

Coordinated Plan for ERS Tier 6 Members (Article 15)

A Message From Comptroller Thomas P. DiNapoli

As a member of the New York State and Local Retirement System (NYSLRS), you are covered by a plan that provides important benefits. This publication explains some of those benefits and the services available to you as a member of our system, including:

- Benefits you will receive at retirement if you meet the service and age requirements (service retirement benefits);
- Benefits you may receive if you leave public service before you meet the age requirement for a service retirement benefit (vested retirement benefits);
- Benefits you may receive if you become permanently disabled (disability retirement benefits); and
- Benefits your beneficiary may receive if you die while working for a public employer or, if eligible, after you leave public employment (death benefits).

I am joined by a staff of dedicated professionals in my commitment to helping you make informed decisions about your future. I encourage you to contact us with any questions or suggestions you might have.

Sincerely,

Thomas P. DiNapoli
State Comptroller

About Your Membership

Retirement System Membership

Permanent, full-time employees of employers that participate in the New York State and Local Employees' Retirement System (ERS) must become members of the Retirement System.

Under any of the following four scenarios, however, membership is optional:

- You are appointed to a temporary or provisional position;
- You work less than 30 hours per week, or less than the standard number of hours for full-time employment as established by your employer for your position;
- Your job is supposed to last for less than one year, or you work on a less-than-12-months-per-year basis; or
- Your annual earnings are less than New York State's minimum wage, multiplied by 2,000 hours.

To join NYSLRS, optional members must complete an enrollment form, which their employer files with the Office of the State Comptroller.

Tier Status

When you join the Retirement System, you are assigned to a tier depending on your date of membership.

Your tier determines:

- Your eligibility for service or disability retirement benefits;
- The formula used in the calculation of your benefits;
- Death benefit coverage;
- Service crediting; and
- Whether you must contribute toward your benefits.

If you joined the Employees' Retirement System on or after April 1, 2012, you are in Tier 6.

Contributing Toward Your Retirement

Temporary Change to Tier 6 Contribution Rates

Some Tier 6 members may have their contribution rates temporarily reduced if they earned overtime pay from April 1, 2020 through March 31, 2022. The rate decrease will not apply to:

- Members who are already paying the minimum contribution rate of 3 percent; or
- Members who joined NYSLRS on or after April 1, 2020.

Please visit our [Member Contributions page](#) for more information.

You are required to contribute a specific percentage of your reportable earnings for all your years of public service after your date of membership (see chart below). During the first three years of membership, your contribution rate is based on your annual wage provided by your employer when they enrolled you in NYSLRS. After this three-year period, your contribution rate will be based on what you actually earned two years prior. For part-time employees, your contribution rate is based on your annualized wage. Regardless of whether you work on a full- or part-time basis, however, the amount of your contribution is determined by applying your contribution rate to your current gross reportable earnings. Contribution rates are set April 1 of each year.

Annual Wage	Contribution Rate
Up to \$45,000	3.00%

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New York State and Local Retirement System

Annual Wage	Contribution Rate
\$45,000.01 to \$55,000	3.50%
\$55,000.01 to \$75,000	4.50%
\$75,000.01 to \$100,000	5.75%
Over \$100,000	6.00%

If you are employed by more than one participating employer, once you join the Retirement System, all earnings and service earned in connection with all public employment must be reported to this System, even if your membership is only mandatory with one.

Under Internal Revenue Code Section 414(h) (as of July 1, 1989), your required contributions are tax-deferred until they are distributed to you. These contributions are reportable for federal income tax only when you withdraw or retire from the Retirement System. Therefore, your contributions are:

- Not reported as wages for federal income tax;
- Reported as wages for New York State and local income taxes;
- Reported as wages for Social Security;
- Reported as wages to the New York State and Local Employees' Retirement System; and
- Calculated on your full gross earnings, before any reductions for any other tax-deferred plan.

Becoming Eligible for a Benefit

Once you have accrued five years of credited service, you will be vested. This means you have earned the right to receive a retirement benefit, even if you leave public employment.

You can begin receiving your [vested retirement benefit](#) when you reach age 55.

The amount of your vested benefit is based on your service, age at retirement and your earnings when you were an active member.

Vesting is automatic — you do not have to fill out any paperwork or file an application to become vested. However, you will need to file a retirement application to begin receiving your vested benefit.

Updated 10/22

Withdrawing Your Contributions and/or Your Membership

If you leave public employment with at least five, but less than ten years of credited service, you may choose to:

- End your membership and withdraw your accumulated contributions (including 5 percent compounded interest earned per year); or
- Leave your contributions in your account and qualify for a retirement benefit when you are 55.

To help you decide which would be more beneficial, you can [contact our Call Center](#) to request a benefit projection

If you qualify for a retirement benefit and you do not withdraw your membership, you may apply for a retirement benefit when you reach age 55.

Once you have ten or more years of credited service, you cannot withdraw from the Retirement System.

To withdraw your membership, [sign in to your Retirement Online account](#), go to the 'My Account Summary' area of your Account Homepage and click "Withdraw My Membership." You can also apply by mail by submitting the [Withdrawal Application \(RS5014\)](#).

To withdraw your membership, you should apply no earlier than 15 days after you leave public employment.

