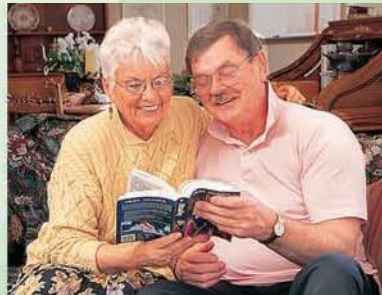


SELF-HELP GUIDE

For New York State Employees



Self-Help Guide

to Pre-Retirement Planning

for New York State Employees

sponsored by

NEW YORK STATE
Office of Employee Relations and
Office of the State Comptroller

developed by

NEW YORK STATE OFFICE FOR THE AGING
Kathy Hochul, Governor • Greg Olsen, Executive Deputy Director

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Updated as of
January 2024

Go to the *Self-Help Guide* online at
<https://oer.ny.gov/self-help-guide-pre-retirement-planning-new-york-state-employees>.

This *Guide* is updated each year in January .

Pre-Retirement Planning for New York State Employees

We are pleased to offer you a *Self-Help Guide to Pre-Retirement Planning* tailored to meet your needs as a New York State employee. This *Guide* will assist you in planning for one of the most challenging periods in your life - retirement.

The *Self-Help Guide to Pre-Retirement Planning* was originally developed by the New York State Office for the Aging as an extension to a highly successful series of **“DIRECTIONS”** Pre-Retirement Planning Programs conducted throughout the State since 1986. The *Guide* is updated each year by the Office of Employee Relations, and specialists from the New York State and Local Employees’ Retirement System (NYSLRS), the Department of Civil Service Employee Benefits Division, the Social Security Administration, and Deferred Compensation.

We are proud to offer this *Guide* to you as a resource to use in preparing for your retirement years, which are so full of potential. We are confident you will find the *Guide* to be informative, useful, and stimulating.

*We thank and acknowledge all the persons and organizations
that have contributed information, expertise, guidance,
and assistance in the development and updating of this
Self-Help Guide.*

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Using the Self-Help *Guide*



You can enjoy a truly satisfying retirement life if you plan ahead for it. Informed, advance planning is essential to creating a satisfying retirement.

This *Self-Help Guide to Pre-Retirement Planning (the Guide)* is designed to help you with your pre-retirement planning. It will help motivate your personal pre-retirement planning and offer you tools to identify what you want and need in retirement. In addition, it will give you basic retirement information, help you to think about the important retirement questions, and identify other sources of information and assistance.

The *Guide*, tailored specifically for you, the New York State employee, includes sections on:

- Retirement Planning
- Lifestyle Planning
- Health and Wellness
- Housing Options
- Employment Considerations
- Budgeting and Financial Planning
- Deferred Compensation Plan
- Legal Affairs
- NYS & Local Employees' Retirement System (NYSLRS)
- New York State Health Insurance (NYSIP)
- Social Security and Medicare

Each of these sections will give basic information for your planning, as well as sources of additional information.

The *Guide* cannot answer all your individual questions, advise you to take any particular option or choice, or complete your personal pre-retirement planning. It will help you find the answers to your individual questions, to make choices, and to complete your planning for successful retirement life. The opportunity and challenge is yours! Your personal pre-retirement planning is a process, and you are in charge of planning your future.

THIS IS YOUR PLANNING TOOL

It will be tempting to pick up this *Guide* and just turn first to the information you want most but, please do more than that. Each section is a necessary part of your pre-retirement plan. Take the time to work through each one. Be sure to read chapter one *Retirement Planning* and follow the suggestions included in that first section. Use the *Guide* not only to gather information, but to identify your needs, set your goals, and decide on your action steps in each of the planning areas.

Good and successful planning takes work and time. Here are some other suggestions for using the *Guide*:

- Take some uninterrupted time to work on each section of the *Guide*.
- Print out a copy of the *Guide* and make notes on the pages. It's yours to keep and personal notes will make it your planning tool. Note- OER cannot mail you a hard copy as they are no longer printed.
- Keep paper and pencil handy to list your goals; make notes on your action steps.
- Collect other pieces of pre-retirement planning information such as newspaper/magazine articles, brochures/pamphlets, NYSHIP, and NYS Retirement System correspondence.
- Check the resource sheet in each section for ideas on where to get more information.
- Work alone, or with your spouse or partner, on the material in the *Guide*. It can be a valuable way to share your thoughts and ideas and create a plan that takes care of both you and your life-partner. You may want to work with friends or co-workers, especially those who are also planning to retire. If you work alone be sure to review your plans with those close to you because their reactions, ideas, and questions may help you find possible problems or gaps in your plan.
- Some material in the *Guide* may change as laws, policies, or programs change, so always review the chapters online to make sure you have the latest information. The *Guide* is always updated in January of each year.

Even if you are planning to retire very soon, using the *Guide* can still be helpful. You can probably expect to live at least 20 to 30 years in retirement. You could wait to see

what happens in retirement, or you can create your future by beginning your planning right now.

This Self-Help *Guide* can become your primary planning tool as you prepare for retirement.

Use it well – and use it often.

Chapter 1

Retirement Planning

Overview

Chapter one will introduce you to the Guide by highlighting the essential idea that informed, advance planning is the key to a successful retirement.

THINKING ABOUT RETIREMENT

Most people look forward to retirement with a mix of excitement and anxiety. They feel excited about having the time to relax and to realize those “When I retire...” dreams. They may also feel anxious about whether they will be financially and emotionally ready to deal with the changes that retirement brings.

Focus on your feelings about retirement by writing your responses to these questions:

- As I look ahead to retirement, what do I feel excited about?
- Why?
- As I look ahead to retirement, what do I feel anxious about?
- Why?

It is easy to see why you may have mixed feelings about retirement. If you think back to the times in your life when you made important changes – when you got married, or changed jobs, or bought a house – didn’t you have mixed feelings? Retirement will be full of important changes that can be exciting and frightening at the same time.

How can you feel more confident and less fearful about your retirement? One helpful step is to stop and think about the retired people you know. You probably feel that some of them have successful retirements.

Think for a moment about those retired persons who are enjoying a successful retirement and answer the following questions:

- What is their retirement lifestyle like?
- Do they seem happy? Why?
- Why is their retirement successful?
- What did they do before retiring to get ready for retirement?
- How are they different from people you know who seem to have an unsuccessful retirement?

Look at the responses you have just written. What makes the difference? Why is it that some people are happy and satisfied with retirement and others are not? Probably the satisfied retiree has financial security, is still involved in meaningful activities, is having fun, has people to talk to or share with, and enjoys good health. The unhappy retiree may have real money problems, may seem bored with life, may be lonely, or may not be in the best of health.

PLANNING IS YOUR KEY TO SATISFACTION

Anticipating and planning for both the positives and the negatives of retirement can help you take advantage of the opportunities and deal with the challenges. There is a definite relationship between good pre-retirement planning and a successful, satisfying retirement life.

Pre-retirement planning is similar to the planning you have done for other big life changes. You must first know what is important to you, what you want and need. Then identify steps that will get you there and gather information to help you get to your goals. Next, take the actions needed to reach your goals. You need to check on your progress every so often and decide if any changes are needed.

The basic steps of your planning process then include:

- Self-Assessment
- Goal Setting
- Information Gathering
- Action
- Reviewing/Updating

Early planning lets us have some control over the ways change will affect our lives. This key to creating a satisfying retirement is not new and mysterious. It is a personal planning process that most of us have used before. For your transition to a retirement lifestyle, you will need to work out your plans in such areas as finances, legal affairs, insurance needs, health, housing, work, and leisure.

SELF-ASSESSMENT

This is the first step for good personal planning. It is extremely important, and it is often overlooked. The focus is on you and your answers to questions such as:

- What do I need to make me feel happy and satisfied?
- What do I want my life to be like?
- What personal and financial resources do I have?

These may seem like simple questions, yet it will take time and thoughtful work to figure out your answers.

As you work, remember that you are looking for *your* personal answers. If you compare your answers to those of others, you are likely to find differences. These differences are what make this step so important as the first step in personal planning. Your plans for retirement can only lead to real satisfaction if they are individually tailored to *your* needs and desires.

The results of your work on this self-assessment step provide you with a strong base for the personal goal-setting that is the second step.

GOAL SETTING

With a clear picture of your needs and desires you are ready to identify your personal goals – things you want to make happen in your life.

As you work on the sections of this *Guide* you should try to identify your goals. Keep these guidelines in mind as you do that. Your goals must be your own – based upon knowledge of your needs. They must be clear, specific, and realistic, and should be stated in positive terms that tell you how to reach them. Some samples of possible pre-retirement planning goals are:

“I will save an additional \$15 each week for the next three years before my retirement by bringing my lunch to work.”

People who put their goals in writing are more likely to take the actions needed to carry them out. As you work through each section you will probably write down several goals. Later you can go back to decide which goals you will work on first and what specific actions you will need to take first.

INFORMATION GATHERING

For most of your goals, you will need additional information to know if each one is realistic and what specific actions you will need to take to reach them.

SAMPLE GOAL: *“I will take courses in accounting over the next two years, so I can get the skills I’ll need to land a part-time accounting job when I retire.”*

The person who wrote this goal did the necessary homework. What kind of information would someone with the same goal need? Probably, he or she would have to look into the job market in the general area he or she expects to live as a retiree to see if *part-time* accounting jobs are available.

Let’s assume that a check of the employment online tools showed clearly that *part-time* accounting jobs are available. Then the goal is realistic. More information is needed to find out where accounting courses can be taken. Checking out local colleges, business schools, or perhaps, correspondence courses could provide this information. Knowing where and when the accounting courses are given, as well as how much they will cost and how many courses are needed, will also help this person decide on a plan of action.

For most goals, you will need more information to see if the goal can be reached. Also, you have to know exactly what actions you need to take to reach the goal. *Resource* pages in each chapter will help you know where to go for more information. As you gather information, your goals will probably change somewhat. You may drop a goal because the information you collected has shown it to be totally unrealistic. Or what is more likely, you will change and restate your goals based upon that information.

Once your goals are clarified, you will need to think through the steps you’ll need to take to reach them.

ACTION

This step might seem rather obvious, but your goals won't be reached unless you make it happen. Often, this is the step where planning breaks down. This breakdown is usually linked to how well the first three steps have been done. If you haven't taken the time to do a self-assessment that shows what you really need and want, you may end up with goals that look more like what others think you need. If your goals aren't *your* goals, you will not be very motivated to do the work to reach them.

There can also be problems when a goal is either too vague or too ambitious and unrealistic. Unless you have made your goals clear and concrete, and unless you have done the necessary information gathering to make sure they are realistic, you won't know how to take the actions to make them happen. You have to decide exactly **WHAT** you will do and **BY WHEN**. If we go back to the sample goal we looked at earlier, taking some accounting courses, action plans might include the following:

1. I will sign up for the two accounting courses offered at the local community college by the registration deadline in September.
2. I will transfer money from my savings to my checking account to pay the tuition before September 1.
3. I will call the college next week to check on where I should park and if I can buy dinner at the cafeteria before my class.

Each action plan statement includes **WHO** will do **WHAT** and by **WHEN**. Being that specific will really help you to do something about it.

For each of your goals, you will need a list of each step necessary to reach that goal. When you add target dates to those action steps, you will have a clear understanding of how to accomplish this essential part of your plan.

REVIEWING AND UPDATING

Once you put your plan into action, it's very important to regularly check on how things are going. Step back and check your progress. Decide if you want to change any of your goals by asking questions such as:

1. "Is my plan working?"
2. "Am I meeting my target dates?"
3. "Am I running into roadblocks?"
4. "Have I changed my mind about my goals?" "Why?"

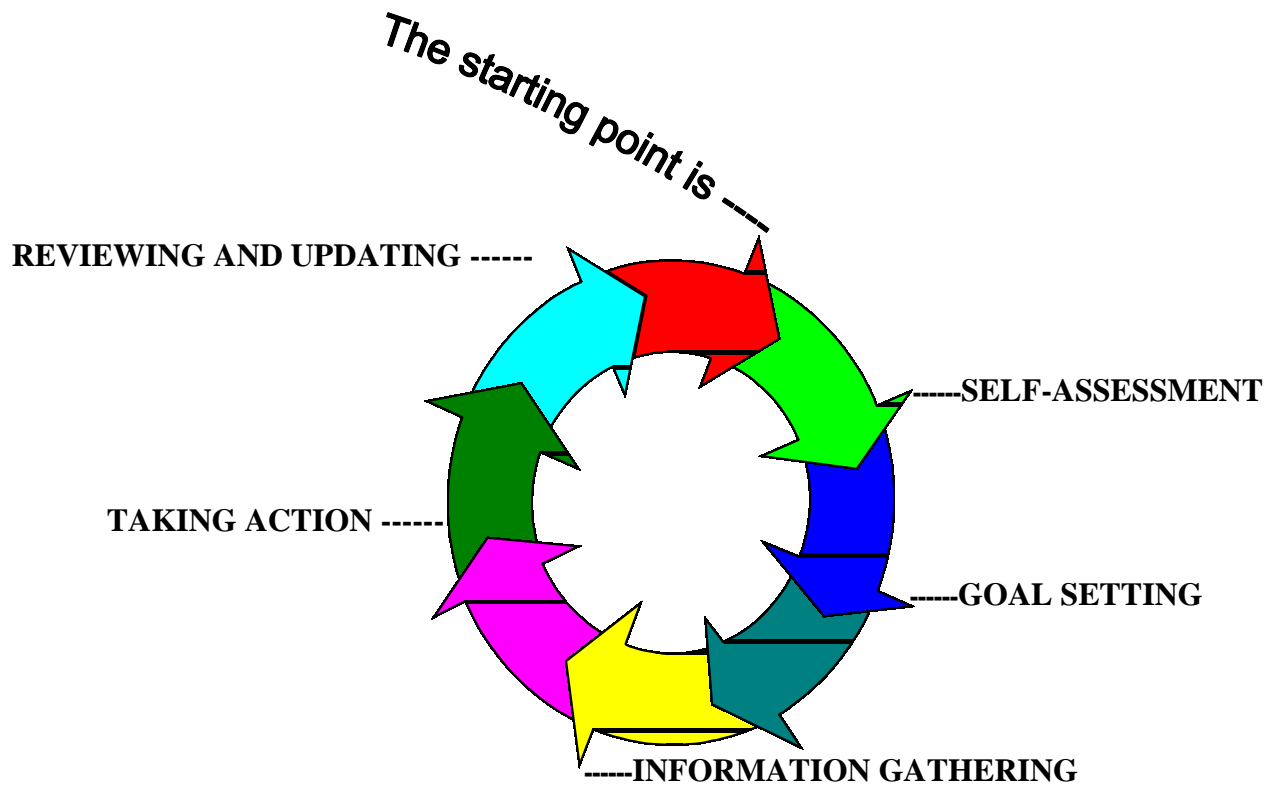
Keep track of the progress you are making by putting your action target dates on a calendar. Take a look at that calendar on a regular basis to check on how you are doing and to see if you need to change your plans or target dates.

Goals and plans will change somewhat. It would be unusual if they didn't require updating from time to time. Personal planning is after all, a dynamic, human process – changing and changeable.

The planning process should be thought of as a circle that looks something like the Planning Worksheet on the next page.

Thinking of personal planning as a circular process in constant motion, with one step leading to another, can be more accurate than thinking of a list of steps.

Clearly, personal planning requires work and will take your time, thought, and action, but the rewards of doing it well are so worthwhile! In the case of your personal pre-retirement planning, your time, thought, and action can pay off in a most satisfying retirement lifestyle.



PLANNING WORKSHEET

Written goals help make a plan clearer to understand and easier to do. People who write down their goals are more likely to reach them. Before you retire, organize all the work you need to do by completing a copy of this outline for each of your goals.

GOALS: _____

TARGET DATE:

RELATED WORK: Write down all the tasks or jobs that need to be done to reach your goals. Indicate WHO will do WHAT by WHEN, for each job you listed.

Example: *I will file my income taxes by April 1.*

WHO

WHAT

WHEN?

REVIEW PROGRESS & UPDATE:

NOTES:

RESOURCES

Retirement Planning

WEBSITES:

Note: If you search the web for sites dealing with "retirement planning" most of the results will deal with the financial planning aspects of retirement preparation (*See some suggested sites in the "Budgeting & Financial Planning" chapter of this Guide*).

PUBLICATIONS:

Anthony, Mitch., *The New Retirementality: Planning Your Life and Living Your Dreams at Any Age You Want*, Dearborn Trade Press, 2020, 5th Edition.

Brooks, Arthur., *From Strength to Strength: Finding Success, Happiness, and Deep Purpose in the Second Half of Life*, Portfolio, 2022.

Cameron, Julia., *It's Never Too Late to Begin Again: Discovering Creativity and Meaning in Midlife and Beyond*, TarcherPerigee, 2016.

Cameron, Julia., *Workbook for It's Never Too Late to Begin Again: Discovering Creativity and Meaning at Midlife and Beyond (Artist's Way): An In-depth Guide to Julia Cameron's Book*, Insight Publishing Press, 2023.

Cullinane, Jan., *The New Retirement: The Ultimate Guide to the Rest of Your Life*, Holtzbrink Publishers, 2022.

Milne, Derek., *The Psychology of Retirement: Coping with the Transition from Work*, Blackwell Publishing, 2013.

Ormon, Suze., *The Ultimate Retirement Guide for 50+: Winning Strategies to Make Your Money Last a Lifetime*, Hay House, 2020.

Szlemp, George., *Retirement: The First 365 Days: Advice, Opinions*, George Szlemp, 2019.

Smith, Hyrum., *Purposeful Retirement: How To Bring Happiness and Meaning to Your Retirement*, Mango Publishing Group, 2017.

Yogev, Sara., *A Couples Guide to Happy Retirement: For Better or Worse... But Not for Lunch!* McGraw-Hill Professional Publishing, 2013.

Zelinski, Ernie J., *How to Retire Happy, Wild and Free*, Visions International Publishing, 2009.

Zelinski, Ernie J., *Workbook For How to Retire Happy, Wild, and Free: (A Practical Guide To Ernie J. Zelinski's Book) Retirement Wisdom That You Won't Get from Your Financial Advisor*, Pace Hub Media, 2023.

OTHER SOURCES:

Alliance for Retired Americans
815 16th Street, N.W. 4th
floor Washington, D.C.
20006
1-202-637-5399

<https://retiredamericans.org/>

Launched in January 2001, by a national coalition of AFL-CIO affiliated unions and community-based organizations, the Alliance works to protect the health and economic security of retired Americans. Retirees of AFL- CIO affiliated unions automatically become lifelong members with dues paid by their national unions.

Alzheimer's Disease and Related
Dementias- Education & Referral Center
1-800-438-4380

American Association of Retired Persons (*AARP*)
601 East Street,
NW Washington,
D.C. 20049
1-888-687-2277
www.aarp.org

Association on Aging in New York
272 Broadway
Albany, NY 12204
518-449-7080
www.agingny.org

AARP is a non-profit, non-partisan organization specifically designed to address the interests of people over 50. It serves its members through legislative representation, educational and community service programs, and direct membership benefits ranging from group insurance to travel discounts.

<https://www.aarp.org/>

Civil Service Employees Association
CSEA Headquarters
143 Washington Avenue
Albany, New York 12210
1-800-342-4146
<https://cseany.org/>

Council 82 -NYS Law Enforcement
Officers Union AFSCME, AFL-CIO
63 Colvin Avenue
Albany, NY 12206
518-489-8424
www.council82.org

Gray Panthers NYC Office
244 Madison Ave. #396
New York, NY 10016
1-917-535-0457
www.graypanthersnyc.org

National Asian Pacific Center on Aging
1511 Third Ave., Ste. 914
Seattle, WA 98101
1-800-336-2722
www.napca.org

National Caucus & Center on Black Aging
1220 L Street, NW, Ste. 800
Washington, D.C. 20005
202-637-8400
<https://ncba-aging.org/>

National Council on Aging
251 18th St. South Ste. 500
Arlington, VA 22202
571-527-3900
www.ncoa.org

National Indian Council on Aging
8500 Menaul Blvd. NE
Albuquerque, NM 87112
505-292-2001
<https://nicoa.org>

National Institute on Aging
Building 31, Room 5C27
31 Center Drive, MSC 2292
Bethesda, MD 20892
1-800-222-2225
www.nia.nih.gov

National Institute of Mental Health
6001 Executive Blvd.
Room 6200, MSC 9663
Bethesda, MD 20892
1-866-615-6464
www.nimh.nih.gov

New York State Correctional Officers & Police
Benevolent Association, Inc. (NYSCOPBA)
102 Hackett Blvd., 2nd floor
Albany, NY 12209
518-427-1551
www.nyscopba.org

NYS Office for the Aging
2 Empire State Plaza
Albany, NY 12223-1251
<https://aging.ny.gov/>
1-844-697-6321

Information concerning services and programs for older adults in the State are available by contacting this office.

New York State Retirees – PEF
Membership Benefits Division
P.O. Box 12414
1168-70 Troy-Schenectady Rd.
Albany, NY 12212-2414
1-800-342-4306
www.pef.org

Retired Public Employees Association, Inc.
165 Jordan Rd.
Troy, NY 12180
1-800-726-7732
<https://rpea.org>

VA – US Department of Veteran's Affairs
1-800-698-2411
<https://www.va.gov/>

LOCAL OFFICES FOR THE AGING IN NEW YORK STATE

LISTED BY COUNTY

For information concerning services and programs for older adults in specific counties.

Albany Co. Department for Aging
162 Washington Ave.
Albany, NY 12210
518-447-7198

Allegany Co. Office for the Aging
6085 Route 19 N
Belmont, NY 14813
585-268-9390

Broome Co. Office for the Aging
Broome County Office Bldg.
60 Hawley Street, 4th Floor
P.O. Box 1766
Binghamton, NY 13902
607-778-2411

Cattaraugus Co. Dept. for the Aging
One Leo Moss Drive
Suite 7610 Olean, NY 14760-1101
716-373-8032

Cayuga Co. Office for the Aging
160 Genesee Street
Auburn, NY 13021
315-253-1226

Chautauqua Co. Office for the Aging
7 North Erie Street
Mayville, NY 14757-1027
716-753-4471

Chemung Co. Dept. of Aging & Long-Term Care
425 Pennsylvania Avenue
P.O. Box 588
Elmira, NY 14902
607-737-5520

Chenango Co. Area Agency on Aging
County Office Bldg.,
5 Court Street Norwich, NY 13815
607-337-1770

Clinton Co. Office for the Aging
135 Margaret Street, Suite 105
Plattsburgh, NY 12901
518-565-4620

Columbia Co. Office for the Aging
325 Columbia Street
Hudson, NY 12534
518-828-4258

Cortland Co. Area Agency on Aging
60 Central Avenue
Cortland, NY 13045
607-753-5060

Delaware Co. Office for the Aging
97 Main Street, Suite 2
Delhi, NY 13753
607-832-5750

Jefferson Co. Office for the Aging
175 Arsenal Street, 2nd Fl.
Watertown, NY 13601
315-785-3191

Dutchess Co. Office for the Aging
114 Delafield Street
Poughkeepsie, NY 12601
845-486-2555

Lewis Co. Office for the Aging
7660 N. State Street
Lowville, NY 13367
315-376-5313

Erie Co. Dept. of Senior Services
95 Franklin Street, Room 1329
Buffalo, NY 14202
716-858-8526

Livingston Co. Office for the Aging
3 Murray Hill Dr.
Mt. Morris, NY 14510
518-243-7520

Essex Co. Office for the Aging
100 Court Street
PO Box 217
Elizabethtown, NY 12932
518-873-3695

Madison Co. Office for the Aging
138 Dominick Bruno Blvd.
Canastota, NY 13032
315-697-5700

Franklin Co. Office for the Aging
355 West Main Street, Suite 447
Malone, NY 12953
518-481-1526

Monroe Co. Office for the Aging
35 East Henrietta Rd. 3rd floor
West (Faith wing)
Rochester, NY 14620
585-753-6280

Fulton Co. Office for the Aging
19 N. William St
Johnstown, NY 12095
518-736-5650

Montgomery Co. Office for the Aging
135 Guy Park Ave
Amsterdam, NY 12010
518-843-2300 Ext 229

Genesee Co. Office for the Aging
Batavia-Genesee Senior Center
2 Bank Street
Batavia, NY 14020
585-343-1611

Nassau Co. Office for the Aging
60 Charles Lindbergh Blvd., Ste. 260
Uniondale, NY 11553
516-227-8900

Greene Co. Dept. for the Aging
411 Main Street
Catskill, NY 12414
518-719-3555

New York City Dept. for the Aging
2 Lafayette Street –7th Floor
New York, NY 10007
212-244-6469

Hamilton Co. *See Warren/Hamilton

Niagara Co. Office for the Aging
111 Main Street, Suite 101
Lockport, NY 14094
716-438-4020

Herkimer Co. Office for the Aging
109 Mary Street, Ste. 1101
Herkimer, NY 13350
315-867-1121

Oneida Co. Office for the Aging/Continuing
Care

120 Airline Street, Ste. 201
Oriskany, NY 13424
315-798-5456

Onondaga Co. Dept. of Aging & Youth
Civic Center- 10th Floor
421 Montgomery St.
Syracuse, NY 13202
315-435-2362

Ontario Co. Office for the Aging
3019 County Complex Dr.
Canandaigua, NY 14424
585-396-4040

Orange Co. Office for the Aging
40 Matthews Street
3rd Floor - Suite 305
Goshen, NY 10924
845-615-3700

Orleans Co. Office for the Aging
14016 Route 31 West
Albion, NY 14411
585-589-3191

Oswego Co. Office for the Aging
County Office Complex
70 Bunner Street, PO Box 3080
Oswego, NY 13126
315-349-3484

Otsego Co. Office for the Aging
Meadows Office Complex, Suite
5 140 Co Hwy 33W
Cooperstown, NY 13326
607-547-4232

Putnam Co. Office for Senior Resources
110 Old Route 6, Bldg. A
Carmel, NY 10512
845-808-1700 ext. 47105

Rensselaer Co. Unified Family Services
1600 Seventh Ave.
Troy, NY 12180
518-270-2730

Rockland Co. Office for the Aging
Robert L. Yeager Health Center, Bldg. B
50 Sanitorium Road
Pomona, NY 10970
845-364-2110

St. Lawrence Co. Office for the Aging
80 State Highway 310, Suite 7
Canton, NY 13617
315-386-4730

Saratoga Co. Office for the Aging
152 West High Street
Ballston Spa, NY 12020- 3528
518-884-4100

Schenectady Co. Dept of Senior and
Long Term Services
107 Nott Terrace, Ste. 202
Schenectady, NY 12308
518-382-8481 ext. 9-313

Schoharie Co. Office for the Aging
113 Park Place, Ste. 3
Schoharie, NY 12157
518-295-2001

Schuyler Co. Office for the Aging
323 Owego Street, Ste. 165
Montour Falls, NY 14865
607-535-7108

Seneca Co. Office for the Aging
2465 Bonadent Dr., Ste 4
Waterloo, NY 13165-1681
315-539-1765

Steuben Co. Office for the Aging
3 E. Pulteney Square
Bath, NY 14810
607-664-2298

St. Regis Mohawk Office for the Aging
29 Business Park Road
Hogansburg, NY 13655
518-358-2963
412 State Route 37, Akwesasne, NY
13655

Suffolk Co. Office for the Aging
100 Veterans Memorial
Highway PO Box 6100
Hauppauge, NY 11788-0099
631-853-8200

Sullivan Co. Office for the Aging Sullivan
County Government Center
100 North Street P.O. Box 5012
Monticello, NY 12701
845-807-0241

Tioga Opportunities, Inc.
Dept. of Aging Services
9 Sheldon Guile Blvd
Owego, NY 13827
607-687-4120

Tompkins Co. Office for the Aging
214 W. Martin Luther King Jr./State St.
Ithaca, NY 14850
607-274-5482

Ulster Co. Office for the Aging
1003 Development Court
Kingston, NY 12401
845-340-3456

Warren/Hamilton Counties Offices
for the Aging
Human Services Building
1340 State Route 9
Lake George, NY 12845
518-761-6347

Washington Co. Office for the Aging &
Disability Resource Center
383 Broadway
Fort Edward, NY 12828
518-746-2420

Wayne Co. Office for the Aging & Youth
1519 Nye Rd., Ste. 300
Lyons, NY 14489
315-946-5624

Westchester Co. Dept. of Senior Programs
& Services
9 South First Ave., 10th Fl.
Mt. Vernon, NY 10550
914-813-6400

Wyoming Co. Office for the Aging
8 Perry Avenue
Warsaw, NY 14569
585-786-8833

Yates Co. Area Agency on Aging
417 Liberty Street, Ste. 1116
Penn Yan, NY 14527
315-536-5515

Seneca Nation of Indians Office for the Aging
28 Thomas Indian School Drive
Irving, NY 14081
716-532-5778

OTHER STATES' OFFICES FOR THE AGING:

Connecticut State Department of Aging and
Disability Services
55 Farmington Ave, 12th Fl.
Hartford, CT 06105
860-424-5055
www.ct.gov/agingservices

Massachusetts Executive Office of Elder Affairs
1 Ashburton Place, 5th Fl.
Boston, MA. 02108
1-800-243-4636
<https://www.mass.gov/orgs/executive-office-of-elder-affairs>
There is a state-level unit on Aging in every state.
Call the Eldercare Locator toll free at
1-800-677-1116 or visit <https://eldercare.acl.gov>
if you need to obtain further information on a
state not listed here.

Chapter 2

Lifestyle Changes

Overview

Chapter 2 examines how you structure your time before you retire; explores the impact of life changes on your use of time; identifies areas of activity for leisure time; and helps you identify ways to handle new time patterns brought on by life changes.

Usually, when people plan to retire, they spend most of their time thinking about how much money they need to survive, feeling it's unnecessary to think about other issues. After a year or less in retirement, those same people are often worried more about all the hours they have to fill than they are about money. They also begin to worry about other changes that will happen to them.

Right now, you may be feeling just that way, assured you have a long list of activities waiting for your retirement. Boredom you feel, will not be a problem for you in retirement. All the activities you are unable to start or finish while you're working are on a list. Perhaps you should question whether those are really things that you want to avoid? People usually find time to do activities that are important to them.

Leisure means free time. While you're working, you look forward to weekends as a time when you're free to do what you want. Free time for a working person provides a break from the pressures of a full work schedule. Your hobbies or recreational activities can take your thoughts off those problems. After you finish a project that requires concentration, you may feel relaxed and pleased, and you may not remember what you were worrying about when you started.

In retirement, leisure will take the place of your job for 50 to 60 hours a week. Your job gives you social contact, recognition, a daily routine, a chance to use your skills, and a way to be productive. To continue to feel good about yourself, leisure should give you many of these same things.

As children, play was our work, a time when we learned skills and ways to act. Play prepared us to be active and productive adults. If you retire in your sixties, you may have 25 percent of your adult life ahead of you. It is important to choose activities that will continue to give your life meaning and purpose.

People who return to work shortly after they retire often do so because they have not found activities that are personally satisfying and purposeful. Before you retire, begin to examine what you want out of the rest of your life. This will help you ensure a satisfying retirement. You may then choose to return to work, but it will be to fulfill a purpose you have identified – not just a reaction to boredom. The problem most people have in retirement is not one of coming up with specific activities. In five minutes, you could fill several pieces of paper with activities like bowling, playing cards, gardening, and traveling, and all the choices you write down could be exciting. The problem is deciding which ones to actually do and following through with a plan.

There are three basic ideas to keep in mind while you are deciding how to use your free time – activity, diversity, and connection with others. Activity is a very personal issue. What may seem like a lot of activity to one person may be very little to someone else. Do you prefer group activities that are social or service in nature? Would you rather take part in recreational or educational activities? Volunteer work and paid work can give you a great deal of satisfaction if you're doing something that is personally important.

How can you find activities that you'll want to keep doing? Look at the things you used to do years ago, and you may find something you want to start again. You may be doing things now at home or at work that give you a lot of pleasure. Don't give them up! Think of all the things that you have always wanted to try. You could test out several before you retire. If you like an activity, you can include it in your plan. Don't focus on those things you tried and didn't like.

In creating your leisure plan, it's important to have diversity. Diversity also includes conditions like cost, climate, equipment, other people, special skills, and time. For instance, you may like your job best when it has a lot of variety or change. You'll want to create lots of activities in your retirement to give you change. Or you may like your job best when you have a chance to learn something new. A chance to learn something new in retirement will be important to you.

The last idea to consider is connection; strong ties between you and others. People play very important parts in our day-to-day lives. People share both our good and bad times. Think about the people you've worked with. Consider how many personal things you've shared with a co-worker over a cup of coffee. The common interest between people is what keeps them joined to each other. If you want to stay close to co-workers after you retire, decide what common interests you share outside the workplace. If there are none, use the time before retirement to create them. This approach applies to all the people you care about – family, friends, coworkers, or neighbors. When you choose activities for retirement, find ways to include or keep in touch with those important people in your life. Boredom or loneliness can be avoided by keeping or creating contact with a wide variety of people. A study at the University of Michigan concluded that “the most powerful predictor of satisfaction right after retirement was not health or wealth, but the breadth of one's social network.” People who retire need to replace the social connections they enjoyed at work.

Look at how much time you will have when you retire. When you're deciding how to spend your time, it's helpful to know what beliefs or standards are important to you. In addition, you'll choose more satisfying activities for your retirement if you understand what motivates you to do the things you do.

The exercises in this section will help you start making satisfying choices about your leisure time. You will be helped to identify your personal needs, values, and motivations. Once you know what you want, choosing how to get it becomes easy. When people are trying to solve a problem, they create lots of solutions only when the actual problem is clear to them. The same is true as you create a leisure plan for retirement. Turn to the “Motivational Analysis” and “Personal Needs Inventory” in this chapter. Directions are included with each activity.

How much time will you actually have in retirement? To find out, complete the following steps to see how you use your time right now. Don’t worry about being completely correct. We use our time differently each day, each week, even each season. What is important is seeing the actual patterns that come up.

You’ll see how you use your time before you retire. This will give you a chance to decide what you want to do to get ready for all that free time. You will need the *Weekly Calendar* (page 2-5) and a box of colored pencils or markers to finish the activity.

Before you start you might want to make a copy of the blank calendar page to use later.

1. In the column called “Day/Time” fill in the hours of a whole day starting with the hour you usually go to bed. Then fill in each line with the next hour counting ahead from the time you go to bed. The hour before you go to bed will be on the last line. For example, if you usually go to bed at 11 p.m. – write that time on the top line. On the next line, you would put 12 midnight. Keep filling in each line from there with 1 a.m., 2 a.m., 3 a.m., and so on, until you get to the last line, which would be 10 p.m.
2. For each day of the week on your calendar show how much time you usually spend on sleep, family, personal, work, and community matters. Use the following colors:

sleep – yellow; family – red; personal – orange; work – green; community – blue.

3. When you have finished Step 2, look at your calendar and ask yourself these questions:
 - What color(s) did you use the most?
 - What color(s) did you use the least?
 - What color(s), if any, are missing from your calendar?
 - How would your calendar have looked if you had done this 30 years ago? 20 years ago? 10 years ago?
 - What do you remember about the way you handled big changes in the use of your time 10, 20, or 30 years ago?

4. You probably have a big block of green on your calendar. Look at the block and answer these questions:
 - What has work done for you?
 - What does the block of work hours do for, or to, your whole week?
 - What's going to happen to that block when you retire?
5. Write down all the things you want to do with that time when you retire. Remember to include group membership activities such as community, religious, or service groups; hobbies, recreation, or travel; education or personal change activities; volunteer work; home or family activities; part time jobs or starting a small business.
6. If you have an extra copy of the calendar, you could try making a new weekly calendar to show how you plan to use your time in retirement.

You could choose the things from Step 5 that you really want to do and put them on the calendar where your work time used to be.

- Are you able to fill in all the hours?
- Are you willing to really follow this new schedule, day after day, in retirement?

Now you know how much time you have to think about. You also have some idea of all the things you could do to fill those hours. In addition, you have an idea of what motivates you and what you need. When you know what's important to you, you look at activities differently. Start to ask yourself if an activity has a way of satisfying a personal need, desire, or motivation. If it doesn't, you can decide to do something else instead. Become more critical or choosy about what you do.

WEEKLY CALENDAR

[illegible]

Retirement starts a large, new part of your life. It's a time that will be filled with both pleasant and sad events, just like your current life. It's important to know the kinds of things that could happen and what you can do to manage them.

Think about all the life events that could happen to you in your life ahead. Possibilities can include death of a loved one, marriage, birth of grandchildren, moving, divorce, children leaving or returning home. These events will influence you and the people you care about. Your ability to handle the life events ahead is affected by the way you keep and make ties with people.

One special life event is the care of elder parents or loved ones. This may be something you've already started to think about or you might be giving help to such a person right now. Sometimes an older person needs more care than you can give by yourself yet may not reach the need for nursing home care. You can get information about programs and services for caregivers in your area through your county Office for the Aging.

Human beings may be angry or glad about other people. At times, you may be so frustrated with other people that you think you'd be happier alone. Despite these feelings, when something happens that makes you upset, you may need to tell someone about it! People need people. The ties you make and keep with other people are critical to your healthy survival.

Take time to do the activity on page 2-13 called "Support System Analysis." This will help you see who the important people are in your life and what they give you. When you finish the activity, look at the names you wrote down and answer the following questions. Were you able to write a name down for each word? Did you write the same name down again and again? What happens to you if something happens to that person? Did you write down names of people who live close to you or far away? Did you write down names of people you work with? How will you keep in touch with co-workers when you retire?

Your answers to these and similar questions will help you create ways to keep a strong and helpful group of caring people around you. Whether good things or bad things happen, you'll want to share it with that group.

Carefully and deliberately work on making and keeping ties with people. Building relationships on common interests and working to make those relationships strong are ways to avoid loneliness.

MOTIVATIONAL ANALYSIS

Whether choosing a new paid or volunteer job, or choosing a different activity for your leisure time, it is helpful to know what motivates you or “makes you want” to do a particular job. Each of the following questions has three choices. Mark the one in each question which most clearly fits your own motivations. Remember there are no wrong answers. Place an “X” before the letter of your choice.

1. ___ a When doing a job, I seek feedback.
 ___ b I like to work alone and be my own boss.
 ___ c I seem to be uncomfortable when forced to work alone.
2. ___ a I go out of my way to make friends with new people.
 ___ b I enjoy a good argument.
 ___ c After starting a task, I am not comfortable until it is completed.
3. ___ a Status symbols are important to me.
 ___ b I am always getting involved with group projects.
 ___ c I work better when there is a deadline.
4. ___ a I work best when there is some challenge involved.
 ___ b I would rather give orders than take them.
 ___ c I am sensitive to others especially when they are angry.
5. ___ a I am eager to be my own boss.
 ___ b I accept responsibility eagerly.
 ___ c I try to get personally involved with my superiors.
6. ___ a I am uncomfortable when forced to work alone.
 ___ b I prefer being my own boss, even when others feel a joint effort is required.
 ___ c When given responsibility, I set high performance standards.
7. ___ a I am very concerned about my reputation or position.
 ___ b I have a desire to out-perform others.
 ___ c I am concerned with being liked and accepted.
8. ___ a I enjoy and seek warm, friendly relationships.
 ___ b I attempt to complete involvement in a project.
 ___ c I want my ideas to be selected by others.
9. ___ a I desire unique accomplishments.
 ___ b It concerns me when I am being separated from others.
 ___ c I need and have a desire to influence others.
10. ___ a I think about consoling and helping others.
 ___ b I am verbally fluent.
 ___ c I am restless and innovative.
11. ___ a I set goals and think about how to attain them.
 ___ b I think about ways to change people.
 ___ c I think a lot about my feelings and the feelings of others.

