



Tier 4 62/5 SPD Updates

AUGUST 2017

This is an update of all that has changed since the last printing of the Tier 4 62/5 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.

Added August 2017:

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.

Gregory Floyd replaces Carroll Haynes as President of the International Brotherhood of Teamsters, Local 237.
John Samuelsen replaces Roger Toussaint as President of TWU.
Henry Garrido replaces Lillian Roberts as Executive Director of DC 37.

Karen Mazza is named Interim Executive Director of NYCERS January 1, 2017.
Melanie Whinnery is Executive Director of NYCERS as of September 5, 2017.

Page 2 - Introduction

Revised August 2017:

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 3: Social Security Participation

Updated August 2017 for calendar year 2016 and 2017:

The maximum salary subject to the Federal Insurance Contributions Act (FICA) is \$127,200 for calendar year 2017; and \$118,500 for calendar year 2016.

Pages 11-12: Purchased Service (Buy-Back)

Revised August 2017:

The section named "Application Process and Cost" is revised to read as follows:

“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. 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 interest at a rate of 5%, the cost also includes interest.

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

1. A lump-sum payment of the entire amount
2. A partial lump-sum payment and the balance paid through payroll deductions
3. Payment of the entire amount through payroll deductions
4. A direct rollover of funds from a Deferred Compensation Plan or Individual Retirement account (IRA) listed below (if allowed by your plan 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.

“**City Employees:** Contact the New York City Deferred Compensation Plan at 212-306-7760 or visit their website at www.nyc.gov/deferredcomp. City employees may roll over funds from a 457 Plan, a 401(k) plan, or a NYCE IRA.

“**CUNY Employees:** Participants in the NYS 457 program should call 518-203-9919. Participants in the MetLife 403(b) program should call 914-345-8233.

“**Health and Hospital Employees (HHC):** Contact Prudential Retirement Services at 855-444-2832 for more information.

“**Metropolitan Transportation Authority Employees (MTA), including TBTA and TA:** Contact Prudential Retirement Services at 877-756-4682 for more information.

“**TIAA CREF Participants:** Contact TIAA CREF at 800-842-2776 for more information.

“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.”

Page 13: Military Service

The phrase “Federal and state law allow members to purchase service credit for time spent on active duty in the U.S. military” is replaced with “Federal and state laws allow members to purchase service credit for time spent in one of the military branches of the Armed Forces of the U.S.A.”

Page 14-15: Article 20 of the Retirement and Social Security Law

Revised August 2017

This section is revised to read:

“Under Article 20 of the Retirement and Social Security Law (RSSL), members (not retirees or vestees) are eligible to purchase active duty (not Reserves) military service, not to exceed **three years** of such service, if the member was honorably discharged from the military.

“No military time will be purchasable unless the member has at least five years of Credited Service in NYCERS (not including any prior military service) at the time of making application for the purchase.

“The maximum service credit allowed under this law is three years (including military service purchased while a member of another public retirement system in New York City or State, but not including any military service purchased under USERRA).

“Cost:

The cost to purchase military service will be:

- the number of years of military service being purchased, **times**
- 3%, **times**
- the member’s salary earned during the 12-month period prior to the date of application for purchase of military service.

“Chapter 41 of the Laws of 2016 removes the specified period of time, medal requirements, and theaters of operation in which military service would had to have been rendered for applying to purchase military service credit. Chapter 41 is deemed to have been in full force and effect on May 31, 2016.”

LR: Chapter 548 of the Laws of 2000, as amended by Chapter 41 of the Laws of 2016

SR: RSSL §1000”

Page 16: Part-Time Service

The following sentence: “Partial service rendered in a calendar year by a full-time employee will be prorated based on 1,827 hours” is added at the end of the first paragraph.

The statement “Part-time service is service in which an employee works less than 1,827 hours in a calendar year.” is replaced with “Part-time service is service in which an employee is regularly scheduled to work less than 1,827 hours in a calendar year.”

Page 21: Loan Repayment

The interest rate on Tier 4 pension loans taken on or after July 1, 2011 is reduced from 7.3% to 6.3% (.3% for mandatory loan insurance). This rate also appears on page 22 (Loan Fees).

Page 21-22: 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.

The mandatory loan insurance rate for loans taken on or after July 1, 2015 is reduced from .3% to .2%. This rate also appears on page 22 in the paragraph beginning “If you are called to Active Military Duty...”

Page 23: Loan at Retirement Reduction Factors for 2017 Retirements

Updated August 2017 for 2017 retirements as follows:

AGE PAYMENT BEGINS	REDUCTION PER \$1000 (RANGE)
55	\$61.13
57	\$63.58
62	\$71.11
65	\$76.83

Pages 24-25: Three Methods

The three examples of Loan Repayment Methods are deleted.