Updated 10/22

Ending Your Membership

Once you join, there are five ways your membership can end:

- If you do not have at least five years of credited service and seven years have elapsed since you last worked for a participating public employer;
- If you leave public employment before you have ten years of credited service and voluntarily [withdraw your contributions](#);
- If you [transfer your membership](#) to another public retirement system in New York State;
- If you retire; or
- If you die.

“Public employment” means paid service as an officer or employee with an employer that participates in the New York State and Local Retirement System.

Updated 10/22

Service Credit

Full- and Part-Time Service Credit

Full-Time Employment

If you join the Retirement System on the day you begin employment with a participating employer, we calculate your retirement service credit by subtracting your beginning date of employment from the date you actually leave paid employment, as long as:

- You work full-time and continuously; and
- You earn at least the equivalent of New York State's annual minimum wage (State's hourly minimum wage × 2,000) for your full career in public service.

"Full-time" is defined by your employer, but must be at least six hours per day, for a five-day week.

Institutional teachers, teachers working at schools for the deaf and blind, employees of school districts and Boards of Cooperative Educational Services (BOCES), and college employees in both classified and unclassified positions who work full-time for the school year receive a full year of service credit. "School year" refers to employment during the months of September through June.

Part-Time Employment

Part-time employment, except as noted below, is credited as the lesser of:

number of days worked ÷ 260 days

or

annual earnings reported ÷ (State's hourly minimum wage × 2,000)

For institutional teachers:

number of days worked ÷ 200 days

For teachers working at New York State schools for the deaf and blind, and BOCES and school district employees:

number of days worked ÷ 180 days

For college employees:

number of days worked ÷ 170 days

Employers report your days worked and earnings to us.

Leaves of Absence

Since service is usually not credited for any period of time you do not receive earnings, credit is not given for:

- Leaves of absence without pay;
- Authorized, unpaid medical leaves of absence; or
- Unpaid leave under the federal Family and Medical Leave Act.

Workers' Compensation

Depending on your bargaining unit, most State employees will receive up to one year of service credit per accident for time spent on Workers' Compensation leave.

Generally, employees of participating non-State employers will not receive credit for time spent on Workers' Compensation leave.

Credit for Previous Public Employment or Military Service

You may be able to obtain credit for your previous public employment or military service. It is very important that you claim all the service credit you are entitled to receive as early as possible, because records documenting your

previous service may be lost or destroyed with the passage of time. You must apply to receive military service credit *prior* to retirement.

Prior Service

Prior service is any period of time you received salary or wages from a participating employer before that employer elected to participate in the Retirement System. To receive credit for this service, you must earn at least two years of credited service as a Retirement System member.

Example:

You worked for a municipality for six years before that municipality began participating and now you have joined the System. You can request credit for those six years, but there would be a cost.

Service Before Your Date of Membership

You may receive credit for working for a participating employer before you joined the Retirement System. To receive the credit, you must earn at least two years of credited service as a Retirement System member.

Example:

You worked at the town library while going to school and, as a part-time employee, you chose not to join the System. When you graduated and took a full-time job at the town supervisor's office, you were required to join. You can choose to claim the part-time service, but there would be a cost.

Military Service

You may be able to receive credit for some or all of your military service. To determine your eligibility and the cost, if any, please send us a copy of your [Certificate of Release or Discharge from Active Duty \(DD-214\)](#).

For more information about how to apply, eligibility and the cost, please visit our [Military Service Credit page](#).

Service From a Previous Membership

If you previously were a member of this System, or another public retirement system in New York State, your service may be recredited and your date of membership restored.

For reinstatement to an earlier membership within NYSLRS, or for reinstatement to an earlier membership in another public retirement system, sign in to your [Retirement Online](#) account. From your Account Homepage, go to the 'My Account Summary' area and click "Reinstate a Previous Membership." You can also apply by mail by submitting the [Application to Reinstate a Former Membership \(RS5506\)](#).

An earlier tier of membership does not always result in a better benefit. Please review information on pages 3, 4 and 5 of the application (you can review this information if you apply using [Retirement Online](#) as well) carefully before making your decision, and contact us with any questions you may have.

Payment for Service Credit

As a Tier 6 member, you will be required to pay for service currently not credited to you. There are two kinds of past service costs — mandatory and optional.

Mandatory costs are required for service credit you earned as a member but for which you made no (or insufficient) contributions. You are required to pay the cost for such service at the rate you would have been assessed had you made timely contributions, plus any interest accrued. (See [Contributing Toward Your Retirement](#).)

Example of Mandatory Past Service Costs:

You joined the Retirement System on May 14, 2012, but your employer did not begin taking contributions from your paycheck until July 1, 2012. You would then need to make payments for May 14th through June 30th plus any interest accrued.

Optional costs are payments you choose to make to purchase credit for a period of previous public employment or military service. You must accrue two years of service credit and make payment before you can receive prior service credit. Five years of service is required before you may purchase most military service.

Applying for Previous or Military Service Credit

To receive credit for previous public employment or military service, sign in to your [Retirement Online](#) account, go to the 'My Account Summary' area of your Account Homepage and click "Manage my Service Credit Purchases." You can also apply by mail by submitting the [Request to Purchase Service Credit \(Including any Military Service\) form \(RS5042\)](#).

We will determine your eligibility to receive the credit and any cost involved.

Requesting credit for your previous public employment or military service as early in your career as possible ensures that:

- If there is a cost, it will be less expensive than if you wait to purchase it at a later date.
- Your retirement benefit will be processed more quickly if your service credit is in order.
- Records we need to verify your service will be more readily available.