MOTIVATIONAL ANALYSIS KEY

When you finish making all your choices, use this key to find out what motivates or drives you to do things. Circle the answer you selected for each group of choices. For example, if you chose “b” in number 1, you would circle “b” in number of achievements, power, and affiliation answers you have.

- | | |
|---|--|
| 1. a. Achievement
b. Power
c. Affiliation | 7. a. Power
b. Achievement
c. Affiliation |
| 2. a. Affiliation
b. Power
c. Achievement | 8. a. Affiliation
b. Achievement
c. Power |
| 3. a. Power
b. Affiliation
c. Achievement | 9. a. Achievement
b. Affiliation
c. Power |
| 4. a. Achievement
b. Power
c. Affiliation | 10. a. Affiliation
b. Power
c. Achievement |
| 5. a. Power
b. Achievement
c. Power | 11. a. Achievement
b. Power
c. Affiliation
c. Achievement |
| 6. a. Affiliation
b. Power
c. Achievement | |

MOTIVATION

The material below will help you find out more about your motivations. Knowing these details about yourself will help you match activities to your special needs.

Three things motivate people:

1. Need for achievement.
2. Need for affiliation.
3. Need for power.

A. ACHIEVEMENT MOTIVE

Goal: Success in situations requiring excellent performance.

Characteristics:

1. Concern with excellence.
2. Complete involvement.
3. Desire to out-perform others (competitive).
4. Wants unique accomplishment.
5. Restless and innovative (enjoy striving).

Thinks about:

1. Doing a job better.
2. Goals and how to attain them.
3. Obstacles and how to remove them.

B. POWER MOTIVE

Goal: Having impact or influence

Characteristics:

1. Concern for reputation or position.
2. Wants his or her ideas to predominate.
3. Strong feeling about status.
4. Strong need to influence others.
5. Often verbally fluent.

Thinks about:

1. Influence he or she has over others.
2. How to use influence to change people.
3. How to gain status.

C. AFFILIATION MOTIVE

Goal: Being with someone and enjoying mutual friendship.

Characteristics:

1. Concerned with being liked and accepted.
2. Warm, friendly relationships.
3. Concerned about being separated from others.

Thinks about:

1. Wanting to be liked.
2. Consoling and helping people.
3. Feelings of others and self.

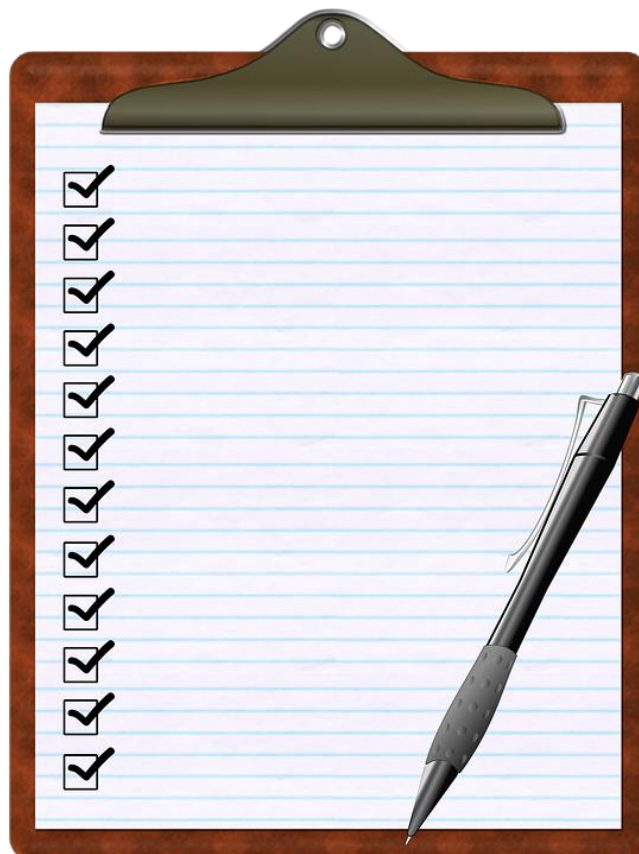
PERSONAL NEEDS INVENTORY

Part 1

In making personal choices about work, community service, leisure time activities, or living arrangements, the quality of those choices and the degree of satisfaction gained is improved when individuals develop a clear indication of the values and virtues they feel are personally important.

To help you look at your own values and virtues, here is a list of needs that most people have. Feel free to add others of your own which are not included.

Under “Activities” fill in the activities that you most enjoy. Be as specific as possible. For example, do not write down “work.” Specify a particular activity at work that you enjoy. Under each activity you have listed, check the “need(s)” met by that activity. Do this with as many activities as you can think of.



ACTIVITIES

NEEDS						
Recognition						
Entertainment						
Self-Expression, Creativity						
Participation, Belonging						
Adventure, New Experience						
Learning						
Security						
Physical Fitness						
Contemplation						
Self-Growth						
Usefulness						
Feeling of Accomplishment						
Income						
Comfort						
Communication						
Self-Image						
Friendships						
Love						
Status						
Responsibilities						

PERSONAL NEEDS INVENTORY

Part 2

Work is often a source of satisfaction for personal needs. Therefore, as you consider retirement and future lifestyles, it is important to identify the personal needs that are satisfied through your work and begin to explore other ways to satisfy them. If current activities outside of work cannot be a source of satisfaction, it is increasingly important to take steps *before* retirement to find activities that will meet those needs.

Examine your choices in the Personal Needs Inventory and find all needs that are satisfied by specific activities in your work.

List all those needs in the column labeled “My Need.” In the second column titled “After Retirement” fill in another current activity that might satisfy the need you have listed in the first column.

If you are not able to identify any other current activity that could meet the need, complete the third column “Steps to Take” by filling in a specific action you can take to find another activity that might satisfy your specific need.

MY NEEDS	AFTER RETIREMENT	STEPS TO TAKE

SUPPORT SYSTEM ANALYSIS

This is a description of functions which other people can provide. Please review the function in the left column and in the spaces to the right, enter the names of the people who provide you with those functions. Think of people who provide you with a single special resource. Be sure to consider people that you know in your workplace, as well as family and friends.

<u>FUNCTION</u>	<u>PEOPLE</u>	<u>FUNCTION</u>	<u>PEOPLE</u>
1. Intimacy: People who provide closeness, warmth, and acceptance. I can express my feelings freely and without self-consciousness. People I trust and are readily accessible to me.	<hr/> <hr/> <hr/> <hr/> <hr/>	4. Shared Interests: People who enjoy similar activities and would be willing to join me for things like travel, going to the movies, playing golf, walking, doing a craft, attending a lecture, or going out to eat.	<hr/> <hr/> <hr/> <hr/> <hr/>
2. Sharing: People who share my concerns because “they are in the same boat” or have similar objectives, such as other committee leaders, committee members. People with whom I share experiences, information, and ideas. People with whom I exchange favors.	<hr/> <hr/> <hr/> <hr/> <hr/>	5. Guidance: People who provide me with advice and methods to solve problems. People who encourage me to take steps toward solving problems, achieving goals, and otherwise taking action.	<hr/> <hr/> <hr/> <hr/> <hr/>
3. Self-Worth: People who respect my competence in my work, or in my personal life. People who understand the difficulty or value of my work or performance in that role. People I respect who can recognize my skills.	<hr/> <hr/> <hr/> <hr/> <hr/>	6. Challenge: People who make me think. People who make me explain. People who question my reasoning. People who challenge me to grow.	<hr/> <hr/> <hr/> <hr/> <hr/>

RETIREMENT CHECKLIST

Lifestyle Changes

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1.	Have I looked into activities that will be fulfilling in retirement?	YES	NO
<hr/>			
2.	Do I know how to locate volunteer jobs in my community?	YES	NO
<hr/>			
3.	Are there activities from my past that I might be doing again?	YES	NO
<hr/>			
4.	Have I considered what changes would take place in my retirement activities if I were single?	YES	NO
<hr/>			
5.	Have I considered joining organizations that provide services for people over 55 years of age?	YES	NO
<hr/>			
6.	Do I expect that my family, friends, and former coworkers will make time to socialize with me after I retire?	YES	NO
<hr/>			

RESOURCES

Lifestyle Changes

WEBSITES:

Some of the many web sites that provide information, inspiration, and humor about the transition into and enjoyment of the "retirement lifestyle" include:

suddenlysenior.com

newretirement.com/retirement/what-to-do-in-retirement/

<https://www.helpguide.org/articles/aging-issues/adjusting-to-retirement.htm>

<https://www.aarp.org/retirement/planning-for-retirement/info-2021/pre-early-retirement-reality-check.html>

PUBLICATIONS:

Bellah, Mike Ph.D., *The Best Is Yet to Be*, BestYears Press, 2019.

Blanchard & Morton Shaevitz., *Refire! Don't Retire: Make the Rest of Your Life the Best of Your Life*. Beret-Koehler, 2015.

Hinden, Stan., *How to Retire Happy: The 12 Most Important Decisions You Must Make Before You Retire*, (4th edition), McGraw- Hill, 2013.

Ryan, Robin., *Retirement Reinvention: Make Your Next Act Your Best Act*, Penguin Books, 2018.

Szlemp, George., *Retirement: The First 365 Days: Advice, Opinions, and Observations*, 2020.

Smith, Hyrum., *Purposeful Retirement: How to Bring Happiness and Meaning to Your Retirement*, Mango Publishing, 2017.

Thurman, Eric., *Thrive in Retirement: Simple Secrets for Being Happy for the Rest of Your Life*, Waterbrook, 2019.

OTHER SOURCES:

**Academy for Lifelong Learning
SUNY Empire State College @ Saratoga Springs**

2 Union Ave
Saratoga Springs, NY12866
800-847-3000
esc.edu/all/

Adult Education:

Many local public-school districts and community colleges offer adult education courses. Contact the superintendent of schools or community college in your area.

**Adult Learning Institute
Columbia-Green Community College**

4400 Rte. 23
Hudson, NY 12534
518-828-4181 ext. 3431

<https://www.columbiagreene.edu/about/continuing-education/>

American Association for Adult and Continuing Education

2900 Delk Road, Suite 700, PMB 321
Marietta, Georgia 30067
678-271-4319
<https://www.aaace.org/>

Lifelong Learning Institutes (LLI):

LLL Institutes offer non-credit, college level educational experiences, where there is little to no homework and the cost is a fraction of the cost of college. Classes are taught by both active and retired faculty and some outside experts. An updated list of Institutes are listed at roadscholar.org/about/lifelong-learning-institutes/

Oasis:

Oasis is a national education organization dedicated to enhancing the lives of mature adults age 50 and over through challenging programs in the arts, humanities, technology, wellness and volunteer services.

oasisnet.org

SeniorNet:

SeniorNet's mission is to provide older adults education for and access to computer technologies to enhance their lives and enable them to share their knowledge and wisdom:

<https://seniornet.org/>

Continuing Education:

The continuing education office at each SUNY campus offers courses on a fee basis. Contact the local SUNY campus continuing education office.

Binghamton University - LYCEUM

Office AB-130B

Binghamton, NY 13902

607-777-2587

binghamton.edu/tlel/community/lyceum/index.htm

1

**Center for Creative Retirement
Long Island University, Riverhead**

121 Speonk Riverhead Rd.

Riverhead, NY 11901

631-287-8010

liu.edu/Riverhead/CE/CCR

Center for Lifetime Study**Marist College**

3399 North Rd.

Poughkeepsie, NY 12603

845-575-3000

<https://www.marist.edu/professional-programs/cls/course-registration>

Excelsior College Examinations

7 Columbia Circle

Albany, NY 12203

1-888-647-2388

www.excelsior.edu

A program of college-level tests in a wide range of arts and sciences, business, education, and nursing. They provide a means of testing knowledge acquired outside the college classroom and earning credit.

Free Audit of State University of New York Courses:

Not-for-credit audit of state university classes on a "space available" basis for people 60 or older at any state university campus. Contact the local state university campus admissions or registrar's office.

**Institute for Learning in Retirement
Farmingdale State University**

Memorial Hall, Rm 135

Farmingdale, NY 11735

934-420-2160

<https://www.farmingdale.edu/institute-learning-in-retirement/>

Mount Saint Mary College-Lifelong Learning

Desmond Campus 6 Albany Post

Rd. Newburgh, NY 12550

845-561-0800

<https://news.msmary.edu/2022/09/mount-st-marys-opens-center-for-lifelong-learning.html>

Lifetime Learning Institute Bard College

Campus Rd, PO Box 5000

Annandale on Hudson, NY 12504

845-758-7314

<https://lli.bard.edu/>

LIRIC- Learning in Retirement at Iona College

1-800-231-4662

iona.edu/about/iona-in-community/learning-in-retirement.aspx

NYS Higher Education Services Corporation

99 Washington Avenue

Albany, NY 12255

hesc.ny.gov

Information on grants, loans, and scholarships.

**Mohawk Valley Institute for Learning
in Retirement –SUNY Polytechnic Institute**

100 Seymour Rd.

Utica, NY 13502

315-792-7500

<https://www.mvcc.edu/mvilr/>

**Molloy Institute for Lifelong Learning
Molloy College**

1000 Hempstead Ave.

Kellenberg Hall Room 321A

Rockville Centre, NY 11571

888-466-5569

<https://www.molloy.edu/academics/additional-programs/continuing-education/personal-enrichment/molloy-institute-for-lifelong-learning/>

Orange County Community College

115 South St., Bldg. 13

Middletown, NY 10940

845-344-6222

sunyorange.edu/encore/

**Osher Lifelong Learning Institute at
SUNY-Stony Brook**

SBS Building, Room S101 Stony

Brook, NY 11794

631-632-6554

stonybrook.edu/commcms/olli

**Personal Enrichment in Retirement (PEIR)
Hofstra University**

UCCE, University College Hall

Hempstead, NY 11549

516-463-7200

<https://lipeir.org/about>

**Quest Learning Community
City College of New York**

25 Broadway

New York, NY 10004

212-925-6625 ext. 229

questcontinuingednyc.org/

**SOAR-Lifelong Learning in the North Country
SUNY Potsdam**

382 Van Housen Ext.

SUNY Potsdam

44 Pierrepont Ave.

Potsdam, New York 13676

315-267-2690

soarnorthcountry.com/

**Union College Academy for
Lifelong Learning- (UCALL)**

36 Union St.

Schenectady, NY 12308

518-388-6072

union.edu/ucall

Volunteer Opportunities:

Senior Corps

The National Senior Service Corps is the principal federal vehicle of volunteerism for Americans 55 and older. The program is now part of the Corporation for National and Community Service, a federal agency that works with nonprofits, faith-based groups, schools, and civic organizations to provide opportunities for Americans of all ages to serve their communities.

The Senior Corps uses the talents, skills, and experiences of more than 500 older Americans to help meet a wide range of community needs. The Corps includes:

- Retired and Senior Volunteer Program (RSVP), which matches the personal interests & skills of older Americans with opportunities to help solve many types of community problems;
- The Foster Grandparent Program, which offers emotional support to children with exceptional needs; and
- The RSVP Senior Companion Program, which reaches out to adults who need extra assistance to live independently.
<https://www.nationalservice.gov/programs/senior-corps>

VolunteerMatch

To find volunteer opportunities in your area try “VolunteerMatch.” It is a free service from Impact Online that helps you find what you’re after, using just a zip code and answers to few simple questions. And if you can’t carve out time to leave the house, check out the Virtual Volunteering section for ways to help by doing work on your computer.

<http://volunteermatch.org>

United Way of New York

To find a local United Way for volunteer opportunities call or go to:
518-608-6456
uwnys.org/?id=4

SCORE Association

1165 Herndon Parkway, Suite 100
Herndon, VA 20170
800-634-0245
score.org

The New York State Commission on National and Community Service

52 Washington Street
North Building, Suite 235
Rensselaer, NY 12144
518-473-8882
newyorkersvolunteer.ny.gov/

Travel and Tourism:

Road Scholar

11 Avenue de
Lafayette, Boston, MA 02111
800-454-5678
roadscholar.org/
Combines summer travel and learning by offering low-cost academic programs to people 55 and older or to those whose spouses qualify.

NYS Department of Economic Development

Varied information about all NY State regions vacation information:

iloveny.com/

800-225-5697 or

Email info@iloveny.com

National Park Service

U.S. Department of Interior

Washington D.C. 20240_

888-275-8747

nps.gov

America the Beautiful Senior Pass Program

A pass is your ticket to more than 2,000 federal recreation sites. Information available through the National Park Service, US Department of the Interior at:

<https://www.nps.gov/planyourvisit/senior-pass-changes.htm>

Travel for Seniors:

There are numerous companies specializing in travel for those ages 50+ that can be found via internet searches.

Just a few examples are:

Home Exchange

homeexchange50plus.com/

Grand Travel

<https://www.grandtravel.com/>

Senior Home Exchange

<https://www.seniorshomeexchange.com/>

Airbnb

https://www.airbnb.com/s/experiences?traffic_source=SEO

Walking the World

walkingtheworld.com

Chapter 3

Health and Wellness

Overview

Chapter 3 will describe ways to support a healthy lifestyle. Sections include keeping active for a longer, healthier life; what is physical activity; active at any age; dietary guidelines 2020-2025 and information about common health concerns of older adults.

KEEP ACTIVE FOR A LONGER, HEALTHIER LIFE

What's the secret to a long and healthy life? While genes play a role, your lifestyle has the biggest effect on how healthy you are and how long you live. That includes what you eat and drink, how active you are, whether you smoke, how you handle stress, and staying connected to people.

A little physical activity goes a long way. At least 30 minutes of activity, five or more days a week, can improve your overall health. Researchers continue to uncover health benefits from being physically active. Some of these include:

- Weight control
- Better sleep
- More energy
- Relief from depression
- Reduced stress
- Arthritis relief
- Better ability to fight off colds and other illness
- Stronger bones and muscles, which can prevent falls and bone loss disease
- Lower risk of diabetes, heart disease, high cholesterol, blood pressure, and colon cancer

People who are physically active also tend to have healthier diets, which is also very important for good health.

WHAT IS PHYSICAL ACTIVITY?

Physical activity simply means movement of the body that uses energy. Walking, gardening, briskly pushing a baby stroller, climbing the stairs, playing soccer, or dancing the night away are all good examples of being active. For health benefits, physical activity should be **moderate** or **vigorous** and add up to at least 30 minutes a day, five days per week.

Moderate physical activities include:

- Walking briskly (about 3 ½ miles per hour)
- Hiking
- Gardening/yard work
- Dancing
- Golf (walking and carrying clubs)
- Bicycling (less than 10 miles per hour)
- Weight training (general light workout)

Vigorous physical activities include:

- Running/jogging (5 miles per hour)
- Bicycling (more than 10 miles per hour)
- Swimming (freestyle laps)
- Aerobics
- Walking very fast (4 ½ miles per hour)

Some physical activities are not intense enough to help you meet the recommendations. Although you are moving, these activities do not increase your heart rate, so you should not count these towards the 30 or more minutes a day that you should strive for. These include walking at a casual pace such as while grocery shopping and doing light household chores.

ACTIVE AT ANY AGE

If you aren't active or haven't done any physical activity in a while, don't worry it's never too late to start. Even people in their 90s can benefit from physical activity. The more active you are, the more health benefits you'll enjoy. Here are some tips to get you started or keep you going in the right direction:

- **Pump yourself up.** Keep reminding yourself of all the good things that come with physical activity. Make a list, post it where it's obvious, and review it every day.
- **Do what feels good.** Choose an activity you like. That way you're more likely to stick with it. Try combining exercise with another activity: lift weights or walk in place while you're watching television; take a walk with your grandchild while you're babysitting.
- **Don't sweat it.** If you're pressed for time, don't add to your stress. Divide your daily activity into small sessions. Take a 10-minute walk at lunch, another one after dinner; pull weeds for 10 or 15 minutes.
- **Ease into it.** Don't try to do too much at once, especially if you have a health problem. Start slowly. If you want to jog, start out by walking. If walking for 30 minutes seems too hard, try walking for 10 minutes first.
- **Eat well.** Good nutrition and physical activity go hand in hand. Good food gives your body the fuel it needs to stay active and function at its best. Choose foods wisely and try to pack in as many nutrients as you can.
- **Starting a walking program** is one example of a physical activity program. It's the easiest, least expensive, and most enjoyable. No special equipment or clothing is necessary, just good walking shoes. Having a walking partner will help you keep your commitment to yourself and stay with it. Many shopping malls are open early for walkers who want a level surface and a controlled climate. Call ahead to ask if they have early hours and a mileage map. You'll find you have lots of company.

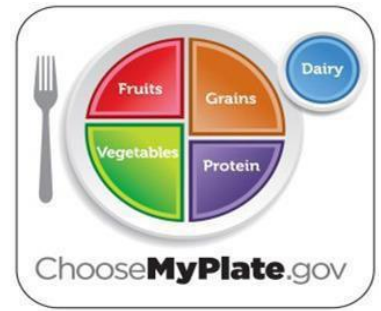
There are no guarantees in life — staying active doesn't mean you'll automatically live to 100 and never be sick. But with regular physical activity, you'll increase your chances of living a longer, healthier, and more independent life. Source: <https://www.aarp.org/health/>.

DIETARY GUIDELINES 2020-2025

“Make Every Bite Count with the Dietary Guidelines for Americans.”

Source: <https://www.dietaryguidelines.gov/>

The Dietary Guidelines are jointly issued and updated every 5 years by the Departments of Agriculture ([USDA.gov](https://www.usda.gov)) and Health and Human Services ([HHS.gov](https://www.hhs.gov)). They provide authoritative advice for Americans ages 2 and older about consuming a healthy, nutritionally adequate diet, and being physically active to attain and maintain a healthy weight, reduce risk of chronic disease, and promote overall health.



The 2020-2025 Dietary Guidelines provides four overarching Guidelines that encourage healthy eating patterns at each stage of life and recognize that individuals will need to make shifts in their food and beverage choices to achieve a healthy pattern.

Make every bite count with the *Dietary Guidelines for Americans*. Here's how:

- 1. Follow a health dietary pattern at every life stage.** At every life stage—infancy, toddlerhood, childhood, adolescence, adulthood, pregnancy, lactation, and older adulthood—it is never too early or too late to eat healthfully.
- 2. Customize and enjoy nutrient-dense food and beverage choices to reflect personal preferences, cultural traditions, and budgetary considerations.** A healthy dietary pattern can benefit all individuals regardless of age, race, or ethnicity, or current health status. The Dietary Guidelines provides a framework intended to be customized to individual needs and preferences, as well as the foodways of the diverse cultures in the United States.
- 3. Focus on meeting food group needs with nutrient-dense foods and beverages and stay within calorie limits.** An underlying premise of the Dietary Guidelines is that nutritional needs should be met primarily from foods and beverages—specifically, nutrient-dense foods and beverages. Nutrient-dense foods provide vitamins, minerals, and other health-promoting components and have no or little added sugars, saturated fat, and sodium. A healthy dietary pattern consists of nutrient-dense forms of foods and beverages across all food groups, in recommended amounts, and within calorie limits.
- 4. Limit foods and beverages higher in added sugars, saturated fat, and sodium, and limit alcoholic beverages.** At every life stage, meeting food group recommendations—even with nutrient-dense choices—requires most of a person's daily calorie needs and sodium limits. A healthy dietary pattern doesn't have much room for extra added sugars, saturated fat, or sodium—or for alcoholic beverages. A small amount of added sugars, saturated fat, or sodium can be added to nutrient-dense foods and beverages to help meet food group recommendations, but foods and beverages high in these components should be limited.

STAY HEALTHY – PRACTICE PREVENTION

Working with your doctor to stay healthy is as important as getting the right treatment when you're sick. Preventive care, or care to prevent illness and disease, includes health tests/screenings, vaccines, and health counseling. Regular preventive care can help you stay healthy and live longer.

Like exercise, eating right, and other things you do to keep healthy, preventive care is up to you. Talk to your doctor about which tests and vaccines you need and how often you should get them. Keep a record of all the tests you have and when, as well as the results. Mark the dates you need to get tested again on your calendar.

Health Tests

Some tests can help find problems or diseases before you start to have symptoms. Treating a health problem sooner rather than later improves your chances of getting better - it can even save your life.

Your doctor will recommend tests — and how often you should have them — based on your:

- age and gender
- current health
- medical history
- family history

Your doctor might want you to get some tests sooner or more often than other people if you're at risk for a certain illness based on your family or medical history.

If you're a woman aged 40 or older, talk to your doctor about testing for:

- breast cancer (mammogram, self-breast and clinical breast examinations)
- colorectal cancer (digital rectal examination, fecal occult blood test, sigmoidoscopy, colonoscopy, barium enema)
- skin, ovarian, cervical, and other types of cancer
- diabetes
- high blood pressure
- high cholesterol
- osteoporosis (bone density test)
- vision and hearing
- tuberculosis

If you're a man aged 50 or older, ask your doctor about:

- colorectal cancer
- prostate cancer
- skin and other types of cancer
- diabetes
- high blood pressure
- high cholesterol
- vision and hearing
- tuberculosis

Vaccines

The Center for Disease Control (CDC) recommends you get a flu shot every year. The CDC also recommends for healthy adults, older than 50, to get the tetanus, pertussis, shingles and pneumococcal vaccine. In addition, ask your doctor about vaccines for hepatitis B, chickenpox (varicella), RSV, and COVID-19.

Counseling

Unfortunately, many doctors just don't have the time to talk with patients about behaviors and lifestyle habits that could hurt their health. Here are some of the things your doctor should ask you about. If any of them cause you problems or concern, ask about them on your own if your doctor doesn't bring them up:

- feeling anxious or depressed
- diet/eating right
- staying at a healthy weight
- physical activity
- hormone replacement therapy
- sleep problems
- vision or hearing problems
- alcohol use
- quitting smoking
- sexual problems or sexually transmitted diseases
- prescriptions and any over-the-counter medicines, including supplements and herbs you are taking

It's a good idea to make a list of all your medicines, the doses, and how often you take them, so you don't forget. Put this list in your wallet so in an emergency, it is readily available, and always bring it with you to the doctor's office. Medical advances and technology have greatly improved our ability to catch illnesses and diseases earlier and to save lives. Make preventive care part of your healthy lifestyle plan. To promote health, practice prevention! Source: <https://www.aarp.org/health/>.

COMMON HEALTH CONCERNS OF OLDER ADULTS

Osteoporosis

Osteoporosis is a bone thinning disease that gradually weakens bones making them increasingly fragile and more likely to break. Some bone loss is normal with aging, but osteoporosis is not a normal part of aging. Osteoporosis is more likely to occur when you reach a low peak bone mass. Peak bone mass, your maximum bone density, is usually reached by the time you are 25. Your gender, race, and family history as well as your overall health, diet, and lifestyle choices determine whether you reach your peak bone mass. Osteoporosis can also happen when bone loss is greater than normal.

Risk factors for bone loss include certain medical conditions or treatments, smoking, lack of physical activity, inadequate calcium or vitamin D intake, and excessive alcohol consumption. A decline in estrogen production, brought on by menopause, either natural or surgical, leads to bone loss. Early menopause before age 45 puts a woman at increased risk for osteoporosis.

Keeping your bones strong is a smart goal at any age. But a fracture-proof frame becomes a bigger priority in the decades after age 50. Fortunately, there are plenty of steps you can take at home and with your doctor's help to protect against painful fractures that can reduce your independence and, surprisingly, even increase your risk of dying due to medical complications.

Over time, spine fracture and collapse can result in stooped posture, difficulty breathing, abdominal discomfort, and other systemic symptoms. The good news is that osteoporosis can be diagnosed. A bone mineral density test (BMD test) measures bone density and can help predict your risk for fracture. A prescription is necessary for a BMD test. It is recommended that all women aged 65 or older and all men aged 70 or older have a BMD test. A BMD test is recommended earlier for men and women who have fractures with minor trauma or other significant risk factors for osteoporosis. Your doctor or healthcare provider can advise you about the right time for you to have a BMD test.

A bone healthy diet for adults under the age of 50 should contain 1000 milligrams of calcium daily. After age 50 this should be increased to 1200 milligrams daily. Dairy foods are rich in calcium along with many other nutrients necessary for strong bones. It is best to choose low fat and nonfat dairy foods as part of a healthy low-fat diet. Eight ounces of skim milk has about 300 milligrams of calcium. Nondairy sources of calcium include certain green leafy vegetables and canned fish eaten with bones. Fortified foods are foods with calcium added and include soymilk, rice milk, juices, and cereals, among others.

It is possible to get all the calcium you need from food alone. You only need a calcium supplement if you cannot meet your calcium needs from your diet. If you need a calcium supplement, be sure to take only the amount of calcium you need. For example: If you need 1200 mg of calcium a day and get 600 mg from food, you will need 600 mg of calcium from a supplement. Your body uses calcium best in small amounts of 600 mg or less. Consider having a calcium rich food at each meal or snack.

Vitamin D is very important to help your body use calcium and to promote strong bones. The body makes vitamin D when skin is exposed to the sun. However, New Yorkers do not get enough vitamin D during winter months or whenever using sunscreen as recommended to protect skin from sun damage. There are only a few natural food sources of vitamin D, most of which are high in fat and not commonly eaten. Fatty fish, eel, catfish, herring, halibut, light tuna, mackerel, oysters, salmon, and sardines provide 200 IU to over 1000 IU of vitamin D per 3 ounce serving. Fortified foods that have 100 IU of vitamin D added per 8 ounces include all cow's milk, most soymilk, some rice milk, some juices, and only a few types of yogurt and cheese. Many adults are unable to get enough vitamin D from diet alone but can get additional vitamin D from multivitamins (most contain 400 IU), in combination with some calcium supplements, or alone as a separate vitamin D3 supplement.

Eating a well-balanced diet, including the recommended intakes of calcium and vitamin D will help you achieve and maintain strong bones. For most healthy individuals, nutrients such as magnesium, potassium, vitamin C, vitamin K, and others needed for healthy bones can be easily met by consuming a wholesome diet including enough whole grains, lean protein, and at least five servings of fruits and vegetables per day.

Exercise is also important to promote strong bones throughout life. An ideal program combines weight bearing, muscle strengthening, postural training, and balance exercise/activities. Weight-bearing activity such as walking, or dancing is excellent for skeletal health and should be done at least two days per week. Everyone should aim to get 150 minutes of moderate intensity aerobic activity or 75 minutes of vigorous aerobic activity per week. The goal for those who have osteoporosis is to prevent bone loss and to improve muscle strength for fall prevention. It is important to check with your doctor before starting any new exercise program. If you already have osteoporosis or a fracture you may want to meet with a physical therapist to determine the right exercises for you.

Fall prevention should include education about risk factors, strength and balance exercises, safety in your home and surroundings, and assessment of medications to minimize side effects that impact balance. If you have osteoporosis, your home can be organized to prevent common falling risks. Remove loose floor wires, cords, and rugs to minimize clutter and prevent falls. Keep your room arranged so that it is familiar to you. Make sure that carpeting on the stairs is firmly tacked and that stair handrails are secure. Your tub and shower should be non-skid and equipped with a grab bar. Place nightlights in strategic places to be sure your home is well lit in all areas.

The strategies to promote strong bones are necessary for all individuals but may not be enough for everyone. You may need to take a medication to reduce bone loss and prevent fractures. If you are diagnosed with osteoporosis, speak with your doctor as there are many osteoporosis medications approved by the Food and Drug Administration. It is never too late to prevent further bone loss or fractures related to osteoporosis.

Vision

Poor eyesight is not inevitable with old age, but some physical changes do occur during aging which can cause a decline in visual acuity. Over the years, the eye loses ability to keep images focused at close range (presbyopia). You should have brighter lights for tasks such as reading, cooking, sewing, and driving. It may take longer to adjust to changes in brightness. With good care, most older adults can maintain adequate eyesight throughout their lives.

Eye disorders and disease can be prevented by regular health checkups to detect hypertension and diabetes, which may affect the eyes. A complete eye exam by an eye doctor, or an ophthalmologist, every two years is important. This should include a vision evaluation, check of the eye muscle, glaucoma checks, and a complete inner and outer eye exam.

For support with vision issues go to the American Foundation for the Blind at www.afb.org/

For someone who is legally blind, the *Talking Books* program is available.
<https://www.loc.gov/nls/>

Hearing

Hearing is an area in which more disabilities are related to aging than any other factor. It is often first noted as the inability to hear high-pitched sounds.

Often, people are too self-conscious about their looks or frightened to admit they have a hearing problem. Approximately 30 percent of adults over age 65 and about half of those over 75 suffer some hearing loss. If hearing problems are ignored, they may get worse, interfere with normal social interaction, and reduce pleasure from leisure activities. If you can't hear well, it is tempting to withdraw socially to avoid embarrassment.

If you experience any hearing problem, your doctor can refer you to a hearing specialist (otologist or otolaryngologist), who can diagnose and treat the problem. Common signs of hearing impairment may include difficulty in understanding words, inability to hear high pitched notes or sounds, hearing noises that sound muffled, and less enjoyment at social events. The causes can range from excess earwax to actual nerve deafness. Treatment ranges from simple flushing of the ear canal to removing wax, to prescribing a hearing aid or possible surgery. For most people, all or some hearing may be restored.

Information about hearing and hearing loss can be obtained from:

Hearing Health Foundation <https://hearinghealthfoundation.org/> or

Hearing Loss Association of America www.hearingloss.org

Dental Care

As you grow older, you may be faced with new problems in the care of your mouth. This may involve loss of teeth, adjusting to dentures, or problems with gums. Poor dental hygiene missed dental checkups, missing teeth, and improperly fitting dentures can all cause problems. Losing your teeth not only affects your self-image but can impair your ability to chew food properly. As a result, the diet may be limited to soft foods which may not provide essential nutrients and fiber. Speech can be affected by loss of teeth, and that can make people too embarrassed to interact socially.

Most tooth loss results from periodontal disease, inflammation of the gum tissues surrounding and supporting the teeth, and bone factors like osteoporosis.

Because removing the teeth aggravates osteoporosis, it is best to try to keep them, if possible. Yearly dental checkups help prevent dental problems in later years.

There are dentists who specialize in problems that occur most often in the older adult. Further information on such dentists can be obtained by going to:

Special Care Dentistry Association <https://www.scdonline.org/>

Foot Care

Older people often complain their feet hurt. Since your feet bear a weight of several million tons over the course of your lifetime, this is not surprising.

Common foot problems can be related to a variety of things, such as fungal and bacterial conditions, warts, ingrown toenails, corns, calluses, dry skin, ill-fitting shoes, poor circulation, and disease. You should have your feet checked regularly by a family member or do it yourself in order to note any visible changes. Prevent some foot problems by wearing proper fitting shoes, cutting toenails straight across, wearing foot covers, and soaking feet in warm water to relax and soothe them.

A foot checkup by your doctor can help diagnose diseases such as diabetes or circulatory problems. In the case of diabetes, a person is more susceptible to sores or infections on the feet. If you have diabetes, you must give immediate attention to cuts or bruises because you are prone to healing more slowly. Avoid extremely hot or cold temperatures for your bath or swimming, and don't use an electric blanket. Feet should be kept clean and dry.

To prevent problems with your feet as you age, keep active to improve circulation. Avoid sitting or resting for long periods. Smoking reduces blood flow to the feet, as does crossing legs, tight socks, or garters, and exposure to cold temperatures. In addition to exercise, standing, stretching, and foot massage improve circulation.

STAYING MENTALLY ACTIVE

The latest in brain research shows that regular mental stimulation, along with other healthy habits, can help keep you mentally sharp, as you grow older. One way to get that mental stimulation is to be a life-long learner, always challenging yourself to master new skills and acquire new information. Other excellent sources of mental stimulation are leisure pursuits that require planning details like gardening, traveling, and needlework crafts. Don't forget about regularly playing cards, doing crossword puzzles, or sudoku. These kinds of games that provide a bit of mental challenge can become increasingly valuable tools for keeping your mind nimble. Staying socially active and engaging in good conversations on a regular basis also plays a part in keeping you mentally agile. While our brain and our muscles are obviously quite different, both definitely require exercise in order to stay in good shape!

COPING WITH LOSS

Loss is a major part of the emotional challenge of aging. Many people experience retirement as a loss of status, relationships, and meaningful activity. Many friends and relatives move away or die during the retirement years. Moving, even when it's a happy occasion balanced by gains, can be traumatic. Disability or chronic illness that results in diminished independence and personal control is experienced as a loss and is accompanied by the same grief as if a beloved person had died. This grief may be expressed by anger, depression, or refusal to cooperate in treatment. Loss and its pain can be a very real part of retirement. The courage and creativity you demonstrate in dealing with a loss can help you deal with the pain.

LANDING ON YOUR FEET

Loss is hard to talk about. Loss of a partner presents a particular challenge which needs to be addressed. People who have survived loss don't have much of a chance to share their experience with those who could benefit from it.

It is important to admit that loss is painful. People who bury their feelings don't stop feeling the pain. It manifests itself in some other way, ranging from anger to illness. Those who do best admit the pain of loss and express themselves clearly, firmly, and positively. Many local Offices for the Aging or mental health clinics offer free or low-cost counseling or support groups. The American Association of Retired Persons (AARP) offers a widowed persons program in some areas.

It is also important to keep in touch with your community or even to "reinvent" your life. We never outgrow the need to meet new people and try new things. Senior centers and senior meal sites offer activities from art lessons to hot meals, and a chance to make new friends. Employers and volunteer centers are actively looking for retired workers and offer meaningful involvement and social contacts. Being a mentor, passing on skills to younger people, is one of the special rewards of the retirement years.

HealthStyle-a-self-test

This brief test, developed by the Public Health Service, is all about changing lifestyle. Its purpose is to tell you how well you are doing to stay healthy. The behaviors covered in the test are recommended for most Americans. Some of them may not apply to persons with certain chronic diseases or people with disabilities. Such persons may require special instructions from their physicians.

