The Road to Your NYCERS Retirement

Tier 4 & Tier 6

Pension Outreach Programs

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About NYCERS

NYCERS is a Defined Benefit Plan.

The benefits are defined by law and are protected by the New York State Constitution.

Your benefit is defined by law, not by the condition of the stock market on a given day.

You must meet service and contribution requirements to receive a full pension benefit, based on:

Years of Service
and
Final Average Salary
What is Your Tier?

Your Tier is generally determined by the date you joined NYCERS:

- 1920
- July 1, 1973
- July 27, 1976
- Sept. 1, 1983
- June 28, 1995
- April 1, 2012

NYCERS created by an Act of the State Legislature
Tier 1 Established
Tier 2 Established
*Tier 3 Established
Chapter 96 Law
Created 55/25 and
57/5 Plans

TIER 6
ESTABLISHED

You are a Tier 4 member if you joined NYCERS after July 27, 1976, but before April 1st 2012, except for Correction Officers and DA Investigators.

Members that joined between 7/27/76 and 9/1/83 are Tier 4 members who can elect their Tier 3 rights.*
62/5 - Basic Tier 4 Plan

- This is the original Tier 4 plan.

- You joined after 7/27/76, but prior to 6/29/95, and did not elect the 55/25 plan.

- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.

- You may retire as early as 55 (Tier Equity), but beware of the penalty, AND You MUST be on ACTIVE PAYROLL to retire under Tier Equity.

- You can vest with at least 5 years of service.

Refer to 62/5 Plan Brochure #946 for more information
55/25 - Chapter 96 (Applicable to Tiers 2 & 4)

- You had to be employed in a NYCERS-eligible position on June 28, 1995 to elect this plan. The 90-day window to opt in was July-September 1995.

- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.

- PLUS Additional Member Contributions for 30 years (originally 4.35%, then 2.85%, now 1.85%).

- You cannot retire under this plan unless you have at least 25 years of service AND are 55 or older.

- There is no vesting provision with this plan.

Refer to 55/25 Plan Brochure #944 for more information
57/5 - Chapter 96  (Applicable to Tier 4)

- This was the only plan available to new members beginning June 29, 1995 until March 31, 2012.

- You pay Basic Member Contributions equal to 3% of your gross wages for 10 years.

- PLUS Additional Member Contributions for 30 years (originally 4.35%, then 2.85%, now 1.85%).

- You are eligible to retire at age 57.

- You can vest with at least 5 years of service, your vested benefit would be payable at age 57.

Refer to 57/5 Plan Brochure #945 for more information
63/10 – Basic Tier 6 Plan

- Available to members who joined for the first time on or after April 1, 2012.

- You are required to pay basic contributions on all years of service at a rate determined by annual wages earned during a “plan year.”

- You are eligible to retire for an unreduced benefit at age 63, provided you have at least 10 years of credited service.

- You can vest with at least 10 years of service.

- An early retirement provision allows you to retire as early as age 55, but with a penalty.

Refer to 63/10 Plan Brochure #993 for more information.
Service Credit

All of these types of credit count towards your retirement:

- Membership Service
- Purchased Service
- Military Service
- Membership Reinstatement
- Transferred Service
- Union Leave
- Part-Time (Lifeguard Law)

The more Service Credit you have...  

...the higher your pension becomes
Membership Service

Full-time service is considered **1,827 hours** per year.

- 70 hours in a bi-weekly pay period.
- 35 hours in a weekly pay period.

If position has a work week with more hours than 35 hours, then that is the requirement for full service (e.g. TRANSIT).

Anything less is considered part-time service.

- Service is pro-rated based on the hours actually worked.
- Time is counted per pay period.
- No rollover minutes!

**Members CANNOT earn more credit in a week than a week!**
Buy-Back Basics

Most previous public service rendered in New York State is eligible for buy-back.

When in doubt: APPLY!!!

Cost:

- 3% Basic Member Contributions for Tier 4 (Max 6% for Tier 6 members),
  plus

- Additional Member Contributions, (If you are a member of 55/25 or 57/5),
  plus

- Interest: 5 percent, compounded annually

Refer to Buyback brochure #901 for more information

Buy-back should be completed before you retire!!!
Applying for Buy-Back

When we receive your online or paper application, we will:

- Verify the service and salary information for the period claimed.
- Send out a cost letter.

Buy-back can be paid via:

- Lump sum;
- Partial lump-sum and payroll deductions;
- Payroll deductions;
- Rollover from 457 or 403(b); or
- MTA Deferred Compensation Plan: May rollover from 457 or 401(k)

**Two-Year Rule:** Any time purchased will **not** be credited to you until you have two years of membership service.
Military Buy-Back

Federal and state laws allow members to purchase service credit for times spent on active duty in the United States military.

