25/55 Plan
2. Any position in the uniformed forces of the Department of Correction and the Department of Sanitation
3. The positions of Bridge and Tunnel Officer, Bridge and Tunnel Sergeant, Bridge and Tunnel Lieutenant, Assistant Bridge and Tunnel Maintainer, Bridge and Tunnel Maintainer, Senior Bridge and Tunnel Maintainer, and Laborer with the Triborough Bridge and Tunnel Authority
4. Any position in the Division of Housing and Community Renewal
5. Any position in the unified court system
6. Any teaching position with the City University of New York
7. Any Investigator employed in a District Attorney’s office

While not specifically excluded from the definition of Eligible Position, Tier 4 members who become employed in certain special occupational titles (e.g., Emergency Medical Technicians, Deputy Sheriffs, etc.) may be compelled to participate in special retirement plans (e.g., EMT 25-Year Plan, Deputy Sheriff 25-Year Plan, etc.) available to such titles. However, if a participant in one of these special retirement plans ceases to be employed in a special occupational title, he or she may be placed in the 57/5 Plan if he or she is employed in an Eligible Position.

Employees with a Tier 4 membership in existence prior to June 28, 1995 who:

- were not employed in an Eligible Position on June 28, 1995, and
- become employed in an Eligible Position after June 28, 1995

will have 90 days from the date of the letter advising them of the option to elect the 57/5 Plan, which is sent shortly after their appointment to an Eligible Position or, in the case of a transfer of membership, shortly after the transfer arrives at NYCERS. Any election to participate in the 57/5 Plan shall be irrevocable.

**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 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).

Participants in the 57/5 Plan are also required to contribute Additional Member Contributions (AMCs) for ALL Credited Service according to the following schedule:

- 1.85% of gross wages for all Credited Service rendered subsequent to December 2, 2001
- 2.85% of gross wages for all Credited Service rendered after January 1, 1998 and prior to December 2, 2001
- 4.35% of gross wages for all Credited Service rendered prior to January 1, 1998

The only exception to this rule applies to 57/5 participants who were members of the Transit 25/55 Plan prior to participating in the 57/5 Plan. Such participants are not required to pay AMCs for any service rendered while they were a participant in the Transit 25/55 Plan. In addition to the BMCs and AMCs described above, participants employed in "Physically Taxing Positions*" must contribute an additional 1.98% of gross wages on ALL Credited Service. Participants must contribute AMCs (including physically taxing AMCs where applicable) until they attain 30 years of Credited Service.

AMCs are maintained in the Retirement Reserve Fund (RRF), which is an account maintained separately from the MCAF account. Fifty percent of the AMCs are considered employee contributions; the other fifty percent of the AMCs are considered employer contributions. This distinction becomes significant particularly in refunds and loans (See the Refunds and Loans sections of this brochure).

*Physically Taxing Positions* is a position in City service included in the official List of Physically Taxing Positions established and maintained by the NYC Office of Labor Relations. Members in the 57/5 Plan employed in such positions are required to contribute more for the right to retire as early as age 50.

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 a deficit at retirement, an actuarial reduction can be applied to pension benefits.

**LOANS**

In addition to the ability to borrow up to 75% of the BMCs held in the MCAF account, 57/5 Plan participants may borrow up to 75% of the employee portion (50%) of AMCs in the RRF. 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.

**REFUNDS**

57/5 Plan participants who have rendered less than 10 years of Credited Service and who leave City service may apply for a refund of BMCs and the employee portion (50%) of AMCs, plus accrued interest at a rate of 5% compounded annually, 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.

Other than a refund issued to a participant with less than 10 years of Credited Service, refunds of the employee portion (50%) of AMCs are permissible in the event of:

1. The death of the participant
2. The service retirement of the participant at age 62 or later, provided that such participant was in active service for a total of at least six months out of each of the two 12-month periods immediately preceding his or her retirement for service
3. The disability retirement of the participant
4. The transfer of a participant to another public employee retirement system in New York State, other than the Board of Education Retirement System

For participants in Physically Taxing Positions, the employee portion (50%) of the 1.98% AMC rate will be refunded if they have credit for 25 or more years of Physically Taxing Service and they are at least age 57 when they retire for service, provided that they were in active service for a total of at least six months out of each of the two 12-month periods immediately preceding their retirement for service.

**VESTED RETIREMENT BENEFIT**

Vesting is about your right to receive future benefits from NYCERS even if you leave City service. You are vested when you have met the minimum service requirements of your plan.