Cigarette Smoking

	Almost Always	Sometimes	Almost Never
If you never smoke, enter a score of 10 for this section and go to the next section on <i>Alcohol and Drugs</i> .			
1. I avoid smoking cigarettes.	2	1	0
2. I smoke only low tar and Nicotine cigarettes, or I smoke a pipe or cigars.	2	1	0

Smoking Score: _____

Alcohol and Drugs

	Almost Always	Sometimes	Almost Never
1. I avoid drinking alcoholic beverages or I drink no more than 1 or 2 drinks a day.	4	1	0
2. I avoid using alcohol or other drugs (especially illegal drugs) as a way of handling stressful situations or the problems in my life.	2	1	0
3. I am careful not to drink alcohol when taking certain medicines (for example), medicine for sleeping, pain, colds, and allergies).	2	1	0
4. I read and follow the label directions when using prescribed and over-the-counter drugs.	2	1	0

Alcohol and Drug Score: _____

Eating Habits

	Almost Always	Sometimes	Almost Never
1. I eat a variety of foods each day, such as fruits and vegetables, whole grain breads and cereals, lean meats, dairy products, dry peas and beans, and nuts and seeds.	4	1	0
2. I limit the amount of fat, saturated fat, and cholesterol I eat (including fat on meats, eggs, butter, cream, shortenings, and organ meats such as liver).	2	1	0
3. I limit the amount of salt I eat by cooking with only small amounts, not adding salt at the table, and avoiding salty snacks.	2	1	0
4. I avoid eating too much sugar especially frequent snacks of candy or soft drinks.	2	1	0

Eating Habits Score: _____

Exercise/Fitness

	Almost Always	Sometimes	Almost Never
1. I maintain a desired weight, avoiding overweight and underweight.	3	1	0
2. I do vigorous exercise for at least 75 minutes each week (examples include running, swimming, brisk walking).	3	1	0
3. I do exercises that enhance my muscle tone for 15-30 minutes at least 2 times a week (examples include yoga and calisthenics).	2	1	0

Exercise/Fitness Score: _____

Stress Control

	Almost Always	Sometimes	Almost Never
1. I have a job or do other work that I enjoy.	2	1	0
2. I find it easy to relax and express my feelings freely.	2	1	0
3. I recognize early and prepare for events or situations likely to be stressful for me.	2	1	0
4. I have close friends, relatives, or others who I can talk to about personal matters and call on for help when needed.			

Stress Control Score: _____

Safety

	Almost Always	Sometimes	Almost Never
1. I wear a seat belt while riding in a car.	2	1	0
2. I avoid driving while under the influence of alcohol and other drugs.	2	1	0
3. I obey traffic rules and the speed limit when driving.	2	1	0
4. I am careful when using potentially harmful products or substances such as household cleaners, poisons, and electrical devices).	2	1	0
5. I avoid smoking in bed.	2	1	0

Safety Score: _____

WHAT YOUR SCORE MEANS TO YOU

SCORES OF 9 AND 10

Excellent! Your answers show you are aware of the importance of this area to your health! More importantly, you are putting your knowledge to work for you by practicing good health habits. As long as you continue to do so, this area should not pose a serious health risk. It's likely that you are setting an example for your family to follow. Since you got a very high-test score on this part of the test, you may want to consider other areas where your scores indicate room for improvement.

SCORES OF 6 TO 8

Your health practices in this area are good, but there is room for improvement. Look again at the items you answered with a "Sometimes" or "Almost Never." What changes can you make to improve your score? Even a small change can often help you achieve better health.

SCORES OF 3 TO 5

Your health risks are showing! Would you like more information about the risks you are facing and about why it is important for you to change these behaviors? Perhaps you need help in deciding how to successfully make the changes you desire. In either case, help is available.

SCORES OF 0 TO 2

Obviously, you were concerned enough about your health to take the test, but your answers show you may be taking serious and unnecessary risks with your health. Perhaps you are not aware of the risks and what to do about them. You can easily get the information and help you need to improve, if you wish. The next step is up to you!

YOU CAN START RIGHT NOW!

In the test you just completed were numerous suggestions to help decrease your risk of disease and premature death. Here are some of the most significant.

Avoid Cigarettes



Cigarette smoking is the single most important preventable cause of illness and early death. Persons who stop smoking reduce their risk of getting heart disease and cancer. So, if you're a cigarette smoker, think twice about lighting that next cigarette. If you choose to continue smoking, try decreasing the number of cigarettes you smoke and switching to a low tar and nicotine brand.

Follow Sensible Drinking Habits



Alcohol produces changes in mood and behavior. Most people who drink are able to control their intake of alcohol and to avoid the undesired and often harmful effects. Heavy, regular use of alcohol can lead to cirrhosis of the liver, a leading cause of death. Also, statistics clearly show that mixing drinking and driving is often the cause of fatal or crippling accidents. So, if you drink, do it wisely and in moderation. Use care in taking drugs. Today's greater use of drugs – both legal and illegal – is one of our most serious health risks. Even some drugs prescribed by your doctor can be dangerous if taken when drinking alcohol or before driving.

Exercise Regularly



Almost everyone can benefit from exercise, and there's some form of exercise almost everyone can do. (If you have any doubt, check first with your doctor). Usually, as little as 15-30 minutes of vigorous exercise three times a week will help you have a healthier heart, eliminate excess weight, tone up sagging muscles, and sleep better. Think how much difference all these improvements could make in the way you feel.

Learn to Handle Stress



Stress is a normal part of living; everyone faces it to some degree. The causes of stress can be good or bad, desirable, or undesirable (such as promotion on the job or the loss of a spouse). Properly handled, stress need not be a problem. But unhealthy responses to stress – such as driving too fast or erratically, drinking too much, or prolonged anger or grief – can cause a variety of physical and mental problems. Even on a very busy day, find a few minutes to slow down and relax. Talking over a problem with someone you trust can often help you find a satisfactory solution. Learn to distinguish between things that are “worth fighting about” and things that are less important.

Be Safety Conscious



Think “safety first” at home, at work, at school, at play, and on the highway. Buckle seat belts (back seats too) and obey traffic rules. Keep poisons and weapons out of the reach of children and keep emergency numbers by your telephone. When the unexpected happens, you'll be prepared.

WHERE DO I GO FROM HERE?

Start by asking yourself a few frank questions: Am I really doing all I can to be as healthy as possible? What steps can I take to feel better? Am I willing to begin now? If you scored low in one or more sections of the test, decide what changes you want to make to improve. You might pick that aspect of your lifestyle where you feel you have the best chance for success and tackle that one first. Once you have improved your score there, go on to other areas.

If you already have tried to change your health habits (to exercise regularly or stop smoking, for example), don't be discouraged if you haven't yet succeeded. The difficulty you have encountered may be due to influences you've never really thought about – such as advertising – or to a lack of support and encouragement. Understanding these influences is an important step toward changing the way they affect you.

There's help available!

RETIREMENT CHECKLIST

Health and Wellness

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1.	Do I get some type of exercise regularly?	YES	NO
<hr/>			
2.	Am I careful to eat daily balanced meals?	YES	NO
<hr/>			
3.	Do I get annual checkups?	YES	NO
<hr/>			
4.	Do I understand the main effects of stress on the body?	YES	NO
<hr/>			
5.	Can I identify several healthy ways to deal with stress?	YES	NO
<hr/>			
6.	Have I taken a diet survey to determine what I actually eat?	YES	NO
<hr/>			
7.	Do I know how to read labels for nutritional value?	YES	NO
<hr/>			
8.	Can I describe all the personal benefits of regular exercise as I grow older?	YES	NO
<hr/>			

RESOURCES

Health & Wellness

WEBSITES:

American Association of Retired Persons
www.aarp.org

HealthinAging.org
<https://www.healthyaging.org/>

International Council on Active Aging
www.icaa.cc/

The NYS Office for the Aging
<https://aging.ny.gov/>

The Mayo Clinic
www.mayoclinic.org

Office of Disease Prevention and
Health Promotion
<https://health.gov/>

US Department of Health and Human Services
Healthfinder
<https://healthfinder.gov/>

Work-Life Services
WellNYS Everyday
<https://oer.ny.gov/wellnys-everyday>

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Chapter 4

Housing Options

Overview

In this chapter you will look at your options when it comes time to think about your housing accommodations in retirement and will learn information about special housing programs.

HOUSING

Most people don't pick up their roots and move to other places after retirement. Only about 5 to 10 percent of today's retirees move from their home states. For many, the ideal retirement location is their hometown. Also, older Americans spend an average of 80 percent of their time at home.

A decision on retirement housing can be challenging. Deciding whether to relocate or whether to move to a smaller, easier-to-keep home can take a lot of thinking on your part. In making the decision give yourself enough time, get plenty of information, and think about your needs and those of people close to you. No matter where you choose to live, from the Adirondacks to the Appalachians, your retirement will be best where you feel content and comfortable. You'll want to consider the following before making a change:

- **Cost of Living** - Can you afford to stay where you are on your retirement income?
- **Taxes** - Taxes can take a big bite out of your retirement budget. Check the income, sales, and property taxes where you live and compare them to areas you're interested in. Several states have no personal income tax, but they may not offer as many services as New York. Individual communities may have user fees or taxes for services you are now getting free. There is no New York State income tax on your pension check if you maintain your New York State residency. Some states do not tax public sector retirement income. If you move to another state, find out what the laws of that state are. A helpful guide to do so, available from the AARP, is called *Your Retirement State Tax Guide*. Most states offer some tax relief for retirees, and this guide lists them.

A chart from RPEA (Retired Public Employees Association) which outlines all states and taxes applicable to them is at the end of this chapter.

- **Climate** - It's easy to generalize about the advantages of year-round sunshine compared to harsh winters. Some people think the best plan is to have both a winter and summer place, to get away from the cold weather for part of the year. But financially that may be a tall order. Not everyone minds the cold and some look forward to the change of seasons. For those considering a move to a warmer climate it's important to try it out in advance during all seasons. That perfect vacation spot may not be so enjoyable at other times of the year. You'll want to weigh a few months of snow shoveling and high heating bills for six to nine months of lawn mowing, and high air conditioning bills. Has your doctor suggested a change in climate as a way to help correct a health problem?

Investigate air pollution levels, toxic waste sites, and clean water supply. You may have personal health conditions that force you to stay away from high-altitude locations or places with high levels of air pollution.

- **Family & Friends** – It's important to stay connected to people you care about. Is it better for you to be able to do this in person? You may think about moving to be closer to loved ones, but by moving after retiring you are also leaving behind others who have been very close and important to you. Are you able to spend some extra money on visiting family and friends if you move far away? Knowing someone in the area you move to or finding people with the same backgrounds and interests are important in your adjustment to a new location.
- **Services** - Before you make a move, even within your own area, think about what consumer services are available. How about shopping, banking, restaurants, specialty stores, hair care, and repair services? Having a church or synagogue nearby may be important. Don't forget quality medical care. How easy would it be for you to change doctors? The more rural and rustic your retirement dream home may be, the more likely you are to face problems finding quality medical facilities.
- **Transportation** - If you live in the suburbs or in a rural area, you may be used to getting around by driving. Perhaps you depend a lot on a spouse, neighbor, or family member to drive you around. If something happens to this person, or to you, do you have other ways of getting around? Are you comfortable securing a ride with Uber or Lyft, for example? As you get older, would it be advisable to live near public transportation? Cities often offer good public transportation if you are comfortable living in the city.
- **Activities** - In retirement it's important to have things that will keep you usefully busy. Starting with recreation and leisure, will it be easy for you to get to the kinds of things you enjoy? Moving to a retirement spot may give you many recreational choices, but are they the kind that you want? How often would you use the tennis court or golf course? If you are more interested in art, reading, or card playing, find out if there's a local museum, a good library, or a card club.

Volunteer and educational opportunities often give retirees a sense of doing something meaningful. Look at the place you are thinking about for community groups, colleges, and other continuing education possibilities.

- **Safety** - Needless to say, you want to live in a safe and secure place. Worrying about crime can be worse than fear of poor health or poverty. A structured retirement community or apartment complex with very good security can be appealing, or a small rural town may seem safer. Checking out the crime rate, the amount of fire and police protection, and the response time of a local emergency squad in a community may be helpful before you move.
- **Regionalism** - Do you live in an area where certain cultures, customs, or even regional or ethnic foods are important to you? If so, then you should also think about that before you move.
- **Adaptation** - As you consider finding the best place to live in retirement, it's important to think about how well you adapt to change. Are you the kind of person who looks for challenges and would find it exciting to live someplace else and meet new people and do new things? Or are you someone who likes to keep things the same, and feels better with things you know? Knowing yourself and what you like is an important part of deciding to move.

MOVING

Where do you go for information to help you make your personal decisions about housing? Are you comfortable searching web? Try your local library for books, pamphlets, brochures, and newspapers. Subscribe to a local newspaper, hard copy or electronic, of a community you are interested in.

Local chambers of commerce, real estate agents, and state tourism departments are good sources of information. Many state tourism agencies are connected to a 1-800 telephone network that will help you get information on an area in which you are interested. Of course, a trial run in your chosen retirement spot can give you a better idea of what to expect than you can get from books. Visit the community at different times of the year and think about it as if you were living there.

STAYING PUT

If you have already decided to stay where you are, it's important to look at the house or apartment you live in. Picture yourself there for another 20 years.

The best time to make changes to your home is now, before you retire, while you still have a regular paycheck. Keep in mind that you are likely to stay home more in retirement and will want to be comfortable and secure. Now may be the time to do weatherization, add a half bath, or lower the storage cabinets. What you invest in these projects will depend on whether you own or rent your residence, and how long you intend to remain in your current home.

You may even want to consider converting a big house into a two-family home so that you can live on one level and rent the other for income, if local zoning laws allow.

The idea of a "home to grow old in" may help you make changes to your home now that will make life easier for you if your physical abilities change.

MONEY MATTERS FOR HOMEOWNERS

If you want to stay where you are, you may want to think about converting some of the equity, or cash value you have built into your home, into cash. Your home is probably the most valuable thing you own.

The usual way to tap into this equity is to sell your house and relocate. Another alternative is Home Equity Conversion Mortgage (HECM), which allows older homeowners to continue living in their homes while using their home's accumulated equity. HECM payments, together with interest and fees, are charged as loans against the home's value and are not repaid until the homeowner dies, transfers title to the house, or at a specified future due date.

Home Equity Conversion Mortgage plans are not to be confused with home equity loans which require an immediate repayment schedule.

One type of HECM specifically for homeowners aged 62 and over is called a reverse mortgage.

Through a reverse mortgage, a financial lender makes cash loan payments to a homeowner in regularly scheduled payments or in periodic amounts through a line of credit. The older homeowner retains the title to the home and retains responsibility for taxes and upkeep. Reverse mortgages vary in costs, length of term, and program features.

For information about the U.S. Department of Housing and Urban Renewal's HECM Program and reverse mortgage counselors: U.S. Department of Housing and Urban Development, 451 7th Street S.W., Washington, DC 20410 https://www.hud.gov/program_offices/housing/sfh/hecm/hecmabou

Another type of HECM is a property tax deferral program, which is a public program operated by municipalities and which allows municipalities flexibility in program rules and operation.

Variations of this program include: (1) an older homeowner's property taxes are not paid until the homeowner dies, sells the home, or moves, with payment of deferred taxes made through the sale of the home; (2) an older homeowner's property tax payments are regularly made by a financial lender and charged as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A third type of HECM is a deferred payment loan program, which is typically operated by a local government or community agency for low-income homeowners, and which charge little or no interest. A financial lender makes payments to a homeowner for repairing or rehabilitating his home, charging the loans as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A fourth type of HECM is called a sale leaseback. Under this arrangement, the older homeowner sells the home to an investor (or, more often, to a son or daughter) who rents the home back to the older seller on a long-term or lifetime lease. The older seller receives a down payment plus monthly payments that exceed his rental charges. This allows the seller to have an additional amount of spendable income and allows him to continue living in his home. The buyer has title to the home and is responsible for taxes and upkeep.

RETIREMENT HOUSING ALTERNATIVES

The overwhelming preference of older people is to age in their own homes and communities. However, complete independence during the later years may be compromised as longevity is associated with increasing changes in the physical, social, emotional, mental, and financial status of older persons.

Aging-related changes may persuade an older person to consider relocating to a more supportive living environment. A variety of retirement housing alternatives are available in New York State to accommodate older people as their needs change during the later years.

Retirement housing alternatives may be developed by public or private organizations. They may be priced at market rates or subsidized by government assistance to be affordable by persons with specified income limits. Housing alternatives might or might not include a variety of activities, supportive assistance, supervision, personal/health care services, and nursing care.

If such features are included, they might be included as part of the monthly charge or rent, and services/assistance might be charged separately. The extent of service provision does not preclude residents from privately purchasing these services and assistance from community service agencies. If a category/alternative is licensed by New York State, its' specific name and definition are stated in law.

Senior Housing Developments

These are multi-unit apartment buildings, condominiums, cooperatives, single family home complexes, and mobile home parks that are restricted to persons over a specified age (defined variously as 55, 60, 62, or 65). Typically, these were not originally planned to include activities, supportive assistance, or personal/health care. Many have incrementally added these features as residents have aged and required help to continue aging in place.

Monthly charges or rents usually do not include the costs of services. Senior housing may be subsidized or non-subsidized.

Naturally Occurring Retirement Communities (NORCs)

These are geographic areas or multi-unit apartment buildings that are NOT restricted to persons over a specified age, but which have evolved over time to include a significant number (typically, over 50 per cent) of residents who are aged 60 or older. As the number of elderly tenants has grown, many NORCs have added activities, supportive assistance, and services to meet resident's needs. Monthly charges or rents typically do not include the costs of these activities/services. NORCs may be subsidized or non-subsidized.

Supportive Housing

These are multi-unit housing buildings (private rooms or full apartments) that are restricted to persons over a specified age and that include supportive assistance (congregate meals, housekeeping, transportation, laundry, emergency response systems, and resident services coordinator). Typically, monthly charges include rent and supportive services.

Supportive housing does not require licensure or certification by a public agency as personal care services (help with eating, bathing, dressing, grooming, toileting, transferring) are not provided or included in the monthly charge. Supportive housing residents may contract privately with community home care agencies to receive personal care and home health care services. Supportive housing may be subsidized or non-subsidized.

Shared Housing Alternatives

Shared housing arrangements can be intergenerational (age-integrated) or restricted to older persons. The benefits of home sharing include: sharing costs and upkeep tasks, mutual support and assistance, companionship, continued aging-in-place, and facilitated caregiving by family members. Local zoning laws may specify the conditions under which shared housing alternatives may be established. Below are listed four shared housing alternatives.

Shared Living Residence

An age-integrated or age-restricted residence that is shared by a small group (3 to 10) of unrelated persons who share the living expenses and tasks of running the household. Residents have private bedrooms, but share the kitchen, dining, and living rooms. A shared living residence may be owned/sponsored by a community organization and rented to residents. Additional supportive and household assistance for residents will vary according to the independence level of the residents. No government licensure or certification is required unless personal care is charged for or provided by the sponsoring organization. Shared living residences may be subsidized or non-subsidized.

Accessory Apartment

A single-family home is modified to include a complete, private apartment for use by an older person (typically, an elderly relative); or, an elderly person may convert part of her own home into an accessory apartment for use by another person in order to have additional income, help with the upkeep of the house, and have the security of having a housemate while maintaining the privacy of a private living unit.

Elder Cottage (or ECHO Housing)

A small (apartment-sized), detached home for use by an older person which is temporarily sited on private property that contains the primary residence of a younger family member.

An Elder Cottage utilizes the water, electric, and sewer systems of the primary home. It provides security for the older person, privacy for both the older person and the younger family and facilitates the caregiving efforts of the younger family.

Match-Up Home Sharing

A homeowner or apartment renter with extra room shares his home with another person in exchange for rent and/or services, or as a mutually supportive arrangement to share companionship, expenses, assistance, and household tasks. Sharing may be intergenerational, or for older persons only. Match-up home sharing may occur informally but is often a formal program operated by a community agency which assumes responsibility for screening participants, matching for compatibility, assisting in drawing up agreements for living together, and helping with conflict resolution.

Enriched Housing Program

This service program is licensed by the New York State Department of Health, and provides congregate meals, housekeeping, homemaking, transportation, social activities, supervision, and personal care for individuals aged 65 and over. The program operates in multi-unit apartment buildings. An entire building may be licensed to provide Enriched Housing services to all residents or the program may be licensed to provide Enriched Housing services to a specified proportion of residents in a senior or family apartment development.

Both the rent and the cost of services/care are included in one monthly charge. Residents can use private resources to pay for monthly charges; those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

Adult Homes

Adult Homes, for adults of all ages, are licensed by the State Department of Health to provide room, meals, supportive services, personal care, and 24-hour supervision to five or more adults. Room and services are included in one monthly charge, which may be paid with private resources or subsidized through federal and state SSI Programs for those below a specified income level.

Family Type Homes

Family Type Homes, for adults of all ages, are certified by County Departments of Social Services. These are typically a single-family home in which the homeowner provides supportive services, meals, supervision, and personal care to four or fewer adults who are unrelated to the homeowner/operator. Rent and care are included in one monthly charge. Charges may be paid with private resources, or those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

Assisted Living Program

Adult Home operators and Enriched Housing operators are eligible to be approved by the State Department of Health to provide personal and health-related services (in addition to routine supportive services) to their residents who are assessed as being nursing-home-eligible. Room/rent and all services may be paid with private resources or, for those below a specified income level, may be subsidized through SSI for residential supportive services and through the Medicaid Program for personal care and health-related services.

Dementia Care Facilities

These multi-unit developments are licensed by the State Department of Health as Enriched Housing Programs or Adult Homes. Their physical layouts, programmatic aims, staffing, and care plans are designed to address the needs of people with Alzheimer's disease or other dementia conditions.

Continuing Care Retirement Communities (CCRCs)

These multi-level communities are restricted to persons over a specified age and include independent living units (apartments and/or cottages), social activities, congregate meals, supportive assistance, and personal care all on one campus. Nursing home care is also included but may be provided on or off campus. Residents pay for housing, activities, meals, services, and nursing care, with a one-time entry fee and regular monthly charges. They may also use long-term care insurance. A community's independent living units may be structured as a cooperative, condominium, or rental arrangement.

WILL YOUR NYS PENSION BE TAXED IF YOU MOVE TO ANOTHER STATE?

If you are considering moving to another state, you should be mindful that states often enact, amend, and repeal their tax laws; please contact their Revenue Agency yourself to verify that the information on the tax chart is accurate. We also strongly recommend that you do some further preparation, such as discussing the matter with your tax advisor, before making important decisions that may affect the taxability of your pension and other retirement income.

Find the latest tax information here: <https://rpea.org/retirement-planning/pension-tax-by-state/>

RETIREMENT CHECKLIST

Housing Options

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I examined the various housing options?	YES	NO
---	-----	----

2. If I do move, do I know where I'd like to go and why?	YES	NO
--	-----	----

3. Can I afford to live where I want?	YES	NO
---------------------------------------	-----	----

4. Have I explored with others the options of moving or staying where I am when I retire?	YES	NO
---	-----	----

5. Would my house pass a "safety test" allowing for the needs of a physically limited resident?	YES	NO
---	-----	----

6. Would a person 20 years older than me be able and willing to keep up with my normal household chores and maintenance?	YES	NO
--	-----	----

RESOURCES

Housing Options

WEBSITES:

Housing Resources

Options for older adults in New York.

<https://aging.ny.gov/programs/housing>

A non-profit agency in the Capital District area helping seniors and persons with disabilities to keep their homes and their independence.

www.theumbrella.org/

A national directory of retirement homes, assisted & independent living facilities, senior citizen apartments, nursing homes and more.

<https://www.seniorhousingnet.com/>

These sites offer nationwide resources for senior living.

www.retirementliving.com

www.aarp.org

ASSOCIATIONS:

Local Chamber of Commerce is particularly useful for those considering a move to a new community; can provide a wide variety of materials about the community.

Cornell Cooperative Extension Program offers a series of "how to books" directly related to retirement housing options, both for the retiree who plans to remain in present housing, and those considering a major move. Cooperative Extension can be contacted through its individual county offices located @ www.cce.cornell.edu

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Fuller, Annette., *America's 100 Best Places to Retire*, 6th Edition, Vacation Publications, 2018.

Howells, John., *Where to Retire: America's Best & Most Affordable Places*, Globe Pequot Press, 2019.

Keller, Max., *Home to Home: The Step-by-Step Senior Housing Guide-Senior Planning Workbook*, Savor Publishing, 2019.

Lambert, Amanda., *Choose Your Place: Rethinking Home as You Age*, Independently Published, 2020.

Pfau, Wade., *Reverse Mortgages: How to use Reverse Mortgages to Secure Your Retirement*, Retirement Researcher Media, 2018.

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Chapter 5

Employment Considerations

Overview

This chapter will help you look at the job market as a retiree; help you identify job skills and interests.

EMPLOYMENT CONSIDERATIONS

In the past few years, a new trend has been emerging among retirees: returning to work. Many are starting new careers after leaving government service; others are returning to school to further their education.

You have developed many marketable skills on the job, in the home, and in the community. There are jobs that are part-time, temporary, or seasonal that have the flexibility retirees seek in employment. Many retirees find working is a way to meet their needs for friends and staying connected to people, accomplishment, leadership, and as a way to develop a neglected talent.

Some employers may be hesitant to hire older workers because of the accelerated costs for the company in health insurance premiums. As a retiree from NYS government, (and with your health insurance in effect) you may elect to waive your rights to health insurance from a new employer, thereby potentially increasing the likelihood of being hired.

If you decide to re-enter public employment (any employer who pays into the State Retirement System), there is a maximum you can earn before it affects your retirement allowance. If you are not yet age 65, your earnings are limited. Go here to keep up to date with the limitation.

<https://www.osc.state.ny.us/retirement/publications/life-changes-what-if-i-work-after-retirement>.

The maximum amount may increase every few years so be sure to check with the Retirement System (OSC). You may also apply for permission to exceed this amount if need be. For more information, get a copy of the booklet “**Public Employment after Retirement**” from the Retirement System or visit <https://www.osc.state.ny.us/retirement/publications/life-changes-what-if-i-work-after-retirement>.

RESUMES

A resume serves many purposes. Its main purpose is to secure an interview. A resume also serves as a structure for the interview process and reminds the interviewer of you after you're gone.

As you prepare to retire from New York State government you should spend some time preparing an updated resume in the event you seek employment in the future. The resume you prepare will be different from the ones you had previously prepared largely due to two factors:

- The experience and skills you have gathered since your previous resumes.

- Your status as an “older worker.” (Most of the experts in the field seem to agree that those 45 and older are part of the *older workforce*.)

A resume should be tailored to the job you are seeking. Gone are the days when an applicant sent out the same resume to many job postings. Each job application will most likely warrant a slightly different version of your resume. Know what the potential employer is looking for and be sure to emphasize those skills in your resume. Most former retirees will choose a functional (organized by skills and functions) format for their resume rather than chronological. For tips on writing resumes and cover letters you may wish to visit the NYS Department of Labor’s web site at: <https://www.labor.ny.gov/careerservices/findajob/sampcovr.shtm>

Resume tips:

- Remove all indicators of your age, i.e., the year you graduated from school or the total number of years worked (instead list number of years in a certain position or years spent using a skill such as years directing a team of six accountants) and the year any awards were received (unless they were in the last ten).
- Create a “strengths” section to emphasize your ability to work independently or to fit in with an intergenerational team already into a project.
- List your education **after** your experience. Since your formal education probably took place some years ago, it is better to emphasize your abilities by listing them first.
- Emphasize the positive attributes of age, including accumulated experience, perspective, consistent achievement, maturity, judgment, and increasing responsibility.
- If you are able to work on a short cycle or project basis, part-time, flexible hours, weekends, or holidays be sure to mention this in the resume.
- Date your resume in small type at the bottom right-hand corner of the page. This enables the employer to see that it is up to date and will help you in your record keeping as well.

Power words to consider using in your resume include:

conducted	negotiated	designed	selected
supervised	trained	managed	originated
delivered	initiated	implemented	innovated
planned	presented	created	edited
instituted	coordinated	analyzed	researched
developed	completed	organized	produced
wrote			

Rmember, there are few rules in resume writing. You should choose a format that most favorably presents your job history as it relates to your current objective. Present the highlights of your career, not the whole story. It is meant to be a marketing piece not your life history.

WORK SATISFACTION

Satisfaction is a very personal feeling. What may be satisfying to one person may be dissatisfying to someone else. When choosing a new job or career it is helpful to know what makes you feel satisfied. Go through this list of reasons for work satisfaction.

Rate these for the job you now hold, giving three points to your most important concerns, two for your less important, and one point for those that matter the least to you. Then complete this list again in a different color ink, listing what would be most important to you in a job after retirement.

	CURRENT	RETIREMENT
Chance to help society as a whole		
Chance to help other people individually		
Chance to meet new people		
Opportunity to be part of a team		
Opportunity to exercise leadership		
Can prove my competence		
Can assume responsibility, make decisions		
Pushes me to operate at a high-energy level		
No pressure with deadlines or competition		
Gives me recognition		
Exercise my reasoning facilities and problem-solving ability		
Shows immediate results of my efforts		
Allows me to create order, set up systems		
Involves social status and prestige		
Offers variety, change		
Allows for creativity and originality		
Provides strong supervision		
Allows for independence		
Chance to learn and grow		
Uses my precision skills		
Offers stability, security		
Provides me with an audience		
Offers a high earning potential		
Challenges my abilities		
Involves a field that interests me		

WORK VALUES INVENTORY

The Work Values Inventory can help you assess your needs and find out what would be important to you in a retirement job. Complete this inventory based on what will be important to you in retirement, not what is important to you now. For example, you may enjoy having a lot of responsibility on the job now, and at the same time, you may be looking forward to having less responsibility once you retire.

Mark the work values in each column that are most important to you. If a value is not important mark the *middle* box. When looking for a paid job or volunteer work, choose the position that satisfies more of your work values.

	I M P O R T A N C E					
	VERY	M O D E R A T E	NOT	MODERATE	VERY	
Work for an organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Self-employed
Work alone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work with people; potential for close interpersonal relationships with coworkers.
Structured environment: definite job descriptions, responsibilities, policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unstructured environment; work on own initiative; make own decisions, opportunities for creativity
Close supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No supervision
Low level of responsibility: no need to make tough decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	High level of responsibilities making key decisions, have power and authority
Short hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Job responsibilities demand time investment
Guaranteed regular hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Flex, temp, or seasonal work
Variety of duties every day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perform similar functions continuously
Work involving risk-taking, and with high degree of challenge/adventure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work offering security and steady employment
Fast-paced, busy every minute, high pressure work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Slow-paced, low-pressure work
Visible end products; specific achievable goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Few tangible end products; long-range goals
Work indoors in pleasing and comfortable working environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work outdoors in natural environment
Work opportunities in any geographic area of the U.S.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work concentrated in specific geographic areas
Work for large agency or organization, e.g., government agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work for small organization, e.g., family business
Work involves high degree of prestige and status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work offers low degree of prestige and status
Work offers many opportunities for advancement and professional development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Work offers few opportunities for advancement and professional development
Place of work is near residence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Live 1/2 hour or more from place of work
High level of involvement with machinery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Low level of involvement with machinery
Early retirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Opportunity for continued work after age 65
Involves frequent travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Involves little or no travel

RETIREMENT CHECKLIST

Employment Considerations

As you approach retirement it is useful to determine what you know, what you've already done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I considered another job following retirement?	YES	NO
<hr/>		
2. Do I understand the possible impact that working after retirement could have on my retirement income?	YES	NO
<hr/>		
3. Do I have any skills I could develop through education?	YES	NO
<hr/>		
4. Have I explored volunteer fields as a way to widen my daily activity and lead to a possible job?	YES	NO
<hr/>		
5. Have I looked at my personal "network," friends, family and business contacts, as a resource in looking for work?	YES	NO
<hr/>		
6. Do I have a resume that is current?	YES	NO
<hr/>		

RESOURCES

Employment Considerations

WEBSITES:

The NYS Dept. of Labor
<https://www.labor.ny.gov/home/>

Job Seekers: register to search for a new job or just to see what's out there.
www.jobsonline.com

New York Business Express is the state's primary online guide to help you start, run, and grow a business in New York.
<https://www.businessexpress.ny.gov/>

Commission on Ethics and Lobbying in Government.
<https://ethics.ny.gov/about-commission-ethics-and-lobbying-government-coelig>

Search jobs and personalize career tools.
www.monster.com

Retirement jobs for people over 50.
www.RetirementJobs.com

Create, edit and share your resume in minutes using this free resume builder.
<https://www.resume.com>

Glassdoor is one of the world's largest job and recruiting sites.
<https://www.glassdoor.com/index.htm>

LinkedIn is the world's largest professional network on the internet. You can use LinkedIn to find the right job or internship, connect and strengthen professional relationships, and learn the skills you need to succeed in your career.
<https://about.linkedin.com/>

ZipRecruiter is another site to search for jobs. <https://www.ziprecruiter.com/jobs/search>

Search for jobs at Indeed
<https://www.indeed.com/q-Resume-jobs.html>

PUBLICATIONS:

Bolles, Richard N., *What Color Is Your Parachute? 2020: A Practical Manual for Job-Hunters and Career-Changers*, Ten Speed Press, Berkeley, Ca. 2019.

DeCarlo, Laura., *Resumes for Dummies*, 8th Edition, John Wiley & Sons Inc., 2019.

Enelow, Wendy., *Modernize Your Resume: Get Noticed...Get Hired*, Emerald Career Publishing, 2019.

Griffo, Ilana., *Mind Your Business: A Workbook to Grow Your Creative Passion into a Full-time Gig*, Paige, Tate & Co., 2019.

Haberkorn, Tony & Elizabeth O'Neal., *Best Job Search Tips for Age 60-Plus: A Practical Work Options Resource for Baby Boomers*, Baypointe Publishers, 2017.

Hannon, Kerry., *Great Jobs for Everyone 50+: Finding Work that Keeps You Happy and Healthy...and Pays the Bills*, (updated edition), Wiley, 2018.

Hill, Beverly., *Middle Age Career Change: How to Turn Your Life Passion into a Career*, Patricia Carlyle, November 2016.

Moment, Robert., *Get a Job Quickly After 50: 18 Ways to Find a Job You Love That Work*
| Aug, 2020

OTHER SOURCES:

Today there are more resources than ever to assist you in finding a job. Many of these can be found at local libraries, including computer resume programs and job listings on the Internet, as well as pamphlets and other job search materials. Information about jobs and continuing education may also be found at most universities and community colleges.

Local libraries house Job Information Centers that store many books, pamphlets, test announcements, classified ads, computer job listings, and other job search materials. Also, regional centers give free resume writing and review services, and have people who can work with you on a one-to-one basis.

Using New York's Job Bank you can search open job opportunities, post your resume so employers can find you and sign up to receive e-mails about new job listings that will interest you. <https://dol.ny.gov/find-job-0>.

Private career and life planning services offer testing that may help in new career choices. Consult your local directory for listings in your area. In many communities, the Cornell Cooperative Extension and/or local high schools offer courses on starting a business, as well as others such as computer literacy, which may increase your desirability in today's job market.

If you wish to start your own business, consult the Federal Small Business Administration at <https://www.sba.gov/>

Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416
1-800-827-5722

For New York State (Region II)
26 Federal Plaza Suite 3108
New York, NY 10278
United States
Phone: 212-264-1450

Chapter 6

Budgeting and Financial Planning

Overview

This chapter encourages you to set personal financial goals; plan financially for retirement; examine your financial readiness for retirement; understand the importance of the budgeting process; use budget worksheets; and understand the method of determining how much you need to save or invest to reach your retirement goals.

BUDGETING & FINANCIAL PLANNING

In planning for retirement, the first question you probably should ask yourself is, "Can I afford to retire?" The easy answer is, "Sure, anybody can." The realistic answer depends on how long you will be retired and on what kind of lifestyle you want.

LIFE EXPECTANCY AND RETIREMENT

Before deciding that the answer is "Yes, I can afford to retire," it's important to think about how long you need to plan for in retirement. None of us knows how long we will live. But many people don't realize their retirement could last 25 years or more. View the Life Expectancy Chart here: [Life Expectancy Chart](#).

Individual circumstances can make a difference. How long you live is affected by your lifestyle, economic status, state of health, and whether you keep physically fit. Genetic factors, race, and family history can also make a difference.

Planning for retirement means planning for age 85 as well as age 65. In our society people are living longer. Keep this in mind when you think about your finances as well as leisure, housing, and other aspects of your plan.

FINANCIAL GOALS

When making decisions about your retirement expenses, you need to figure out what you are going to do in retirement and how you plan to live. Have you taken some of those necessary self-assessment steps and set some goals? Have you outlined activities and figured out what you are going to do with your time? Next, it's important to list those personal goals in dollar terms.

Most people who retire want to be able to live the same way they did before retirement. If you don't do some financial planning, it is hard to know if that's possible or if you will need to make some changes in your lifestyle.

PLAN FOR WHAT YOU NEED

For most people, it is unrealistic to plan for income equal to what they earned the year before retirement. Few people have the financial resources to replace their salaries. Depending on your income, you should be able to keep your standard of living in retirement with an income between 60 percent and 80 percent of your former pre-tax earnings. This is a concept called "Equivalent Retirement Income." The higher your pre-retirement income, the smaller the percentage you will need, mostly because of lower taxes in retirement. If in retirement your income is lower, then your tax liability should also drop.

A rule of thumb to follow is that if your gross earnings are \$50,999 to \$70,000 a year, you should aim for an equivalent retirement income of 60 percent, while someone grossing \$20,000 to \$30,000 ought to aim for 80 percent. Seventy-five percent of your current salary is often used as a guide to determine retirement income needs.

There are some other changes in expenses you can look forward to in retirement. You should not have any work-related expenses, which can account for 5 percent of a person's budget. See the worksheet "How Much Does It Cost You to Go to Work?" to figure out what your savings might be. Unless you work, you won't owe Social Security payroll taxes anymore. Your housing costs will go down also as your mortgage, if you have one, is paid off. Look carefully at your life insurance coverage and see if you can cut back if you have children who are grown. Perhaps you are over-insured, and you can cash in a policy and buy an annuity to add to your monthly retirement income. Don't overlook the many off-peak time and senior citizen discounts available. If you are no longer working full-time, you'll have chances to take advantage of travel and entertainment discounts offered. The qualifying age can range from 55 to 65. Don't be shy about asking for an age-related discount. The money you save will be your own.

PLANNING YOUR FINANCIAL INDEPENDENCE FOR TOMORROW

Many of us look forward to retirement because of the freedom from work it can give us. But to enjoy the freedom to its fullest, you need financial security. That requires financial planning.

WHEN TO RETIRE

When you retire depends on two things: 1) when you want to stop working regularly, and 2) when you can afford to stop working.

The second question is not simple. There are a series of action steps you can take one at a time to eliminate some of the guesswork. As part of your financial planning, you should build a good base including:

- An emergency fund of three to six months of your current take-home pay
- Protection in the form of life, health, and property insurance
- Knowledge of what you'll receive in retirement income (estimates can be calculated for pension @ [Pension Payment Calculator](#) and Social Security @ [My Social Security Account](#) ; and
- Home ownership with some equity.

INCOME NEEDED

The most common concern of future retirees is “How much income will I need to maintain my lifestyle after I retire?” After you decide how you want to live in retirement, you'll need to figure out how much money you'll need.

An important step in planning for financial independence in retirement is to look at where you stand financially. The best way to do this is by preparing a personal balance sheet, or net worth statement. Net worth is the total value of everything you own – your assets – and all that you owe – your liabilities. A sample Net Worth Sheet, and other worksheets are included for you at the end of this chapter. Your completed statement will show you if you have sufficient financial resources to keep up the retirement lifestyle you want. If you don't, you can use the statement to help you plan extra savings and/or investments to meet future needs.