1) The Uniformed Services Employment and Reemployment Rights Act (USERRA).

2) Article 20 of the New York State Retirement and Social Security Law.

For more information on Military Buy-Back, see brochure #902 and Form #244
What If I Leave City Service Before Eligibility for Retirement?

**Vest**

If you have put in the service credit required, then you will be entitled to a pension benefit when you reach your plan’s payability age, even if you leave City service.

**Refund**

If you have less than 10 years of Credited Service, you can request a refund. If you withdraw you forfeit your right to any future benefits from NYCERS.

**Transfer**

If you become a member of one of the other 7 public pension systems in New York State, you can move your time and money to your new system.

Refer to the Leaving City Service brochure #908 for more information
Loans

Members may borrow up to 75% of their account balance. (Chapter 96 members can also borrow up to 75% of the employee portion of their RRF Account)

- One loan permitted every 12 months
- Member must have at least one year of membership service and be on active payroll to apply for a loan
- Loan must be repaid within five years
- Cost: 6% interest rate, .02% insurance premium, plus a $30 loan processing fee per transaction.

Refer to the Loans brochure #911 for more information
What If I Am Sick or Hurt?

Disability Retirement

Disability is defined as an injury or illness that prevents an employee from performing the routine duties of his or her job title.

**Ordinary Disability**

Members are eligible for a benefit for disability retirement not based on a service retirement benefit formula if they have 10 or more years of *Credited Service*, of which 5 years must be *Membership Service*.

**Accidental Disability**

Members with less than 10 years of *Credited Service*, may be eligible to apply for disability retirement based on a service connected accident which occurred in the performance of City service.
The Retirement Process

- Tell your employer.
- Establish your last day on City payroll.
- File a Retirement Application with NYCERS.
- Learn how & when you will receive advance payments.
- Select your interim Option.
The Retirement Process

- File a Retirement Application
  - NYCERS will need your Last Day on Payroll.
  - You can file your retirement application no earlier than 90 days prior to your retirement date. Please note: (30-day filing requirement for special plan members!)
  - Change your mind about retiring? You must withdraw your retirement application prior to your retirement date.
  - File NYCERS Form #380 for direct deposit.

NYCERS will inform NYC Office of Labor of Relations of the retirement filing!! No retirement receipts will be issued by NYCERS!!
Advance Payments

- If you retire the 1st or 2nd of the month, you will receive an advance payment at the end of the month in which you retire.

- If you retire on the 3rd of the month or later, you will not receive an advance payment until the end of the following month.

Refer to Advance Payments brochure #892 for more information
How to Calculate Your Final Average Salary Tier 4

Final Average Salary is the greater of:

The average of wages earned in any three consecutive calendar years.

or

The average of wages earned in the 36 months immediately preceding your retirement date.

The majority of NYCERS members fall into this category.
Calculating Your Retirement Benefit

Tier 4

With Less Than 20 Years:
1.67% x Years of Credited Service x Final Average Salary

With 20 – 30 Years:
2% x Years of Credited Service x Final Average Salary

Over 30 Years:
1.5% x Years of Credited Service in excess of 30 x Final Average Salary
How to Calculate Your Final Average Salary

Tier 6

Final Average Salary is the greater of:

The average of wages earned in any five consecutive calendar years.

or

The average of wages earned in the 60 months immediately preceding your retirement date.

The majority of NYCERS members fall into this category.
Calculating Your Retirement Benefit
Tier 6

With Less Than 20 Years:
1.67% x Years of Credited Service x Final Average Salary

With 20 or more years of Credited Service:
35% x Final Average Salary; plus

2% x each year of Credited Service in excess of 20 x Final Average Salary
Outstanding Loans at Retirement

- An outstanding loan at retirement will **permanently** reduce your annual retirement benefit.

- The average annual reduction of your retirement benefit is $70 for every $1,000 of outstanding loan.
Retirement Options - Tiers 4 & 6

MAXIMUM RETIREMENT ALLOWANCE

or

- Option 1: 100% Joint-and-Survivor
- Option 2: 25%, 50%, or 75% Joint-and-Survivor
- Option 3: Five-Year Certain
- Option 4: Ten-Year Certain
- Option 5: 50% or 100% “Pop-Up”

Refer to Retirement Options brochure #926 for more information
# Death Benefit

## In-Service

<table>
<thead>
<tr>
<th>Years of Service Equals</th>
<th>Lump Sum*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year but &lt; 2 years</td>
<td>One year’s Salary</td>
</tr>
<tr>
<td>2 years but &lt; 3 years</td>
<td>Two years’ Salary</td>
</tr>
<tr>
<td>3 years and beyond</td>
<td>Three years’ Salary</td>
</tr>
</tbody>
</table>