If you are requesting previous service credit to establish eligibility for a vested retirement benefit, you must request this credit while you are on the payroll of a participating employer. If you receive a statement of the cost after you leave the payroll, you must make payment within 30 days of notification.

NOTE: If your purchased service credit brings your total credited service to ten or more years, you will no longer be eligible to withdraw your contributions and end your membership.

Additional Service Credit for Sick Leave (Section 41[j])

Section 41(j) of the Retirement and Social Security Law (RSSL) provides an optional sick leave benefit. If your employer has chosen to offer this benefit, you may receive service credit for your unused, unpaid sick leave days at retirement. To be eligible for this benefit, you must retire directly from public employment or within a year after separating from service.

The additional credit is determined by dividing the total unused, unpaid sick leave days by 260. The maximum number of creditable sick leave days is generally 100. However, the maximum can be 165 in certain cases, or 200 for some members employed by New York State. Contact your employer to determine if your employer has adopted this benefit.

For example, if you retire with 500 hours of unused, unpaid sick leave, and your day is 7.5 hours long:

$500 \text{ hours} \div 7.5 \text{ hours} = 66.67 \text{ days}$

$66.67 \div 260 = 0.256$, or roughly one quarter of a year of service.

Credit for your unused sick leave at retirement cannot be used to:

- Qualify for vesting. For example, if you have four years and ten months of service credit and you need five years to be vested, your sick leave credit cannot be used to reach the five years.
- Qualify for a better retirement benefit calculation. For example, if you have $19 \frac{1}{2}$ years of service credit but your pension calculation will improve substantially if you have 20 years, your sick leave credit cannot be used to reach the 20-year calculation.

Updated 10/22

Final Average Salary

Overview

Your pension is based on your years of credited service, your age at retirement and your final average salary (FAS). FAS is the average of the wages you earned during any five consecutive years of service when your earnings were highest. This is usually the last five years of employment.

The calculation of your FAS can include, but is not limited to, the following types of payments. In some cases, certain restrictions may apply.

- Regular salary.
- Overtime up to the annual limit, if earned in the FAS period.*
- Holiday pay.
- Noncompensatory overtime earned in the FAS period.*
- Longevity payments (maximum of five), if earned in the FAS period.

The following types of payments are **not** considered regular compensation and, in most cases, will not be included in your FAS calculation:

- Lump sum vacation pay.
- Wages reported from more than your primary and secondary (if applicable) employers.
- Unused sick leave.
- Payments made as a result of your working during your vacation.
- Overtime payments that exceed the limitation.
- Any payments that cause your salary to exceed that of the Governor.**
- Any form of termination pay.
- Payments made in anticipation of retirement.
- Lump sum payments for deferred compensation.
- Any payments made for time not worked.

*Overtime pay in excess of the annual limit cannot be used in the FAS calculation. The limit increases each calendar year based on the Consumer Price Index on September 30 of the previous year. Please refer to our [Overtime Limits for Tier 6 page](#) for more information.

**Visit our [Tier 6 Earnings Limits page](#) for the Governor's current salary.

Limitations

If the earnings in any year included in the FAS period exceed the average of the previous four years by more than 10 percent, the amount in excess of 10 percent is excluded from the computation of your FAS.

Service Retirement Benefit

Eligibility, the Benefit and Filing

Eligibility

You will be eligible for a service retirement benefit when you reach age 55 and have five or more years of credited service. For the full retirement benefit, you must be 63 years old at retirement. You may retire as early as age 55, but you will receive a reduced benefit.

The Benefit

- If you retire with less than 20 years of service credit, your benefit will equal 1.66 percent of your Final Average Salary (FAS) for each year of service credit.
- With 20 years of service credit, your benefit will equal 1.75 percent of your FAS for each year of service credit (35 percent of your FAS).
- If you retire with more than 20 years of service credit, you will receive an additional 2 percent of your FAS for each year of service credit in excess of 20 years.

Examples:

At age 63, with 19 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.66\% \times 19 \text{ years} =$	\$11,039 per year or \$920 per month
At age 63, with 20 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.75\% \times 20 \text{ years} =$	\$12,250 per year or \$1,021 per month
At age 63, with 32 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.75\% \times 20 \text{ years} =$	\$12,250 per year
	plus
$\$35,000 \times 2\% \times 12 \text{ years} =$	\$8,400 per year
Total	\$20,650 per year or \$1,721 per month

Estimate Your Pension

Most members can estimate their pension using the benefit calculator in *Retirement Online*. The calculator uses your salary and service credit information to create an estimate. You can fine-tune your estimate by entering different retirement dates, beneficiaries, earnings, and service credit amounts to see how they affect your potential benefit, and then save or print it. Sign in to your [Retirement Online](#) account, go to the 'My Account Summary' area of your Account Homepage and click the "Estimate my Pension Benefit" button.

Members in certain circumstances (for example, members who have recently transferred a membership to NYSLRS) are not able to use the *Retirement Online* calculator at this time. These members should [contact us](#) to request an estimate.

Filing

Your service retirement application must be on file with the Office of the State Comptroller at least 15 days, but not more than 90 days, before the date on which your retirement will occur. The 15-day filing requirement is waived if you are over age 70 at retirement.