When you add up your net worth, you may be pleasantly surprised at the value of your assets. However, not all assets can be used as retirement income. For example, assets such as a car and home furnishings cannot be considered a possible source of retirement income.

A house or other property is an asset which could be used for future income. It is important your net worth statement show the amount of your assets available for retirement income.

As you fill in the asset side of the form, be sure to use actual market value or the amount you would receive if you sold that item.

BUDGETING PROCESS

When thinking about your financial readiness for retirement, it's best not to make it a guessing game. Part of your process should include planning a household budget. The word “budgeting” may sound as unpleasant as “dieting” to some. Most of us live on a cash flow system from paycheck to paycheck, not keeping track of where the money goes. It may be challenging to create a budget, but the result will be worthwhile.

To prepare for your retirement years, you must know and be in control of your monthly expenses. You must know whether you can meet these expenses on your retirement income or whether you must put more money in the bank right now.

The first step in budgeting is to determine your total current income. In addition to salary or wages of family members, include interest or dividends from savings and investments and any other income such as that from rental property.

Now, you need to figure out where your money goes. Therefore, you need to determine your current expenses. Worksheet 1, "*Estimated Monthly Cost of Living*," will help you do this on a monthly basis. A good time to complete this step is when you're figuring out your income taxes and have all your financial records on hand. Major monthly expenses such as housing, utilities, and installment payments are easy to track. However, what about those unrecorded out-of-pocket expenses? Before you get started, it might be a good idea to begin saving receipts and marking down all cash spent. Do this for a month or two. Look at your spending and see if there are patterns. The only way to know where to cut back on expenses is to know exactly where all your money is going.

You will notice there are two columns in Worksheet 1. The first one is for you to calculate your current monthly expenses. The second is for you to forecast as if you were retired. Don't deal with future dollars just yet. Think ahead to the retirement goals you are setting and assign a cost to them. If you were to retire tomorrow or next week, how would things change? Would you be moving and making changes in your housing costs? How about transportation? Perhaps these expenses will go down if you are no longer going back and forth to work or paying for parking. Food costs can go down if you have more time at home to cook and use fewer expensive convenience foods. Clothing expenses may change if you no longer have to dress for work. Medical expenses, however, may go up as health insurance rates increase. Some long-term care costs are not paid for by Medicare or state health insurance. You will need to pay for these out of your budget or through private policies (See pages later in this section for information on Long-Term Care Insurance). Your recreation costs may increase depending on what you do with your leisure time. So, the second column involves an important step in the budgeting process, preparing a preliminary retirement budget.

There are no right or wrong amounts of money to spend on these categories. You should set up your spending on a pattern that shows what is important to you and will allow you to meet your goals.

Now fill out Worksheet 2, *Estimated Annual Cost of Living*, by using your monthly figures in the *After-Retirement* column on Worksheet 1. Add them up by category, multiply each by 12 and round off to the nearest hundred. Write these figures in the first column.

Unfortunately, these expenses will not stay the same from now until you retire, or during your retirement. The expenses on these two worksheets are based on today's prices. We all know that a dollar today may not be worth as much 10 or 20 years from now. This leads us to the next step in the budgeting process which is to adjust for cost-of-living increases.

To estimate your income needs at retirement, you need to predict what inflation will be. To do this, you need to determine when you'll retire and how long you may expect to live. Worksheet 3, *Inflation Factors*, can be used to estimate the inflation adjustment you need to make.

You can estimate future budget needs by using one inflation rate to adjust your total expenses for five years into the future, and another rate for 10 to 15 years.

The impact of inflation cannot be ignored. While Social Security benefits are currently tied to inflation rates, New York State retirement allowances are not, and do not go up unless the Legislature passes a specific law providing an increase. Inflation can seriously lower the purchasing power of a fixed income. The key is to plan for retirement income with inflation in mind. If your savings interest rates can beat inflation over the long run, you are ahead of the game.

As inflation goes up, so do interest rates and vice versa. Basically, your savings should earn enough interest at least to keep their buying power. For example, if it will take \$1,100 two years from now to buy what \$1,000 buys today; your investment should earn a rate of return that will give you \$100 in interest over two years.

SOURCES OF RETIREMENT INCOME

To complete the steps in the budgeting process, you need to project sources and amounts of your retirement income. There are basically four sources of retirement income for retired New York State employees: Employee's Retirement System's retirement allowance (your pension), Social Security benefits, personal savings and investments, and earnings from post-retirement work. Each will be discussed in this *Guide* in more detail. Keep in mind while your pension is a terrific benefit, and it typically goes up in the future, the increase is usually enough to purchase a few cups of coffee.

On Worksheet 4, *Estimated Annual Income After Retirement*, record the amounts of your retirement income from various sources. You can calculate estimates for your pension from the New York State and Local Employees' Retirement System @ [Pension Estimate Calculator](#) and Social Security [Social Security](#) if you haven't already done so. Compare these figures to the annual expenses you estimated on Worksheet 2.

This completes the process of pulling together your financial profile or budget. It should help you to see whether you have spending or income gaps. If there are gaps, you can look at your savings and investment plans for solutions.

SAVINGS TIPS

If you do not have a savings program, it's never too late to start. Don't forget about the magic of interest over a longer period. Table 2 can help you figure how much to save monthly at a given interest rate so you will have money ready when you want it.

If you feel you need to cut back on expenses and put more money away for your retirement nest egg, you may want to take advantage of payroll deduction plans available to you as a New York State employee. You can arrange to have a set amount deducted from your pay and deposited to the Credit Union or Deferred Compensation Plan or used to buy U.S. Savings Bonds.

Table 2 -Monthly Savings to Reach a Goal					
Years to Achieve Goal					
Total \$ Needed	3	5	10	15	20
At 6% Rate of Return					
\$ 5,000	\$120	\$ 74	\$ 31	\$ 17	\$ 11
10,000	240	149	63	36	23
15,000	360	223	96	54	34
20,000	480	297	126	72	45
At 9% Rate of Return					
\$ 5,000	\$115	\$ 66	\$ 26	\$ 13	\$ 7
10,000	230	132	51	26	15
15,000	345	197	77	39	22
20,000	460	263	102	52	30
At 12% Rate of Return					
\$ 5,000	\$110	\$ 60	\$ 21	\$ 10	\$ 5
10,000	220	121	43	20	10
15,000	330	182	64	30	15
20,000	440	242	86	40	20

NEW YORK STATE DEFERRED COMPENSATION PLAN

By joining the NYS Deferred Compensation Plan, you can benefit from saving before-tax dollars and or after-tax dollars. On the before-tax dollars you pay no federal or state income taxes on your contribution, or on interest earned, until you withdraw money during retirement. The after-tax dollars may be tax exempt on withdrawal.

Additional features of the Deferred Compensation Plan such as the “catch-up” provision, investment option specifics, fees, and other detailed information can be found in Chapter 8 of this *Guide*. You may contact a representative by calling toll free at 1-800-422-8463.

Table 3 - How Long Will Your Money Last?

This chart shows how long your money will last if you withdraw a fixed amount each year. An * means it will last indefinitely at that rate.

% of capital	Years money will last if invested at these rates:							
	5%	6%	7%	8%	9%	10%	11%	12%
8%	21	24	31	*	*	*	*	*
10%	15	16	18	21	27	*	*	*
12%	11	12	13	15	17	19	24	*
14%	10	10	11	12	12	14	15	18
16%	8	9	9	10	10	11	12	13
18%	7	7	8	8	9	9	10	10
20%	6	7	7	7	7	8	8	9

SAVINGS ROUTINES THAT WORK

- ***Pay yourself first.*** Make savings part of your fixed expenses in your budget, much like your rent, mortgage, or utility payment.
- ***Save windfall income.*** Try to save tax refunds, bonuses, overtime pay, gift money, refunds, rebates, and money saved by using cents-off coupons.
- ***Pay installments to yourself.*** After you pay off an installment debt (car loan, furniture or appliance loan, etc.) continue to budget the loan payment, but put it in your savings account.
- ***Collect loose change.*** Every week (or more often) empty out your pocket or wallet and put the change in a savings jar. Every other week or once a month deposit the change in your savings account.
- ***Try frugality.*** Eliminate or cut back on something and put the money you don't spend in your savings.
- ***Break a habit.*** Every time you don't buy a bagel on break, or you don't spend money in the vending machine, save the money you didn't spend.
- ***How long will my resources last?*** In these first steps figuring your assets and projected income requirements, the question heard most is "How long will my money last?" Many retirees fear outliving their savings. The chart in Table 3 may help in figuring how long your money will last if you start drawing it out.

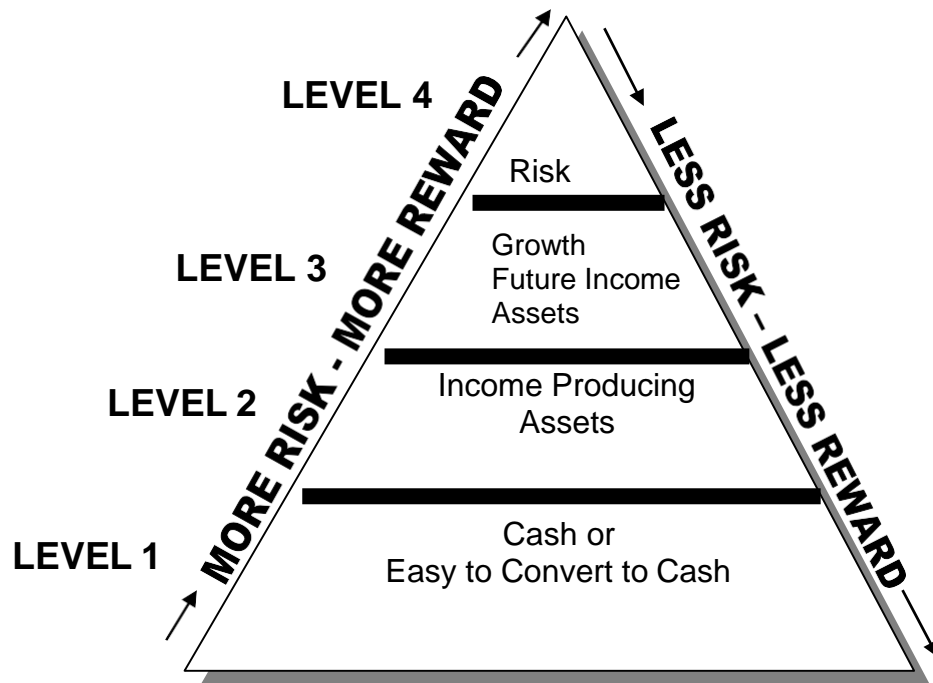
WILL MY ASSETS PRODUCE THE REQUIRED INCOME?

The action question becomes *"What must I do with my finances to make my retirement a reality?"* The further you are from retirement, the less exact is the process, but you can start by looking over your assets (from your net worth sheet) and change your planning as you go. You may have saved or invested in the past. For future planning though, a clear distinction must be made between savings and investments. With savings, the first deposit (often all capital) stays the same and earns either fixed or variable interest. Some credit unions refer to the interest on savings as dividends.

On the other hand, the first capital of investments can go up or down in value and may or may not pay interest or dividends depending on current type, and on the economic and market condition.

Look carefully at the pyramid shown in Figure 1 as your guide for a good financial plan. Assets in Level 1 are used for meeting daily expenses and those in Level 2 can be used to give you a regular source of income. If you have assets in Level 3 or 4, you could be in greater danger of losing capital.

FIGURE 1 – DISTRIBUTION OF RETIREMENT ASSETS



Place your own assets on the pyramid to figure your present use of savings or investments. A checklist follows of the assets making up the four levels of the pyramid, and general statements on income tax results.

Level 1*Cash or Easy to Convert Cash
Amount*

\$_____ Savings and Checking Accounts

_____ Credit Union

_____ Money Market Accounts

_____ Certificates of Deposit

_____ Government Securities (*savings bonds, treasury bills, notes, and bonds*)

_____ Life Insurance (*with cash value*)

_____ Other

\$_____ Total

Interest on these assets is taxable each year with the exception of interest on savings bonds and life insurance which is deferred until earnings are taken.

Level 2*Income Producing Assets
Amount*

\$_____ Investment Real Estate

_____ High Grade Corporate and Municipal Bonds

_____ Government National Mortgage Association (Ginnie Mae)

_____ Income Mutual Funds

_____ Blue Chip and Preferred Stocks

_____ Other

\$_____ Total

Level 3*Growth Assets
Amount*

\$_____ Real Estate Limited Partnership

_____ Growth Stock

_____ Growth Mutual Funds

_____ Real Estate Investment Trusts

_____ Other

\$_____ Total

Growth in value can be reinvested and deferred until earnings are taken. Interest, rent, and dividends are currently taxable each year. Real estate limited partnerships allow individuals depreciation for tax purposes.

Level 4*High Risk Assets
Amount*

\$_____ Commodities Futures

_____ Speculative Stocks

_____ Low Grade Bonds

_____ Collectibles

\$_____ Total

Growth in value can be reinvested and deferred until earnings are taken. Interest, rent, and dividends are currently taxable each year.

TWO OTHER ASSETS NOT LISTED ARE:

1. *Individual Retirement Account (IRA)*: A retirement option which could use any of the above categories for saving or investment. In 2021, if you are covered by a qualified pension plan (including New York State Systems), an IRA contribution still can be made if your salary is under \$65,000 and you're single, or under \$104,000 if you're married. Over these income amounts, the contribution deduction is pro-rated. The remaining tax advantage is that the interest and dividends, etc., can defer tax until capital is received.

Note: Contributions for IRA's are subject to change in the coming years and should be checked with financial institutions.

2. *Owning Your Home*: This investment gives service - a free place to live - rather than earnings. However, a home as an asset can be used, if necessary. It can be sold to gain money to invest; used as collateral for a loan to gain money to invest; used to apply for a reverse mortgage that allows a bank to make monthly payments to the owner in exchange for future ownership of the property.

As you look over your assets in the pyramid, two important questions about your retirement planning are: Which of these assets are available for your retirement income? Are the assets going up in value to give good working capital in the future?

SHOULD I BE INVESTING?

After you have figured how much you have, the next question is where to put those assets. The following conditions will probably have an impact on your decision.

Time is a very steady "worker" and you can use it to help increase your income. You have worked for your money and now your money should work for you. How long you keep it invested is an important factor. Table 4 shows the difference that time can make.

Inflation has already been discussed. Fixed rate savings by themselves cannot fight purchasing power that's going down. Your financial plan should be carefully balanced with some growth-oriented assets to give steady income that can grow to cover inflation.

You should not depend on any one source to provide all the income you will need during your retirement years. The more your income sources are diversified, or spread among different kinds of investments, the better your protection against inflation, the ups and down of the investment markets, and the legislative and regulatory changes affecting your pension and Social Security.

Table 4

Value of \$1,000 investment for Specified Number of Years at Various Rates of Return				
Annual Net Rate of Return (Compounded)	Number of Years \$1,000 is Invested			
	5	8	10	12
4%	\$1,217	\$1,369	\$1,480	\$1,601
6%	1,338	1,594	1,791	2,012
8%	1,469	1,851	2,159	2,518
10%	1,611	2,144	2,594	3,138

How Much Does It Cost You to Go to Work?

I spend the following amounts each year on these work expenses:

- | | | | |
|--|---------|---|------|
| 1. Lunches | \$_____ | 10. Picking up the tab
(The times you say
"This one's on me.") | \$__ |
| 2. Coffee breaks | \$_____ | | |
| 3. Transportation | \$_____ | 11. Impulse buying
(When you pass shops on
your way home, or to work,
or during lunch hour, how
often do you buy
something you really
don't need?) | \$__ |
| 4. Union dues | \$_____ | | |
| 5. "Salary" taxes and
deductions | \$_____ | | |
| 6. Work clothing or
uniforms
(This is only the beginning.
You know of many other
office and work expenses –
they add up. Now find out
these "hidden"
expenses.) | \$_____ | 12. Home repairs (How
much do you spend
on work you could
do yourself if
you had time?) | \$__ |
| 7. Collections
(When a fellow worker
gets engaged, married, has
a baby, gets a promotion,
gets sick, gets well,
celebrates a birthday,
retires - isn't someone
always taking a
collection?) | \$_____ | 13. Personal grooming
(How much extra does
it cost you to look
good five days a
week?) | \$__ |
| 8. Laundry and dry
cleaning | \$_____ | 14. Domestic help (When
your job prevents you
from doing all the
laundry and
housework yourself.) | \$__ |
| 9. Holidays
(Cards and gifts for
fellow workers) | \$_____ | 15. Shopping
(You may lack time to
comparison shop and take
advantage of sales and
specials, so your outlay for
food, clothes, and household
products are higher. How
much higher?) | \$__ |

Net Worth Sheet

Assets What You Own

Cash:

Cash on hand \$ _____
 Checking accounts _____
 Savings accounts _____
 Money-market funds _____
 Life insurance cash value _____
 Money owed you _____

Marketable Securities:

Stocks _____
 Bonds _____
 Government securities _____
 Mutual funds _____
 Other investments _____

Personal Property:

Automobiles _____
 Household furnishings _____
 Art, antiques, other collectibles _____
 Clothing, furs _____
 Jewelry _____
 Other possessions _____

Real Estate:

Homes _____
 Other properties _____

Pension:

Vested portion of company plan _____
 Vested benefits _____
 IRA _____
 Keogh _____

Long-term assets:

Equity in business _____
 Life insurance _____
 Annuities _____

Total Assets: \$ _____

Total Assets - Total Liabilities = **Net Worth**

Date _____

Liabilities What You Owe

Current Bills:

Rent \$ _____
 Utilities _____
 Charge accounts _____
 Credit cards _____
 Insurance premiums _____
 Alimony _____
 Child support _____
 Other bills _____

Taxes:

Federal _____
 State _____
 Local _____
 Taxes on investments _____
 Other _____

Mortgages:

Homes _____
 Other properties _____

Debts to Individual Loans:

Auto _____
 Education _____
 Improvement _____
 Life insurance _____
 Other _____

Total Liabilities: \$ _____

\$ _____

Worksheet 1

Estimated *Monthly* Cost of Living

Monthly Average Shelter	Now	After Retirement
Rent	\$	\$
Mortgage payments	\$	\$
Real estate, city, school taxes	\$	\$
Insurance	\$	\$
Household Expenses and Maintenance		
House repair, yard care	\$	\$
Water, electric, gas, fuel oil	\$	\$
Cell phone,	\$	\$
Waste, disposal, other	\$	\$
TV, cable, Internet	\$	\$
Home Improvement and Upkeep		
Furniture, fixtures	\$	\$
Floor coverings	\$	\$
Laundry supplies, equipment	\$	\$
Kitchen equipment	\$	\$
Garden, yard equipment, supplies	\$	\$
Auto and Transport		
Monthly portion of purchase price	\$	\$
Repairs	\$	\$
Gas and oil	\$	\$
License and driver registration	\$	\$
Insurance	\$	\$
Other transportation	\$	\$
Food		
Food at home	\$	\$
Food away from home	\$	\$
Liquor and food for entertaining	\$	\$
Clothing		
New clothing for all in household	\$	\$
Laundry not done at home	\$	\$
Dry cleaning	\$	\$
Shoe repair	\$	\$

		Monthly Average	
		Now	After Retirement
Cosmetics and toiletries		\$	\$
Barber and beauty shop		\$	\$
Stationery, postage		\$	\$
Medical and Health			
Medicine and drugs		\$	\$
Doctor, dentist, eye specialist		\$	\$
Eyeglasses, hearing aides		\$	\$
Health insurance premiums		\$	\$
Recreation and Other			
Books, newspapers, magazines		\$	\$
Club memberships, dues		\$	\$
Movies, sports events, concerts		\$	\$
Sports and hobby equipment, supplies		\$	\$
Vacations, celebrations, weekend trips		\$	\$
Adult continuing education		\$	\$
Pets: cost, food, license		\$	\$
Contributions		\$	\$
Gifts		\$	\$
Taxes, Interest, Insurance			
U.S., State and local income tax		\$	\$
Personal property tax		\$	\$
Interest on loans		\$	\$
Life insurance premiums		\$	\$
Property insurance (not house)		\$	\$
Savings, Investments			
Banks, savings, and loan		\$	\$
Company pension, profit sharing plans		\$	\$
Stocks, bonds, real estate		\$	\$
Retirement: Keogh, IRA Deferred Compensation		\$	\$
Total Monthly Costs Now		\$	
Total Monthly Costs After Retirement			\$

Worksheet 2

Estimated *Annual* Cost of Living

Now multiply by 12 the total of monthly cost after retirement (Worksheet 1) to get your annual cost of living if you were retired.

	Totals, if you were retired now (<i>Round off</i> to even hundreds)	Inflation Factor	Your Budget
Shelter	\$ _____	_____	\$ _____
Household expenses and maintenance	\$ _____	_____	\$ _____
Home improvement and upkeep	\$ _____	_____	\$ _____
Automobile and upkeep	\$ _____	_____	\$ _____
Food	\$ _____	_____	\$ _____
Clothing	\$ _____	_____	\$ _____
Personal	\$ _____	_____	\$ _____
Medical and health	\$ _____	_____	\$ _____
Recreation and other	\$ _____	_____	\$ _____
Taxes, interest, insurance	\$ _____	_____	\$ _____
Savings, investments	\$ _____	_____	\$ _____
Any future irregular expense (<i>new roof, new car, new furnace</i>)	\$ _____	_____	\$ _____
Total	\$ _____	_____	\$ _____

Worksheets 1, 2, 3 & 4 from CEH Topics, Dept. of Consumer Economics and Housing, NYS College of Human Ecology, Cornell University, Ithaca, NY 14853

Worksheet 3 Inflation Factors

1. Choose from the left-hand column the number of years into the future you want to project.
2. Choose a rate of inflation from the top row. This cannot be predicted accurately and will vary from year to year.
3. Find the appropriate inflation factor that matches your assumed inflation rate and years into the future.
For example, 5 years and 4 percent inflation yields a factor of 1.2.
4. Write this factor in the second column Inflation Factor on Worksheet 2, under "Total." Multiply your total estimated retirement expenses by the inflation factor to get your inflated retirement expenses.
For example: \$18,000 X 1.2 = \$21,600

YEARS	PERCENT RATE OF INFLATION							
	3%	4%	5%	6%	7%	8%	10%	12%
2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.3
3	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4
4	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6
5	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.8
8	1.3	1.4	1.5	1.6	1.7	1.9	2.1	2.5
10	1.3	1.5	1.6	1.8	2.0	2.2	2.6	3.1
12	1.4	1.6	1.8	2.0	2.3	2.5	3.1	3.9
15	1.5	1.8	2.1	2.4	2.8	3.2	4.2	5.5
18	1.7	2.0	2.4	2.9	3.4	4.0	5.6	7.7
20	1.8	2.2	2.6	3.2	3.9	4.6	6.7	9.6
25	2.1	2.5	3.4	4.3	5.2	6.8	10.8	17.0

Worksheet 4

Estimated Annual Income After Retirement

1. Social Security

Partner #1 _____ \$ _____

Partner #2 _____ \$ _____

2. Pensions and Employer Benefits

Company \$ _____

State or Federal government _____

Veteran's _____

Union or other _____

Profit-sharing _____

Deferred pay _____

Other _____

3. Savings and Investments

IRA \$ _____

Keogh _____

Savings account (interest) _____

Money market (interest) _____

Treasury securities (interest) _____

Mutual funds (dividends,
capital gains) _____

Stocks (dividends) _____

Bonds (interest) _____

Real estate (rent) _____

Farm/business rent or
installment payments _____

Home equity conversion _____

Annuities _____

Other _____

4. Earnings

Salary, wages \$ _____

Commissions, royalties, fees \$ _____

Partnership income \$ _____

5. Assets which could be liquidated

*Profits would then be invested in
interest/dividend earning instruments.
Interest then becomes part of income.
Alternatively, a portion of the
principal could be spent per year.*

Real estate \$ _____

Mutual funds _____

Stocks _____

Bonds _____

Antiques, collectibles _____

Farm/business _____

Anticipated gifts or inheritance _____

TOTAL for 1 to 5 \$ _____

6. Possible deductions from income

Federal income tax _____

State/city income tax _____

Social security tax _____

TOTAL for 1-6 \$ _____

Total Net Income \$ _____

(1 to 5 minus 6)

(1 to 5 minus 6)

IS LONG-TERM CARE INSURANCE FOR YOU?

This question should be addressed by employees as they plan for the possibility of a long-term stay in a nursing home, assisted living facility, or extended home care. Medicare does not pay for custodial care and many people who can't afford the cost will have to resort to spending down their assets. Each state has different requirements for spend down so before making any spend down plans, consult with an elder law attorney. If one spouse is in a nursing home, however, Medicaid allows the other to keep much more in monthly income and assets. Check with your attorney. To protect your assets, you could obtain Long-Term Care (LTC) insurance that will partially or fully reimburse you for the cost of such care. Is the purchase of such insurance worth it for you? Here are some guidelines to make the right choice for your situation.

Do you have enough assets to protect to make the cost of the insurance worth it and do you have enough income to pay the cost of the insurance indefinitely without impacting your lifestyle? More importantly, do you have someone or an organization you would like to leave these assets to upon your death?

The second question is the easy part. If you have no need to pass on assets, it's probably safe to pass up the insurance and pay the cost of LTC out of your income and savings. After these are depleted, you can go on Medicaid. If you have assets you would like to pass on to others, how valuable should the assets be before you consider insurance? Experts are not in agreement on this issue but we can provide some guidelines.

First add up your assets that would be used to pay for LTC. These would include bank accounts, CDs, stocks, and bonds, mutual funds, market value of real estate (except your home), insurance policies (with cash value) IRAs, deferred compensation accounts, and valuable personal property. Then take the monthly cost of a nursing home and (the statewide monthly average for a shared room in a nursing home in 2024 is \$435.00 per day *) add to this monthly cost any other costs for support of a spouse or maintenance of a home, less your expected monthly income from all sources. This result will be the monthly amount you will have to pay from your assets. Then divide this amount into the total assets available. You will then know how long your assets will pay for a nursing home stay. If you have enough assets to last more than 29 months, you may wish to self-insure. If you have less than 10 months of assets, don't bother with the insurance, there are other ways to transfer the assets to your heirs. In this situation, rely on Medicaid to pay for your long-term care.

Everyone's financial situation is unique, and experts do not always agree on the best way to determine if LTC insurance is worthwhile. However, financial experts have several ways of determining if you should consider LTC insurance. One guideline is not to pay more than 5% of your yearly income for the insurance or 1% of the value of your assets.

To obtain information about protecting your assets, talk to your financial planner, elder law attorney, or county Office for the Aging before making a decision. Be advised some of these experts may be biased toward solutions that will result in them earning money over and above any consulting fee. Veterans should contact the V.A., concerning LTC benefits.

So, you must weigh the cost of LTC insurance against the value of the assets you wish to protect and the chance you will require a long stay in a nursing home, assisted living facility, or extensive home care. One way to evaluate this is to review your health status and your family history. Have you or your parents or siblings experienced the types of afflictions that lead to the need for long-term care? Some of these conditions are arthritis, Alzheimer's disease, stroke, dementia, Parkinson's disease, diabetes, and obesity.

(The information above has been adapted/updated from the article on Long-Term Care by Tom Lally from the Retired Public Employees Association, Inc.

*(Data taken from the American Council on Aging)

RETIREMENT CHECKLIST

Budgeting & Financial Planning

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "Yes or No." Next, for each "No" answer you gave, write down a few words in the space "I need to..." that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Do I figure out my net worth annually?	YES	NO
I need to...		
<hr/>		
2. Have I figured out my current income and expenses to work out a budget?	YES	NO
I need to...		
<hr/>		
3. Have I tried to figure out what my living expenses will be after retirement?	YES	NO
I need to...		
<hr/>		
4. Is my spouse/partner familiar with our financial situation?	YES	NO
I need to...		
<hr/>		
5. Will I try to live on my projected retirement income to see how I can keep my standard of living?	YES	NO
I need to...		
<hr/>		
6. Have I reviewed my insurance policies to see whether they fit my current and future needs?	YES	NO
I need to...		
<hr/>		
7. Do I understand the various methods available to make my money earn more?	YES	NO
I need to...		
<hr/>		
8. Do I understand how long-term care insurance could protect my assets?	YES	NO
I need to...		
<hr/>		

RESOURCES

Budgeting and Financial Planning

WEBSITES:

Q&A session on durable powers of attorney and revocable living trusts. From the Family Caregiver Alliance.

www.caregiver.org

The American Savings Education Council web site features “Saving Tools” with a variety of worksheets to help with retirement planning and saving. www.choosetosave.org/asec/

Making a Living Trust: Can You Do It Yourself? <https://www.nolo.com/legal-encyclopedia/making-living-trust-yourself-29736.html>

Find FAQs on wills and estate planning issues, read overviews of living trusts and probate, and peruse news updates on related issues.

<https://www.nolo.com/legal-encyclopedia/new-york-estate-planning>

PUBLICATIONS:

Alford, Ted., *Charting an Early Retirement: Simple Planning & Investing Strategies*, Retirement Planning Press, 2017.

Bryant Quinn., Jane
How to Make Your Money Last: The Indispensable Retirement Guide, Simon and Shuster, January 2017.

Clifford, Denis., *Plan Your Estate*, (14th edition), Quicken WillMaker, 2018.

Crane, John., *The One-Number Budget: Why Traditional Budgets Fail and What to Do About It*, August 2022.

Glover, Ryan, CFP., *Preparing for Retirement 2018: A Comprehensive Guide to Financial Planning*, (1st edition), Tarheel Advisors LLC, February, 2018.

Richard, Morgan., *Personal Finance QuickStart Guide: The Simplified Beginner’s Guide to Eliminating Financial Stress, Building Wealth, and Achieving Financial Freedom*, October 2020.

Ramsey, Dave., *The Total Money Makeover Workbook*, Nelson Books, 2018.

Pfau, Wade., *Retirement Planning Guidebook: Navigating the Important Decisions for Retirement Success*, Retirement Researcher Media, September 2021.

OTHER RESOURCES:

For information on the **NYS Deferred Compensation Plan**, contact them at the number below or refer to Chapter 8 in this *Guide*.

NYS Deferred Compensation Plan

385 Jordan Troy
Troy, NY 12180
1-800-422-8463
www.nysdcp.com

WHAT YOU SHOULD KNOW ABOUT FINANCIAL PLANNERS

New York State Department of Law

Whether saving for the purchase of a home, the future educational needs of children, or for retirement, more and more Americans are consulting financial planners in order to realize their financial goals. It's estimated that well over 10 million Americans consult financial planners today and that 400,000 firms and individuals now claim to offer financial planning services in the United States.

New York State does have an [Investment Adviser Law](#) which provides that those giving securities investment advice for compensation – in other words those advising clients which securities they should buy, sell, or hold – register with the Attorney General. Information concerning the “advisor’s” background, experience, and how securities are recommended to clients is on file with the Attorney General’s office. These people must also register with the Securities and Exchange Commission (SEC). While some people calling themselves “financial planners” do register under this law, many do not.

Under New York State’s Martin Act, the Attorney General has the power to regulate and prohibit fraud in the offer and sale of securities and commodities within New York State and originating from the State, and to put fraudulent financial planners out of business.

BE INFORMED

When considering a financial planner, the best defense against fraud and mismanagement is education. Know answers to the following questions:

What is a financial planner?

A financial planner is someone trained to design short-or long-term financial strategies for clients including plans for taxes, retirement, savings, tuition, estates, family budgets, and, often, investments. Financial planners may come from diverse backgrounds and include accountants, lawyers, insurance brokers, bankers, and securities brokers. Several colleges now offer accredited training in the financial planning field, requiring the completion of a course on investment planning and leading to a title of Certified Financial Planner (CFP) or a degree as a Chartered Financial Consultant (ChFC). Several trade associations keep lists of those who have completed such courses.

How do I know whether I need a financial planner?

You may wish to hire a financial planner if you have doubts about your own ability to make financial decisions, manage debt, or plan for your short-or long-term goals such as retirement or education costs.

How do I choose a financial planner?

In simple terms, choose a financial planner the way you would choose a doctor, a lawyer, or any other professional specialist. Get recommendations from friends or other professional advisers you use. Then ask the financial planner these questions:

- What is the financial planner's training and how long has the individual been working in the community? Beware of planners who operate out of small offices with post office box addresses. They may be fly-by-night operators running "boiler rooms" or Ponzi schemes—paying one investor with the investment money of another.
- Will the planner provide you with references of three or more clients counseled for at least 2 years? A relatively new customer may be able to offer glowing recommendations but may not have been with the planner long enough to offer a balanced assessment of the planner's performance.
- If the planner will be giving you investment advice, will the planner provide a sample investment plan for someone like you? Will you be provided with a written plan stating an investment strategy for you, and will the planner review the plan with you on a regular basis? If not, the planner may be investing your money in ways more beneficial to the planner's financial interest than to yours, and the plan may be the same for everybody, regardless of individual needs.
- If the planner offers investment advice, is he or she (or their firm) registered with the Attorney General and the United States Securities and Exchange Commission as an investment advisor. Obtain a copy of the planner/advisor's "ADV" filing. Most important, how does the financial planner charge for services? Does the planner receive hourly or flat fees, or does the planner make money from commissions on the sale of investment products, stocks, bonds, commodities, art, coins, real estate, etc.? Many investors incorrectly assume financial planners are offering objective investment advice. You should know whether or not your financial planner will be making money from commissions on investments you make.

FOR MORE INFORMATION

If you have questions about a financial planner or investment advisor, including details of any background information or enforcement actions relating to the advisor, please contact the Investor Bureau and Securities Bureau of the Attorney General (see listing last page). For additional information, you may also contact your local Better Business Bureau.

Other Resources:

American College of Financial Services

270 S. Bryn Mawr Avenue
Bryn Mawr, Pennsylvania 19010
888-263-7265
<http://www.theamericancollege.edu/>

Certified Financial Planner Board of Standards, Inc.

1425 K Street NW #800
Washington, DC 20005
800-487-1497
www.cfp.net

Financial Planning Association

7535 E Hampden Avenue, Ste. 600
Denver, CO 80231
800-322-4237
www.plannersearch.org

Financial Planning Association of Metro NY

535 Fifth Avenue, 4th Floor
New York, NY 10017
800-322-4237 ext. 7187

<https://www.financialplanningassociation.org/chapter/fpa-metro-new-york>

Financial Planning Association of Central NY

209 Second St
Liverpool, NY 13088
315-513-8901
<http://www.fpacny.org/>

Financial Planning Association of Northeastern NY

P.O. Box 11565
Loudonville, NY 12211-0565
518-458-7774
<https://www.fpa-neny.org/>

The National Association of Personal Financial Advisors

8700 W. Bryn Mawr Avenue, Ste. 700N
Chicago, IL 60631
888-333-6659
<https://www.napfa.org/>

***U.S. Securities and Exchange Commission
Office of Investor Education & Advocacy***

100 F Street, NE
Washington, DC 20549
800-732-0330
<https://www.sec.gov/investor>

**OFFICE OF THE ATTORNEY GENERAL
INFORMATION & COMPLAINT LINE:**

1-800-771-7755

www.ag.ny.gov

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Albany, New York 12224-0341.....518-776-2000

New York City Office
28 Liberty Street
New York, New York 10271-0332.....212-416-8000

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44 Hawley Street, 17th Floor
Binghamton, New York 13901-4433.....607-251-2764

55 Hanson Place, Suite 1080
Brooklyn, New York 11217-1523.....718-560-2040

Main Place Tower, Suite 300A, 350 Main Street
Buffalo, New York 14202-3473.....716-853-8400

300 Motor Parkway, Suite 230
Hauppauge, New York 11788.....631-231-2424

200 Old Country Road, Ste. 240
Mineola, New York 11501-4241.....516-248-3302

163 West 125th Street, Suite 1324
New York, New York 10027-8201.....212-364-6010

43 Durkee Street, Suite 700
Plattsburgh, New York 12901-2818.....518-562-3288

One Civic Center Plaza, Suite 401
Poughkeepsie, New York 12601-3157.....845-485-3900

144 Exchange Boulevard
Rochester, New York 14614-2176.....585-546-7430

615 Erie Boulevard W. Suite 102
Syracuse, New York 13204.....315-448-4800

207 Genesee Street, Room 508
Utica, New York 13501-2812.....315-864-2000

Dulles State Office Building 317
Washington Street
Watertown, New York 13601-3744.....315-523-6080

Chapter 7

Legal Affairs

Overview

In our complex world, there are many situations where older New Yorkers may need legal assistance. Senior citizens experience many of the same legal problems as the rest of the population, but often have need for assistance in the following areas:

- Housing: Landlord/tenant, home ownership.
- Public Benefits: Social Security, SSI, Medicare, Medicaid.
- Consumer: Debt collections, fraud, and other scams.
- Employment: Pensions and age discrimination.
- Personal Decision-Making: Powers of attorney, health care proxies.
- Long-Term Care: Paying for nursing home care, residents' rights.
- Estate Planning: Wills, trusts, estate taxes, probate.
- Family: Divorce, grandparent visitation.

HOW DO I FIND AN ATTORNEY?

Get recommendations from friends, business associates, coworkers, professionals, or other people whose judgment you respect. Most local bar associations operate a referral service and can provide you with a list of attorneys from which to choose. Some membership organizations offer legal service plans or have fee-reduction agreements with local attorneys.

ARE THERE LEGAL PROGRAMS FOR THE ELDERLY?

There is a Legal Assistance Program for the elderly funded under Title III of the Federal Older Americans Act. These programs serve those who are in greatest economic and social need. These programs do not have specific financial eligibility limits and services cannot be conditioned on an individual's ability or willingness to pay. Nonetheless, Title III Legal Assistance Programs must be targeted to certain needy populations. These programs generally establish priority subject areas which reflect the needs of these target populations.

Civil legal services programs, funded for the most part by the Legal Services Corporation, provide legal advice and representation to indigent persons, including the elderly. These programs are required to limit their services to those who meet strict income guidelines. Legal Services Corporation programs also establish priority areas of law and refer those with other problems elsewhere.

WHAT CAN I EXPECT FROM MY ATTORNEY?

Your attorney should always treat you with courtesy and concern for your needs. You should be told what will be done, why it will be done, and how much it will cost you. You will not be guaranteed a result, but you should be informed of possible results. Your attorney should involve you in decision making and must keep you informed of the progress in your case.

You should receive an explanation of how fees are figured and how and when you are expected to pay for services. In short, your attorney should be able to talk with you so that you can be a partner in the handling of your legal matter.

HOW CAN I HELP MY ATTORNEY HELP ME?

An attorney's advice will be based upon the law as applied to the facts. If your attorney does not know as much as possible about your matter, then the advice you receive will not be as useful. Therefore, always provide as much information as possible, even if the facts make your case seem worse. If your attorney asks you for documents or other information, get them as soon as possible.

