

# Deputy Sheriff 25-Year Plan for Tier 4 Members (DSH-25)

Tier 4

# NYCERS

NYC EMPLOYEES'  
RETIREMENT SYSTEM

May 2023

This brochure describes the benefits of the Deputy Sheriff 25-Year Plan (DSH-25 Plan). The DSH-25 Plan is available **ONLY** to members employed by the City of New York as Deputy Sheriff level one, Deputy City Sheriff level two, Supervising Deputy Sheriff, or Administrative Sheriff.

Words that are italicized throughout this brochure have special meaning and are defined on page 2.

## PARTICIPATION

Members who were a Tier 4 Deputy Sheriff on December 12, 2001 had the option to become a participant in the DSH-25 Plan by filing an election form with NYCERS no later than June 10, 2002. **This option has expired.**

Participation in the DSH-25 Plan is **OPTIONAL** for anyone who is a Tier 4 member on December 12, 2001 and became a Deputy Sheriff after December 12, 2001, provided you are a Deputy Sheriff Member at the time of filing. An election form to participate in this plan (Form #184) must be filed within 180 days of becoming employed as a Deputy Sheriff Member.

### ONCE AN ELECTION TO PARTICIPATE IN THE DSH-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.

Participation in the DSH-25 Plan is **MANDATORY** for any Deputy Sheriff Member who becomes a Tier 4 member after December 12, 2001. A member automatically become a participant on the date they join NYCERS.

Participants who terminate service as a Deputy Sheriff Member and later return to such service will be mandated to participate on that date.

Participants who cease to hold a Deputy Sheriff title will no longer be able to participate in the DSH-25 Plan.

Members who choose not to participate or who discontinue service in the DSH-25 Plan are eligible to participate in NYCERS Basic Tier 4 (62/5) Plan, or 57/5 or 55/25 plan, depending on their membership date.

## CONTRIBUTIONS

As a Tier 4 member, participants are required to contribute 3% of their pensionable gross wages until they attain 10 years of *Credited Service* or reach the tenth anniversary of their membership – whichever is earlier. 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 DSH-25 Plan, participants are also required to contribute *Additional Member Contributions (AMCs)* of 6 ¾%

on all pensionable gross *Wages* for all service as a Deputy Sheriff Member rendered on and after December 12, 2001.

*AMCs* are required for the first 30 years of *Allowable Service* rendered in a Deputy Sheriff title, or retirement, whichever comes first.

These contributions are in lieu of *AMCs* under Chapter 96 of the Laws of 1995. However, any pre-existing Chapter 96 *AMC* deficit is still owed.

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

All *AMCs* made from *Wages* earned on or after December 12, 2001 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* are subject to Federal income tax.

Please note: If participants were previously enrolled in another special plan, *AMCs* may still be required under the previous plan(s).

## DEFICITS

Failure to pay any of the required contributions will result in a deficit in either the Member Contribution Accumulation Fund (BMCs) or the Retirement Reserve Fund (AMCs). If the deficit is identified prior to retirement, NYCERS will notify the member so they can resolve the deficit.

If there is an unresolved deficit at retirement, NYCERS will notify the member of the choice to either pay the deficit in full or apply an actuarial reduction (a lifetime reduction to your pension based on your deficit amount) to resolve the deficit.

If you are eligible to receive a Service Retirement Benefit, but did not pay the entire amount of a contribution deficit, or repay the entire amount of a loan(s), you are still eligible to retire. However, your benefit will be reduced according to an actuarial formula that takes into account any *AMC* and *BMCs* deficits.

All disability retirement and death benefits payable to you, your *Designated Beneficiary*, or estate, will be reduced according to an actuarial formula that takes into account any deficit in *AMCs*.

A participant who ceases to be employed as a Deputy Sheriff and withdraws their *AMCs* (and interest), and later become a participant again, will be charged with a deficit (including 5% per-annum statutory interest), calculated as if such *AMCs* had never been made. Payment of a deficit can be made in a lump-sum or through payroll deductions.

