



Tier 3 Uniformed Correction SPD Updates

AUGUST 2017

This is an update of all that has changed since the last printing of the Tier 3 Summary Plan Description booklet. The most recent version of this update can be found on our website at www.nycers.org. For more information about recent legislation that has affected NYCERS, please see the Legislation section of our website.

Table of Contents: Page #s will be adjusted to accommodate the insertion of the CF-20 Plan.

Board of Trustees

The Mayor's representative is Chairperson of the Board.

Honorable Gale Brewer is the Manhattan Borough President.

Honorable Ruben Diaz, Jr. is the Borough President of The Bronx.

Honorable Eric Adams is the Brooklyn Borough President.

Honorable Melinda Katz is the Queens Borough President.

Honorable James Oddo is the Borough President of Staten Island.

Honorable Scott Stringer is the Comptroller of the City of New York.

Honorable Letitia James is the Public Advocate.

Henry Garrido replaces Lillian Roberts as Executive Director of District Council 37, AFSCME

Gregory Floyd replaces Carroll Haynes as President of the International Brotherhood of Teamsters, Local 237.

John Samuelson replaces Roger Toussaint as President of TWU.

Revised August 2017:

Karen Mazza is named Interim Executive Director January 1, 2017.

Melanie Whinnery is Executive Director of NYCERS as of September 5, 2017.

Page 2 – Introduction

Revised August 2017 as follows:

Our mailing address for Forms and Correspondence (no drop-off) is:

NYCERS
30-30 47th Avenue, Suite 1010
Long Island City, NY 11101

EXCEPT Medical forms 605, 606, 607, 608, 609 and 613. Mail these forms to NYCERS' Medical Division at 335 Adams Street, Suite 2300, Brooklyn, NY 11201, or bring them to our Customer Service Center at 340 Jay Street in downtown Brooklyn.

Executive Offices:
335 Adams Street, Suite 2300
Brooklyn, NY 11201

Page 2: Toll Free Number

NYCERS Toll Free # is 1-877-669-2377 (1-877-6NYCERS) if you are calling from outside a NYC area code.

Page 3: Various Tier 3 Plans

The new Correction Force (CF-20) Plan should be added to the paragraph that describes the names of the various Tier 3 Retirement Plans and Programs.

Page 4 – Social Security Participation

Updated August 2017 for calendar years 2016 and 2017:

The maximum salary subject to the Federal Insurance Contributions Act is \$127,200 for calendar year 2017; \$118,500 for calendar years 2016 and 2015; \$117,000 for 2014; \$113,700 for 2013; \$110,100 for 2012; \$106,800 for 2009-2011; \$102,000 for 2008; \$97,500 for 2007 and \$94,200 for 2006.

Page 5: CF-20 Plan

The new CF-20 Plan should be added to the service credit introductory paragraph, as well as the box warning members about credit for purchasing service.

Page 6: Purchased Service

The cost to purchase previous service is based on 3% of wages and the applicable AMC rate for the time being purchased. The statement "You may file a request to purchase *Previous Service* as long as your membership in NYCERS is still active." is replaced by "You may file a request to purchase previous service as long as you are in active service. (Vested members are not eligible to purchase previous service)."

Correction Officers who were suspended for economic reasons on or after May 1, 2003 and returned to service prior to July 1, 2004 may be eligible to receive credit for the layoff time.

The following section is added August 2017:

Application Process and Cost

In order to purchase previous service, you must complete an Application (Form #241 from you; Form #242 from your employer) and file it with NYCERS while you are on active payroll. You may also apply online provided that you are a MyNYCERS account holder with a registered PIN. If you separate from City service, you are generally not allowed to initiate a new claim to purchase previous service unless you are purchasing service to reach a threshold for vesting or disability, five years or ten years, respectively.