Also, make sure you understand what is happening. If you don't, ask questions. You should respect your attorney's professional opinion, but you also should be aware of your choices and feel free to voice your opinions. Remember, you should be a full partner in managing your legal affairs, and a good attorney will welcome your interest in the handling of your matter.

DO I ALWAYS NEED AN ATTORNEY?

No, there are many steps you can take to resolve legal matters on your own. But be careful! You do not want the \$500 you save in attorney's fees to end up costing you \$1,500 to fix because you did it wrong when you did it yourself. Therefore, obtain as much information as you can before you attempt to handle a legal matter on your own. The more information you have, the better able you will be to decide if you need help from a professional. Also, if you decide you do need help, it will be far less expensive if you already know some of the issues involved and can help gather material and information with your attorney.

Other ways you can do it yourself involves the use of small claims court for minor disputes and the use of the Community Dispute Resolution Center Program. Your local city, town, or village court should have more information about these alternatives. They are quite often very successfully used without great expense or difficulty. Go here for more information: [New York Courts](#).

MEDICAID ELIGIBILITY & PAYING FOR NURSING HOME CARE

What is Medicaid?

The Medical Assistance Program, Medicaid, was established by Title XIX of the Social Security Act as a joint federal/state endeavor. Each state operates and partially funds its program to pay for necessary medical care for low-income persons.

The federal government shares the cost of Medicaid with the states and has set guidelines within which the states may determine eligibility criteria, benefits to be covered, benefit levels, and administrative procedures.

Medicaid and Medicare are often confused but differ significantly. Medicare is available regardless of financial need. Medicaid, on the other hand, is available only to those with limited income and resources. While Medicaid pays for a variety of services, our focus here is solely on eligibility for institutional, (i.e., nursing home) long-term care services.

I. ELIGIBILITY DETERMINATION

An applicant for Medicaid must meet three general tests and if successful, will be deemed eligible based on:

- Circumstances
- Resources
- Income

PART ONE – ELIGIBILITY BASED ON CIRCUMSTANCE

An applicant for Medicaid will meet this eligibility test if the applicant is either:

Categorically needy: An applicant is categorically needy if eligible for or receiving home relief, aid to dependent children, SSI, or other specified forms of assistance; or,

Medically needy: An applicant is medically needy if:

- 1) net available income and resources do not meet the cost of necessary medical care and services available under the Medicaid program; and,
- 2) 65 years of age or older or meets some other specified criteria.

Our focus will be on those who are medically needy and 65 years of age or older.

PART TWO - ELIGIBILITY BASED ON RESOURCES

A medically needy applicant for Medicaid will meet this eligibility test if the applicant's available resources are less than, or equal to an amount set by the NYS Department of Health (DOH) [New York State Medicaid](#). Keep in mind that even one dollar over this amount will make the applicant ineligible for Medicaid.

The resource limit will vary by the size of the applicant's household. Typically, the household size is either one or two persons when the elderly apply for assistance in paying for long-term care.

In addition, an institutionalized person is entitled to keep a small amount for personal needs.

PART THREE - ELIGIBILITY BASED ON INCOME

Again, a medically needy Medicaid applicant will meet this eligibility test if the applicant's income is less than, or equal to an amount set by DOH. Even one dollar over this amount will make the applicant ineligible for Medicaid.

As with resources, the income limit will vary by size of the applicant's household. The income limits for one and two households are different.

In addition, Medicaid applicants may keep an additional small sum of money, per month.

For up-to-date information on Medicaid in N.Y. State visit: [New York State Medicaid](#).

II. RESOURCES & INCOME

What is a resource?

In simplest terms, a resource is property of any kind. A resource may be "liquid" such as cash, or property that can readily be converted to cash. It may be "non-liquid," meaning that it may not be easily converted to cash. Resources include both real and personal property, and tangible as well as intangible property.

What is income?

Income means any payment from any source. It includes not only payments of money, but "payments" in goods and services. Income can be a payment made on a one-time basis or on a recurring basis. Income can be earned, such as compensation received as a result of working, such as wages, tips, bonuses, and commissions. Income can also be unearned, such as dividends, interest, and pension benefits.

ARE ALL RESOURCES AND INCOME TAKEN INTO CONSIDERATION WHEN DETERMINING MEDICAID ELIGIBILITY?

No. In determining an applicant's eligibility for Medicaid, resources and income must be both *countable* and *available*.

WHAT ARE NON-COUNTABLE RESOURCES AND INCOME?

New York uses a combination of disregards and exemptions in determining non-countable resources and income. Lists of some, but not all, non-countable resources and income are set out below.

Non-countable resources

- Life insurance policies;
- A homestead and property contiguous to it;
- Qualifying burial or funeral plans, or trusts;
- An automobile;
- Clothing and personal effects;
- Household furniture, appliances, and equipment; and
- Tools and equipment necessary for the applicant's trade or business.

Non-countable income

- Federal energy assistance payments;
- Food stamp coupons;
- Retroactive benefits under the SSI program.

By definition, if a resource or type of income is not disregarded or exempt, it is countable. A complete list of non-countable (disregarded or exempt) resources and income can be found in the New York State regulations at <https://regs.health.ny.gov/content/section-360-46-net-available-income-and-resources>.

WHAT ARE AVAILABLE RESOURCES AND INCOME?

Basically, if you can get your hands on it, a countable resource or source of income will be treated as if you've got it. Thus, when applying for Medicaid, they are treated as available to you.

III. SPOUSAL IMPOVERISHMENT

Are there any resource and income set-asides for a healthy spouse?

Until the passage of the Medicaid Catastrophic Coverage Act (MCCA) of 1988, obtaining Medicaid benefits for one spouse often meant impoverishing the community spouse as well as the institutionalized spouse. The spousal impoverishment provisions of the MCCA, as amended by the Family Support Act of 1988 allows limited income and resource protection for the community spouse. The income and resource limits are indexed for inflation, and thus are increased from year to year.

RESOURCE PROTECTION

The amount the spouse may keep may be increased to an amount determined at a fair hearing or by court order. The institutionalized spouse may transfer resources to the community spouse to raise the community spouse to the applicable minimum. Only countable resources are considered.

INCOME PROTECTION

When applying for long-term care Medicaid, be that in a nursing home or for Home and Community Based Services (HCBS) in one's home, an adult foster care home, or an assisted living residence via a Medicaid Waiver, there are income and asset limits that must be met. For married couples, with just one spouse applying for these types of benefits, there are spousal impoverishment rules in place to ensure the non-applicant spouse, often called the community spouse or well spouse, has sufficient financial means from which to live. To be very clear, spousal impoverishment rules do not apply when one spouse of a married couple is applying for a state's regular Medicaid program. For the elderly, this program is often called Aged, Blind and Disabled Medicaid.

The Minimum Monthly Maintenance Needs Allowance (MMMNA) is one spousal impoverishment rule. It allows a married Medicaid nursing home applicant or HCBS Medicaid Waiver applicant to transfer a portion, or in some cases, all of their monthly income, to their non-applicant spouse. The MMMNA protects non-applicant spouses who have little to no monthly income from becoming impoverished so that their applicant spouse can meet Medicaid's income limit; it is the minimum amount of monthly income to which the non-applicant spouse is entitled. In order to receive this spousal income allowance, the community spouse's monthly income must fall under the amount set for their state's MMMNA. If the community spouse's monthly income is equal to or greater than the MMMNA, they will not receive any income from their applicant spouse.

Relative to spousal impoverishment provisions, an applicant spouse is often called the institutionalized spouse. This can be confusing since the applicant spouse does not have to be institutionalized (reside in a nursing home). Rather, the applicant spouse can receive long-term care services in their home or community via a HCBS Medicaid Waiver.

The Community Spouse Resource Allowance (CSRA), which is not covered in this article, is another spousal impoverishment provision. The CSRA protects a certain amount of the couple's resources for the non-applicant spouse.

ELIGIBILITY STANDARD

After making allocations for resource and income protection, the one-person income and resource standards are used to determine the institutionalized spouse's eligibility for Medicaid.

IV. TRANSFER OF RESOURCES

If I have resources and income in excess of the Medicaid eligibility limits, can I transfer them to meet those eligibility limits?

Transfers are not generally prohibited. However, a transfer of countable resources for less than fair market value will result in a period of ineligibility. A transfer for fair market value could result in exchanging one countable resource for another.

The federal and state statutes and regulations governing Medicaid spell out the types of transfers that will result in a denial of benefits. Likewise, certain transfers are specifically recognized as permissible and even desirable.

PROHIBITED TRANSFERS

The most basic example of a prohibited transfer would be one made:

- For less than fair market
- Within 36 months of institutionalization or application for Medicaid, whichever is later.

Such a transfer would be presumed to have been made to qualify for nursing home care and would result in a period of ineligibility for Medicaid. This is known as the 36-month rule.

NOT ALL TRANSFERS MADE WITHIN 36 MONTHS OF INSTITUTIONALIZATION ARE PROHIBITED

There is no penalty for transferring:

- Non-countable resources, such as an automobile.
- A home if it is transferred to:
 - 1) A spouse; or,
 - 2) A child who is certified blind, certified permanently and totally disabled, or under the age of 21; or,
 - 3) A sibling with an equity interest in the applicant's home, and who has resided there for one year prior to the applicant's institutionalization; or,
 - 4) A son or daughter who resided in the applicant's home for two years prior to institutionalization, and who provided care that allowed the applicant to remain at home.
- Countable resources between spouses or to another for the sole benefit of the community spouse.
- Countable resources to an applicant's blind or disabled child.
- Countable resources to the community spouse for support as ordered by a court.
- Countable resources with the intention of the resources subsequently being sold for fair market value; or,
- Exclusively for a reason other than to qualify for Medicaid.

PENALTY PERIODS

A period of ineligibility will be imposed if a prohibited transfer is made. The period of ineligibility is equal to:

- 1) The uncompensated value of the transferred resources, divided by;
- 2) The average cost of care to a private patient for skilled nursing facility services in the applicable region. **REMEMBER:** A prohibited transfer is one for less than fair market value. Therefore, the uncompensated value equals the fair market value of the resource minus the compensation received, if any.

NEW YORK'S HEALTH CARE PROXY LAW

Theresa Marie Schindler was born on December 3, 1963, and lived with or near her parents in Pennsylvania until she married Michael Schiavo on November 10, 1984. Michael and Theresa moved to Florida in 1986. They were happily married, and both were employed. They had no children. On February 25, 1990, their lives changed. Theresa, age 27, suffered a cardiac arrest as a result of a potassium imbalance. Michael called 911 and Theresa was rushed to the hospital. She never regained consciousness.

From May 1998 until April 2005, Theresa Schiavo was the subject of numerous legal and political battles. Although the Florida courts had ruled there was clear and convincing evidence to support the removal of life supports, attempts were made by the Florida legislature and the U.S. Congress to maintain Ms. Schiavo's existence.

Theresa Schiavo had not appointed a health care agent. It would be mere speculation to say that if she had, everything would have been different. However, many of these battles took place because of the uncertainty over who had the authority to make health care decisions. Certainly, the appointment of a health care agent would have provided a more certain decision-making mechanism and clarified just who had the authority to make decisions on her behalf.

New York's Health Care Proxy Law was enacted on July 1, 1990 and signed into law July 22, 1990. The law became effective on January 18, 1991.

The Health Care Proxy Law grants competent adults the right to appoint someone they trust to make decisions about medical treatment on their behalf when they are no longer able to make such decisions for themselves. The person appointed to make health care decisions is known as a health care agent.

The mechanism for appointing a health care agent is intended to be as straightforward and as simple as possible. The legal requirements are minimal. An attorney is not needed.

Nonetheless, appointing a health care agent will significantly change the way in which health care decisions will be made on behalf of an adult who loses decision-making capacity. To appreciate just how significant a change it is, a brief review of the pre-existing law is in order.

The Right to Refuse Medical Treatment:

Standards for Decision-Making on Behalf of Those Who Have Lost Capacity

A. DECISION-MAKING STANDARDS UNDER NEW YORK CASE LAW

The New York Court of Appeals, in 1981, decided companion cases raising the issues of:

1. the right of New Yorkers to refuse life sustaining treatment, and
2. the standard that must be met before life-sustaining treatment may be withdrawn or withheld.

In the absence of a legally appointed health care agent, the decisions in these cases still govern how health care decisions will be made on behalf of an adult who has lost the capacity to make those decisions.

In *Matter of Eichner v. Dillon* and *Matter of Storar*, the Court of Appeals ruled that the right of competent adults to refuse medical treatment, including life sustaining treatment, is protected under both the Due Process Clause of the State Constitution and the common law right of informed consent. Such treatment may be withheld, however, only if there is clear and convincing evidence of the patient's wishes.

The State of Missouri also required clear and convincing evidence before allowing life-sustaining medical treatment to be withdrawn or withheld from an incompetent adult patient. The clear and convincing evidence standard was challenged when the family of Nancy Cruzan asked the U.S. Supreme Court to decide whether there is a right under the federal constitution to refuse medical treatment.

B. THE CRUZAN DECISION

Nancy Cruzan was 25 years old in 1987 when an automobile accident left her in a coma in what is known as a persistent vegetative state. She was not expected to regain consciousness. She could have lived for 30 or more years on artificial nutrition and hydration, i.e., feeding tubes.

Nancy Cruzan's parents sought to have her feeding tubes removed, claiming statements made by their daughter were evidence that she would not want to continue existence by such means. The Missouri Supreme Court, in *Cruzan v. Director, Missouri Department of Health*, found the statements made by Nancy Cruzan to be too offhand to constitute clear and convincing evidence of her wishes with respect to artificial nutrition and hydration.

On appeal, the U.S. Supreme Court ruled that competent adults do have a constitutionally protected liberty interest in refusing life-sustaining treatment, including artificial nutrition and hydration. At the same time, however, the Court specifically affirmed each state's authority to adopt reasonable standards for allowing health care decisions to be made on behalf of others. The clear and convincing evidence standard was found to be a reasonable one.

The Supreme Court's decision left the door open for Nancy's parents to present new evidence that would meet the clear and convincing evidence standard. On the basis of this new evidence, the Missouri Courts allowed the removal of life supports.

The one exception concerns decisions about artificial nutrition and hydration. The principal's wishes regarding the use of feeding tubes must be reasonably known to the agent. If the principal's wishes regarding artificial nutrition and hydration are not reasonably known and cannot be reasonably ascertained, the agent lacks authority to make decisions regarding these measures.

C. DECISION-MAKING STANDARD FOR THE HEALTH CARE AGENT

As already noted, the health care proxy law grants competent adults the right to appoint a health care agent to make decisions about medical treatment on their behalf when they are no longer able to make such decisions for themselves. Clear and convincing evidence of the principal's wishes, the standard required by New York case law, is not required for decisions made by a health care agent acting pursuant to the health care proxy law. The law expressly allows a health care agent to make decisions based on reasonable knowledge of the principal's wishes.

The reasonable knowledge standard allows consideration of the principal's religious and moral beliefs. If those wishes are not reasonably known or cannot be ascertained with reasonable diligence, the agent must decide based on a judgment about the principal's best interests.

D. DECISIONS ABOUT ARTIFICIAL NUTRITION AND HYDRATION

A health care agent may make decisions about artificial nutrition and hydration only if the principal's wishes are reasonably known to the agent. If the principal's wishes regarding artificial nutrition and hydration are not reasonably known and cannot be reasonably ascertained, the agent lacks authority to make decisions regarding these measures. Any doubt concerning a health care agent's reasonable knowledge of the principal's wishes regarding artificial nutrition and hydration can be eliminated if the principal states those wishes on the health care proxy itself. Space is expressly provided for this purpose on the proxy form developed by the Department of Health.

OBLIGATIONS OF HEALTH CARE PROVIDERS UNDER THE HEALTH CARE PROXY LAW

A. THE INDIVIDUAL HEALTH CARE PROVIDER

Health care providers have the same obligation to respond to the agent's decision as they would to decisions made by the patient, if competent. An individual who is a health care provider may refuse to honor an agent's decision only if:

- 1) the individual provider would not honor that same decision if made by the patient, and,
- 2) the decision is contrary to the individual provider's religious or sincerely held moral beliefs. The individual provider must promptly inform both the health care agent and the hospital of his or her refusal to honor the agent's decision.

In such event, responsibility for the patient must be transferred to another individual health care provider.

B. HEALTH CARE FACILITIES

A hospital, residential health care facility, or mental hygiene facility may refuse to honor the decision of a health care agent if:

- 1) the health care facility would not honor the same decision if made by the patient; and
- 2) the decision is contrary to a formally adopted policy that is expressly based on religious beliefs and sincerely held moral convictions central to the facility's operating principles; and
- 3) the facility has informed the patient or the agent of such policy prior to or upon admission, if reasonably possible; and
- 4) the facility would be permitted by law to refuse to honor the decision if made by the principal.

If these conditions are met, the patient must be transferred promptly to another, reasonably accessible hospital, residential health care facility, or mental hygiene facility that will honor the agent's decision. If such transfer is not affected, the hospital, residential health care facility, or mental hygiene facility must seek judicial relief or honor the agent's decision.

C. FILLING OUT THE FORM

The Department of Health's [NYS Health Care Proxy Form](#) contains simple to follow instructions on how to fill it out, along with answers to several common questions about the law. Again, use of this form is not mandatory.

D. QUESTIONS AND ANSWERS

The health care proxy form and instructions, along with these Questions & Answers, addresses many questions that have been raised concerning health care proxies.

Q. Do I need a lawyer to fill out a health care proxy form?

A. No. The health care proxy law has very minimal legal requirements. The form designed by the Department of Health asks for all the required information and provides space for optional information as well. Use of this form is not mandatory.

Q. What are the legal requirements for designating a health care agent?

A. The health care proxy form must:

- Identify the principal (person making the appointment).
- Identify the person being appointed as health care agent.
- State that the principal intends the agent to have authority to make health care decisions on the principal's behalf; and,
- Be signed and dated by the principal in the presence of two adult witnesses who also must sign the proxy.
- Another person may sign on behalf of the principal if the principal is unable to do so, provided the signing is at the principal's direction, in the principal's presence, and in the presence of two adult witnesses.

Q. What optional information can I provide?

A. You can direct your health care agent to make health care decisions in accordance with specific instructions that you state on the form. You may provide that your agent's authority expires upon a specified date or upon the occurrence of a certain condition. If no such date or condition is specified, the agent's authority remains in effect until revoked.

Also, unless your agent knows your wishes concerning the use of feeding tubes, your agent will not be allowed to make decisions about the use of feeding tubes.

Q. If I want to provide instruction concerning the use of feeding tubes, how should I state my wishes?

A. State your wishes as clearly and as simply as possible. The Department of Health has provided some sample language you could use for stating specific instructions about a variety of treatments that you may or may not desire. However, use of this language is not mandatory.

- Q.** Is a health care agent limited to authorizing the termination of life sustaining medical treatment?
- A.** No. A health care agent can make decisions to continue such treatment. Therefore, the health care proxy law is just as valuable for those who want treatment continued as for those who want to refuse it.
- Q.** Are there any limits on the types of medical treatment for which my health care agent can make decisions?
- A.** A health care agent is subject to the express limitations placed in the health care proxy by the principal. Also, if the principal's wishes regarding the use of feeding tubes is not reasonably known, the agent may not make decisions regarding these measures. Otherwise, a health care agent has the authority to make any and all health care decisions on the principal's behalf that the principal could make.
- Q.** Can I give instructions for organ donation as part of my health care proxy?
- A.** A health care proxy may include the principal's wishes or instructions regarding organ and tissue donation. Failure to state wishes or instructions shall not be construed to imply a wish not to donate.
- Q.** Is a health care proxy form the same as a living will?
- A.** No. Generally speaking, a living will is a document in which an individual gives directions about health care to be followed in the event the individual has a terminal illness and is unable to provide further instructions.
- The health care proxy law establishes a decision-making process. It does not require individuals to make a written statement regarding decisions about specific health care treatment in advance. The agent can make those decisions when the time comes.
- Q.** Should I discuss the appointment of an agent with anyone before I fill out the form?
- A.** Appointing a health care agent is an important decision. You should discuss it with your family, close friends, your doctor, and certainly with the person you are appointing.
- Q.** Does the health care proxy form have to be notarized?
- A.** No, it does not. However, it must be signed in the presence of two witnesses.
- Q.** Can I appoint more than one person to act as agent?
- A.** You can name a substitute or fill-in agent to act if the person you appoint as your principal health care agent is unable or unwilling to act. However, you cannot have two health care agents acting on your behalf at the same time.

Q. What should I do with the health care proxy form after it is filled out?

A. Copies of the form should be given to your health care agent, substitute agent, if any, and your doctor. Give a copy to hospital officials at the time of admission, if possible. Carry a copy with you. Put a copy away for safe-keeping. You may want to give a copy to family and close friends as well. These people should be notified of any subsequent changes in your wishes regarding medical treatment. Remember to notify them also if you decide to revoke a health care proxy.

Q. How long will the authority of my health care agent last?

A. You may provide that the health care proxy expires upon a specified date or upon the occurrence of a certain condition. The health care agent's authority would also terminate on that date or upon the occurrence of that condition. Otherwise, the agent's authority remains until the health care proxy is revoked.

Q. How do I revoke a health care proxy?

A. A health care proxy can be revoked by:

- Notifying the agent or a health care provider, orally or in writing, or by some other act evidencing an intent to revoke the proxy; or,
- Executing a subsequent health care proxy; or,
- Where the health care agent is the principal's spouse, upon divorce or legal separation from the spouse.

Q. If I executed a health care proxy prior to the January 18, 1991, effective date of the health care proxy law, will it be effective?

A. A health care proxy executed prior to January 18, 1991, became effective on January 18, 1991.

If you have questions not discussed here, you may contact the following agencies for further information:

NYS Office for the Aging

2 Empire State Plaza
Albany, NY 12223-1251
1-844-NYSOFA1 or
1-844-697-6321
<https://aging.ny.gov/>

NYS Department of Health

Corning Tower
Empire State Plaza
Albany, NY 12237
www.health.ny.gov

**NYS Task Force on Life
and the Law**

90 Church Street, 4th Floor
New York, NY 10007
(212) 417-5444
[https://www.health.ny.gov/
regulations/task_force/](https://www.health.ny.gov/regulations/task_force/)

WORD ABOUT LIVING WILLS

A living will is another type of advance directive that is used for health care decision making when a patient loses decision making capacity. Instead of appointing an individual to make decisions on the patient's behalf, a living will contains the patient's written instructions regarding health care.

Unlike most other states, New York does not have a living will statute. Thus, there is no standard form for a living will and no legislation directing its enforcement. The New York Court of Appeals, however, has indicated that a living will may be used to establish clear and convincing evidence of a patient's wishes regarding health care.

Also, Department of Health regulations require medical facilities to assess advance directives other than a health care proxy and allow, but not require, such facilities to seek a court determination that any individual advance directive has been expressed in a clear and convincing manner.

ESTATE PLANNING-DO I NEED A WILL?

Yes. If not, New York State has prepared one for you—but it might not say what you want. You should see a lawyer to talk about the terms of your estate plan. There are choices to be made, and a lawyer can help make sure that you consider as many of them as possible. Even though you might not have to do any estate tax planning (because of recent helpful changes in the estate tax rates) there are still important things to be decided—such as your choice of guardians for any minor children, the executor of your will, and special provisions for ill or disabled beneficiaries.

The cost of a will is determined by how complicated it is. Drawn properly and reviewed periodically to keep it up to date, a will can save loved ones a great deal of time, trouble, and money.

LEGAL PREPARATION FOR AGING OR INFIRMITY

Also, you might have to look to others for help in the management of your legal affairs, if you are infirm or aged. A lawyer can talk with you about joint checking or savings accounts, powers of attorney, or appointment of a conservator. Each of these actions involves certain practical risks and problems which must be fully considered with the help of your lawyer.

RETIREMENT CHECKLIST

Legal Affairs

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space next to it that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Do I understand estate exemptions and marital deductions as they apply to my estate?	YES	NO
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2. Is my will up-to-date?	YES	NO
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3. Do I understand the impact of joint ownership on my will?	YES	NO
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4. Am I satisfied with my attorney?	YES	NO
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5. Do others know where to find all my important papers?	YES	NO
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6. Am I familiar with my tax status after retirement?	YES	NO
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RESOURCES

Legal Affairs

Consider the following initial resources to get a sound, professional evaluation of your legal needs:

Union Legal Plan - contact your union representative or union headquarters directly to get an overview of the benefit package afforded to you as a State employee and union member.

New York State Bar Association (NYSBA) - is a volunteer organization of attorneys that offers a wide range of free services. Along with a series of publications which address specific legal issues, the Bar Association can also offer an unbiased legal referral service. The NYSBA is represented on a county-by-county level across New York State and can be found listed in the phone book or:

New York State Bar Association 1 Elk Street
Albany, New York 12207 518-463-3200
www.nysba.org

Know Your Rights Pamphlets Series:

- Buying and Selling Real Estate
- Rights of Residential Owners and Tenants
- If You Have an Auto Accident
- Divorce & Separation in New York State
- Your Rights as a Crime Victim
- Your Rights if Arrested Elder Law Section Pamphlets:
- Why Your Medicaid Application Should be Entrusted to an Elder Law Attorney
- Why You Need a Will
- Living Wills and Health Care Proxies
- Long Term Care Insurance

Local Legal Mediation Panels - can be located through local district attorney's office or the NYS Attorney General's Office, and offers an alternative to costlier legal fees, and court appearances in matters such as neighborhood disputes and consumer complaints.

American Association of Retired People (AARP) - has a diversified list of publications and services available to its members.

1 888-687-2277

www.aarp.org

American Council on Aging has up to date information on Medicaid

<https://www.medicaidplanningassistance.org/nursing-home-costs/#>

NEW YORK STATE AGENCIES:

NYS Office for the Aging
2 Empire State Plaza
Albany, NY 12223-1251
<https://aging.ny.gov/>

County Offices for the Aging may provide free legal consultations directly or provide referrals to other local sources of legal advice. Chapter 1 of this Guide has a county-by-county listing of area Agencies on Aging. A toll-free Senior Citizen's Help Line is also available by calling: 1-800-342-9871.

NYS Office of the Attorney General
The Capitol
Albany, NY 12224-0341
General Help Line: 800-771-7755 Healthcare Hotline: 800-428-9071
Medicaid Fraud Unit: 212-417-5397
<https://ag.ny.gov>

NYS Division of Human Rights Headquarters:

One Fordham Plaza 4th Floor
Bronx, NY 10458
718-741-8400

Upstate Office:
Agency Building 1
Empire State Plaza
Albany, NY 12220
518-474-2705
1-888-392-3644
<https://dhr.ny.gov/>

NYS Department of Financial Services Consumer
Hotline 1-800-342-3736
www.dfs.ny.gov

Department of State Division of Consumer Protection

Corning Tower
5 Empire State Plaza, Suite 2101
Albany, NY 12223-1556
518-474-8583
1-800-697-1220
<http://www.dos.ny.gov/consumerprotection/>

Office of Victim Services

Albany Office:
AE Smith Building
80 S. Swan Street, 2nd Fl.
Albany, NY 12210
518-457-8727

Brooklyn Office:
55 Hanson Place 10th Fl. Brooklyn, NY 11217
718-923-4325
Victims Services Hotline: 1-800-247-8035
www.ovs.ny.gov

Older Americans Act

<https://acl.gov/about-acl/authorizing-statutes/older-americans-act>

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Your Final Wishes on Paper, Your Will,
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of Attorney Decisions*, Paul Lambe, 2018.

Simple Start Guides., *Final Wishes: Estate
Planning; Legal Documents, Personal Wishes
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Chapter 8

NYS Deferred Compensation Plan



www.nysdcp.com

We gratefully acknowledge the cooperation of the New York State Deferred Compensation Plan who provided the information contained in this chapter, and who are entirely responsible for its contents.

Overview

The Deferred Compensation Plan (the Plan) is a voluntary retirement savings program, created by Federal and state law, enabling public employees to defer a portion of their gross pay. The following provides an overview of the Plan. For greater detail on the Plan and its benefits, visit the Plan Website at www.nysdcp.com or call the Plan HELPLINE at 1-800-422-8463.

WHAT DOES DEFERRED COMPENSATION MEAN TO ME?

It means that you may defer a portion of your salary on a pre-tax, or after-tax basis. The amount of your salary that you defer pre-tax to the Plan is not subject to current Federal or New York State income taxes. The result is that the amount that you are investing for your retirement is greater than the reduction in your take-home-pay. Pre-tax deferrals reduce your taxable income and, therefore, lower your Federal or New York State income taxes. You, therefore, are building greater retirement savings for your future. The amount you contribute to a Roth account comes out of your paycheck after New York State and Federal taxes. Roth contributions may be eligible for tax-free withdrawals.

Suppose you earn \$1,500 per pay period. And, let us assume you would like to put \$100 per pay period to the Plan. Instead of withholding taxes based on \$1,500, your employer would calculate your income tax withholding based on \$1,400 because your \$100 is not subject to current Federal or New York State income tax withholding. Thus, at the end of the year, your IRS Form W-2 will reflect \$36,400 of taxable wages instead of \$39,000.

Sample 2024 Paycheck Analysis			
	Not Participating	Moderate Participation	Maximum Participation
Federal Withholding Allowance	S-1	S-1	S-1
State Withholding Allowance	S-1	S-1	S-1
Gross Salary	\$1,500.00	\$1,500.00	\$1,500.00
Plan Deferrals	\$0.00	\$100.00	\$884.62*
Taxable Salary	\$1,500.00	\$1,400.00	\$615.38
Social Security	\$115.00	\$115.00	\$115.00
Federal Income Tax	\$184.00	\$161.00	\$61.53
NY State Income Tax	\$66.00	\$60.00	\$6.00
Regular Savings	\$100.00	\$0.00	\$0.00
Take Home Pay	\$1035.00	\$1064.00	\$432.85

(Please note, salary deferrals to the Plan are not exempt from income taxes in some states. If you are not a New York State resident, please check the income tax status of deferred compensation deferrals in your state.)

*** Based on the 2024 contribution limit of \$23,000 spread over 26 pay periods.**

SAVING MORE USING DEFERRED COMPENSATION (PRE-TAX) (*Note: assumes person filing as single with one withholding allowance, total includes Federal, State and Social Security Taxes)				
Gross Salary	Def. Comp. Savings	Taxable Income	Withholding*	Take Home
\$1,500	\$138	\$1,362	\$327	\$1,035

Another way of looking at this is that you can take home the same \$1,035 you would have by saving with after-tax dollars and save \$38 more per pay period (\$138 vs. \$100) by saving with pre-tax dollars through deferrals to the Plan.

If you are a Tier 3 or Tier 4 member with less than 10 years of service, contributions to the Plan will be calculated after your contribution to the Retirement System. In addition, if your health contributions are taken on a before-tax basis, your Plan contributions will be based on the remaining salary.

For most people, deferred compensation is a good way to use your income earning years as a direct means to supplement your pension and Social Security benefits when you retire and build a bright financial future. Later in this chapter we'll discuss how to know if the Plan is right for you.

Let's look at how much could be accumulated in your Plan Account if you participated in an investment option under the Plan that earns a seven percent annual return.

Cash Value Accumulation Chart Illustration of Accumulation Based on Contribution Amount			
Year	\$75 per pay period or \$1,950/year	\$100 per pay period or \$2,600/year	\$150 per pay period or \$3,900/year
5	\$11,617	\$15,489	\$23,234
10	\$27,911	\$37,214	\$55,821
15	\$50,763	\$67,684	\$101,527
25	\$127,770	\$170,360	\$255,540
<i>Based on 7% annual return. This is not a guarantee or indication of future investment returns under any investment option available under the Plan. Each Plan distribution is taxable as ordinary income when you receive it.</i>			

COMMONLY ASKED QUESTIONS

Does this mean that income taxes will never have to be paid on my Plan contributions?

No. Qualified distribution from the Roth portion of your account can be tax-free. When withdrawn, the entire pre-tax withdrawal, (including earnings) will be subject to Federal, New York State and local income taxes. If you reside outside of New York State distributions will be subject to the income tax laws of your state of residence.

How does contributing to the Plan affect my income taxes?

Your taxable income is reduced by the amount you defer, except for Roth contributions. For example, if your salary is \$39,000 and you defer \$2,000, your income for income tax purposes will be \$37,000 on your IRS Form W-2.

What other benefits are there besides income tax reductions?

Building a supplemental retirement savings means that you will have greater financial independence and you won't have to rely only on Social Security and your pension for retirement income.

Am I still eligible for an Individual Retirement Account (IRA deduction)?

Participation in the Plan does not affect your eligibility for an IRA deduction.

However, if either you or your spouse are an active participant in a tax qualified retirement plan, including the New York State and Local Employees' Retirement System, you are eligible for a full IRA deduction only if your adjusted gross income is less than an amount described in Federal law.

Does contributing to the Deferred Compensation Plan affect my eligibility for a Roth IRA?

No. Participation in the Plan does not affect your eligibility for a Roth IRA because contributions to a Roth IRA are not deductible for Federal income tax purposes.

How is the Deferred Compensation Plan different from an IRA?

The Plan differs from an IRA in a variety of ways. It offers you the convenience of setting some retirement savings aside a little bit at a time through payroll deductions. This may help you keep the discipline you need to save for your retirement.

In addition, the Plan allows you to defer larger amounts than you can contribute to an IRA (up to 100 percent of your includible compensation or \$23,000 for 2024, whichever is less). Your eligibility to make before-tax salary deferrals to the Plan are not limited by any income test like that imposed on deductible contributions to an IRA.

There are no penalties if you leave employment before age 59 $\frac{1}{2}$ and receive a distribution from the Plan. Once you have a severance from employment and the Plan receives a termination of employment notice, you will be permitted to take a distribution as long as a balance of \$500 remains in the account for 45 days after severance from employment. If you wish, you may leave the balance of your Plan account to continue to grow even after you have left employment, up to age 73 when the law requires you to begin receiving Required Minimum Distributions.

Lastly, the Plan provides you a convenient place to consolidate retirement assets that you may have in a 401(k) or 403(b) plan, an IRA, or another governmental deferred compensation plan. The Plan accepts direct rollovers from eligible retirement plans. If you want, you have the option to roll over your Plan assets to another governmental deferred compensation plan, 401(k) or 403(b) plan or an Individual Retirement Account (IRA). The tax consequences, distribution options, investment options, and participation costs in each may differ from the Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your Plan assets.

Do deferrals affect my Social Security taxes or pension contributions?

No. Your Social Security taxes and pension contributions, if any, will be calculated based on your gross wages.

Will participation in the Plan reduce my Social Security benefits?

No. Your Social Security benefits will not be reduced because of your participation in or your benefits from the Plan.

Do deferred compensation benefits affect eligibility for Medicaid?

Please contact Medicaid to get the most up to date information.

How do I know if participation in the Plan is right for me?

It is usually advantageous to participate in the Plan for most people who have sufficient cash on hand to cover emergencies and for individuals who would like to build savings for retirement.

Is the Plan good for those close to retirement?

It may be, depending on your situation. The Plan offers you an opportunity to defer the payment of Federal and New York State income taxes on your Plan account until as late as April 1 of the year following the year you reach age 73 or as long as you're still working for the State or a participating local government employer, whichever is later.

If you are nearing retirement, you may be eligible to defer a larger amount through either the Retirement Catch-Up or Age 50 and Over Catch-Up provision.

Is there a time when I must withdraw money from my Plan account?

You are not required to withdraw your money from the Plan until you are age 73 or until you leave employment with New York State or a local participating employer, whichever is later.

CONTRIBUTIONS, INVESTMENT OPTIONS, SPECIAL CIRCUMSTANCES

How much may I contribute from my paycheck?

You may defer up to \$23,000 from your salary in 2024. Salary deferrals are made as a percentage of your salary from one percent of your compensation to 100 percent of your includible compensation.

Can I change my deferral amount?

Yes. You may increase, decrease, or suspend your deferral rate by calling the HELPLINE at 1-800-422-8463 or by accessing the Transaction section of the Plan Website, www.nysdcp.com. All changes will be implemented as soon as possible in one to two paychecks after you make the request.

Are there any times when I can defer more to my Plan account?

Yes, there are three time periods when you can defer more to the Plan than the regular contribution limits would allow.

If you are age 50 or over or will become age 50 during 2027⁴, you may defer an additional \$7,500 through the Age 50 and Over Catch-Up provision. The ability to make additional deferrals through the Age 50 and Over Catch-Up is available to you every year you are at least 50 years old, except the years in which you are making Retirement Catch-Up deferrals. However, if the maximum deferral permitted under the Age 50 and Over Catch-Up provision is greater than your Retirement Catch-Up amount, you may make deferrals up to the Age 50 and Over Catch-Up maximum deferral.

The second time period you may make deferrals in excess of the regular deferrals is during your Retirement Catch-Up period. Retirement Catch-Up deferrals may be made during the three consecutive calendar years prior to your Retirement Catch-Up Age. Your Retirement Catch-Up Age is an age that you choose that is no earlier than the year during which you may retire under your employer's retirement plan without a reduction in benefits. Retirement Catch-Up Age may be no later than the year in which you turn 70^{1/2}. If you are a police officer or a firefighter, Retirement Catch-Up Age may be no earlier than age 40.

The amount you may defer through the Retirement Catch-Up provision is the difference between the amounts you were eligible to defer while an employee of the State or a Participating Employer and your actual deferrals to the Plan. In 2024, you may contribute up to an additional \$23,000 dependent upon your Retirement Catch-Up amount. Assistance and paperwork are required to determine the exact amount you are permitted to defer under this special Retirement Catch-Up rule.

There is also a special provision for individuals who are called away from their regular job to perform duty in the United States military. If you return to your employer after a period of qualified military service, you will have a limited right to make up deferrals to the Plan that you could have made if you had been working for your regular employer. Please call the HELPLINE at 1-800-422-8463 and speak to a HELPLINE Representative for assistance.

When I leave employment, may lump sum payments for accrued but unused vacation leave be deferred to the Plan?

Yes, provided, that those deferrals are received by the Plan no later than 75 calendar days after your last day of employment, or within the calendar year you terminated employment.

What happens to the money that is withheld from my paycheck?

When you become a participant in the Plan, you will select how you want your deferrals to be invested. Payroll deferrals are invested in your investment selections within two days after they are received by the Plan.

What are my investment choices?

The Plan offers 31 high quality investment options, which include a stable income fund, retirement date funds, bonds, and domestic and foreign stock mutual funds. This array of options gives you the ability to fully diversify your portfolio.

In addition, a Mutual Fund Window is available to you once your account balance is in excess of \$10,000 that allows you to invest up to 50% of your Plan assets in approximately 3200 mutual funds. Additional information can be obtained by calling the HELPLINE. How do I know what investments to choose?

To determine an asset allocation that suits your needs, you need to consider several factors including investment objective, risk tolerance and time horizon. The Plan Website features Morningstar Guidance Online and Ibbotson Allocation tools, retirement calculators, and several other educational resources to assist you to create a fully diversified portfolio.

What are the costs associated with the Plan?