**ONCE AN ELECTION TO PARTICIPATE IN THE DEPUTY SHERIFF 25-YEAR PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.**

Deputy Sheriff 25-Year Plan for Tier 4 Members (DSH-25) #933 – Page 1



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## LOANS

DSH-25 Plan participants may borrow up to 75% of the BMCs held in the MCAF account. Participants are not permitted to borrow from any portion of their *AMCs*. 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) or the Loans Brochure #911 for additional information.

## REFUNDS

Participants with less than 15 years of *Credited Service* as a Deputy Sheriff Member who cease to hold such a position may withdraw their *AMCs*, and interest earned thereon. 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 5 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*.

A participant who is no longer employed as a Deputy Sheriff Member and withdraws their *AMCs* (and earned interest), who later becomes a participant again, will be charged with a deficit (including 5% per-annum statutory interest) calculated as if the *AMCs* had never been made. Payment of a deficit can be made in a lump-sum or through payroll deductions.

## SERVICE RETIREMENT BENEFIT

Participants in the DSH-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 years of *Credited Service* as a Deputy Sheriff Member, and if they file for retirement at least 30, but no more than 90, days prior to effective date of retirement. The Service Retirement Benefit is calculated using the following formula:

55% of *Final Average Salary (FAS)* for the first 25 years of *Credited Service*, plus

1.7% **times** *FAS* for each additional year (or fraction of) of *Credited Service*, up to a maximum of 30 years.

Participants may not retire under the DSH-25 Plan prior to December 12, 2002.

## UNDERLYING PLANS

### Retirement from Underlying 62/5 Plan:

Participants in the DSH-25 Plan, including vested members who have left City service, who became employed in an eligible position before June 28, 1995, and who do not meet the DSH-25 Plan's requirement of 25 or more years of *Credited Service* may retire from the Basic 62/5 Plan, assuming service requirements have been met for the underlying plan. All requirements and benefits of the Basic 62/5 Plan will apply, including the ability to retire prior to age 62 with a benefit reduction (except in the case of vested members).

### Retirement from Underlying 57/5 Plan:

Participants in the DSH-25 Plan, including vested members who have left City service, who became employed in an eligible position after June 28, 1995 and before April 1, 2012, may retire from the 57/5 Plan **whether or not** the DSH-25 Plan's requirement of 25 or more years of *Credited Service* is met. All requirements and benefits of the 57/5 Plan will apply.

## VESTED RETIREMENT

DSH-25 Plan members who separate from service with at least five, but less than 25 years, of *Credited Service* are entitled to a Vested Retirement Benefit. The *Vested Retirement Benefit* is calculated using the following formula:

2.20% of *Final Average Salary* **times** the number of years of *Credited Service*.

The benefit becomes payable on the date the participant would have completed 25 years of *Credited Service*.

## BASIC TIER 4 BENEFITS

Participants in the DSH-25 Plan are eligible for all Basic Tier 4 benefits including the 62/5 Plan Service and Vested Retirement Benefits, Disability Retirement Benefit (Accidental & Ordinary), In-Service Death Benefits (Accidental & Ordinary), and membership transfers to other retirement systems. A description of these benefits can be found in the NYCERS Summary Plan Description for Tier 4 Members.

## DEFINITIONS

**Additional Member Contributions (AMCs)** – Contributions required to be paid each payroll period, in addition to basic contributions. The AMC percentage for the DSH-25 Plan is 6¾%. All AMCs are maintained in the Retirement Reserve Fund (RRF).

**Credited Service** – Service that is rendered while a member of NYCERS; service transferred from another NYC or NYS Public Retirement System; and purchased service.

**Designated Beneficiary** – Any person whom a member has named, by filing a properly completed form with NYCERS, to receive a survivor benefit upon the death of the member in Active Service.

**Final Average Salary** – 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.

Salary earned during any year included in this three-year average cannot exceed the previous two years by more than 10%.

**Wages** – Any earnings paid for services rendered to a public employer in NYC or NYS.