Page 28: Refunds

In the second paragraph that begins “Tier 4 members in the 62/5 Plan...” the date “July 16, 1989” was replaced with “July 1, 1990.”

Page 31:

Revised August 2017 as follows:

Delete the section titled “POLICE OFFICERS AND FIREFIGHTERS.”

Page 34: Filing an Application

The following sentence is added to the end of the first paragraph: “Buyback and loan applications must be filed **before** the effective retirement date.”

The phrase “or other acceptable proof of birth date” is added to the NOTE regarding advance pension payments.

Page 36: Health Insurance

The contact number for NYC Transit Authority Employee Benefits is 646-376-0123.

Page 38:

OPTION 3 (Five-Year Certain)

The statement “If the designated primary beneficiary predeceases the retiree, the payments due for the remainder of the five-year period are continued to the retiree’s contingent beneficiary, if there is one.” is replaced with “If the designated primary beneficiary predeceases the retiree, then upon the death of the retiree the payments due for the remainder of the five-year period are paid in a lump sum to the retiree’s contingent beneficiary, if there is one.”

OPTION 4 (Ten-Year Certain)

The statement “If the designated primary beneficiary predeceases the retiree, the payments due for the remainder of the ten-year period are continued to the retiree’s contingent beneficiary, if there is one.” is replaced with “If the designated primary beneficiary predeceases the retiree, then upon the death of the retiree the payments due for the remainder of the ten-year period are paid in a lump sum to the retiree’s contingent beneficiary, if there is one.”

Page 41-42: Special Age Reduction Provisions (TBTA Only)

The following paragraph is added:

The age reduction provisions are only applicable to those who retire for service, not to vestees awaiting payability of a vested benefit. Such vestees can only collect a vested benefit at age 62 (assuming they cannot collect sooner under the TBTA 20/50 vesting provisions). Since the law was not extended, members in the above titles are eligible to receive a four-month age reduction from age 62 for each year of covered employment rendered prior to January 1, 2009. Any subsequent service will not be used to reduce the age of retirement.

Page 52: World Trade Center Law

Revised August 2017

The paragraph numbered “1” is revised to extend the filing deadline to September 11, 2018 as follows:

1. Filed a Notice of Participation no later than September 11, 2018, indicating the dates and locations of participation in rescue, recovery or clean-up operations. Eligible Beneficiaries of members who participated and subsequently died without having filed a Notice of Participation may file.



Page 53:

Delete IMPORTANT NOTE

Reclassification

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 clean-up operations at one of four covered sites contracted such condition in the performance and discharge of duty thereby conferring an accidental disability benefit. A precursory notice MUST be filed no later than September 11, 2015 except for members in the Chapter 489/2013 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 2013 allows Tier 2 vested members to file a Notice of Participation no later than September 11, 2014 and to subsequently apply for a three-quarters disability benefit pursuant to NYC Administrative Code §13-168. It also allows the eligible beneficiaries of deceased Tier 2 vested members (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 Cleanup Operations to September 11, 2018.

Please refer to the WTC Fact Sheet on our website at www.nycers.org.

Page 56: Post-Retirement Earnings Limitations for Disability Retirees

Updated August 2017 for 2015 and 2016 earnings limitations:

The income limitation for 2012 was \$28,400; for 2013, \$28,800; for 2014, \$29,000; for 2015, \$29,200; for 2016, \$29,900.

Page 60:

The paragraph that begins:

“Death Benefit Plan 2 also contains a Post-Retirement Death Benefit (PRDB).” was replaced with “Death Benefit Plan 2 also contains a Post-Retirement Death Benefit (PRDB). The PRDB is less than the ODB; the amount is dependent upon your date of death after retirement (see table below). At retirement, members can designate the beneficiary(ies) to receive this benefit”.

Revised August 2017:

If there is no valid PRDB designation on file, the benefit shall be payable based on the last valid Designation of Beneficiary for the Ordinary Death Benefit on file. If the pensioner survives all duly nominated beneficiary(ies) on the Designation of Beneficiary for the PRDB, the Post-Retirement Lump-Sum Death Benefit shall be payable to the pensioner’s estate. Note: A pensioner may designate his or her estate for all or a percentage of the PRDB.

Page 67: Glossary – Early Service Retirement Benefit

The statement “The Tier 3 Early Service Retirement Benefit is offset by 50% of the Primary Social Security Benefit upon reaching age 62; Tier 4 contains no such offset.” is replaced with “Upon reaching age 62, the Tier 3 Early Service Retirement Benefit is offset by 50% of the Primary Social Security Benefit based upon wages earned from a public employer in New York City or New York State from which Social Security deductions were taken.”

Page 79: Glossary – Part-Time Service

The statement “Part-time service is service in which an employee works less than 1,827 hours in a calendar year.” is replaced with “Part-time service is service in which an employee is regularly scheduled to work less than 1,827 hours in a calendar year.”