The fee structure is a combination of a \$20 annual fee, paid in two \$10 semiannual installments, and an asset-based fee calculated on a percentage of the participant's account balance. The asset-based fee, estimated to be three and a half tenths of 1 percent (\$3.50 per \$10,000 of account value), will be charged only on accounts with balances in excess of \$20,000. Account assets subject to the asset-based fee are capped at \$200,000. These fees will be deducted from participant's accounts in April and October of each year. Fees will be deducted pro-rata from each of the participant's investment options.

What if I start deferring to the Plan in the middle of the year at a rate designed to produce maximum contribution by year-end, but which, if made for a full year, would result in excess deferrals?

Your payroll deductions may be automatically cut off when you reach your maximum deferral amount. For the following calendar year, your deferral rate will resume at that prior deferral rate unless you contact the Plan to specify a smaller deferral rate per pay period.

Can I roll assets into the Plan?

Yes, if you have other retirement accounts in a former employer's 401(k), 403(b), deferred compensation plan, or in an Individual Retirement Account you can roll those assets into the Plan. The benefits of consolidating assets in the Plan will depend on your individual situation. Call the HELPLINE for additional information.

When can funds be withdrawn from the Plan?

There are seven conditions under which funds may be withdrawn.

- 1) Separation from service, including regular retirement, regardless of age.
- 2) Attainment of age 59 1/2, even if still employed.
- 3) Severe unforeseeable emergency.
- 4) If your Plan Account balance is no more than \$5,000 **AND** you have not contributed to the Plan in the last two years **AND** you have not received a distribution under this provision before.

- 5) Death.
- 6) Loans.
- 7) In-Service Distributions of assets rolled in from another eligible retirement plan, except another governmental deferred compensation plan.

What is separation from service?

Separation means you have left employment due to retirement, voluntary termination, or involuntary termination of employment from your employer.

What is an unforeseeable emergency?

To meet the federal tax rules, the Plan has a strict definition of unforeseeable emergency. In general, your emergency expense must result from a situation that you could not have planned for, such as uninsured medical expenses or a natural disaster. Also, you'll have to submit written proof that you don't have any other means to pay for your emergency expense. Buying a home or sending a child to college does not meet the Plan's definition of an unforeseeable emergency. The process prescribed by law to qualify for an emergency withdrawal request is as follows:

Step One: You must submit an Emergency Withdrawal Form to the Plan and evidence that you have incurred this financial loss, including all supporting documentation and canceled checks of uninsured expenses. You must show that you have used other available savings and liquid assets to satisfy the emergency, to the extent that the use of those assets would not create an unnecessary hardship in itself.

Step Two: The Plan will determine, in accordance with the Plan's claim procedure, whether the emergency qualifies under the federal guidelines described above.

Step Three: Your request may be approved only for the amount necessary to satisfy the financial emergency. Since an unforeseeable emergency withdrawal is a taxable distribution, the amount withdrawn to cover the emergency will be a sum, which when reduced by taxes withheld on such withdrawals, should leave you with the funds needed to pay for the unforeseeable emergency.

Usually, a decision to approve or deny your emergency withdrawal request will be rendered within one week of your submission of all the required paperwork, although the Plan allows for up to sixty (60) days. If approved, you will receive the funds within 10 to 14 business days thereafter.

Step Four: Denials by the Plan may be appealed to the Review Committee. If your request for an emergency withdrawal is denied, your letter of denial will contain information about how to request an appeal and the time limits for doing so.

Deferrals to the Plan will be discontinued for six months after the approval of the unforeseeable emergency withdrawal request.

Does the Plan have a loan program?

Yes. The Plan permits participants currently employed by the State or who are on an approved leave of absence to take out a loan. Only one loan may be outstanding at a time and cannot exceed the lesser of 50% of your Plan account balance or \$50,000. The minimum loan is \$1,000 for account balances of \$2,000 or more.

Loans for general purposes must be repaid, with interest, within 5 years. The repayment schedule may be extended up to 15 years if the loan is for the purchase of a primary residence. The interest rate is the prime rate as published in *The Wall Street Journal*, plus 1%.

Loan repayments are automatically deducted from your checking or savings account or you may pay via check directly to the Plan. Loan repayments are deposited in your Plan account according to your most recent investment allocation. Contact the HELPLINE for additional information about the loan program, including the loan origination fee, insufficient fund fee, default implications and default fees.

What are in-service distributions of rollover assets?

Participants who have rolled assets into their Plan account are able to withdraw those assets from the Plan prior to leaving public service. If your Plan account holds assets that were rolled over from a 401(k), 403(b), or an IRA, those assets are still subject to the distribution rules of the former plan(s). This means that any assets that were rolled over from a 401(k), 403(b), or an IRA may be withdrawn at any time, subject to the distribution rules of the former plan, which could include a 10% early distribution penalty if you take a distribution prior to age 59 1/2. Please know that your assets that started and grew in your regular Plan account or were rolled over from another 457 deferred compensation plan are not eligible for a withdrawal until you leave public service, become age 59 1/2, or are needed for an unforeseeable emergency withdrawal.

What happens if I retire or terminate employment?

Once you separate from service and the Plan is notified of your terminated status, you may choose how and when you would like your benefit payments to begin. The earliest permissible date for withdrawal is the day after you separate from service.

What if I leave my current employer and take a job with another employer?

If you leave your current employer, you have two options. If you take a job with another employer that maintains a deferred compensation plan or eligible retirement plan that accepts transfers, you may elect to have all or a portion of your Plan account balance transferred directly to that employer's plan. In the case of such a transfer, the amount transferred is not currently taxable to you.

You also have the option to leave your assets in the Plan. You won't be able to make additional deferrals to your Plan account, but you will be eligible to receive benefit payments.

Do I have to take my money out of the Plan when I separate from service?

No. You may leave your assets with the Plan until age 73 when you must begin "Required Minimum Distributions". In fact, you can continue to make investment changes, and roll assets into the Plan even though you are no longer contributing to the Plan.

What happens if I am still employed at age 73?

If you continue to work for your participating employer past age 73, you are eligible to receive benefit payments from your Plan account. You may also continue to make salary deferrals to your Plan account. Once you leave service, you are required to start taking your Required Minimum Distribution by December 31st of the calendar year that you separate from service.

What happens to my Plan account if I stop deferring to the Plan?

Your Plan account continues to accumulate tax-deferred earnings until benefits are paid to you.

RECEIVING YOUR BENEFITS

How do I receive my benefits and what are my benefit payment options?

There are numerous ways in which you may receive your benefit payments. You may take a one-time full withdrawal of your Plan account, a partial withdrawal of your Plan account, establish a regular periodic payment of benefits, or defer receiving your benefits until age 73. As long as there is a balance in your account, you may change your payment option by contacting the HELPLINE or an Account Executive to obtain the required forms or by logging into your online account. Benefit payments can be increased or decreased, or additional partial withdrawals may be taken in addition to your regular periodic payments at any time you need additional funds. Up to 12 periodic payments may be taken in each year and each must be at least \$100.

You also have the option to defer receiving your benefits until a later date, but only until you reach age 73. If you choose this option, benefit payments must begin no later than April 1 in the calendar year after you become age 73. Each of the benefit payment options previously discussed will be available to you should you choose this option.

When you become age 73, your total annual benefit payment must equal or exceed the Federal Required Minimum Distribution (RMD). An additional benefit payment will be sent to you in December of any year in which your total periodic payments do not meet or exceed your RMD.

When will my benefit payments begin?

Once you have a severance from employment and the Plan receives a termination of employment notice, you will be permitted to take a distribution as long as a balance of \$500 remains in the account for 45 days after a severance from employment.

When do I pay income taxes?

Amounts held under the Plan as pre-tax are not taxable until you receive them. Upon distribution, your pre-tax benefits will be subject to Federal, New York State and local income taxes. Qualified Roth distributions are not subject to income tax. If you reside outside of New York State, distributions will be subject to the income tax laws of your state of residence.

How are benefit payments taxed on a Federal basis?

The Plan is required to withhold 20% of all lump sum distribution and periodic payments of less than 10 years for Federal income tax purposes. The Plan is not required to withhold Federal income tax from periodic payments of 10 years or more or direct rollovers; however, participants will be required to pay Federal income taxes, if applicable.

How does New York State tax benefit payment options?

The Plan will withhold state income taxes from distributions at the request of the participant. Benefit payments from the Plan are eligible for the New York State income tax deduction applicable to private retirement plans and eligible retirement plans (such as 401(k), 403(b), and Individual Retirement Accounts).

To be eligible for this deduction, the Plan participant must be at least age 59 $\frac{1}{2}$ and the benefit payments must be in the form of periodic payments (non-lump sum payments) over at least two consecutive calendar years. The deduction is limited to \$20,000 per year per spouse.

Upon my death, what is my beneficiary entitled to?

Upon your death, the amount remaining in your Plan account will be paid to your named beneficiary. If you did not name a beneficiary, the amount remaining will be paid to your spouse, if you have a spouse, or to your estate. The date when a beneficiary must begin to receive benefit payments and the maximum period over which benefit payments may be made depends on:

- the age of the Plan participant when he or she died.
- whether the Plan participant was receiving benefits from the Plan.
- whether you are the Participant's spouse, another individual, or the representative of a non-individual charity, trust, or institution.

In all instances, the earliest a beneficiary may begin to receive benefit payments is 45 days after the date of death. Beneficiaries should review the instructions in the Death Benefit Distribution Claim application carefully so that they are aware of the maximum benefits that they are entitled to receive and the manner in which they may receive them.

How do I get more information?

The Plan's toll-free HELPLINE is designed to be the primary contact for employees and participant inquiries concerning the Plan. The HELPLINE consists of dedicated full-time staff who are licensed and FINRA-registered Representatives. To speak to a HELPLINE Representative, call 1-800- 422-8463. Representatives are available from 8:00 am to 11:00 pm Eastern Time, Monday through Friday, and 9:00 am to 6:00 pm on Saturday, except holidays.

The Plan now offers an Account Executive (AE) Connect Helpline of 4 individuals, call 1-844-867-8197 and they are available Monday, through Friday 8:00 am to 4:30 pm Eastern Time, except holidays.

There are 11 Account Executives across New York State. They are available to educate and assist participants as well. You may reach your Account Executive by contacting the HELPLINE.

RETIREMENT CHECKLIST

Deferred Compensation Plan

As you approach retirement it is useful to determine what you know, what you've done, and what you need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions.

- | | | | | |
|----|---|-----|----|-------|
| 1. | Do I participate in the NYS
Deferred Compensation Plan? | YES | NO | _____ |
| | | | | _____ |
| 2. | If "NO" to Question Number 1, do I
know the benefits of joining now? | YES | NO | _____ |
| | | | | _____ |
| 3. | Do I know the maximum amount I
am eligible to defer to the Plan? | YES | NO | _____ |
| | | | | _____ |
| 4. | Am I aware of the benefit payment
options I can elect? | YES | NO | _____ |
| | | | | _____ |
| 5. | Am I aware of how taxes will be withheld
once I start receiving payments? | YES | NO | _____ |
| | | | | _____ |
| 6. | Am I aware of the transactions I can
make to my account by accessing
the web site at www.nysdcp.com ? | YES | NO | _____ |
| | | | | _____ |



Chapter 9

Your Retirement Benefits

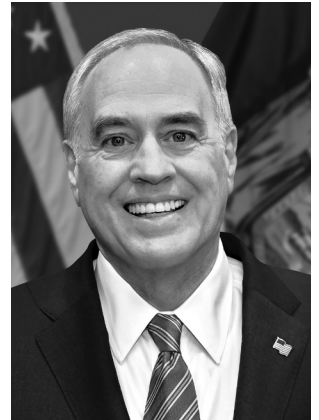
Employees' Retirement System

Office of the New York State Comptroller
Thomas P. DiNapoli

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A Message from State Comptroller Thomas P. DiNapoli



Dear NYSLRS Member:

This book describes your New York State and Local Retirement System (NYSLRS) benefits. It will be a valuable resource for you — especially as you approach retirement. We also offer other resources to help you understand your benefits so you can successfully plan for retirement.

Use these resources to get details about your NYSLRS account and your benefits:

- Sign up for *Retirement Online*. It's a convenient and secure way to review your NYSLRS benefits. You can use *Retirement Online* to update your contact information and beneficiaries, apply for a loan, apply for previous service credit, estimate your pension benefit, file for retirement and more. Register, sign in or learn more at web.osc.state.ny.us/retire/sign-in.php.
- Review your Member Annual Statement, which provides your NYSLRS membership details to you every summer.
- If you have any questions or you need more information, call toll-free 866-805-0990.

Visit our website (www.osc.ny.gov/retirement) for pre-retirement planning resources and to:

- Read your retirement plan booklet and other NYSLRS publications that outline and explain your benefits.
- Subscribe to our blog, *New York Retirement News*, like us on Facebook and follow us on Twitter for tools, quick tips and information on a variety of retirement topics.
- Sign up for *E-News*, our monthly email newsletter, for the latest NYSLRS news.

I am joined by a staff of dedicated professionals who are committed to helping you make informed decisions about your future. I encourage you to contact us with any questions you have.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

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Your NYSLRS Membership

As a public servant in New York State and a member of one of the world's largest public pension systems, you are covered by a retirement plan that provides important benefits. Whether you have just joined or have been a member your entire career, it is important to know about these benefits.

NYSLRS is a defined-benefit plan. Your retirement benefit will be based on factors such as your tier, retirement plan, service credit, final average earnings (FAE) and age at retirement.

This publication explains your rights and obligations as a member. It clarifies the factors that affect your retirement benefits and provides you with examples of how those benefits are determined. It also takes you step-by-step through the retirement process and provides information about a variety of post-retirement matters.

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.

- Manage your NYSLRS account using *Retirement Online* at **web.osc.state.ny.us/retire/sign-in.php**.
- Review your Member Annual Statement and notify us of any errors.
- Visit our website (**www.osc.ny.gov/retirement**) to learn about your benefits, find forms (**www.osc.ny.gov/retirement/forms**), read publications (**www.osc.ny.gov/retirement/publications**), and get tips on preparing for retirement.
- 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.
- Schedule a pre-retirement consultation with one of our information representatives to review your benefits and get answers to your retirement questions (**www.osc.ny.gov/retirement/members/pre-retirement-consultations**).
- Keep your mailing address and email address current by updating your contact information in *Retirement Online* (use a personal email address that you will have before and after you retire, rather than a work email address). This is especially important if you leave public employment before you are eligible to retire.
- Subscribe to our blog, *New York Retirement News* (**www.nyretirementnews.com**), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on Facebook (**www.facebook.com/nyslrs**) and follow us on Twitter (**www.twitter.com/nyslrs**) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our email newsletter (**web.osc.state.ny.us/retire/e-news/sign-up/index.php**), for the latest NYSLRS news and information dedicated to pre-retirement planning.
- Read your member newsletter, *The Update* (**www.osc.ny.gov/retirement/publications/newsletters**), for current retirement information and updates on your benefits.

CONTACT US

If you have any questions or you need more information, we're glad to help. You'll find answers to most common questions at **www.contactNYSLRS.com**, but you can also:

- **Email:** **www.emailNYSLRS.com**;
- **Call:** 866-805-0990;
- **Fax:** 518-473-5590; or
- **Write:**

NYSLRS
110 State Street
Albany, NY 12244-0001

RETIREMENT CONSULTATIONS

If you're nearing retirement, you may want to speak with one of our information representatives to review your benefits and get answers to your questions. Current details about this service appear on our Pre-Retirement Consultations webpage at www.osc.ny.gov/retirement/members/pre-retirement-consultations.

You will need an appointment for a consultation. To schedule one, please call toll-free 866-805-0990.

Preparing for Your Consultation

- Before your consultation, you may wish to sign in to your *Retirement Online* account (web.osc.state.ny.us/retire/sign-in.php) to review the information we have on file for you. You can check your total service credit and use the online benefit calculator to estimate your pension. If you don't have a *Retirement Online* account, you can sign up today.
- Visit our Preparing for Retirement webpage (www.osc.ny.gov/retirement/members/preparing-retirement). This timeline walks you through important topics you'll need to consider, and steps you should take starting 18 months before your retirement date.
- Check our Contact Us webpage (www.contactNYSLRS.com) for answers to a variety of retirement-related questions.

YOUR MEMBERSHIP TIER

Members are categorized into different “tiers” based on their date of membership. There are six tiers in the Employees’ Retirement System (ERS). Tier status determines the following:

- Contribution requirements;
- Benefit eligibility;
- Service crediting;
- Formulas used to calculate your final average earnings and retirement benefit;
- Loan eligibility;
- Vesting requirements; and
- Death benefit coverage;

You are in:	If you joined:
Tier 1	Before July 1, 1973
Tier 2	July 1, 1973, through July 26, 1976
Tier 3	July 27, 1976, through August 31, 1983
Tier 4	September 1, 1983, through December 31, 2009
Tier 5	January 1, 2010, through March 31, 2012
Tier 6	April 1, 2012, or after

Note: There is no Tier 4 for New York State correction officers. If you joined July 27, 1976, through December 31, 2009, you are a Tier 3 member. Security hospital treatment assistants (SHTAs) under the jurisdiction of the Office of Mental Health who joined September 1, 1983, through December 31, 2009, and elected the Article 14-CO plan before January 1, 1990, or within one year of becoming employed in this title, are also Tier 3 members. SHTAs who joined during this same period and did not elect this plan are in Tier 4.

TIER REINSTATEMENT

If you had a previous membership in NYSLRS or any of the following public retirement systems, your service may be recredited and your date of membership and tier restored. However, an earlier tier of membership does not always result in a better benefit. Please contact us regarding your previous membership and the potential for reinstatement.

- New York State and Local Police and Fire Retirement System
- New York State Teachers’ Retirement System
- New York City Employees’ Retirement System
- New York City Board of Education Retirement System
- New York City Police Pension Fund
- New York City Fire Department Pension Fund
- New York City Teachers’ Retirement System

Service Credit

As a NYSLRS member, you earn service credit for your public employment while on the payroll of a participating employer.

Your service credit is a key factor in determining your eligibility for and/or the calculation of retirement and death benefits, vested rights and member loans. Since your benefits are directly related to your service credit, it is important to make sure you have credit for all your allowable service.

SERVICE CREDITING

You earn service credit for public employment while on the payroll of a participating employer. Your employer reports your days worked to NYSLRS.

The number of hours that constitute a standard workday is established by your employer. For Tier 2, 3, 4, 5 and 6 members, it is at least six hours per day, but not more than eight.

A full year of service credit is given for full-time service. Generally, 260 workdays per year are equivalent to full-time credit, except for members employed in an educational setting (see bulleted information below).

Part-time employment, except as noted below, is credited as the lesser of: number of days worked \div 260 days or annual earnings reported \div (State's hourly minimum wage \times 2,000).

- **Institutional teachers** may receive full service credit if they work at least 200 days each year. (Institutional teachers are teachers who work in New York State run institutions such as developmental centers or prisons.)
- **Ten-month school district employees, and teachers employed by New York State schools for the deaf and blind**, who work at least 180 days in the school year receive credit for a full year.
- **College employees** who work full-time (170 days per year) for the academic year receive a full year of service credit.

Regardless of your membership tier, credit is not given for leaves of absence without pay or for any period of time you do not receive earnings. There may be exceptions if you are on sick leave at half-pay or receiving workers' compensation benefits.

You can check your estimated service credit using *Retirement Online* (web.osc.state.ny.us/retire/sign-in.php).

ARTICLE 19 SERVICE CREDIT

If you are an eligible Tier 1 or 2 member whose membership date is prior to July 27, 1976, you will receive an additional month of service credit for each year of credited service you have at retirement, up to a maximum of 24 months. This additional service credit will be included in your benefit calculation at retirement.

To be eligible for an increased retirement benefit under Article 19, you must have been in active service continuously from April 1, 1999, through and including October 1, 2000. Active service means:

- Being paid on the payroll;
- On a leave of absence with pay;
- On an authorized leave without pay; or
- Any period of time between school terms and any time between September 1, 2000, and October 1, 2000, for teachers or other employees who work the school year.

Those **not** eligible for the additional service credit provided by Article 19 include:

- Members who retire under a special 20-year plan that allows for service retirement without regard to age.
- Members in employment certified as consisting of 50 percent or more in criminal law enforcement, who retire under a plan that allows for service retirement without regard to age and have earned 25 years of creditable service. However, Article 19 benefits *do* apply to correction officers.
- Members of the New York State and Local Police and Fire Retirement System (PFRS).

UNUSED, UNPAID SICK LEAVE

Unused, unpaid sick leave may be added to your credited service and used in your benefit calculation if you are a New York State employee or if your employer has chosen to offer the optional sick leave benefit provided by Section 41(j) of Retirement and Social Security Law (RSSL).

To be eligible for this benefit, you must retire directly from public service or within a year of separating from service.

The additional credit is determined by dividing your total unused, unpaid sick leave days by 260.

For many members, the maximum number of sick leave days allowable is 165. For most Tier 6 members, it's 100 days. However, for some members employed by New York State, the maximum is 200 days. Check with your employer to see if they offer this benefit.

Example	
For a member whose full-time day is 8 hours	
$\frac{\text{\# hours unused sick leave}}{\text{full-time hours per day}} = \text{\# days additional service credit}$	
$\frac{1320}{8} = 165 \text{ days additional service credit}$	
$\frac{\text{\# days additional service credit}}{260} = \text{additional service credit}$	
$\frac{165}{260} = .63 \text{ of a year additional service credit}$	

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 19½ 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.
- Increase your pension beyond the maximum amount payable under your retirement plan.
- Meet the service credit requirement to retire under a special 20- or 25-year plan.

CREDIT FOR ADDITIONAL OR MILITARY SERVICE

You may be able to purchase credit toward your retirement benefit for additional public employment or military service. There is usually a cost to receive credit for additional service. Purchasing additional service credit is optional, but because service credit is a factor in calculating a NYSLRS pension benefit, purchasing service credit will generally increase your pension benefit.

Examples of additional service include paid employment with a participating employer before you joined NYSLRS, or employment with a public employer before that employer elected to participate in NYSLRS.

You may also be able to receive credit for active military service. There are different sections of the law that allow credit for military service. The cost depends on which section of the law applies in your case, and in some circumstances there is no cost. For more information, visit our Military Service Credit webpage at www.osc.ny.gov/retirement/members/military-service-credit.

You may want to claim all the service credit you are entitled to receive as early as possible, because:

- If there is a cost, it is generally less expensive than if you wait to purchase at a later date;
- We can process your retirement benefit more quickly if your service credit is in order;
- Records documenting your service will more likely be available; and
- If your tier or retirement plan allows you to stop making contributions after a certain period of time, you will stop paying contributions sooner.

Please note that certain types of service credit may not provide additional benefits, for example, if you are in a special plan that allows for retirement after 20 or 25 years of service (regardless of age) in specific job titles. If you have questions, contact us (www.contactNYSLRS.com) to verify whether your additional service can be used in the calculation of your benefit.

Applying for Previous or Military Service Credit

To request credit for additional or military service, sign in to your *Retirement Online* account (web.osc.state.ny.us/retire/sign-in.php), scroll down to the ‘My Account Summary’ area of your Account Homepage and click the “Manage my Service Credit Purchases” button. The Service Credit Purchase Accounts page will appear. Click “Request Additional Service Credit.”

You can also apply by mail by submitting a Request to Purchase Service Credit (including any military service) (RS5042) available on our Forms webpage at www.osc.ny.gov/retirement/forms.

For all requests, you must apply before your date of retirement. Include all the details you can about the period of employment for which you are seeking credit. We will determine your eligibility and inform you of any cost.

For military service requests, attach/include a copy of your Certificate of Release or Discharge from Active Duty (DD-214). (It must show that you were honorably discharged.)

To establish eligibility for a vested retirement benefit, you **must** request your credit while on the payroll of a participating employer. If you make your request, but receive your statement of cost after you leave payroll, you have 30 days to make your payment.

Service From a Previous Membership

If you previously were a member of NYSLRS, or another public retirement system in New York State, your service may be recredited and your date of membership and tier restored. However, an earlier tier of membership does not always result in a better benefit. Please review your options carefully before making your decision, and contact us with any questions you may have.

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).

All Types of Additional Service Credit

Some things to remember:

- Even if you included past service on your membership application, you must request additional service to receive credit for it.
- Make your request well before you expect to retire. This gives us sufficient time to get salary and service records from your employer(s), and it allows you ample time to pay for the credit, if necessary.
- Generally Tier 2, 3, 4, 5 and 6 members need two years of service credit in their current memberships before they can receive credit for service.
- Members may need at least five years of service credit in their current memberships before they can claim credit for military service. It depends on the particular statute governing the service.
- To establish eligibility for a vested retirement benefit, you must request credit for your previous service while on the payroll of a participating employer. If you receive notice of an associated cost after you've left payroll, you must pay the full amount within 30 days or you will not receive credit for the service.

Mandatory Contributions

If you are covered by a plan that requires contributions (Tier 3, 4, 5 and 6 members), and if insufficient contributions were made to NYSLRS, you may owe mandatory payments associated with your past service. In that case, we will notify your employer so you can begin making payments. Any mandatory contributions that have not been paid by your date of retirement will cause a **permanent** reduction to your monthly benefit.

PAYING FOR ADDITIONAL SERVICE CREDIT

There is usually a cost to receive credit for additional service. We will provide you with a letter indicating the amount of service credit you are eligible to receive and any applicable cost.

If you are seeking credit for military service or public employment before your membership date, any associated payments are optional. Your cost letter will provide payment options and a due date, after which your cost would have to be recalculated. The cost accumulates 5 percent interest compounded annually.

To find out how purchasing additional service would affect your pension, use 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. Please contact us (www.contactNYSLRS.com) with any questions you have.

If there is a cost to secure credit for additional service, there are three ways you can make payment:

1. A single lump sum to cover the entire cost of the service;
2. Payroll deductions (you may make additional payments if you want to pay off the balance sooner); or
3. A trustee-to-trustee transfer from one of the allowable plans below.

408(a) or 408(b) Individual Retirement Account
403(a) Annuity Plan
403(b) Tax-Sheltered Annuity
401(a) or 401(k) Qualified Defined Benefit or Contribution Plan
457 Governmental Deferred Compensation Plan

Transfers from Roth IRAs, inherited IRAs or inherited Roth IRAs are not permitted.

About Payroll Deductions

- The payment period cannot exceed the amount of service credit being purchased. For example, if you are purchasing three years of service credit, payroll deductions can be made for up to three years, or until your date of retirement, whichever comes first.
- At the time of retirement, the total cost of any additional service must be paid in full or you will receive credit only for that part of your previous service that was paid.

Final Average Earnings

Your Final Average Earnings (FAE) are an important factor in the calculation of your retirement benefit. For ERS members in Tiers 1 through 5, FAE means the average of the three highest consecutive years of earnings in covered public employment. For Tier 6 members, it is the average of the five highest consecutive years of earnings. This is usually the last years of employment immediately before retirement (the years do not need to match up with calendar years or fiscal years). However, if there is a consecutive three- or five-year period of earnings earlier in your career that will result in a higher FAE, we will use that higher FAE to calculate the benefit. We do the FAE comparison automatically at the time of your retirement. The earnings used in the FAE calculation may be subject to certain limitations based on the date you joined NYSLRS.

THREE-YEAR FINAL AVERAGE EARNINGS

Tiers 1, 2, 3, 4 and 5

A three-year FAE is the average of the wages earned during any three consecutive years of service when earnings were highest. This is usually the last three years of employment.

The FAE calculation can include, but is not limited to, the following types of payments earned during the FAE period:

- Regular salary;
- Holiday pay;
- Longevity payments;
- Overtime pay;* and
- Vacation pay, up to 30 days for members who joined prior to April 1, 1972, or after July 26, 1976, if the FAE is based on the earnings three years immediately preceding retirement.

In most cases, the following payments **cannot** be included in the FAE:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for deferred compensation;
- Any payments made for time not worked; and
- Lump sum payments for accumulated vacation if you joined April 1, 1972 through July 26, 1976.

Example	
Date of Retirement 3/9/2020	
Earnings Period	Usable Earnings
Year 1: 3/9/2019 – 3/8/2020	\$ 46,723
Year 2: 3/9/2018 – 3/8/2019	\$ 44,912
Year 3: 3/9/2017 – 3/8/2018	\$ 42,336
	\$ 133,971 ÷ 3 =
	\$ 44,657 FAE

** For Tier 5 members, the total amount of overtime and compensatory overtime that can be included in your FAE calculation is limited.*

LIMITATIONS

Tier 1

Tier 1 members who joined prior to June 17, 1971, are not subject to a limitation. If your date of membership is June 17, 1971, or later, a limitation may apply to the calculation of your FAE. The earnings in any one year used in your FAE calculation cannot exceed the earnings of the previous 12 months by more than 20 percent. Earnings in excess of 20 percent will be excluded from the calculation.

Example		
Tier 1 Member who joined on or after 6/17/71		
Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\$38,000 \times 1.2 = 45,600$	\$ 45,600
Year 2: \$38,000	$\$37,000 \times 1.2 = 44,400$	\$ 38,000
Year 3: \$37,000	$\$33,000 \times 1.2 = 39,600$	<u>\$ 37,000</u>
Year 4: \$33,000		
		$\$ 120,600 \div 3 =$
		\$ 40,200 FAE
The earnings in Year 1 exceed the earnings in the previous year by more than 20 percent, therefore, the FAE is limited and only the Earnings Allowed can be used in the calculation.		

Tier 2

The earnings in any one year of your FAE calculation cannot exceed the average earnings of the previous two years by more than 20 percent. Earnings in excess of the 20 percent limitation will be excluded from the calculation.

Example		
Tier 2 Member		
Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\frac{(\$38,000 + \$37,000)}{2} \times 1.2 = 45,000$	\$ 45,000
Year 2: \$38,000	$\frac{(\$37,000 + \$33,000)}{2} \times 1.2 = 42,000$	\$ 38,000
Year 3: \$37,000	$\frac{(\$33,000 + \$32,000)}{2} \times 1.2 = 39,000$	<u>\$ 37,000</u>
Year 4: \$33,000		
Year 5: \$32,000		
		$\$ 120,000 \div 3 =$
		\$ 40,000 FAE
The earnings in Year 1 exceed the average of the earnings in the previous two years by more than 20 percent, therefore, the FAE is limited and only the Earnings Allowed can be used in the calculation.		

Tiers 3, 4 and 5

The earnings in any one year used in the FAE calculation cannot exceed the average earnings of the previous two years by more than 10 percent. Earnings in excess of the 10 percent limitation will be excluded from the calculation.

Example		
Tier 3, 4 or 5 Member		
Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\frac{(38,000 + 37,000)}{2} \times 1.1 = 41,250$	\$ 41,250
Year 2: \$38,000	$\frac{(37,000 + 33,000)}{2} \times 1.1 = 38,500$	\$ 38,000
Year 3: \$37,000	$\frac{(33,000 + 32,000)}{2} \times 1.1 = 35,750$	<u>\$ 35,750</u>
Year 4: \$33,000		
Year 5: \$32,000		
		\$ 115,000 ÷ 3 =
		\$ 38,334 FAE
The earnings in Years 1 and 3 exceed the average of the earnings in the previous two years by more than 10 percent, therefore, the FAE is limited and only the Earnings Allowed can be used in the calculation.		

FIVE-YEAR FINAL AVERAGE EARNINGS

Tier 6

A five-year FAE is the average of the wages earned during any five consecutive years of service when earnings were the highest. This is usually the last five years of employment.

The five-year FAE calculation can include, but is not limited to, the following types of payments earned during the FAE period:

- Regular salary;
- Holiday pay;
- Longevity payments; and
- Overtime pay.*

In most cases, the following payments **cannot** be included in the FAE:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Wages in excess of the Governor's salary and overtime in excess of the annual limit;*
- Lump sum payments for deferred compensation;
- Any payments made for time not worked;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for accumulated vacation; and
- Wages reported from more than your primary and secondary (if applicable) employers.

** For Tier 6 members, regular wages and the total amount of overtime and compensatory overtime that can be included in the calculation of your FAE are limited. For more information, visit our Tier 6 Earnings and Overtime Limits webpage at www.osc.ny.gov/retirement/members/overtime-and-earnings-limits-tier-6.*

LIMITATIONS

The earnings in any one year used in the FAE calculation cannot exceed the average earnings of the previous four years by more than 10 percent. Earnings in excess of the 10 percent limitation will be excluded from the calculation.

Example				
Tier 6 Member				
Actual Earnings	Limit			Earnings Allowed
Year 1: \$47,000	$\frac{(38,000 + 37,000 + 33,000 + 32,000)}{4}$	×	1.1 = 38,500	\$ 38,500
Year 2: \$38,000	$\frac{(37,000 + 33,000 + 32,000 + 31,000)}{4}$	×	1.1 = 36,575	\$ 36,575
Year 3: \$37,000	$\frac{(33,000 + 32,000 + 31,000 + 30,000)}{4}$	×	1.1 = 34,650	\$ 34,650
Year 4: \$33,000	$\frac{(32,000 + 31,000 + 30,000 + 29,000)}{4}$	×	1.1 = 33,550	\$ 33,000
Year 5: \$32,000	$\frac{(31,000 + 30,000 + 29,000 + 28,000)}{4}$	×	1.1 = 32,450	<u>\$ 32,000</u>
Year 6: \$31,000				
Year 7: \$30,000				
Year 8: \$29,000				
Year 9: \$28,000				
				\$ 174,725 ÷ 5 =
				\$ 34,945 FAE
The earnings in Years 1, 2 and 3 exceed the average of the earnings in the previous four years by more than 10 percent, therefore, the FAE is limited and only the Earnings Allowed can be used in the calculation.				

Retirement Plans

Your retirement plan describes the formula used to calculate your retirement benefit. All calculation examples shown in this section represent the Single Life Allowance payment option, which provides the maximum amount payable for your lifetime.

*Some ERS members are in retirement plans that allow for retirement, regardless of age, after a specific number of years. These special plans cover job titles such as Corrections Officers, Security Hospital Treatment Assistants, Sheriffs, Undersheriffs and Deputy Sheriffs. If you are in a special plan, you should review your plan booklet for retirement benefit calculation information. Plan booklets are available on our Publications webpage at **www.osc.ny.gov/retirement/publications**.*

SERVICE RETIREMENT ELIGIBILITY

To be eligible to collect a retirement benefit, a member must meet one of the following criteria:

- Tier 1 members age 55 or older;
- Tier 2, 3, 4, 5 or 6 members age 55 or older with five or more years of credited service.

BENEFIT REDUCTIONS

Your age at retirement could directly impact the calculation of your retirement benefit. Members who meet one of the following criteria can retire with no age-based reduction to their benefits:

- Your age at retirement could directly impact the calculation of your retirement benefit. Members who meet one of the following criteria can retire with no age-based reduction to their benefits:
- Tier 1 members age 55 or older;
- Tier 2, 3, 4 and 5 members who retire at the age of 62 or older;
- Tier 2, 3, and 4 members who retire between the ages of 55 and 62 with 30 or more years of service credit; or
- Tier 6 members who retire at age 63 or older.

Retirement benefits for members who retire under a regular plan and do not meet one of the criteria listed above **will be permanently reduced** based on their age on their date of retirement.

Benefit reduction percentages for each tier of membership are provided in the charts on the right. These reductions are prorated by the month. For example, the pension benefit of a Tier 4 member with less than 30 years of service who retires at the age of 55 years and 6 months old would be permanently reduced by 25.5 percent.

Benefit Reduction Charts

Age at Retirement	Tiers 2, 3 & 4 Reduction	Tier 5 Reduction	Tier 6 Reduction
63	-	-	0%
62	0%	0%	6.5%
61	6%	6.66%	13.0%
60	12%	13.33%	19.5%
59	15%	18.33%	26.0%
58	18%	23.33%	32.5%
57	21%	28.33%	39.0%
56	24%	33.33%	45.5%
55	27%	38.33%	52.0%

TIERS 1 & 2

Section 75-h (State) and Section 75-i (Local)

SERVICE RETIREMENT BENEFIT

If you retire with 20 or more years of service credit, your guaranteed service retirement benefit will be 2 percent of your FAE for each year of service credit.

With less than 20 years of service, your benefit will be calculated under either Section 75-d (State) or Section 75-e (local). (See page 9-26 for more information.)

Tier 2 members with less than 30 years of service who retire before age 62 are subject to a benefit reduction. (See page 9-22 for reductions.)

If you elected to make voluntary contributions to NYSLRS, your benefit will include an annuity purchased by your contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid loan balance may be subject to federal income taxes.

Under this plan, the pension portion of your retirement benefit cannot exceed 75 percent of your FAE (with 37½ or more years of service). However, if you are eligible for the additional service credit provided by Article 19 (see page 9-10), your benefit cap is raised to 79 percent of your FAE.

If your service credit at retirement exceeds 37.5 years (or 39.5 years if you are eligible for Article 19 service), you may qualify for a higher retirement benefit under Section 75-f or 75-g. (See page 9-25 for calculation information.) Please contact the Retirement System for eligibility requirements.

For New York State employees employed by the State on March 31, 1970, the benefit provided by Section 75-h would be compared to the benefit provided by Section 75-f.

For employees of local government employers, the benefit provided by Section 75-i would be compared to the benefit provided by Section 75-g.

Sections 75-f and 75-g provide an annual benefit equal to 50 percent of your FAE for 25 years of service credit plus 1.66 percent of your FAE for each year of service credit over 25 years, with no cap.

Examples		Example	
Tier 1 Age 55		Tier 2 Age 55	
28 years of service FAE = \$43,500		30 years of service FAE = \$43,500	
$\frac{28 \times \$43,500}{50}$	=	$\frac{30 \times \$43,500}{50}$	=
	\$ 24,360 per year		\$ 26,100 per year
	\$ 2,030 per month		\$ 2,175 per month
Tier 2 Age 55			
28 years of service FAE = \$43,500			
$\frac{28 \times \$43,500}{50}$	=		
	\$ 24,360		
	- 6,577 *		
	\$ 17,783 per year		
	\$ 1,482 per month		
* 27 percent benefit reduction at age 55.			

TIERS 1 & 2

Section 75-f (State) and Section 75-g (Local)

SERVICE RETIREMENT BENEFIT

With 25 or more years of service credit, your service retirement benefit will be 50 percent of your FAE, plus 1.66 percent for each year of service credit over 25 years.

With less than 25 years of service credit, State and local employees covered by this plan will have their benefit calculated under Section 75-d and 75-e respectively.

Tier 2 members with less than 30 years of service who retire before age 62 are subject to a benefit reduction. (See page 9-22 for reductions.)

If you elected to make voluntary contributions to NYSLRS, your benefit will also include an annuity purchased by your contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid loan balance may be subject to federal income taxes.

Examples	
Tier 1 Age 55	
29 years of service FAE = \$43,500	
$\frac{25 \times \$43,500}{50} = \$ 21,750$	
$\frac{4 \times \$43,500}{60} = + 2,900$	
	\$ 24,650 per year \$ 2,054 per month
Tier 2 Age 55	
29 years of service FAE = \$43,500	
$\frac{25 \times \$43,500}{50} = \$ 21,750$	
$\frac{4 \times \$43,500}{60} = + 2,900$	
	\$ 24,650
	- 6,655 *
	\$ 17,995 per year \$ 1,499 per month
* 27 percent benefit reduction at age 55.	