**Plus,** Refund of MCAF account plus interest.

**Plus,** Refund of employee share of RRF account, plus interest.

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## Post-Retirement

<table>
<thead>
<tr>
<th>If Death Occurs</th>
<th>Amount of In-Service Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the first year of retirement</td>
<td>50%</td>
</tr>
<tr>
<td>In the second year of retirement</td>
<td>25%</td>
</tr>
<tr>
<td>In the third year and beyond</td>
<td>10%</td>
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**Refer to Death Benefit brochure #**[702](#) for more information

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* Benefit is reduced for in-service deaths occurring after age 60 (5% reduction each year beyond age 60).

Example: 15% reduction for in-service death at age 63.
What if a member dies and there is no beneficiary on file?

Any death benefit due is payable to the estate. Loved ones will need to go to probate court.

➢ Takes more time!
➢ Possible legal costs!
Death Benefit Process

1) Notify NYCERS:
   - File an Online Death Report at www.nycers.org; OR
   - Call NYCERS so that a representative can file report.

2) Submit an Original Death Certificate:
   - Help us pay any benefits as soon as possible.
   - Keep your beneficiary data up-to-date. Submit a beneficiary form to update names and or addresses of your beneficiary(ies).

Refer to Death Benefits Processing brochure #702 for more information
Pension Finalization

- After you have selected an option, you are placed on the pension payroll for the full amount of your benefit.

- This will include retroactive amounts for the difference between your advance payment and finalized pension payment.

Note: If you don’t select your option timely, your advance payment could be suspended OR your pension could be finalized under the temporary option selected at retirement!
Taxation

- NYCERS benefit payments are subject to Federal Income Taxes, but are EXEMPT from New York State and local income tax.  
  
  **Beware!** Other states may tax you on your benefits.

- Taxes are generally withheld from all benefit checks based on a member’s direction.

- A 1099R tax form is sent each January to retirees reflecting pension income received and federal income tax withheld from that income during the previous tax year.

Refer to Special Tax Notice brochure #717 for more information
What If I Want to Work After Retirement?

Where can I work without being subject to any limits?

For service retirees, there are no earnings limitations if you are age 65 and over OR if you are under age 65 and work for:

- The private sector;
- Federal government;
- City or State public service employment other than within New York State; OR
- Public benefit corporations.

What if I am under age 65 and want to work for NYC or NYS?

Section 212 Limit:

- You may receive income from public service employment in NYC or NYS; however, your earnings are subject to an annual limit.
- Annual Limit - $35,000

NOTE: Transit retirees can work for a NYC or NYS agency without any earnings limitations.

Refer to Returning to Public Service after Retirement brochure #984 for more information
**What If I Want to Return to City Service?...Restored Pensioner**

If you return to City service in a NYCERS-eligible position, you have 90 days from the date of appointment to rejoin NYCERS if you wish to become a member again.

Refer to Returning to Public Service after Retirement brochure #984 for more information.
Sign up for a MyNYCERS Account!

Go to www.mynycers.org

- Follow the steps to activate your account.

- A PIN number will be sent immediately by text or email.

- Register the PIN for full access to my NYCERS.

Refer to MyNYCERS brochure #967 for more information
NYCERS mobile app is now available for download from Google Play or the App Store.

NYCERS Mobile App

Download from Google Play or the App Store

MyNYCERS Member Website

Visit www.mynycers.org

Online services are available 24/7 from both the mobile app and the MyNYCERS website.

Register for the MyNYCERS member portal on the mobile app or at www.mynycers.org to file forms online and manage your NYCERS account from the safety and comfort of your home.

Username and password are the same on website and mobile app.

Refer to the NYCERS Mobile App #750 brochure for more information.
Online Features for Members

- Apply for a Loan
- Benefit Estimator
- Service Buyback
- Chatbot
- Update Contact Information
- Disability Retirement
- Document Viewing
- View Account Data
- Guardianship Form (Minors Only)
- Manage Beneficiaries (as eligible)
- Secure Messaging
- Online Payments (e.g. loan after retirement)
- Save for Later (where available)
- Option Election
- Plan Enrollment
- Refunds and Transfers
- Set-Up an Appointment
- Service Retirement
- Knowledge Articles

www.mynycers.org
Contact NYCERS!

Website: www.nycers.org

Call Center: (347) 643-3000 &

Monday – Friday: 8:00AM - 6:00PM

Mailing Address:
30-30 47th Avenue, 10th Floor
Long Island City, NY 11101

Refer to the NYCERS Customer Service brochure #740 for more information