Once your paper application or online application is filed, NYCERS must verify your previous service and salary earned. In most cases, NYCERS has adequate pay records or is able to request them from most employers to process your buyback application. Verifying the salary earned is essential to calculating the cost. The cost is determined by multiplying 3% by the salary earned during such previous service, plus interest at a rate of 5% compounded annually. The 3% represents the Basic Member Contributions that you would have been required to make had you been a member of a retirement system at that time. Since those monies would have generated the interest at 5%, the cost also includes interest.

Once the cost is calculated, NYCERS will send a cost letter containing a few payment options:

- ▶ A lump-sum payment of the entire amount
- ▶ A partial lump-sum payment and the balance paid through payroll deductions
- ▶ Payment of the entire amount through payroll deductions
- ▶ A direct rollover of funds from a Deferred Compensation Plan or Individual Retirement account (IRA) listed below (if allowed by your administrator). You will need to send a copy of the cost letter you receive from NYCERS to the administrator of your Deferred Compensation Plan or IRA **at least 15 days** before the payment is due at NYCERS. Funds will be transferred directly to NYCERS as a payment for your previous service.
 - 457 Deferred Compensation Plan
 - 403(b) Deferred Compensation Plan
 - 401(a) or 401(k) Qualified Defined Benefit or Contribution Plan
 - 408(a) or 408(b) Individual Retirement Account
 - 403(a) Annuity Plan

Note: Transfers from Inherited IRAs, Roth IRAs and Inherited Roth IRAs are **not** permitted.

Please make sure that the banking institution that transmits your funds to NYCERS writes the correct Deferred Compensation Plan or IRA on the check and any correspondence it sends.

If you receive your cost letter and fail to send payment by the time referenced in the letter, NYCERS will automatically begin payroll deductions. Should you wish to cancel your application, you must file Form #238 prior to the date payroll deductions are scheduled to begin. If



payroll deductions have begun, you may cancel such deductions by filing Form #239. You will receive credit for service you purchased up to the effective cancellation date. If payroll deductions have begun and you wish to pay off the entire outstanding balance in a lump sum, you may file Form #240 and a payoff amount will be calculated and sent to you.

Pages 8-9: Military Service Credit

If you purchase military time under Chapter 548 of the Laws of 2000 and that service credit does not increase your retirement allowance or death benefit, any payments (with interest) will be refunded by NYCERS.

Added August 2017:

In the section headed WHILE NOT A MEMBER/EMPLOYEE (RSSL), the following sentence is deleted: "Active duty military service must have been during specified times of war, military conflicts, or rendered in certain combat theatres (see below)."

The section that begins "TO BE PURCHASABLE, THE MILITARY SERVICE MUST HAVE BEEN RENDERED..." and ends with "from August 2, 1990 to the end of such hostilities." is deleted.

Page 10: Unpaid Leave

Tier 3 Correction Officers may purchase up to one year of service for each period of child care leave.

Page 11: Special Programs

The new CF-20 Plan should be added to the sentence "In addition, Tier 3..." which lists the plans that require AMCs.

Page 12: Additional Member Contributions

Both the CO-20 and CC-20 Plans are closed to members who first become a Tier 3 Correction member on or after October 19, 2004. Those members are mandated to join the new CF-20 Plan.

The CC-20 (Captains) AMC rate for all periods from 12/19/90 and going forward is now 5.11%, except for those CO-20 members who (a) paid an AMC rate of 3.61%, (b) were CO-20 members on 10/19/04, and (c) were promoted to the rank of Captain or above on or after 10/19/04.

The 15-year limitation regarding contribution deficit offsets is no longer applicable. CC-20 Plan participants (existing or those who joined through the reopener) can offset any CC-20 contribution deficit by the amount of previous CO-20 AMCs already paid. CC-20 Plan members who pay AMCs in excess of what was required, are eligible to receive a refund of that excess if they have 20 or more years of service and they retire on or after 10/19/04.