Example	
Tier 1 or 2 Age 61	
43 years of service FAE = \$43,500	
$\frac{25 \times \$43,500}{50} = \$ 21,750$	
$\frac{18 \times \$43,500}{60} = + 13,050$	
	\$ 34,800 per year \$ 2,900 per month

TIERS 1 & 2

Section 75-d (State) and Section 75-e (Local)

SERVICE RETIREMENT BENEFIT

At retirement, you will receive a pension equal to 1.66 percent of your FAE for each year of service credit earned.

Tier 2 members with less than 30 years of service who retire before age 62 are subject to a benefit reduction. (See page 9-22 for reductions.)

If you elected to make voluntary contributions to NYSLRS, your benefit will include an annuity purchased by your contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid loan balance may be subject to federal income taxes.

Examples

Tier 1 | Age 55
or
Tier 2 | Age 62

17 years of service

FAE = \$43,500

$$\frac{17 \times \$43,500}{60} = \begin{array}{l} \$ 12,325 \text{ per year} \\ \$ 1,027 \text{ per month} \end{array}$$

Tier 2 | Age 55

17 years of service

FAE = \$43,500

$$\begin{array}{rcl} \frac{17 \times \$43,500}{60} & = & \$ 12,325 \\ & & - \quad 3,327^* \\ & & \hline & & \$ 8,998 \text{ per year} \\ & & \$ 750 \text{ per month} \end{array}$$

* 27 percent benefit reduction at age 55.

TIERS 3 & 4

Article 15

SERVICE RETIREMENT BENEFIT

If you retire with less than 20 years of service credit, your pension will equal 1.66 percent of your FAE for each year of service.

With 20 to 30 years of service credit, your service retirement benefit will equal 2 percent of your FAE multiplied by your years of credited service.

For each year of credited service beyond 30 years, the benefit will increase by 1.5 percent of your FAE.

With less than 30 years of credit, if you choose to retire before age 62, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

Examples	
Age 62	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60} =$	$\begin{array}{r} \$ 12,325 \text{ per year} \\ \$ 1,027 \text{ per month} \end{array}$
Age 55	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60} =$	$\begin{array}{r} \$ 12,325 \\ - 3,327^* \\ \$ 8,998 \text{ per year} \\ \$ 750 \text{ per month} \end{array}$
* 27 percent benefit reduction at age 55.	

Examples	
Age 62	
22 years of service FAE = \$43,500	
$\frac{22 \times \$43,500}{50} =$	$\begin{array}{r} \$ 19,140 \text{ per year} \\ \$ 1,595 \text{ per month} \end{array}$
Age 55	
22 years of service FAE = \$43,500	
$\frac{22 \times \$43,500}{50} =$	$\begin{array}{r} \$ 19,140 \\ - 5,167^* \\ \$ 13,973 \text{ per year} \\ \$ 1,164 \text{ per month} \end{array}$
* 27 percent benefit reduction at age 55.	
Age 55 Over 30 Years of Service	
32 years of service FAE = \$43,500	
$\frac{30 \times \$43,500}{50} =$	$\begin{array}{r} \$ 26,100 \\ + 1,305 \\ \$ 27,405 \text{ per year} \\ \$ 2,283 \text{ per month} \end{array}$
(1.5% × 2**) × 43,500 =	
In this example, the member has more than 30 years of service. Therefore, there is no benefit reduction.	
** Number of years over 30.	

TIER 5

Article 15

SERVICE RETIREMENT BENEFIT

If you retire with less than 20 years of service credit, your pension will equal 1.66 percent of your FAE for each year of service.

With 20 to 30 years of service credit, your service retirement benefit will equal 2 percent of your FAE multiplied by your years of credited service.

For each year of credited service beyond 30 years, the benefit will increase by 1.5 percent of your FAE.

If you choose to retire before age 62, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

Examples	
Age 62	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60} =$	$\begin{array}{r} \$ 12,325 \text{ per year} \\ \$ 1,027 \text{ per month} \end{array}$
Age 55	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60} =$	$\begin{array}{r} \$ 12,325 \\ - 4,724^* \\ \$ 7,601 \text{ per year} \\ \$ 633 \text{ per month} \end{array}$
* 38.33 percent benefit reduction at age 55.	

Examples	
Age 62	
22 years of service FAE = \$43,500	
$\frac{22 \times \$43,500}{50} =$	$\begin{array}{r} \$ 19,140 \text{ per year} \\ \$ 1,595 \text{ per month} \end{array}$
Age 55	
22 years of service FAE = \$43,500	
$\frac{22 \times \$43,500}{50} =$	$\begin{array}{r} \$ 19,140 \\ - 7,336^* \\ \$ 11,804 \text{ per year} \\ \$ 983 \text{ per month} \end{array}$
* 38.33 percent benefit reduction at age 55.	
Age 55	
32 years of service FAE = \$43,500	
$\frac{30 \times \$43,500}{50} =$	$\begin{array}{r} \$ 26,100 \\ + 1,305 \\ \$ 27,405 \\ - 10,504^* \\ \$ 16,901 \text{ per year} \\ \$ 1,408 \text{ per month} \end{array}$
* 38.33 percent benefit reduction at age 55.	
** Number of years over 30.	

TIER 6

Article 15

SERVICE RETIREMENT BENEFIT

If you retire with less than 20 years of service credit, the benefit equals 1.66 percent of your FAE for each year of service.

If you retire with 20 years of service credit, the benefit equals 35 percent of your FAE.

For each year of service credit in excess of 20 years, you will receive an additional 2 percent of your FAE.

If you choose to retire before age 63, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

Examples	
Age 63	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60}$	$= \$ 12,325 \text{ per year}$ $= \$ 1,027 \text{ per month}$
Age 63	
22 years of service FAE = \$43,500	
$\$43,500 \times .35 (20 \text{ years})$	$= \$ 15,225$
$\frac{2 \times \$43,500}{50}$	$= + 1,740$ $= \$ 16,965 \text{ per year}$ $= \$ 1,413 \text{ per month}$

Examples	
Age 55	
17 years of service FAE = \$43,500	
$\frac{17 \times \$43,500}{60}$	$= \$ 12,325$ $- 6,409 *$ $= \$ 5,916 \text{ per year}$ $= \$ 493 \text{ per month}$
* 52 percent benefit reduction at age 55.	
Age 55	
22 years of service FAE = \$43,500	
$\$43,500 \times .35 (20 \text{ years})$	$= \$ 15,225$
$\frac{2 \times \$43,500}{50}$	$= + 1,740$ $= \$ 16,965$ $- 8,821 *$ $= \$ 8,144 \text{ per year}$ $= \$ 678 \text{ per month}$
* 52 percent benefit reduction at age 55.	

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Preparing for Your Retirement

Retirement is one of the biggest life changes that most people will ever experience. One of the keys to minimizing the uncertainty that can occur during the retirement process is to plan ahead. Properly preparing for your retirement will provide you with the tools and information you'll need to make educated decisions about your benefits. It will also make the process easier to understand and less stressful when it's time to retire.

Visit our Preparing for Retirement webpage (www.osc.ny.gov/retirement/members/preparing-retirement) for a timeline that walks you through important topics you'll need to consider and steps you should take starting 18 months before your retirement date.

UNDERSTANDING YOUR BENEFIT

It's never too early to start planning for your retirement. One of the most important things you should do to prepare is review how much your pension benefit could be.

We offer a variety of ways for you to obtain a projection of your future retirement benefits.

Estimate Your Pension in Retirement Online

Most Tier 2 – 6 members can use *Retirement Online* to create a NYSLRS pension estimate based on the salary and service information we have on file for you.

Sign in at web.osc.state.ny.us/retire/sign-in.php, go to the 'My Account Summary' section of your *Retirement Online* account homepage and click the "Estimate my Pension Benefit" button.

With a *Retirement Online* estimate, you can:

- Enter different retirement dates and beneficiaries to see how your choices affect your potential benefit;
- Customize your estimate by adjusting your earnings or service credit if you anticipate an increase in earnings before you retire or plan to purchase past service; and
- Save or print your estimate.

More than 90% of members can use this benefit calculator. Members in certain circumstances (for example, members who have recently transferred a membership to NYSLRS) may not be able to use the *Retirement Online* calculator. These members should contact us (www.contactNYSLRS.com) to request an estimate.

Use the "Quick Calculator"

Most Tier 2 – 6 members can use the benefit calculator on our website to project what their pension could be based on retirement dates they choose. The calculator also projects benefit amounts under the various payment options available to you at retirement. Unlike the *Retirement Online* benefit calculator, which uses your retirement account information, this calculator will create a pension estimate based on the information you enter. Visit our website at www.osc.ny.gov/retirement/members/estimate-your-pension to use the calculator.

Request a Benefit Projection from our Contact Center

Most members, regardless of age, with five or more years of service credit are eligible to request a benefit projection by calling our Contact Center at 866-805-0990. These benefit projections are based on your salary and service reported by your employer(s) to date.

Actively employed members age 50 or older can also request a benefit calculation that projects additional service credit based on a date of retirement up to five years into the future. In most cases, these projections will be mailed to your home address the next business day.

This benefit projection method is a great tool for vested members who are considering leaving public service before they are old enough to collect their retirement benefits and for those members who will be eligible to retire within five years.

Speak with an Information Representative

We offer you the opportunity to speak with an Information Representative to obtain a projection of your retirement benefits. To request a benefit projection or to schedule an appointment, call our Contact Center toll free at 866-805-0990.

LOCATE PROOF OF YOUR BIRTH DATE

We must have proof of your birth date before any benefits can be paid. In most cases, a photocopy of the document is acceptable — but if you send us the original, we will return it to you.

If you intend to choose a retirement option that provides a lifetime benefit to a beneficiary (one of the Joint or Pop-Up pension payment options), we also require proof of your beneficiary's birth date.

Please send us a copy of one of the following:

- Birth certificate;
- New York State driver's license or enhanced driver's license;
- Passport or passport card;
- A marriage certificate, if it shows your age on a given date or your date of birth;
- Certificate of Release or Discharge from Active Duty (DD-214);
- Baptismal certificate; or
- Naturalization papers.

If you do not have one of these documents readily available, now is the time to find them or arrange to get a replacement. This is especially important if you have to write to an out-of-state registry or a foreign country for an acceptable document.

If you are unable to provide one of these documents, please contact us for information about alternative types of proof that are acceptable. The National Center for Health Statistics website contains information for each state on where to write for vital records, such as your birth certificate. Visit their site at www.cdc.gov/nchs/w2w.htm.

You may forward proof of your and/or your beneficiary's birth dates to us when you apply for retirement or any time before your retirement date. Be sure to include your name, address and NYSLRS ID with any documents you want included in your records. You can find your NYSLRS ID on your *Retirement Online Account* Homepage under 'My Profile Information.'

COMMIT TO PAYING OFF YOUR NYSLRS LOANS

If you retire with an outstanding loan, your retirement benefit will be reduced. Some of the remaining balance at retirement may also be subject to federal income tax and, if you are under age 59 ½ when you retire, a 10 percent tax penalty.

If you have an outstanding loan at retirement, and you are in:

Tier 1 or 2, your pension will not be affected, but if you are entitled to an annuity (in addition to your pension benefit), your annuity will be permanently reduced.

Tier 3, 4, 5 or 6, your pension will be reduced.

You can check your current loan balance and manage your loan payments by signing in to *Retirement Online* (web.osc.state.ny.us/retire/sign-in.php).

You can pay off your loan sooner by increasing the loan payments deducted from your salary. Use the *Retirement Online* calculator to estimate a payment amount based on a payoff date, or estimate a payoff date based on a payment amount. You can also make extra payments through *Retirement Online*. Sign in to your account and select ‘Manage my Loans’ to see a list of your loans and to choose which one you want to pay.

You can also increase your loan payment or make extra payments by mail. Send us a letter indicating the amount you would like your payments increased to — we will notify your payroll department. If you send additional payments directly to us, be sure to write “loan payment” on your check or money order. Additional payments should not be submitted more than once a month. Send your letter and/or payments, along with your name, address and registration number to:

NYSLRS
Loan Unit
110 State Street
Albany, NY 12244-0001

ERS members in all tiers 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.

REVIEW YOUR DOMESTIC RELATIONS ORDER

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 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.
- 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 court order that gives us specific instructions on how your benefits should be divided. We will also need a certified copy of your divorce decree.

NYSLRS offers an easy-to-complete online DRO template. The template is not required, but because the review process is simplified for all submissions using the DRO template, we can complete our review faster if you use it. We will also honor a properly drawn DRO issued by a New York State court.

We will honor an out-of-state order if you submit a notarized statement to us:

- Consenting to the laws of New York State;
- Authorizing us to make payments from your retirement benefit in accordance with the provisions of the order; and
- Releasing us from any liability whatsoever as a consequence of any payments based upon that order.

We highly recommend your attorney send us a proposed DRO for review prior to its entry in court. Orders that are vague, contain inconsistent or contradictory provisions, or are contradictory to plan requirements or New York State law will be rejected. A DRO does not allow for a distribution of your pension until you actually retire, die or terminate membership.

For more information about our online DRO template and how divorce may affect retirement benefits, please visit our Divorce and Your Benefits webpage at www.osc.ny.gov/retirement/members/divorce/overview. If you have any questions, you or your legal representative should email our Matrimonial Bureau at dro@osc.ny.gov. Inquiries may also be faxed to 518-474-7794.

REVIEW OTHER INCOME SOURCES

A sound financial plan is crucial for a comfortable retirement. At least eight months before you plan to retire, review other sources of retirement income such as savings, investments, a pension from private employment, proceeds from a deferred compensation plan or perhaps income from post-retirement employment.

Experts tell us you will need at least 70 to 80 percent of your pre-retirement income to maintain your current standard of living. The average retiree receives about 35 to 40 percent of his or her post-retirement income from Social Security. If your earnings have been below average, Social Security may replace more of your income, while an above average income means a lower percentage will be replaced.

The Social Security Administration (SSA) offers many tools to help guide you through the retirement process, including ways to estimate your benefit, which could help you determine the best time to start receiving it. You can view your personal Social Security Statement online or you can request that a statement be mailed to you by completing a form. Visit the SSA's website at www.ssa.gov to find out more about your Social Security Statement.

PREPARE A RETIREMENT BUDGET

Once you determine what your expected income will be, then it's time to prepare a budget. It is a good idea to keep track of your expenses over a month or two. Don't forget to include expenses that occur periodically, such as car insurance or property and school taxes. You will also want to include money you have set aside for an emergency fund, or have saved for future goals. We have included a set of work sheets to help you in your budget preparation on pages 9-38 to 9-40.

REVIEW YOUR HEALTH INSURANCE COVERAGE

NYSLRS does not administer health insurance programs for retirees. Before you retire, check with your employer's health benefits administrator to determine your eligibility for post-retirement coverage for yourself and your family. The administrator will be able to provide you with information concerning the type of coverage available, the cost and how much you must pay.

If you are not eligible for coverage through your employer after retirement or you need supplemental coverage, visit **www.nystateofhealth.ny.gov** well in advance of retiring for more information on health insurance options available to you and your family.

New York State Employees

For New York State employees and retirees, the New York State Department of Civil Service administers the New York State Health Insurance Program (NYSHIP). Your health benefits administrator should be able to answer your questions about your coverage as a retiree. You can also visit the Department of Civil Service's website at **www.cs.ny.gov** or call them at 1-800-833-4344 or 518-457-5754 to learn more.

MONTHLY INCOME WORKSHEET

Source	Present	Anticipated
New York State Retirement Income	\$ _____	\$ _____
Social Security Amount	_____	_____
Yield from Savings	_____	_____
Dividends from Stocks, Mutual Funds	_____	_____
Life Insurance Income	_____	_____
Salary	_____	_____
Real Estate	_____	_____
Other Sources	_____	_____
TOTAL	\$ _____	\$ _____

MONTHLY EXPENSES WORKSHEET

Item	Present	Anticipated
SHELTER		
Rent	\$ _____	\$ _____
Mortgage payments	_____	_____
Real estate taxes	_____	_____
Insurance	_____	_____
HOUSEHOLD MAINTENANCE		
Repairs, house & grounds	_____	_____
Water, electricity, etc.	_____	_____
Fuel	_____	_____
Telephone	_____	_____
Waste disposal	_____	_____
Hired help	_____	_____
Other	_____	_____
HOME PURCHASES		
Furniture & fixtures	_____	_____
Equipment, household & yard	_____	_____
Other	_____	_____
AUTOMOBILE & TRANSPORTATION		
Monthly car payment	_____	_____
Repairs	_____	_____
Gas & oil	_____	_____
License & registration	_____	_____
Insurance	_____	_____
Other transportation	_____	_____
TOTAL (Enter on next page)	\$ _____	\$ _____

Monthly Expenses Worksheet (Continued)

Item	Present	Anticipated
TOTAL (From previous page)	\$ _____	\$ _____
MEDICAL & HEALTH		
Medicines & drugs	_____	_____
Doctor, dentist, etc.	_____	_____
Hospital	_____	_____
Insurance premiums	_____	_____
Other	_____	_____
CLOTHING		
New clothing	_____	_____
Dry cleaning, laundering	_____	_____
Other	_____	_____
FOOD		
Food at home	_____	_____
Food away from home	_____	_____
TAXES & INSURANCE		
Federal	_____	_____
State & local	_____	_____
Life insurance premiums	_____	_____
SAVINGS & INVESTMENTS		
Savings, stocks, IRAs	_____	_____
Other	_____	_____
PERSONAL CARE		
	_____	_____
TOTAL	\$ _____	\$ _____

Applying for Your Service Retirement Benefit

Applying for your service retirement benefit is relatively easy, especially if you have taken the proper steps to prepare for your retirement. However, it is important you know exactly what your responsibilities are. It will also help if you understand how we will be handling our part of the process.

*Remember — we are here to help if you need us. If you have any concerns or questions about applying for your service retirement benefit, please contact us (**www.contactNYSLRS.com**).*

FILING YOUR RETIREMENT APPLICATION

Your retirement application is required by law to be on file with us for at least 15 days, but not more than 90 days, before your retirement date. The 15-day filing requirement is waived if you are over age 70 at retirement.

There are two ways to apply for retirement:

Online

The fastest way to file is through your *Retirement Online* account. With *Retirement Online*, you can upload all your retirement-related documents as you step through the application process. You'll see an estimate of your pension and the payment options available to you and you will not have to get anything notarized. Go to the 'My Account Summary' section of your *Retirement Online* Account Homepage and click "Apply for Retirement." Your application is considered filed once you submit it online and receive an email confirmation of submission. If you file online, you may submit documents online and change your date of retirement online, if necessary, after your initial application.

Paper Form

You can also get a paper Application for Service Retirement (RS6037) from our Forms webpage (www.osc.ny.gov/retirement/forms), from your employer, or by contacting us.

If you submit a paper retirement application, you must sign it and have your signature notarized.

If you use the paper application, in order for your 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 form does not mean that you have "filed with the Comptroller."**

If you mail your retirement application or option election form using "Certified Mail — Return Receipt Requested," the postmark date will serve as the date of filing. If you mail your application or option election form using regular mail, and you die between the time you mail it and the time we receive it, a *legible* postmark will serve as the filing date.

CHOOSING A PENSION PAYMENT OPTION

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 choose a smaller monthly benefit to provide for a payment to a designated beneficiary after your death.

When you file for retirement using *Retirement Online*, you'll see the payment options available to you and the estimated amounts as part of the application process. Whether you apply online or by mail, we will mail you an estimate after we receive your retirement application.

Filing Your Option Election

You must file your pension payment 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 can choose your pension payment option when you apply to retire through *Retirement Online*. Option Election forms can also be downloaded from our Forms webpage at www.osc.ny.gov/retirement/forms.

You have up to 30 days after your pension benefit becomes payable to change your selection.

If your election is not timely, by law we must process your retirement as if you had selected:

- Tier 1 or 2 members, the Cash Refund — Contributions option; or
- Tier 3, 4, 5 or 6 members, the Single Life Allowance option.

Single Life Allowance (Option 0)

This option 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 soon after retiring), nothing will be paid to any beneficiary.

Cash Refund — Contributions

(Available only to members with annuity savings contributions on deposit)

This option will provide you with a reduced monthly benefit for your lifetime. At your death, the unpaid balance of your accumulated annuity savings contributions will be paid to your beneficiary or your estate. If all of your accumulated annuity savings contributions have been expended, all payments will cease upon your death. The mandatory contributions made by Tier 3 (Article 14), 5 and 6 members are not annuity savings contributions.

Cash Refund — Initial Value

(Available only to Tier 1 members)

This option will provide you with a reduced monthly benefit for your lifetime. It guarantees that if you die before receiving retirement benefit payments that equal the initial value of your benefit, the balance of the initial value will be paid to your beneficiary or estate. “Initial value” is an actuarial term for the value of your retirement benefit at the time of retirement.

If you live long enough, you will receive your initial value amount and more in your monthly benefit. However, if you die after the full initial value amount has been paid out to you, no benefit is payable to your beneficiary.

Five Year Certain

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

Ten Year Certain

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

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 — Half*

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 one-half of the monthly benefit 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 of your benefit which you select (75, 50 or 25 percent) for his or her lifetime. 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*

This option will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, we will continue paying the same monthly amount you were receiving 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.

Pop-Up/Joint Allowance — Half*

This option will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, we will pay one-half of the monthly amount you were receiving 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.

** 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. For more information on COLA, see page 9-48.*

Alternative Option

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.

Note: If you choose one of the following retirement options, you may change your *pension beneficiary* designation after the last day of the month in which you retire:

- Cash Refund — Contributions
- Cash Refund — Initial Value
- Five or Ten Year Certain
- Alternative Option (depending on the terms of payment)

To do this, complete a Pensioner Designation of Beneficiaries form (RS6439), available on our Forms webpage (www.osc.ny.gov/retirement/forms).

DETERMINE YOUR FEDERAL WITHHOLDING

Your NYSLRS pension is subject to federal income tax. You can choose your federal withholding preferences when you file for retirement online, or we will provide you with a W-4P form (Withholding Certificate for Pension or Annuity Payments) with your retirement confirmation letter. A W-4P form enables you to have federal taxes withheld from your monthly benefit.

For help completing your W-4P form — whether online or in print — contact the IRS. You can find phone numbers and online resources on the IRS Let Us Help You webpage at www.irs.gov/help/telephone-assistance. If you have general questions about taxes and your pension, visit our Taxes and Your Pension webpage at www.osc.ny.gov/retirement/retirees/taxes-and-your-pension.

If you do not submit a completed W-4P form to us, we can still process your retirement application. But, when we pay your monthly benefit, the amount of federal tax withheld will be based on the status “single with no dependents.” This may or may not be adequate for your needs. You can, however, change your federal withholding tax status anytime.

Your pension is not subject to New York State income tax, but it might be taxable in another state. If you are planning to move to another state after you retire, check with that state’s tax department to see if your retirement benefit is taxable there. You can also visit the Retired Public Employees Association’s website at www.rpea.org. There you will find a complete list of states that tax your New York State retirement benefit.

THE CONFIRMATION LETTER

We will send you a confirmation letter approximately two to three weeks after we receive your retirement application. We will let you know if there are any additional documents we need from you. Also included will be a W-4P form, enabling you to have federal taxes withheld each month, and a Direct Deposit Enrollment Application (RS6370), so you can have your pension deposited directly into the bank account of your choice.

We will also notify your employer that you have filed for retirement.

PARTIAL LUMP SUM (PLS) PAYMENT OPTION

Chapter 135 of the Laws of 2014 allows eligible members to elect to receive a partial lump sum (PLS) payment at retirement. If you elect a PLS payment, your monthly benefit will be permanently reduced. To be eligible for the PLS payment:

- **Your county employer must first adopt a resolution to provide this option to its eligible employees.** Most county employers do not offer PLS payments at retirement. Check with your employer or contact us (www.contactNYSLRS.com) to see if you are eligible for this benefit.

Additionally, you must:

- Be employed as a sheriff, undersheriff, deputy sheriff or county correction officer;
- Retire under a plan that allows for retirement after 20 or 25 years of creditable service;
- Have been eligible to retire for at least one full year prior to your actual date of retirement; and
- Retire with a service retirement benefit (not a disability retirement).

Depending on the number of years you have been eligible to retire, your choice of the PLS payment can be either 5, 10, 15, 20, or 25 percent of the actuarial value of your retirement benefit at the time of retirement.

For more detailed information, including the taxability of a PLS payment, please visit www.osc.ny.gov/retirement/members/partial-lump-sum-payment.

After You Retire

The retirement process doesn't stop once you reach your date of retirement. There is still work to be done and a number of things you should know ahead of time to ensure that you are prepared for what happens next.

PENSION PAYMENTS

For most members, you will receive your first pension payment at the end of the month following your retirement month. If you have a domestic relations order on file, or if you have not submitted your proof of date of birth or pension payment option form, your first payment may be delayed.

Sign up for our Direct Deposit Program and have your retirement benefits deposited directly into your bank account. Direct deposit is quick and safe. In most cases, your money is available immediately; no waiting for a check in the mail.

If you apply for retirement using *Retirement Online*, you can sign up for direct deposit during the application process. Otherwise, you can complete a Direct Deposit Application, which you can find on our Forms webpage (www.osc.ny.gov/retirement/forms). Return it to us, and be sure to attach a voided check or have a bank representative complete section three of the form.

If you do not enroll in direct deposit, your pension check will be mailed on the second-to-last business day of each month for that month.

FINAL CALCULATION LETTER AND RETROACTIVE PAYMENTS

Because of the many variables that are often involved in verifying service and salary details with your former employer, finalizing your retirement benefit amount can take some time. Initially, your pension payment will be based on the salary and service information we have on file for you. However, your payment may be adjusted after we receive and process final payroll information, such as eligible lump sum payments or lagged regular earnings, from your employer. The time it takes to finalize your retirement benefit amount can vary depending on the complexity of your circumstances.

When we complete your benefit calculation we will provide you with a letter explaining how we determined your retirement benefit. This final calculation letter will provide you with the amount of the benefit you will be receiving each month for the remainder of your life. It will also provide you with the total amount of the pension you have earned up to that point and the total amount already paid to you.

If the total amount of the pension you have earned up to that point exceeds the total amount you were paid, we will issue you a retroactive payment to make up the difference (less federal withholding, if applicable).

COST-OF-LIVING ADJUSTMENTS

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, regardless of age, after a specific number of years); or
- Receiving a disability pension for five or more years.

Also eligible:

- The beneficiary of a deceased member who has been receiving the accidental death benefit for five or more years; and
- The spouse of a deceased retiree who is receiving a lifetime benefit (under an option elected by the retiree at retirement) is entitled to one-half the COLA amount that would have been paid to the retiree, when he or she would have met the eligibility criteria.

For more information, visit our Cost-of-Living Adjustment webpage at www.osc.ny.gov/retirement/retirees/cost-living-adjustment.

THINKING OF RETURNING TO WORK?

Your earnings may be limited if you return to work after retiring. The Retirement and Social Security Law regulates post-retirement employment for all NYSLRS retirees. The rules and restrictions differ depending on:

- The type of retirement you are receiving (service or disability);
- The employer you will be working for (private, public, federal government, yourself, etc.);
- Your date of membership and tier; and
- Your age.

Violating the rules can result in the loss, suspension or reduction of your retirement benefit. For more information on post-retirement employment, please visit our website, contact us, or read our booklet, *What If I Work After Retirement?* (VO1648) available on our Publications webpage at www.osc.ny.gov/retirement/publications.

ORGANIZE YOUR LEGAL AND FINANCIAL PAPERS

Having your important papers organized will help family members keep your financial and legal matters in order during an extended vacation or severe illness or, in the event of your death, settle your estate. We have included the worksheet, *Where My Assets Are* (VO1848), on the next page, to help you with this task.

It is important that you store this information in a safe but accessible location. Keep in mind that if you use a safe deposit box, any items kept there will not become available until a probate judge orders the box to be opened under court supervision. Be sure to keep the information updated and let the executor of your estate or a trusted relative or friend know where it can be found.

WHERE MY ASSETS ARE

One problem survivors often have is finding documents and valuable papers. You can assist them by filling out this form. Give copies to your loved ones, executor, lawyer and anyone else who will need this information. You should review and update this information periodically.

Name _____ Social Security Number _____

NYSLRS ID No. _____ NYSLRS Registration No. _____

My valuable papers, assets and electronic files are stored in these locations (address plus where to look)

A. Residence _____

B. Safe Deposit Box _____

C. Computer/File Names & Locations _____

D. Other _____

ITEM	LOCATION:	A	B	C	D	ITEM	LOCATION:	A	B	C	D
My will (original)		___	___	___	___	Retirement plans		___	___	___	___
Power of attorney		___	___	___	___	Deferred compensation/IRA		___	___	___	___
Spouse's will (original)		___	___	___	___	Titles and deeds		___	___	___	___
Safe combination		___	___	___	___	Notes (mortgages)		___	___	___	___
Trust agreements		___	___	___	___	List of stored and loaned items		___	___	___	___
Life insurance		___	___	___	___	Auto ownership records		___	___	___	___
Health insurance policy		___	___	___	___	Birth certificate		___	___	___	___
Homeowner's policy		___	___	___	___	Military discharge papers		___	___	___	___
Car insurance policy		___	___	___	___	Marriage certificate		___	___	___	___
Employment contracts		___	___	___	___	Children's birth certificates		___	___	___	___
Partnership agreements		___	___	___	___	Divorce/separation records		___	___	___	___
List of checking/savings accounts		___	___	___	___	Health care proxy		___	___	___	___
List of credit cards		___	___	___	___	Other: _____		___	___	___	___
Brokerage account records		___	___	___	___	_____		___	___	___	___

Important Names, Addresses and Phone Numbers

New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001, or toll-free at 1-866-805-0990 or 518-474-7736, in the Albany, New York area.

Attorney _____

Accountant _____

Insurance Agent _____

Copies Given to _____

Date Prepared _____

Note: Please be sure to tell your beneficiaries to notify NYSLRS upon your death to determine what benefits may be due.

VO1848 (Rev. 2/19)

Death Benefits

It's important that you understand your death benefit coverage at various points during your membership.

In addition to knowing how and when you become covered by a particular benefit, you should also keep your beneficiary information up to date with NYSLRS. If we should ever have to pay a death benefit on your behalf, having accurate information in your records will ensure that we will be able to contact and pay the beneficiary — or beneficiaries — you have chosen.

TIER 1

ORDINARY DEATH BENEFIT

Eligibility

- You must have at least one year of service.
- You must be younger than age 55.
- Payable upon death in active service.

Benefit

- One month's salary for each year of service (not to exceed 36 years).
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

Example
Tier 1, Age 54
Years of service: 34 Last year's salary: \$43,500 $\frac{34 \times \$43,500}{12} = \$ 123,250 \text{ (lump sum)}$

ALTERNATIVE DEATH BENEFIT

Eligibility

- You must have at least one year of service.
- You must be age 55 or older.
- Payable upon death in active service.

Benefit

- Equals the initial value of your pension benefit under the Non-contributory Retirement Plan (Section 75-c).
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.
- Comparison between ordinary and alternative benefit is made and the greater benefit is paid.

Example	
Tier 1, Age 55	
Years of service: 34	
Last year's salary: \$43,500	
$\frac{34 \times \$43,500}{60} = \$24,650 \times 13.954^* =$	\$ 343,966 (lump sum)
* Annuity factor for member age 55	

ACCIDENTAL DEATH BENEFIT

Eligibility

- No minimum service required.
- Your death is the result of an on-the-job accident not due to your own willful negligence.
- Payable by law to certain beneficiaries, in the following order:
 - First, to your surviving spouse for life or until remarriage.
 - Second, if no surviving spouse, to your dependent children until they reach age 18.
 - Third, if neither surviving spouse, nor dependent children, to dependent parent(s) for life.

Benefit

- Annual benefit equals 50 percent of your final average earnings reduced by any workers' compensation payments payable.
- Paid as a monthly benefit.
- Nontaxable.

TIERS 2, 3, 4, 5 & 6

ORDINARY DEATH BENEFIT

Eligibility

- You must have at least one year of service.
- Available at any age.
- Reductions apply if you are still working on or after the age of 63 (age 64 for Tier 6).
- Payable upon death in active service.

Benefit

- Equals your last year's earnings multiplied by your years of service, not to exceed three years of earnings, plus contributions with interest.
- Paid as a lump sum.
- Usable earnings may be limited by Section 130 of Civil Service Law.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

Example
Age 54
Years of Service: 25
Last Year's Earnings: \$43,500
3 x \$43,500 = \$130,500 (lump sum)

ACCIDENTAL DEATH BENEFIT

Eligibility

- No minimum service required.
- Death is result of an on-the-job accident not due to your own willful negligence.
- Payable by law to certain beneficiaries, in this order:
 - First, to your surviving spouse for life or until remarriage.
 - Second, if no surviving spouse, to your dependent children until they reach:
 - Age 18 for Tier 2 members.
 - Age 25 for Tier 3, 4, 5 and 6 members.
 - Third, if neither surviving spouse nor dependent children, to dependent parent(s) for life.

Benefit

- Annual benefit equals 50 percent of your final average earnings, or earnings during your last year of active service, depending on your retirement plan. Benefit is reduced by any workers' compensation payments payable.
- Paid as a monthly benefit.
- Nontaxable.

Example

Final Average Earnings: \$43,500

50% of \$43,500 = **\$21,750 (annually)**

POST-RETIREMENT DEATH BENEFIT

Eligibility

- You retire directly from payroll or within one year of leaving covered employment.

Benefit

- Equals 50 percent of the ordinary death benefit if your death occurs within one year from your date of retirement.
- Equals 25 percent of the ordinary death benefit if your death occurs within two years from your date of retirement.
- Equals 10 percent of ordinary death benefit if your death occurs more than two years from your date of retirement.
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

Example

Ordinary Death Benefit: \$130,500

50% of \$130,500 = **\$65,250**
(1st year of retirement)

25% of \$130,500 = **\$32,625**
(2nd year of retirement)

10% of \$130,500 = **\$13,050**
(3rd year and thereafter)

OUT-OF-SERVICE DEATH BENEFIT

All Tiers

An out-of-service death benefit may be payable under one of the following scenarios if you leave public employment:

- With **at least one year** of service credit, the full amount of the ordinary death benefit plus contributions (if any) with interest is payable if:
 - You did not terminate your membership;
 - You are not gainfully employed; and
 - Your death occurs within one year of terminating employment.
- With **ten or more years** of service credit, 50 percent of the ordinary death benefit, plus contributions (if any) with interest is payable if:
 - Your death occurs more than one year after terminating employment; or
 - You become employed within the first year of discontinuing public employment.

Out-of-service death benefits are paid as a lump sum. Up to the first \$50,000 is paid as group term life insurance, and is not taxable.

Survivor's Benefit Program

This program is available to New York State retirees only. The benefit is paid in a lump sum upon your death if certain eligibility requirements have been met.

ELIGIBILITY

- You must have at least ten years of full-time State service within the last 15 years immediately prior to leaving or retiring from State service.
- You must:
 - Retire directly from State service and be a member of the New York State and Local Retirement System (NYSLRS) or the New York State Teachers' Retirement System (NYSTRS); OR
 - Retire directly from State service at age 55 or older, participate in the State University Optional Retirement Program (TIAA), and begin collecting your pension within 90 days of your last day on the payroll; OR
 - Leave State service at age 62 or older.

BENEFIT

- Equals \$3,000.
- Payable as a lump sum.

FILING

- Contact us or your human resources office to file the appropriate form for this benefit.

BENEFICIARIES

- If you select the Single Life Allowance (Option 0) at retirement, you must name a beneficiary for this benefit by completing the Survivor's Benefit Program form (RS6355) available from NYSLRS and your human resources office.
- If you selected any retirement option other than the Single Life Allowance, your survivor's benefit beneficiary(ies) is the same as your retirement option beneficiary(ies).
- If you wish to change your beneficiary after you retire, please contact us (www.contactNYSLRS.com).

Your Obligations

KEEP YOUR CONTACT INFORMATION CURRENT

It is important to keep your contact information (home address, phone number and email address) up to date, especially when you retire or if you leave public employment. Having your correct contact information on file ensures you will receive the tax information, news, correspondence and statements we send you.

Retirement Online is the fastest and easiest way to view and update your contact information with NYSLRS. Sign in to *Retirement Online* (web.osc.state.ny.us/retire/sign-in.php) locate your address, phone number or email address under ‘My Profile Information’ and click “update.”

You can also use *Retirement Online* to tell us how you prefer to receive correspondence. If you choose email, we’ll send an email notifying you to log into *Retirement Online* when you have correspondence to view. Use a personal email address that you will have before and after you retire, rather than a work email address. Once in your account, you can read the letter we’ve prepared for you. Please note that certain correspondence (for example, tax forms) are sent by mail for security purposes.

If you prefer mail, we will send your NYSLRS-related mail through the U.S. Postal Service. If you do not choose direct deposit for your pension payments, please be aware that the United States Postal Service usually will not forward pension checks to another address.

KEEP YOUR BENEFICIARIES CURRENT

By keeping your beneficiary designation up to date, you ensure that your loved ones receive any post-retirement death benefit due to them when you die. Your death benefit beneficiaries can be changed at any time using *Retirement Online*.

To change your beneficiary, sign in to *Retirement Online* (web.osc.state.ny.us/retire/sign-in.php), go to the ‘My Account Summary’ area of your Account Homepage and click “View and Update My Beneficiaries.” *Retirement Online* beneficiary change submissions include an e-signature, and your request is considered filed on the day it is submitted.

If you are not yet retired, you can also complete our Designation of Beneficiary form (RS5127), available on our Forms webpage (www.osc.ny.gov/retirement/forms). If you submit your form by mail, be sure it is signed and notarized. Designation changes become effective when we receive your properly completed form. If you send your form by regular mail, we will consider it to be filed once it is delivered to us. If you mail your form by “certified mail – return receipt requested,” we will consider it to be filed on the date it was mailed.

READ OUR PUBLICATION, *A Guide For Retirees (VO1705)*

This publication provides information about other benefits you may be entitled to and the services we offer to retirees. It is available on our Publications webpage at www.osc.ny.gov/retirement/publications, or from our Contact Center.

KEEP YOUR BENEFICIARIES INFORMED

Your family or a friend will need to notify us when you die so potential benefits can be paid to your designated beneficiaries. They may call our Contact Center or notify us by mail. Either way, they must supply us with a certified copy of your death certificate.

Chapter 10

Health Insurance Coverage and Related Benefits

**New York State Department of Civil Service, Employee Benefits Division
518-457-5754 or 1-800-833-4344 (United States, Canada, Puerto Rico, Virgin Islands)**

www.cs.ny.gov/employee-benefits

We gratefully acknowledge the cooperation of the New York State Department of Civil Service who provided the information contained in this chapter, and who are entirely responsible for its contents.

The New York State Health Insurance Program (NYSHIP) provides health insurance benefits to State employees through The Empire Plan or NYSHIP-approved Health Maintenance Organizations (HMOs). As you plan for retirement, you have important decisions to make about these benefits. This guide outlines these decisions and answers many benefit questions such as:

What must I do before my retirement date?