To apply for retirement, sign in to your [Retirement Online](#) account, go to the 'My Account Summary' area of your Account Homepage and click "Apply for Retirement." You can also apply by mail by submitting the [Application for Service Retirement \(RS6037\)](#).

Read the [Receiving Your Benefits](#) section for more information about filing.

Updated 10/22

Retiring Before Age 63

If you retire between the ages of 55 and 63, your benefit will be reduced. The percentage of the benefit reduction is prorated based on your exact age at retirement.

Age at Retirement	Percentage of Reduction
55	52.00
56	45.50
57	39.00
58	32.50
59	26.00
60	19.50
61	13.00
62	6.50
63	0

It is important to know that once you retire with a reduced benefit, the reduction is permanent — it does not end when you turn 63.

Examples:

At age 55, with 19 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.66\% \times 19 \text{ years} =$	\$11,039 per year
	<u>– \$5,740*</u>
=	\$5,299 per year or \$442 per month
At age 55, with 20 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.75\% \times 20 \text{ years} =$	\$12,250 per year
	<u>– \$6,370*</u>
=	\$5,880 per year or \$490 per month
At age 55, with 32 years of service and an FAS of \$35,000:	
$\$35,000 \times 1.75\% \times 20 \text{ years} =$	\$12,250
$\$35,000 \times 2\% \times 12 \text{ years} =$	<u>\$8,400</u>
=	\$20,650 per year
	<u>– \$10,738*</u>
=	\$9,912 per year or \$826 per month
*52 percent benefit reduction	

Choosing a Payment Option

Receiving Your Benefit and Filing Your Option Election

Receiving Your Benefit

At retirement, you must decide how you want your retirement benefit paid. You can choose from several options, all of which will provide you with a monthly benefit for life. For example, you may elect the Single Life Allowance, which provides the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a smaller monthly benefit to provide for a possible payment to a designated beneficiary after your death.

Filing Your Option Election

You must file your Option Election form (unless notified otherwise, as in the case of disability retirement) before the first day of the month following your retirement date. You have up to 30 days after your pension benefit becomes payable to change your selection. If you are a disability retiree, you may change your option selection up to 30 days after your disability application is approved, or up to 30 days after your retirement date, whichever is later.

You can select your payment option when you use [Retirement Online](#) to apply for a service (not disability) retirement. You can also print an [option election form from our Forms page](#) and submit it by mail.

If your election is not timely, by law, we must process your retirement as if you had selected the Single Life Allowance (Option 0).

Available Options

Single Life Allowance (Option 0)

This is the basic retirement benefit. It provides the maximum benefit payment to you each month for the rest of your life. Under this selection, all payments cease upon your death. When you die (even if it is only one year, or sooner, after retiring), nothing will be paid to any beneficiary.

Joint Allowance — Full*

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive the same monthly amount you were receiving for life. If your beneficiary is your spouse, at the time of your death, he or she will be eligible for 50 percent of your COLA. If your beneficiary dies before you, all payments will cease upon your death.

Joint Allowance — Partial*

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive a specific percentage (75, 50, or 25 percent) of your benefit, which you selected, for life. If your beneficiary is your spouse, at the time of your death, he or she will be eligible for 50 percent of your COLA. If your beneficiary dies before you, all payments will cease upon your death.

Pop-Up/Joint Allowance — Full or Half*

These options will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, the same monthly amount, or one-half that amount depending on which option you elect, will be paid to your beneficiary for life. If your beneficiary is your spouse, at the time of your death, he or she will be eligible for 50 percent of your COLA. If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement, and all payments will cease upon your death.

Five Year Certain and Ten Year Certain

These options will provide you with a reduced monthly benefit for your lifetime, with the additional guarantee that if you live for less than five years or ten years after retirement, depending upon which option you elect, payments in the same amount you were receiving (without COLA) will be made to your beneficiary (or beneficiaries) for the balance of the five- or ten-year period. You may change your beneficiary within the five- or ten-year period.

Alternative Options

Office of the New York State Comptroller
New York State and Local Retirement System

If the options described here do not meet your needs, we will consider written requests for other payment methods. These requests must be outlined in detail by you and then approved by us for legal and actuarial soundness.

*If you elect this option, you must submit proof of your beneficiary's birth date. You can designate only one beneficiary and you cannot change your designation after your retirement.

Items That May Affect Your Pension

Borrowing Against Your Contributions

If you meet eligibility requirements, you may take a loan from NYSLRS. The following rules apply when borrowing against your contributions:

- You must be in active service and have one year of member service credit.
- You repay each outstanding loan through payroll deductions in an amount sufficient to repay the loan, interest and insurance premium within five years. The minimum deduction to repay your outstanding loan balances must be at least 2 percent of your salary.
- You may borrow only once in any 12-month period.
- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.

How Much You Can Borrow

The minimum loan is \$1,000.

If you joined NYSLRS before January 1, 2018, the maximum loan is 75 percent of your contribution balance, minus any outstanding loan balance, so you must have an account balance of at least \$1,334.

If you joined on or after January 1, 2018, the total maximum loan (including all of your outstanding loan balances) is either 50 percent of your contribution balance, or \$50,000 (whichever is less), so you must have an account balance of at least \$2,000.

Retiring With an Outstanding Loan¹

If you retire with an outstanding loan, your retirement benefit will be reduced. The amount of your pension reduction will be based on your age, the loan balance at retirement and the type of retirement (service or disability).