Page 13: AMC Refunds

Upon the death of a participant in the CO-20 Plan (if the death occurs on or after 10/20/04) the beneficiary will be eligible for a refund of the member's AMCs, plus interest. Refer to the Refund Section for additional details. (This information is also mentioned on pages 17 and 42).

Revised August 2017

The CF-20 Plan should be added to the paragraph regarding refund of AMCs.

Page 14: Patriot Plan

The Patriot Plan suspends a member's obligation to repay any loan while the member is absent on Military Status for up to a maximum of five years.

Loan Service Fee Reduction

Effective December 1, 2013, the service fee to process loans and the Change in Loan Repayment Schedule fee was reduced from \$40.00 to \$30.00.



Page 15: Interest

The interest rate is reduced to 6% for loans taken on or after July 1, 2015.

Insurance

The mandatory loan insurance rate is reduced from .3% to .2% for loans taken on or after July 1, 2015.

Page 17: Refund of Basic Tier 3 Contributions

Due to the addition of the CF-20 Plan, the phrase “either of the Special Programs” is changed to “any of the Special Plans.” (occurs in last sentence under the section called Refunds of Basic Tier 3 Contributions).

Refund of AMCs

The note at the bottom of the page was replaced with the same note at the bottom of page 13, with a reference to the AMCs section of the booklet.

Page 18: Transfers

Revised August 2017

TRANSFERS TO ANOTHER NYC OR NYS PUBLIC RETIREMENT SYSTEM

This name of this section was changed to include “NYC” and its content is replaced by the following:

There are eight public employee retirement systems in New York State; NYCERS is one of the eight. If you accept another position with the City or State of New York (or any of its political subdivisions) that entitles you to membership in another City or State retirement system, you may be eligible to transfer your NYCERS membership to that system. If you wish to transfer, you must do so before you withdraw your Basic Member Contributions, or before your membership is terminated by operation of law as mentioned in the “Refunds” subsection. In order to transfer to another system, you must file a form (Form #321) with NYCERS. If you have less than five years of Credited Service at the time of separation, you must file the transfer form within five years from the date you separate from City service.

Page 19: Transfers

The section which reads “TRANSFERS – POLICE OFFICERS AND FIREFIGHTERS. If you wish to transfer your NYCERS’ membership to the NYC Police Pension Fund or the NYC Fire Department Pension Fund, you must apply to NYCERS for a transfer within one year from the date of your appointment as a City uniformed police officer or firefighter.” is deleted.

Vesting

Reference page 61 for the new CF-20 Plan. Participants in the CF-20 Plan are eligible for a Vested Retirement Benefit if they have at least five years of Allowable Correction Service (ACS), but less than 20 years of such service. The benefit is payable on the earliest date the member could have retired with 20 years of ACS. The Vested Retirement Benefit is 2.5% of Final Average Salary for each year of ACS.

Added August 2017

In the paragraph headed **Filing Requirements**, “Form #264” is corrected to read “Form #266”.

Page 22: Service Retirement Process

For calls outside NYC area codes dial 1-877-669-2377 (1-877-6NYCERS)

Page 24: Service Retirement Dollar Limitations

Chapter 623 of the Laws of 2004 established an excess benefit plan. The result of this legislation is that NYCERS members are generally no longer affected by the IRS Section 415 Limits because the excess benefit plan replaces any amounts limited by IRS Section 415.



Chapter 623 of the Laws of 2004 also made provisions for excess benefits to be paid retroactively to all pensioners who retired on or after July 1, 2000. Excess benefits are incorporated automatically into a retiree's normal payment amount.

Please refer to Maximum Compensation Limit under IRC 401(a) (17) for 2016 and Prior Retirements, As Applicable Fact Sheet # 727 for detailed information. The Fact Sheet is available on www.nycers.org.

Page 25: Service Retirement Benefits

The new CF-20 Plan is added to the list of plans in the introductory paragraph. This section describes the CO-25 as the fall-back plan to the CO-20, CC-20 and now the CF-20 Plan descriptions.