Here are examples of how your service retirement benefit will be permanently reduced by an outstanding loan balance at retirement. The approximate reductions are for calendar year 2021. The amount of the reduction changes annually.

At Age	Outstanding Loan Balance	Annual Pension Reduction
55	\$5,000	\$208
	\$10,000	\$417
60	\$5,000	\$233
	\$10,000	\$467
65	\$5,000	\$267
	\$10,000	\$534

In most cases, you will also need to report at least some portion of the loan balance as ordinary income (subject to federal income tax) to the Internal Revenue Service (IRS), and you may also be subject to a tax penalty. If your loan is subject to federal income tax, NYSLRS will mail you a 1099-R form after the end of the calendar year.

ERS members may repay their loan after retiring. If you choose to pay back your loan after you retire, you must pay back the full amount of the outstanding balance that was due when you retired in one lump sum payment. Following your full repayment, your pension benefit will be increased from that point going forward, but it will not be adjusted retroactively back to your date of retirement. Check your loan balance. If you are not on track to repay your loan before you retire, you can increase your loan repayments, make additional lump sum payments, or both.

Your Loan May Be Federally Taxable

Before you apply, you should be aware of the federal tax laws pertaining to NYSLRS loans. **Your loan will be taxable if:**

- The loan amount exceeds federal limits (federal tax information is available on the loan application).

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New York State and Local Retirement System

- You have a loan with a deferred compensation (457) or tax-sheltered annuity (403-b) plan through your current employer that causes your loan to exceed the federal limits for nontaxable loans. Exceeding these limits could result in significant tax consequences for you.
- You do not make the required payments on your loan at least once every three months or do not complete payment within five years from the date the loan was issued.
- You retire or withdraw from NYSLRS and have one or more outstanding loan balances.

If your loan is taxable, or becomes taxable as described above, you must include it on your federal income tax return for the year the loan is granted or becomes taxable. If you are under age 59½ at the time, you may be required to pay a 10 percent penalty tax in addition to any ordinary federal income tax you owe. Please consider consulting a tax advisor before applying for a taxable loan from NYSLRS.

To Apply

Online: Sign in to [Retirement Online](#), our self-service tool that gives you secure access to your retirement account information. It is the fastest, most convenient way to apply for a loan. You can also see how much you are eligible to borrow, what the repayment amount would be and if your loan will be taxable.

By Mail: Print a loan application from our [Forms page](#) and mail your completed application to NYSLRS. Applying by mail adds processing time to your loan.

If you already have an outstanding loan with NYSLRS and want to take another loan: Sign in to your *Retirement Online* account to see if your loan will be taxable and to help you determine if refinancing your current loan or carrying multiple loans would be better for you.

With **multiple loans**, each loan has a separate five-year due date and minimum payment. These minimum payments are added together for a total minimum payment. This combined repayment amount for multiple loans is higher than the single amount for a refinanced loan, but with multiple loans, as each loan is paid off, the total minimum payment goes down.

With a **refinanced loan**, you add the new loan amount to your existing balance and refinance the entire amount as one new loan. The minimum repayment amount for a refinanced loan is lower because repayment of the total amount is spread out over another five years. The taxable amount of a refinanced loan is always higher (unless the entire loan is nontaxable), so **federal withholding can significantly reduce the loan amount payable to you**.

You can also [contact our Call Center](#) at 1-866-805-0990 (or 518-474-7736 if you live in the Albany, NY area) and connect with our automated information line. Once you access the loan menu, you can receive specific information relating to your account for multiple and refinanced loans or you can speak directly to a customer service representative.

¹Updated 4/21

Cost-of-Living Adjustment

Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. This adjustment, subject to pension caps and limitations, is 50 percent of the previous year's annual rate of inflation, but never less than 1 percent or more than 3 percent of your benefit. The adjustment percentage is applied only to the first \$18,000 of your Single Life Allowance, even if you selected a different option at retirement.

You will begin receiving cost-of-living adjustments (COLAs) when you are:

- Age 62 or older and retired for five or more years;
- Age 55 or older and retired for ten or more years (generally applies to members in special plans that allow for retirement after a specific number of years regardless of age); or
- Receiving a disability pension for five or more years.

When you die, if you selected an option that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

Divorce

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New York State and Local Retirement System

The New York State Court of Appeals has determined that retirement benefits are considered marital property and can be divided between you and your ex-spouse when the marriage ends. If you divorce, your retirement benefits could be affected in any of the following ways:

- Your ex-spouse may be entitled to a portion of your pension;
- You may be required to name your ex-spouse as a beneficiary of any pre-retirement death benefit payable;
- You may be required to elect a retirement option that provides a continuing benefit to your ex-spouse in the event of your death; and
- Your ex-spouse may be entitled to a portion of your cost-of-living adjustment.

Any division of your benefits must be stated in the form of a Domestic Relations Order (DRO) — a legal document that gives us specific instructions on how your benefits should be divided. However, it does not allow for a distribution of your pension until you actually retire, die or terminate membership.

The Retirement System offers an easy-to-complete online [DRO template](#). The template is not required, but because the review process is simplified for submissions using the DRO template, we can complete our review faster if you use it. We will also need a certified copy of your divorce decree.

If you are divorced, it is especially important to review your beneficiary designations to ensure your benefits will be distributed according to your wishes. Effective July 7, 2008, beneficiary designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final. An exception applies if the terms of a DRO specify otherwise. Beneficiary designations may be revoked for the Ordinary Death Benefit and Five and Ten Year Certain options. The Survivor Benefit beneficiary designations made by retirees who chose the Single Life Allowance option or certain alternative options may also be revoked.

For more information about our DRO template and how divorce may affect your retirement benefits, please visit our [Divorce and Your Benefits page](#). If you have any questions, you or your legal representative should [email our Matrimonial Bureau](mailto:dro@osc.state.ny.us) at dro@osc.state.ny.us.

Vested Retirement Benefit

Eligibility

You are eligible for a vested retirement benefit if you leave public employment before age 55 and you have five or more years of credited service. This means that when you reach age 55, you will be entitled to a retirement benefit based on your service and your earnings when you were an active member.

Your full vested benefit is payable at age 63, but you can choose to retire as early as age 55. However, if you choose to retire prior to 63, your benefit will be permanently reduced.

Your Vested Benefit

Your vested retirement benefit would be calculated in the same way as the service retirement benefit. For an explanation of the benefit, please refer to the [Service Retirement Benefit section](#).

The vested retirement benefit is payable for your lifetime. You must elect one of the available [payment options](#), some of which provide for a continuing payment to a designated beneficiary of your choosing after your death.

Filing

To receive your vested retirement benefit at the earliest possible date, file a retirement application within 90 days before your 55th birthday. If we receive your retirement application after your 55th birthday, your vested retirement will be effective the date the application is received.

Once you have reached the age at which you are eligible for an unreduced benefit, any delay in filing will not increase your retirement benefit. **Remember, it is up to you to file a retirement application when you become eligible and wish to receive your benefit.**

Updated 10/22

Disability Retirement Benefits

Overview

If you become unable to perform your duties because of a permanent physical or mental incapacity, you may be eligible for an ordinary disability retirement benefit. If you are eligible, applications for disability and regular service retirement benefits may be submitted simultaneously. After filing an application, you may be asked to undergo one or more medical examinations.

You must select an [option for the payment of your disability benefits](#).

Article 15 Disability

Eligibility

To qualify for an Article 15 disability retirement benefit, you must have at least ten years of credited service, unless your disability results from an accident you sustain on the job. If your disability results from an on-the-job accident, not due to your own willful negligence, there is no minimum service requirement.

“Accident” has a special meaning when used in connection with Retirement System disability benefits. Whether an incident is an “accident” is determined on a case by case basis, using court decisions for guidance.

The Benefit

If approved, this is a benefit equal to the greater of:

- 1.66 percent of your FAS for each year of credited service; or
- 1.66 percent of your FAS for each year of credited service, plus 1.66 percent of your FAS for each year of service you might have earned before age 60, but not more than one-third of your FAS.

Example:

Member is age 57 with 19 years of service

Three possible years of additional service to age 60

FAS = \$30,000

$\$30,000 \times 1.66\% \times 19 \text{ years} =$	\$9,462
or	
$\$30,000 \times 1.66\% \times 22 \text{ years (19 years + 3 additional)} =$	\$10,956
Maximum benefit = $\frac{1}{3}$ of FAS: $\frac{1}{3} \times \$30,000 =$	\$10,000
Benefit payable is \$10,000	

Example:

Member is age 57 with 12 years of service

Three possible years of additional service to age 60

FAS = \$30,000

$\$30,000 \times 1.66\% \times 15 \text{ years (12 years + 3 additional)} =$	\$7,470
Maximum benefit = $\frac{1}{3}$ of FAS: $\frac{1}{3} \times \$30,000 =$	\$10,000
Benefit payable is \$7,470	

If your disability is the result of an on-the-job accident, the minimum benefit payable is at least one-third of your FAS.

If you are 60 or older at the effective date of your disability retirement and you have less than 20 years of credited service, your disability benefit would be equal to the benefit payable to you at the normal retirement age of 63, not to exceed one-third of your FAS.

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If you are 60 or older at the effective date of your disability retirement and you have 20 or more years of credited service, your disability benefit would be equal to 1.66 percent of your FAS for each year of credited service.

Filing

You, your employer, or someone authorized with your [power of attorney](#) may file your [Article 15 Disability Retirement Application \(RS6340\)](#). The application must be filed while you are still on the payroll, or within:

- Three months of the last date you were paid on the payroll; or
- Twelve months after receiving notification of termination of employment, provided you were on an authorized medical leave of absence or receiving Workers' Compensation or other similar employer-funded benefits.

Death Benefits

Ordinary Death Benefit

Your beneficiary may be entitled to an ordinary death benefit if you meet the eligibility requirements and your death is not attributable to an on-the-job accident. The ordinary death benefit is a one-time lump sum payment. Your beneficiaries will not receive a monthly pension benefit.

The first \$50,000 of the ordinary death benefit is paid in the form of group term life insurance, which is currently exempt from federal income tax. Your accumulated contributions are also payable to your beneficiary.

Eligibility

An ordinary death benefit may be payable to your designated beneficiary if you have completed at least one year of service since last joining the Retirement System and your death occurs:

- While you are on the payroll in public service;
- While you are on an authorized medical leave of absence (with or without pay);
- While you are receiving Workers' Compensation or other employer-funded benefits, for up to two years (which may be extended for an additional two years) following the last date you were paid on the payroll, provided your employment has not been terminated by resignation, employer action, retirement, or any other means while receiving those benefits; or
- Within 12 months of the last date you were receiving salary, on an authorized medical leave of absence or receiving Workers' Compensation or other employer-funded benefits, provided you were not otherwise gainfully employed or retired during that period.