Page 26: Escalation of Benefits

Updated August 2017 as follows:

The Escalation rate effective April 1, 2017 for members who retired under Tier 3 (Article 14) is:

- 3.00% if the date of retirement is prior to April 1, 1981
- 2.07% if the date of retirement is April 1, 1981 to March 31, 2016
- 2.07% (prorated) if the date of retirement is April 2016 to March 31, 2017.

Page 28: Retirement Options

Revised August 2017 as follows:

In Option 3 (Five-Year Certain), the sentence "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the five-year period is continued to the retiree's contingent beneficiary, if there is one." is revised to read: "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the five-year period is paid in a lump sum to the retiree's contingent beneficiary or, if none exists, to the estate of the retiree."

In Option 4 (Ten-Year Certain), the sentence "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the ten-year period is continued to the retiree's contingent beneficiary, if there is one." is revised to read: "If the designated primary beneficiary predeceases the retiree, the balance of the payments due for the remainder of the ten-year period is paid in a lump sum to the retiree's contingent beneficiary or, if none exists, to the estate of the retiree."

Page 35: Disability Retirement

Updated August 2017 as follows:

The income limitation for Disability Retirement is the following:

2004 - \$23,300	2008 - \$26,000	2012 - \$28,400	2016 - \$29,900
2005 - \$24,300	2009 - \$26,700	2013 - \$28,800	
2006 - \$25,000	2010 - \$27,100	2014 - \$29,000	
2007 - \$26,000	2011 - \$27,900	2015 - \$29,200	

Page 41: WTC Disability Retirement

This creates a presumption that eligible members/retirees who develop pre-defined qualifying conditions or health impairments as a result of participating in rescue, recovery, or cleanup operations at one of four covered sites contracted such condition in the performance and discharge of duty thereby conferring an accidental disability benefit. A Notice of Participation MUST be filed no later than September 11, 2015, except for members in the Chapter 489/13 covered group (see below).

Chapter 214 of the Laws of 2007 expands the covered sites defined in the WTC Presumptive Disability Law to include members who repaired, cleaned or rehabilitated vehicles contaminated by debris at the WTC site, regardless of whether the vehicles were tended to at the WTC site.



Chapter 489 of the Laws of 2008 makes several changes.

Chapter 489 of the Laws of 2013 allows Tier 3 vested members of the Uniformed Correction Force to file a Notice of Participation no later than September 11, 2014 and to subsequently apply for a three-quarters disability benefit pursuant to NYS Retirement and Social Security Law §507-c. It also allows the eligible beneficiaries of deceased Tier 3 vested members of the Uniformed Correction Force (who die prior to payability of a retirement allowance) to file a Notice of Participation and apply for accidental death benefits. Please see the WTC Fact Sheet at www.nycers.org.

Chapter 472 of the Laws of 2014 extends the deadline for filing a Notice of Participation under WTC Disability Law from September 11, 2010 to September 11, 2015 for all members who participated in the Rescue, Recovery or Cleanup operations related to the World Trade Center attack on September 11, 2001. However, the deadline for filing a Notice of Participation under the WTC Disability Law for the Chapter 489/13 Covered Groups (vested members in NYCERS in Tiers I and II; vested Uniformed Corrections members in NYCERS in Tier III; vested Uniformed Sanitation members in NYCERS in Tier IV; vested Deputy Sheriff members in NYCERS in Tier IV and Tier VI; vested EMT members in NYCERS in Tier IV and Tier VI) would remain unchanged at September 11, 2014.

Added August 2017:

Chapter 326 of the Laws of 2016 extends the deadline to file a Notice of Participation in WTC Rescue, Recovery, or Clean-up Operations to September 11, 2018.

Page 42: Refund of AMCs

Same note about CO-20 AMCs upon death (see pages 13 and 17).

Accidental Death Benefit

Correction: The Accidental Death Benefit is equal to 50% of the member's Final Average Salary.