The Benefit

The death benefit is equal to your earnings multiplied by your years of service, not to exceed three years of earnings. For example, if you die after one year of service, your beneficiary would receive a benefit equal to one year of your earnings; if you die after two years, your beneficiary would receive a benefit equal to two years of your earnings; and if you die after three or more years of service, your beneficiary would receive a benefit equal to three years of your earnings. The earnings are limited by Section 130 of the Civil Service Law.

The following types of payments are not considered regular compensation and will not be included in the calculation:

- Wages reported from more than two separate concurrent employers;
- Overtime payments that exceed the fiscal year earnings limit;
- Any payments that cause your salary to exceed that of the Governor;
- Payments made as a result of your working during your vacation; and
- Any payments that are not for time you worked.

Example:

\$30,000 earned in last year

After 1 year of service = \$30,000

After 2 years of service = \$60,000

After 3 or more years of service = \$90,000

For members working beyond age 60, the death benefit that would have been payable if you had died at age 60 will be reduced by 4 percent each year that you stay in public employment, up to a maximum reduction of 40 percent.

Using the Example Above:

At age 60, a member was eligible for a \$90,000 death benefit. If the member dies while still employed, his or her beneficiary would receive:

Age	Maximum Percent Payable	Death Benefit Payable
60	100	\$90,000

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Age	Maximum Percent Payable	Death Benefit Payable
61	96	\$86,400
62	92	\$82,800
63	88	\$79,200
64	84	\$75,600
65	80	\$72,000
66	76	\$68,400
67	72	\$64,800
68	68	\$61,200
69	64	\$57,600
70 and older	60	\$54,000

Out-of-Service Death Benefit

If you are a vested member with at least ten years of credited service, have not retired and you die more than one year after leaving public employment, 50 percent of the death benefit may still be payable. This benefit may also be payable if you die within one year of leaving covered service but were gainfully employed during that time.

Filing

Your family or employer should notify us of your death as soon as possible so we can send the appropriate forms to your beneficiary.

Post-Retirement Death Benefit

Eligibility

Your beneficiary may be eligible to receive a post-retirement death benefit if you:

- Retire directly from service; or
- Are a vested member and your date of retirement is within one year of leaving public employment in New York State.

The Benefit

The post-retirement death benefit is calculated at retirement. During your first year of retirement, the benefit is 50 percent of the ordinary death benefit payable at retirement; during your second year of retirement, the benefit is 25 percent. During your third year and thereafter, the benefit will be 10 percent of the ordinary death benefit that would have been payable at age 60, if any, or at retirement, whichever was earlier.

Example:

Retirement at age 63 with earnings of \$45,000

$\$45,000 \times 3 =$	\$135,000
12% reduction for working until age 63:	<u>- 16,200</u>
Ordinary death benefit at retirement:	\$118,800

1st year of retirement

(50 percent of ordinary death benefit): \$59,400

2nd year of retirement

(25 percent of ordinary death benefit): \$29,700

After 2nd year of retirement

(10 percent of benefit at age 60): \$13,500

Filing

Your family or employer should notify us of your death as soon as possible so we can send the appropriate forms to your beneficiary.

Accidental Death Benefit

Eligibility

Regardless of your years of service credit, if you die as the natural and proximate result of an on-the-job accident, not due to your own willful negligence, an accidental death benefit may be paid on your behalf.

The Benefit

This benefit is a pension equal to one-half (50 percent) of your earnings during your last year of active service (or one-half of your annual wage rate if you were credited with less than one year of service).

The benefit can only be paid to the following beneficiaries, in this order:

- First, to your surviving spouse, provided he or she has not renounced survivorship rights in a separation agreement, until remarriage; or
- Second, to your surviving children, until they reach age 25; or
- Third, to your dependent parent or parents, as determined under regulations established by the Comptroller; or
- Finally, to any other person who qualified as a dependent on your final federal income tax return for the year preceding death, until that person reaches age 21.

All of the beneficiaries listed above would be eligible for annual Cost-of-Living Adjustments after receiving the accidental death benefit for five years.

The benefit will be divided equally among the beneficiaries in any one category if you have more than one child, parent or other dependent.

If the total of all the accidental death benefit payments made to your beneficiaries is not more than the amount of the ordinary death benefit, the difference will be paid to the last eligible beneficiary or beneficiaries from the list above. If none exist, the benefit will be paid to the person(s) who would be eligible to share in your estate if you died without a will.

Filing

Your family or employer should notify us when you die so we can forward the appropriate forms to your beneficiary. If you die on or after January 1, 2020, the application for the Article 15 accidental death benefit must be filed within five years of your date of death. The Retirement System may accept an application after five years, but only if an ordinary death benefit has not been paid. For members who died before January 1, 2020, the application had to be filed within 60 days of your date of death.

Receiving Your Benefits

Applying for Benefits

To apply for all Retirement System benefits, you must file the appropriate application with the Office of the State Comptroller in a timely manner. You can file for a service retirement benefit online. [Sign in to your Retirement Online account](#), go to the 'My Account Summary' area of your Account Homepage and click "Apply for Retirement." Paper forms are available on our [Forms page](#), or from our Call Center or your employer. Specific filing instructions are provided for each of the benefits described in this plan book. If you need help, you can call 1-866-805-0990 (518-474-7736 in the Albany, NY area), make an appointment for a [pre-retirement consultation](#) or send your question using our [secure contact form](#).

Filing With the Office of the State Comptroller

For an application to be considered as "filed with the Comptroller," it must be received by our Albany office, one of our consultation sites, or another office of the State Comptroller. **Giving your employer the application does not mean that you have "filed with the Comptroller."**

Important Filing Requirements

Many retirement benefit applications and other documents are required by law to be filed with the Office of the State Comptroller within specific time limits (such as the 15-day filing requirement for your retirement application or the deadline to submit your option election form). If you are concerned about meeting a filing deadline, you may choose to submit your documents through *Retirement Online*, which is the fastest filing method, by certified mail or by fax:

- *Retirement Online* — You can apply for a service (not disability) retirement online and upload retirement-related documents.
- Certified Mail — If you mail a document "Certified Mail — Return Receipt Requested," we will consider it as having been filed on the same date it was mailed once it is delivered to us by the Post Office.
- Fax — To send the document to us by fax, please include your name, retirement registration number, phone number and the person or department you wish to reach. Although we will consider the form as filed on the date the fax is received, you must still mail us the original document to continue the process and properly complete the filing requirement.

Service retirement documents (Retirement Application, Option Form, proof of your date of birth) can be faxed to our Benefit Calculation and Disbursements Bureau at 518-474-3510. If you also have a disability retirement application in process, your retirement documents can be faxed to Disability Calculations at 518-408-3766.

Disability retirement documents can be faxed to the Disability Services Bureau. For applications in-process or to apply for a disability retirement benefit, documents can be faxed to 518-474-3091 or 518-408-3587. Documents for approved disability retirement applications (Option Form, proof of your date of birth) can be faxed to 518-408-3766.

Member documents (Designation of Beneficiary Forms) can be faxed to our Member and Employer Services Bureau at 518-474-9438.

Filing Multiple Applications

Should you become ill or disabled and unable to perform your duties, depending on the circumstances, you may be eligible to file applications "without prejudice" for disability and regular service retirement benefits simultaneously. "Filed without prejudice" means we will process all filed applications and, if more than one benefit is approved, you will be given the opportunity to choose your pension from the approved benefits.

Challenging a Determination

Benefits can only be paid if they are authorized by law. If you do not meet all the eligibility requirements established by law, you will not receive a benefit. If you believe that your benefit has been incorrectly denied or improperly calculated, you may request a hearing and redetermination to be held before an independent hearing officer.

Your request must be in writing and filed with the Hearing Administration Bureau within four months of the determination. As an alternative, you can email your request for a hearing and redetermination to our Hearing Administration Bureau at Hearings@osc.ny.gov.

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We will send you an acknowledgment letter with an explanation of the hearing process when we receive your written request. If you have questions regarding the hearing process, please review our [Administrative Hearings page](#), [email the Hearing Administration Bureau at \[Hearings@osc.ny.gov\]\(mailto:Hearings@osc.ny.gov\)](#) or call us at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.

Stay Informed

Your retirement benefits are an important part of a solid financial plan. They can help you and your beneficiaries achieve financial security in retirement or in the event of disability or death. Use these tips to help you stay informed about your benefits.

- Register for [Retirement Online](#), a convenient and secure way to review your benefits and conduct transactions in real time. In many cases, you'll be able to use [Retirement Online](#) instead of mailing forms or calling NYSLRS. Members can view benefit information, update contact information, view and update beneficiaries, apply for a loan, estimate your pension, request to purchase service credit and apply for retirement.
- Review your [Member Annual Statement](#) carefully and notify us of any errors promptly.
- Visit our website to find [forms](#), web presentations, [publications](#), and tips on preparing for retirement, including our [5-Step Plan for Retirement](#) and [Retirement Planning Checklist](#).
- Attend a pre-retirement presentation to learn about the retirement process and discuss post-retirement issues. At your employer's request, we offer these presentations designed for members within five years of retirement eligibility.
- Make an appointment for a [pre-retirement consultation](#), where you can speak to an information representative to discuss special concerns or request specific information.
- Notify us if your mailing address changes. This is especially important if you leave public employment before you are eligible to retire.
- Subscribe to our blog, [New York Retirement News](#), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on [Facebook](#) and follow us on [Twitter](#) for quick tips and updates on a variety of retirement topics.
- [Sign up for E-News](#), our email newsletter, for the latest NYSLRS news and information.
- Read your [member newsletter](#), [The Update](#), for current retirement information and updates on your benefits.
- [Contact us](#) with any questions you have about your benefits.

More About This Retirement Plan

This retirement plan summary describes the benefits available to Tier 6 Employees' Retirement System members covered by the Coordinated Retirement Plan. These benefits are provided by Article 15 of the New York State Retirement and Social Security Law (RSSL) as enacted by the New York State Legislature and amended by Chapter 18, Laws of 2012.

Throughout this publication, you will find references to "Sections" and "Articles" that refer to the RSSL. The New York State and Local Retirement System, headed by the Comptroller of the State of New York, administers this plan. Our main office is in Albany, New York.

This publication is a general summary of membership benefits, rights and responsibilities, and is not a substitute for any New York State or federal law. For specific information about your benefits, please [contact us](#).

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