Page 43: Survivor Benefits

Added August 2017:

The paragraph that begins "Application for an Accidental Death Benefit..." is revised to read as follows: "Application for an Accidental Death Benefit must be filed by your beneficiary and received by NYCERS within two (2) years after your death."

Any member who dies while performing service in the uniformed services, as defined in USERRA, shall be considered to have died as the natural and proximate result of an accident sustained in the performance of duty. The beneficiaries of members who die while on military duty may be entitled to receive either an Ordinary Death Benefit or an Accidental Death Benefit. Depending on the deceased member's title, a Special Accidental Death Benefit might also be paid.

WTC Death Benefits - This provides line-of-duty death benefits to the statutory beneficiary(ies) of eligible members/vested members/retirees who die from a Qualifying Condition or Impairment of Health contracted as a result of their participation in WTC rescue, recovery or clean-up operations.

Page 44: Special Accidental Death Benefits

The special accidental death benefit for eligible beneficiaries of deceased Correction Officers is generally increased annually by 3%. The maximum potential benefit will be reduced by the basic amount of any Social Security survivors' benefit and Workers' Compensation award.

Page 45: Retiree Health Benefits

Updated August 2017 as follows:

The Office of Labor Relations telephone and fax numbers have been changed to:

Phone: (212) 306-7200 (General Information)

Fax: (212) 306-7202



Page 46: Outstanding Loans at Retirement

All retirees are permitted to repay any outstanding loan balance at any time during retirement, provided the payment is in full. Upon repayment of the entire loan balance the pensioner's benefit will revert to what it would have been had it never been reduced. The new adjusted retirement allowance will be effective upon the date of receipt of payment.

Page 52: Return to Public Service

Although there are no earning limitations for those returning to public benefits corporations (such as HHC, Transit, OTB, etc.) each agency has its own internal policies. Please contact the agency directly for more information.

Page 53: Post Retirement Employment

Updated August 2017

The Section 212 income after retirement from 2004 to 2006 is \$27,500 and from 2007 to 2017 is \$30,000. The Disability Income Earnings Limitation (Personal Service Income) is \$29,200 for 2015 and \$29,900 for 2016.

Page 54: Special Programs

The new CF-20 Plan is added as one of the Special Plans described in this SPD.

Page 55: Special Programs Eligibility

No one first becoming a Tier 3 member and a Corrections Officer on or after 10/19/04 can join the CO-20 Plan. A new member must join CF-20. This same note was added on page 58 (CC-20 Plan).

Page 58: Special Programs - CC-20

New members can no longer join the CC-20 Plan.

The filing period for a NYC Correction Officer of the Rank of Captain or Above should be within 90 days instead of 180 days.

Page 65: Glossary

The new CF-20 Plan is added to the list of Special Programs under Tier 3

Page 66: Appendix A

The interest rate on Tier 3 pension loans taken on or after July 1, 2011 is reduced from 7.3% to 6.3% (.3% for mandatory loan insurance). The mandatory loan insurance rate for loans taken on or after July 1, 2015 is reduced from .3% to .2%. For an updated approximate repayments table, please refer to Loan Brochure #911 on our website, www.nycers.org.

Page 68: NYCERS Forms

Revised August 2017

The forms listed below are revised as follows:

- 241 -- Application to Purchase Credit for Service Rendered Prior to Membership Date in NYCERS
- 242 -- Departmental Certificate of Service Rendered by Member Claiming Service Prior to Membership Date in NYCERS
- 243 -- This form is now obsolete.
- 254 -- Notice of Intention to File for a Tier 3, 4, 6 or 22-Year Plan Vested Retirement Benefit
- 266 -- Application for Payment -- Tier 3, 4, 6 or 22-Year Plan Vested Retirement Benefit
- 291 -- Name Change Application
- 302 -- Application for Loan (Tier 3, 4 and Tier 6 Basic and Special Plan Members)
- 521 -- Application for Service Retirement -- Tier 2, 3, 4 and 6 Members

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