What choices must I make before I leave the payroll?

Am I eligible to continue health insurance after I retire?

How do sick leave credits affect the cost of my health insurance?

How does Medicare affect my NYSHIP coverage?

Can I continue other benefits such as life insurance, dental and vision care?

What happens to my dependents' benefits if I predecease them?

ELIGIBILITY FOR HEALTH INSURANCE BENEFITS IN RETIREMENT

You must meet three eligibility requirements to continue New York State Health Insurance Program (NYSHIP) coverage for yourself and your eligible dependents after you retire. You must meet all three eligibility requirements.

Minimum Service Period: First, you must have completed a minimum service period, which is determined by the date on which you last entered State service, and you must have served a minimum of one year with the employer from whose service you will retire.

Note: All New York State agencies count as the same employer for this requirement.

If you **last entered state service** on or after April 1, 1975, you must have at least **10 years** of NYSHIP benefits-eligible State service or at least 10 years of combined NYSHIP benefits-eligible service with the State, one or more Participating Employers (such as the Thruway Authority or Metropolitan Transportation Authority) and/or Participating Agencies (such as towns or school districts) that participate in NYSHIP.

If you **last entered state service** before April 1, 1975, you must have had at least **five years** of NYSHIP benefits-eligible State service, or at least five years of combined NYSHIP benefits-eligible service with the State, one or more Participating Employers (such as the Thruway Authority or Metropolitan Transportation Authority) and/or Participating Agencies (such as towns or school districts) that participate in NYSHIP.

Note: The service period does not need to be continuous. An employee will meet this requirement even if there are breaks in service, as long as the service minimums referenced above are met. In addition, “benefits-eligible service” means a period of employment during which you were eligible for NYSHIP coverage at the employee share of the premium.

Retirement system requirements for retirement and NYSHIP requirements for continuation of health insurance in retirement are different. For example, some employees with five years of full-time service, or its equivalent, can vest their pensions. However, in order to continue your health insurance coverage as a retiree, most retirees must have 10 years of NYSHIP benefits-eligible service. See the following information on continuing your coverage as a vestee and read your NYSHIP documents for complete information.

Not all employment counts toward achieving eligibility for health insurance in retirement. For example, periods of less-than-full-time employment will count toward the requirement only if you were eligible for NYSHIP health insurance with an employer contribution during that employment. Not all Participating Agency or Participating Employer service counts. Periods of leave without pay, when you are required to pay the full cost of your health coverage, do not count.

Talk with your Health Benefits Administrator (HBA) early in your planning for retirement to make sure that you meet the service requirements for health insurance as a retiree. **Ask your HBA to assist you with calculating your service time.**

Qualify for Retirement: Second, you must qualify for retirement as a member of a retirement system administered by New York State (such as the New York State and Local Retirement System

[NYSLRS], which comprises the Employees' Retirement System [ERS] and the Police and Fire Retirement System [PFRS] or the New York State Teachers' Retirement System [NYSTRS]) or any of its political subdivisions.

If you are not a member of a retirement system administered by the State or a New York State political subdivision, or you are enrolled in the State University of New York Optional Retirement Program with a plan sponsor such as TIAA, you must satisfy **one** of the following conditions:

- Meet the age requirement of the New York State and Local Retirement System (NYSLRS) retirement tier in effect at the time you last entered service.
- Be qualified to receive Social Security disability payments.

Enrollment in NYSHIP: Third, you must be enrolled in NYSHIP as an employee or as a dependent at the time of your retirement. For example, if you were on leave and canceled your health coverage, then retire, you would not be eligible for health coverage as a retiree.

If you are not currently enrolled in NYSHIP but wish to establish eligibility for coverage as a retiree, you must be enrolled prior to the date you retire. You may be subject to a late enrollment period of five biweekly pay periods. You will not be able to defer your retiree coverage if you are not enrolled prior to your retirement.

If you are enrolled in NYSHIP as a dependent, ask your HBA about use of sick leave accruals as well as other provisions, such as deferred health insurance coverage, that may affect you.

Note: Participation in the New York State Opt-out Program while an active employee satisfies the requirement of enrollment. However, retirees may not continue to participate in the Opt-out Program.

I am retiring because of a disability. How does that affect my eligibility for NYSHIP?

If you have been approved for a disability retirement from a retirement system administered by New York State or any of New York State's political subdivisions, you have met the requirement of qualifying for retirement as a member of a New York State public retirement system. For an ordinary disability retirement that is not work-related, you must meet the minimum service requirement to be eligible for NYSHIP as a retiree. For a disability retirement resulting from a work-related illness or injury, the minimum service period requirement is waived. In either case, you must be enrolled in NYSHIP on the effective date of your disability retirement either as an employee or a dependent to be eligible to continue coverage in NYSHIP as a retiree.

To maintain NYSHIP eligibility, you must continue your health insurance coverage while you wait for a decision on your disability retirement. If you do not maintain continuous coverage, or if you fail to make the required premium payments, coverage could end permanently.

If you have not continued your coverage while on leave or while in vestee or COBRA status and a retroactive disability retirement is granted, call the Employee Benefits Division right away to ask about reinstating coverage. You must apply in writing to the Employee Benefits Division within one year of the date of the letter from the retirement system granting your disability retirement, and you must provide the Employee Benefits Division with a copy of your disability retirement approval letter.

If you do not apply in writing within one year, the Employee Benefits Division will not reinstate your coverage unless you provide medical documentation that you were unable to apply during that time. You may be responsible for paying retroactive NYSHIP premiums and/or be subject to a waiting period to reinstate NYSHIP coverage as a retiree once a disability retirement is granted. Contact the Employee Benefits Division for more information.

Can I end my employment before retirement age and still be eligible to continue NYSHIP coverage?

If your employment with the State ends before you are eligible to apply for a pension and you vest (secure rights to) your state pension, contact your HBA before your last day of work to determine if you are eligible to continue health insurance coverage as a vestee. You must have 10 years of NYSHIP benefits-eligible service and be enrolled in NYSHIP either as an enrollee or dependent at the time you leave the payroll.

If you are eligible to continue coverage as a vestee but do not elect this coverage or if you enroll as a vestee and fail to make the required premium payments, coverage for you and any dependents will be terminated permanently.

As a vestee, you must pay the full cost of the premium (both the State and employee share). You will receive a monthly billing statement. If you fail to make timely premium payments, your health insurance coverage may be canceled for nonpayment. You may not reenroll as a vestee at a later date and you lose your eligibility for coverage as a retiree.

Note: To be eligible for coverage as a retiree, you must maintain continuous NYSHIP coverage from the time you leave the payroll until you are eligible to collect your pension. If your spouse or domestic partner is eligible for NYSHIP coverage in their own right, you may be able to continue coverage as a dependent under your spouse or domestic partner's NYSHIP policy. This is most likely a less expensive alternative to full share vestee coverage.

I am eligible to retire but don't want to start collecting my pension yet. Can I still have health insurance coverage?

If you are eligible to retire and delay collecting your State pension, you may continue your NYSHIP coverage as a retiree if you meet the eligibility requirements. Ask your HBA about "constructive retirement." With this option, you must pay the health insurance premium (if any) directly to the Employee Benefits Division.

RETIREE COST/SICK LEAVE CREDIT

What portion of the cost of health insurance must I pay as a retiree?

The amount you must contribute toward the cost of your health insurance coverage as a retiree will be based upon your salary grade (or equivalent) at the time of retirement. Retiree premium payments are collected monthly, rather than biweekly. You may be able to use accumulated sick leave accruals to reduce your monthly premiums.

How will I pay for my health insurance as a retiree?

When you retire, you will pay your share of the NYSHIP premium through deductions from your monthly retirement check or by making monthly payments directly to the Employee Benefits Division.

Pension deductions usually begin once your eligibility for retiree benefits has been confirmed by the Employee Benefits Division. If the Employee Benefits Division does not have your pension information at the time your retiree benefits are confirmed, you will be billed directly each month for your share of the premium until deductions from your pension check begin.

It is important to pay your monthly bill until pension deductions begin or risk having your health insurance coverage canceled for nonpayment. If your coverage is canceled for nonpayment, you may later reenroll in coverage. However, in most cases, you will be subject to a three-month waiting period before coverage becomes effective.

What is sick leave credit?

Sick leave credit is the actuarial value of your unused sick leave calculated at the time you retire. It is then applied as a credit to reduce the cost of your NYSHIP premium — either The Empire Plan or a NYSHIP HMO.

Sick leave credit can be applied toward your NYSHIP premium only if you retire directly from active employment, Leave Without Pay status, Preferred List coverage or if you are approved for disability retirement retroactive to your last date of employment. Sick leave credit may not be applied toward health insurance premium costs while you are in vested status or after retiring from vested status. Sick leave credits also cannot be applied to COBRA premiums.

Employees earn sick leave each biweekly pay period if they are in full-pay status for seven out of 10 days in a biweekly pay period. The rate at which employees earn sick leave depends on the percentage of time they work, their bargaining unit, date of hire and whether they participate in the Income Protection Plan (IPP).

Most employees can use a maximum of 200 days (165 days for PBA and PIA) of unused sick leave to calculate sick leave credit. See your HBA for details. **Using your sick leave credit for health insurance will not affect the value of your sick leave for pension purposes.**

To estimate the value of your sick leave credit, see below or visit NYSHIP Online at www.cs.ny.gov/employee-benefits. Choose your group and plan, if prompted. From the NYSHIP Online homepage, select Planning to Retire? and choose Sick Leave Credit Calculator.

How will my sick leave credit be calculated?

Your sick leave credit is calculated by dividing the total dollar value of your sick leave by your actuarial life expectancy in months. The formula used to calculate your sick leave is as follows:

$$\begin{array}{ccccccc} \text{Hours of Unused Sick} & & \times & & \text{Hourly Rate of Pay} & & = & & \text{Total Dollar Value of} \\ \text{Leave} & & & & & & & & \text{Sick Leave} \end{array}$$

$$\begin{array}{ccccc} \text{Total Dollar Value of} & \div & \text{Life Expectancy in} & = & \text{Your Monthly Sick} \\ \text{Sick Leave} & & \text{Months} & & \text{Leave Credit} \end{array}$$

The result of this calculation is a lifetime monthly sick leave credit used to reduce your share of the monthly NYSHIP premium for as long as you are enrolled in NYSHIP. If the NYSHIP premium rises, the monthly premium you pay also may rise. Each year you will receive the publication entitled *NYSHIP Rates & Information for Retirees of New York State* to notify you of any changes to your monthly premium. In addition, you will receive a personalized sick leave credit insert with the annual *Rates & Information*, so you can calculate the amount you will pay in the new calendar year by subtracting your monthly sick leave credit from the new monthly premium.

If your monthly sick leave credit does not fully cover your share of the monthly premiums, you must pay the difference. Payments are remitted directly to the Department of Civil Service or taken via pension deduction. If the credit is equal to or exceeds your share of the monthly premiums, you will pay nothing. If the credit exceeds your share of the monthly premium, you will not receive the difference.

Note: Sick leave credit cannot be combined with or transferred for another employee's use. Only sick leave accrued by the enrollee (contract holder) may be used to reduce that same enrollee's (contract holder's) premium.

CHOICES TO BE MADE BEFORE YOU LEAVE THE PAYROLL

Can I defer my retiree health insurance coverage and the use of my sick leave credit?

When you retire, you may defer (delay) the start of your retiree health insurance coverage and the use of your sick leave credit **if you are enrolled in other health insurance coverage at the time of your retirement**. If you choose to defer health insurance coverage, you must make that election **before** your retirement date by completing Form PS-406.2, *NYSHIP Health Insurance Deferral Election*, and provide proof of your other coverage to your HBA. For assistance with deferring retiree health coverage, contact your HBA.

There may be advantages to delaying the start of your NYSHIP retiree coverage. During the period of deferment, you do not have to pay the NYSHIP premium. The value of your sick leave credit may be higher at the time you elect to begin your retiree coverage because it will be calculated when you are older. If you defer your coverage, you may reenroll in NYSHIP coverage at any time without a waiting period. Typically, reinstatements are effective the first of the month following the date of request.

If you have **family** coverage in effect at retirement and you die while your coverage is deferred, your spouse/domestic partner and any other eligible dependents who were covered at the time of retirement may be eligible to reenroll in NYSHIP coverage as dependent survivors. **They must write to the Employee Benefits Division requesting reenrollment in NYSHIP within 90 days of your death.** Eligibility requirements for your dependents to reenroll in NYSHIP are the same as if you had continued your coverage into retirement. If you had individual coverage in effect at retirement, your dependents will not be eligible under NYSHIP as dependent survivors.

How can I ensure that my dependent survivors can continue to use my sick leave credit toward their health insurance premiums if I die?

Before you retire, you may specify that you want your dependent survivors to use your monthly sick leave credit toward their NYSHIP premium if you die. This is called the Dual Annuitant Sick Leave Credit Option. You do not have to have family coverage at the time of retirement to choose this option, but your dependents **must be enrolled** under your NYSHIP health insurance coverage at the time of your death. **Your sick leave election has no effect on your survivors' rights to continue NYSHIP health insurance coverage as dependent survivors. Only the amount of premium they are required to pay will be affected.**

If you choose the Dual Annuitant Sick Leave Credit Option, 70 percent of your sick leave credit will be used to offset your premium for as long as you live. Your eligible dependents who outlive you may continue to use 70 percent of the monthly credit to offset the cost of their NYSHIP premium.

For example, suppose your monthly sick leave credit is \$26.61. If you choose the Dual Annuitant Sick Leave Option, your monthly sick leave credit will be 70 percent of \$26.61, or \$18.63. The same amount (\$18.63 per month in this example) will be available to your dependents in the event of your death, as long as they remain eligible for NYSHIP and are enrolled as dependent survivors.

Note: The credit cannot be used to reduce COBRA premiums. It cannot be combined with your dependent's own sick leave credit, even if your dependent was also employed by the State.

To elect the Dual Annuitant Sick Leave Credit Option, submit Form PS-405, *NYSHIP Sick Leave Credit Option Election* to your HBA **before your retirement date**. If you do not indicate your choice before your retirement becomes effective, the full value of your sick leave credit (up to a maximum of 200 days for most employees or 165 days for PBA and PIA) will be applied to your premium automatically and no sick leave credit will be available to your dependent survivors. This means that your survivors may be eligible to continue their health insurance, but none of your sick leave credit will be available to offset their portion of the NYSHIP premium. For more information, refer to your *NYSHIP General Information Book*, or contact your HBA.

Once you elect the Dual Annuitant Sick Leave Credit Option, you may not discontinue it. If your dependent(s) dies before you, you will continue to have the 70 percent sick leave credit to offset your NYSHIP premium.

MEDICARE AND YOUR NYSHIP COVERAGE

What is Medicare?

Medicare is a federal health insurance program for people who:

- Are 65 or older.

OR, regardless of age:

- Have received Social Security Disability Insurance (SSDI) benefits for 24 months.
- Have completed Medicare's waiting period for up to three months due to end-stage renal disease (ESRD).

- Are receiving SSDI benefits due to amyotrophic lateral sclerosis (ALS)

If I'm enrolled in NYSHIP, do I have to enroll in Medicare too?

Yes. NYSHIP requires all enrollees to be enrolled in Medicare Parts A and B when first eligible for primary Medicare coverage (Medicare pays first, before NYSHIP). Your covered dependents must also be enrolled when first eligible for primary Medicare coverage.

As an **active** employee, if you or your dependents are eligible for Medicare, it is in most cases secondary to NYSHIP coverage, so enrollment is **not** required.

There are two exceptions:

- Domestic partners: Regardless of the enrollee's employment status, Medicare is primary for a domestic partner age 65 and older.
- End-stage renal disease (ESRD): If you or your dependent is eligible for Medicare due to ESRD, contact Medicare at the time of diagnosis. Medicare becomes primary to NYSHIP when Medicare's 30-month coordination period is completed.

If you and/or your dependents are eligible for Medicare when you are retired, Medicare will become primary to NYSHIP and therefore enrollment in Medicare Parts A and B is required.

Requirements for enrolling in Medicare apply to both Empire Plan and NYSHIP HMO enrollees and dependents. Requirements for enrolling in Medicare also apply if you or your dependent has NYSHIP coverage and coverage under another employer plan.

If you or your dependents fail to enroll in a timely manner, NYSHIP coverage for you or your dependents may be canceled, or you may experience a reduction in coverage as NYSHIP will not provide benefits for services Medicare would have paid if you or your dependents had enrolled.

When should I contact Medicare?

If you are planning to retire, and you or your spouse is 65 or older or eligible for Medicare coverage due to disability, contact your Social Security Administration office **three months before** active employment ends to arrange for Medicare Parts A and B coverage. If you are receiving Social Security benefits you may automatically receive a Medicare card about three months before you become eligible for Medicare. It will show both Medicare Parts A and B coverage, with the option to decline Medicare Part B. Do not decline! Be sure to enroll in Medicare Part B or your NYSHIP benefits may be canceled or reduced.

NYSHIP will no longer be your primary insurer soon after you retire. Be sure you are enrolled in Medicare Parts A and B at that time. Your coverage as a retiree begins after a 28-day runout period of your active coverage. Medicare becomes primary the first of the month following this runout. **Your domestic partner must be enrolled in Medicare as of the first day of the month in which they turn 65 whether you are an active employee or retiree.** If diagnosed with end-stage renal disease, please

contact the Employee Benefits Division for more information about when you should enroll in Medicare Parts A and B.

If you retire before you or your dependent reaches age 65, Medicare generally becomes primary to NYSHIP on the first day of the month in which you/your dependent reaches age 65 (or if the birthday falls on the first of the month, Medicare will become effective on the first day of the month preceding the 65th birthday). Contact the Social Security Administration three months before the month in which you or your dependent becomes eligible to enroll in Medicare. If after you retire, you or your dependent becomes eligible for Medicare due to disability, you must enroll in Medicare Parts A and B when first eligible. Persons eligible for Medicare due to end-stage renal disease should refer to the NYSHIP *General Information Book* and contact the Employee Benefits Division to determine when Medicare becomes primary.

If you do not apply three months prior to the month of the 65th birthday (or three months prior to the date of your retirement if you are older than 65), you may be subject to a waiting period before Medicare becomes effective. During that waiting period, NYSHIP coverage for you or your dependents may be canceled, or you may experience a reduction in coverage as NYSHIP will not provide benefits for services Medicare would have paid if you or your dependents had enrolled.

Is there a cost for Medicare?

In most circumstances, there is no cost for Medicare Part A. There are some individuals who do not qualify for Medicare Part A at no cost. These individuals are not required to take Medicare Part A and may keep NYSHIP as their primary coverage for Medicare Part A benefits. If the Social Security Administration tells you that you must pay for Part A, contact the Employee Benefits Division.

Most Medicare enrollees pay a standard Medicare Part B premium amount set annually by the federal government. The Social Security Administration deducts the Medicare Part B premium from your monthly Social Security benefit. If you do not receive Social Security, you pay the Medicare Part B premium directly to the Centers for Medicare and Medicaid Services (CMS). If you pay Medicare premiums directly to CMS, be sure to make timely payments. Failure to pay premiums, will result in the cancellation of your Medicare coverage, which will significantly reduce your overall benefits and may result in the cancellation of your NYSHIP coverage.

Most Medicare enrollees with Medicare Part D coverage pay a standard premium amount set annually by the federal government. If you are covered under The Empire Plan with Empire Plan Medicare Rx coverage, or a NYSHIP Medicare Advantage plan, this premium is included in your NYSHIP premium.

In addition to the standard premiums for Medicare Parts B and D, Medicare enrollees with a higher Modified Adjusted Gross Income (MAGI) pay an additional Income-Related Monthly Adjustment Amount (IRMAA), a Medicare premium amount adjusted for their income, for Medicare Part B coverage and a separate IRMAA for Medicare Part D coverage.

Retirees with incomes below the MAGI threshold are not responsible for any additional premium. For details regarding the income levels and premiums associated with IRMAA, visit www.medicare.gov or call Medicare at 1-800-MEDICARE (1-800-633-4227).

Will NYSHIP reimburse me for my Medicare premiums?

When Medicare is primary to NYSHIP, NYSHIP reimburses you for the standard Medicare Part B premium (excluding any penalty for late enrollment) and any IRMAA you must pay for Medicare Part B, unless you receive reimbursement from another source, or your Medicare premium is being paid by another entity on your behalf. **You are not entitled to reimbursement for any Medicare Part D IRMAA costs.** Failure to pay Medicare Part D IRMAA will result in the termination of your Empire Plan or Medicare Advantage plan coverage.

If you have Family coverage under NYSHIP, NYSHIP also must reimburse you for the standard Medicare Part B premium and any Medicare Part B IRMAA imposed for any Medicare-primary dependent, provided the dependent is not reimbursed by another source or the premium is not paid by another entity.

If you receive a pension check, any reimbursement for the standard Medicare Part B premium will be added to your pension check. If you make direct payments to the Employee Benefits Division, reimbursements will be credited toward your monthly NYSHIP premium payments. If your Medicare reimbursement exceeds your health insurance premium, you will receive a quarterly refund check for the difference from the Office of the State Comptroller.

If you and/or your dependent are subject to the additional IRMAA cost for Medicare Part B, please contact the Employee Benefits Division or visit our website for information and forms on IRMAA reimbursement.

Can I enroll in more than one Medicare plan?

You can be enrolled in only one Medicare plan* at a time. Therefore, enrolling in a Medicare Advantage or Medicare Part D plan outside of your NYSHIP coverage will terminate your NYSHIP benefits for you and any covered dependents. If your dependent enrolls in a Medicare Part D plan or Medicare Advantage plan outside of NYSHIP, their NYSHIP coverage will be terminated.

* If you are currently enrolled in another plan as a dependent or through private insurance, check with that plan before you become Medicare eligible to determine if the plan will enroll you in a Medicare product. Many plans will automatically enroll you in Medicare Part D or a Medicare Advantage plan when you become Medicare eligible. If you enroll in almost any other additional Medicare plan, even one that does not include a Medicare Part D plan, you will be disenrolled from your NYSHIP Medicare plan (including The Empire Plan or a Medicare Advantage plan, if enrolled through a NYSHIP HMO). If you have questions about enrolling in another plan, please contact the Employee Benefits Division.

Who do I contact if I have more questions about Medicare?

For more information on Medicare reimbursement and how Medicare affects NYSHIP benefits, see your NYSHIP *General Information Book, Planning for Retirement, Medicare & NYSHIP*, other plan documents and your Health Benefits Administrator.

If you have any questions about your Empire Plan coverage, call 1-877-7-NYSHIP (1-877-769-7447), (TTY: 1-800-863-5488). If you have questions about your NYSHIP HMO coverage, including prescription drug coverage, contact your NYSHIP HMO.

For information on Medicare benefits and claims, call 1-800-MEDICARE (1-800-633-4227). To enroll in Medicare, call the Social Security Administration at 1-800-772-1213. If you have any

questions regarding the coordination of Medicare with NYSHIP, call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

CHANGES AFTER RETIREMENT

Will my health insurance benefits change because I retire? Will my option (The Empire Plan or a NYSHIP HMO) change?

Your retiree benefits under The Empire Plan or a NYSHIP HMO may differ somewhat from those you received as an active employee. Retirees are billed once a month instead of over the course of 26 bi-weekly pay periods. Before you retire, contact your HBA about retiree coverage.

You are eligible to change your NYSHIP option at retirement (or any other time once in a 12-month period). If you do not change your NYSHIP option at the time of retirement, you will continue coverage under the same NYSHIP option you had as an active employee.

There are certain events in which you may be eligible to change your NYSHIP option more than once in a 12-month period. Please see page 4 of your NYSHIP *General Information Book* for more information.

HMO enrollees: You **must** change to another plan as soon as you no longer live or work in your HMO's NYSHIP-approved geographic service area. This applies to Medicare Advantage plans as well.

As a retiree, you are no longer subject to the annual Option Transfer Period. However, you may only change your NYSHIP option once during a 12-month period unless you experience a qualifying life event. You will receive information in the mail near the end of each calendar year, including summaries of all NYSHIP options available to you and their costs.

After I retire, may I cancel NYSHIP coverage and later reenroll?

After you retire, you may cancel your NYSHIP coverage and reenroll at a later date. Under most circumstances, you will be subject to a waiting period of up to three months before your coverage becomes effective again. Upon reenrolling, you will receive the same monthly sick leave credit you had, if any, before you canceled your coverage.

Note: If you die during the period of time that your NYSHIP coverage is canceled, your dependents will not be eligible for dependent survivor coverage.

If I have NYSHIP coverage as a dependent through my spouse/domestic partner, can I reinstate my own coverage as a retiree?

If you have NYSHIP coverage as a dependent through your spouse/domestic partner and otherwise meet eligibility requirements for coverage as a retiree, you may establish coverage as a retiree at any time. Ask your HBA for a copy of Form PS-410, *NYSHIP Sick Leave Credit Preservation*, before you leave State service. This document preserves your sick leave information.

Notify the Employee Benefits Division in writing if a pending divorce or other change requires that you reactivate your NYSHIP coverage in your own name (and attach a copy of Form PS-410 if you will be enrolled as a retiree for the first time).

If I return to State employment after I retire, how does this affect my NYSHIP coverage?

If you return to work in a benefits-eligible position with a State agency and you or your dependent(s) is eligible for Medicare, NYSHIP will be primary to Medicare for you and for your Medicare-eligible dependent(s). (Exception: Your domestic partner is age 65 or older or you or your dependent is Medicare-eligible because of end-stage renal disease and no longer in the Medicare coordination period.)

During any period when NYSHIP coverage is primary to Medicare coverage, your reimbursement for the Medicare premium will stop.

If you begin working for an employer other than the State and continue your NYSHIP retiree coverage, Medicare pays primary to NYSHIP whether or not you have health insurance coverage through that other employer's group plan. Coverage through your current employer would be primary to Medicare and NYSHIP.

Ask your HBA for complete information and a copy of the NYSHIP publication *Back to Work for New York State* or call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

DEPENDENT SURVIVOR COVERAGE

If I die, will my dependent survivors be eligible for health insurance under NYSHIP?

If you had at least 10 years of service with a New York State public employer, NYSHIP protects your **enrolled** dependents in the event of your death. Your dependent survivors must send a copy of your death certificate to the Employee Benefits Division.

Note: Your qualified dependent survivors are eligible for dependent survivor coverage whether or not you choose Dual Annuitant Sick Leave Credit.

Dependent survivor coverage and eligibility limitations are explained in your NYSHIP *General Information Book*. Make sure your family knows to call the Employee Benefits Division for information on dependent survivor coverage.

DENTAL AND VISION BENEFITS

Can I continue dental and vision coverage after retirement?

In certain instances, dental and/or vision coverage is available through the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) when you retire. Dental coverage is also available through the direct pay dental plan offered to New York State retirees by EmblemHealth.

COBRA entitles an individual and/or covered dependent to continue certain benefits at group rates for a limited period of time after coverage would otherwise end.

Effective January 1, 2024, dependents up to age 26 are eligible for dental and vision benefits regardless of student status. Active employees should see their HBA to enroll eligible dependents in dental and/or vision coverage. Retirees should contact the Employee Benefits Division for information on adding eligible dependents to their current COBRA dental and/or vision benefits.

COBRA

M/C, PEF, NYSCOPBA, Council 82, PBA, PIA and APSU employees who receive dental and vision benefits through the State-administered plan will automatically receive information on continuing dental and vision coverage under COBRA.

If you are eligible for COBRA coverage and do not receive an application within 30 days of retiring, write to the Employee Benefits Division for an application.

Send your name, last four digits of your Social Security number, address, telephone number with area code and reason for requesting the application to:

COBRA Unit
New York State Department of Civil Service
Employee Benefits Division
Albany, NY 12239

You must request continuation coverage under COBRA no later than 60 days after your coverage would otherwise end (or within 60 days from the date you are notified of eligibility for COBRA due to a reduction in your hours or termination of employment, whichever is later). If you do not continue coverage under COBRA, your employee dental and vision coverage will end 28 days after the last day of the last payroll period in which you worked.

Employees who receive dental and vision benefits through a union Employee Benefit Fund may be eligible to continue coverage through their union Employee Benefit Fund under COBRA. Contact your union Employee Benefit Fund for information and to find out when your benefits end.

DENTAL PLAN FOR RETIREES

As a retiree, you may choose to enroll in the EmblemHealth Direct Pay Preferred Dental Plan offered to NYS retirees. You should automatically receive an enrollment form after you retire. If you applied for dental coverage through COBRA, you should also receive this enrollment form at the end of the 36-month COBRA period. If you do not receive it, call EmblemHealth at 1-800-947-0101.

If you wish to enroll in the group retiree dental plan, you must do so at the time of your retirement or at the end of your COBRA eligibility. These are your only opportunities to enroll.

Note: Dental and vision benefits are not part of your health insurance and do not continue automatically. Also, sick leave credit cannot be used to reduce the premium for these benefits.

OTHER BENEFITS

How can I continue hearing aid coverage after retirement?

If you are an Empire Plan enrollee, a hearing aid benefit is part of the retiree Empire Plan benefits package.

If you are enrolled in an NYSHIP HMO, check whether hearing care coverage is part of your current benefit package. If your current NYSHIP HMO coverage includes a hearing benefit, you continue to be eligible for it as a retiree. Confirm with your NYSHIP HMO if this benefit changes upon eligibility for primary Medicare coverage.

If I am enrolled in the State's long-term care program, can I continue it after retirement?

The New York State Public Employee and Retiree Long Term Care Insurance Plan (NYPERL) expired on April 30, 2016. If you purchased long term care insurance through NYPERL prior to this date, your long-term care insurance will continue without interruption after retirement and without any change in benefits as long as you pay your premium and have not exhausted your lifetime benefit amount. If you have questions, contact NYPERL toll free at 1-866-474-5824.

If I was enrolled in an Income Protection Plan, will it continue after retirement?

Your eligibility for enrollment under the Income Protection Plan ends when you retire. Eligibility ends on your last day on the payroll as an active employee.

If you are receiving Income Protection Plan benefits when you retire, you may continue to receive benefits in accordance with the Income Protection Plan rules.

Can I continue life and accident and sickness insurance?

If your position is assigned to a negotiating unit that provides life/accident and sickness insurance through a union Employee Benefit Fund and you have coverage under that program, contact your union Employee Benefit Fund for information about your right to continue that insurance.

If you are an M/C employee with accident and sickness insurance, there are no conversion rights for this coverage. You may not continue it when you retire.

If I am enrolled in the M/C Life Insurance Program, can I continue it after retirement?

You may continue your M/C Life Insurance as a retiree if you fall into one of the following categories:

- You retire as a member of a retirement system administered by New York State (such as the New York State and Local Retirement System [NYSLRS] or the New York State Teachers' Retirement System [NYSTRS]) or any of its political subdivisions.
- You are eligible to retire from one of the retirement systems listed above but choose to defer receipt of the pension when you separate from service.

- You are not a member of any retirement system administered by the State or its political subdivisions, but on the date of your separation from service you met the age and service requirements of the retirement plan appropriate for you if you had joined the retirement system at the time of first employment.

If you are not eligible to continue participation in the M/C Life Insurance Program, your life insurance coverage will terminate on the last day of the coverage period for which a contribution was made. At that time, you may be eligible to convert to a standard direct-pay policy with the carrier.

If you are enrolled in the group life insurance program for M/C employees, you may choose to continue in the program, cancel your coverage or convert to a direct-pay policy. If you choose to remain in the program, you may continue both personal and dependent life insurance in retirement, subject to the age-related life insurance reductions. Your HBA will give you information about continuing coverage, canceling your coverage or converting to a direct-pay policy.

WHAT STEPS SHOULD I TAKE BEFORE I RETIRE?

Talk with your agency Health Benefits Administrator (HBA).

Here are some things to discuss:

- Make sure you meet the minimum service period requirements for continuing benefits in retirement. For health insurance, be sure to check if any part-time or local government service will count toward your minimum service requirement.
- If you do not meet the requirements to continue coverage, COBRA or a direct-pay policy will allow you to continue health insurance benefits for a limited period of time. Read the section on COBRA Continuation of Coverage and Direct-Pay Conversion Contracts in your NYSHIP *General Information Book* and benefit materials. Ask your HBA for details.
- Make sure you are eligible to draw your pension or meet the retirement qualifications for your retirement system.
- Make sure you are enrolled in NYSHIP coverage in your own right or as a dependent.
- Make sure the information on your enrollment record, such as dates of birth, addresses and spelling of names, is accurate and up to date.
- Ask your HBA to explain the benefits you will have as a retiree, especially if there are any differences from your employee coverage.
- Ask your HBA about changes you are eligible to make to your plan such as changing your option or your coverage from Family to Individual.
- Ask your HBA to provide information about the Dual Annuitant Sick Leave Credit Option (through which your sick leave credit can be applied toward your surviving dependent's premium). The Dual Annuitant Sick Leave Credit Option must be requested before your retirement date.

- If you meet the requirements for continuing benefits in retirement, but do not want your health insurance to continue after you retire, you should defer your coverage. Ask your HBA for information about deferred health insurance coverage. This election must be made **before** your retirement date. **Note:** Proof of other coverage is required to defer your coverage and for calculation of your sick leave credit.
- Ask your HBA for the latest publications on health insurance and other benefits information available to retirees.

Contact your Social Security Administration Office.

If you or a dependent (other than your domestic partner) is already 65 or older or otherwise eligible for Medicare, call your Social Security Administration office three months before you retire to enroll in Medicare Parts A and B. Medicare-eligible enrollees and dependents must be enrolled in Medicare Parts A and B when Medicare becomes primary to NYSHIP. Remember, Medicare becomes primary to NYSHIP on the first day of the month after your active employer group coverage ends.

If Medicare eligibility is based on end-stage renal disease, Medicare becomes primary after completion of a 30-month coordination period, regardless of employment status. If you turn 65 during the coordination period, Medicare is still secondary to NYSHIP until your coordination period ends. Medicare goes into effect the first of the month following the month when you or a dependent turn 65, or the month prior if the birthday falls on the first day of the month. Plan to sign up three months before turning 65, or otherwise becoming eligible for primary Medicare coverage.

If you are moving:

- Before you retire, notify your HBA of any address, email or phone number change, and check with your agency to see if you need to change your health insurance option.
- After you retire, report enrollment and address changes by writing to: New York State Department of Civil Service, Employee Benefits Division, Albany, NY 12239.

Where can I get more information?

Here are some additional sources of information on continuing health insurance and related benefits in retirement:

- After you retire, the Employee Benefits Division will serve as your HBA. To speak to a representative, call 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) on regular business days between 9 a.m. and 4 p.m. Eastern time.
- The Department of Civil Service website, www.cs.ny.gov, provides information on retiree benefits. Choose Retirees from the top navigation, then Health Benefits.
- Medicare, which is jointly administered by the Social Security Administration and the Centers for Medicare & Medicaid Services (CMS), can be reached at 1-800-MEDICARE (1-800-633-4227) for benefits and claims information. Call the Social Security Administration at 1-800-772-1213 to enroll in Medicare.

The following resources can be found on the NYSHIP Online portion of the Department of Civil Service website:

- The NYSHIP *General Information Book* for retirees, vestees, dependent survivors and employees covered under Preferred List provisions provides information on NYSHIP and coordinating benefits with Medicare.
- The *Empire Plan Certificate*, or your NYSHIP HMO contract (available from your NYSHIP HMO), provides details of plan coverage.
- The *Empire Plan at A Glance* for New York State retirees is a summary of Empire Plan benefits and responsibilities.
- Retiree *Health Insurance Choices* provides option transfer information and brief descriptions of all NYSHIP options.
- NYSHIP *Rates & Information for Retirees of New York State* provides information about service areas and premium rates of all NYSHIP options.
- The *Medicare & NYSHIP* booklet explains how NYSHIP and Medicare work together to provide health benefits. There is also a companion video for this booklet on our website.
- *Welcome to EBD* helps you stay in touch with the Employee Benefits Division after you retire.
- *On the Road with The Empire Plan* is a handy guide to Empire Plan benefits when traveling.
- *Back to Work for New York State* is for State retirees who return to work for New York State and want to understand their health insurance status.

RETIREMENT CHECKLIST

for Health Insurance

As you approach retirement, it is useful to determine what you know, what you've done and what you need to find out or do.

Read each of the statements below and circle YES or NO based on your current understanding or knowledge of the situation. For each NO response, consult the text of this self-help guide, your HBA or the Employee Benefits Division to obtain an answer. You may want to use the same space to record other personal questions about this topic.

1. I have the minimum service time necessary to retire with health insurance benefits.

YES NO

2. I am eligible to collect a pension or meet the retirement qualifications for my retirement system.

YES NO

3. I am currently enrolled in NYSHIP. **YES NO**

4. I am sure that I am eligible to continue my health insurance as a retiree.

YES NO

5. I know what to do to continue my health insurance coverage when I retire.

YES NO

6. I know what my health insurance premium will be after retirement and how I will pay it.

YES NO

7. I understand the process by which my unused sick time, if any, is converted to a credit and used to reduce my health insurance premium.

YES NO

8. I have tried to estimate my sick leave credit.

YES NO

9. I understand what changes I can make to my plan such as changing my option or my coverage from Family to Individual.

YES NO

10. I have considered whether to choose the Dual Annuitant Sick Leave Credit Option.

YES NO

11. I understand how Medicare interacts with my NYSHIP coverage, and I, and/or my dependents, have contacted the Social Security Administration to enroll in Medicare, if eligible.

YES NO

12. I know when, why and how I must vest my health insurance, if I so choose.

YES NO

13. I understand what happens to my dental and/or vision coverage after my retirement.

YES NO

14. I understand my M/C Life Insurance benefits in retirement.

YES NO

Chapter 11

Social Security and Medicare



www.socialsecurity.gov 1-800-772-1213

1-800-325-0778 TTY

We gratefully acknowledge the cooperation of the Social Security Administration, who provided the information contained in this chapter, and who are entirely responsible for its contents.

Overview

This chapter will:

- *describe benefit eligibility;*
- *explain the benefit application process;*
- *describe estimation of benefits; and*
- *explain Medicare benefits*

SOCIAL SECURITY: a simple concept

Social Security reaches almost every family, and at some point, touches the lives of nearly all Americans. When you work, you pay taxes into Social Security.

We help older Americans, workers who develop disabilities, and families in which a spouse or parent dies. As of June 2022, about 182 million people worked and paid Social Security taxes and about 66 million people received monthly Social Security benefits.

Most of our beneficiaries are retirees and their families — more than 51 million people in June 2022.

But Social Security was never meant to be the only source of income for people when they retire. Social Security replaces a percentage of a worker's pre-retirement income based on your lifetime earnings. The amount of your average wages that Social Security retirement benefits replaces varies depending on your earnings and when you choose to start benefits. If you start benefits in 2024 at your “full retirement age” (see our “**Full retirement age**” section), this percentage ranges from as much as 75% for very low earners, to about 40% for medium earners, to about 27% for maximum earners. If you start benefits after full retirement age, these percentages would be higher. If you start benefits earlier, these percentages would be lower. Most financial advisers say you will need about 70% of pre-retirement income to live comfortably in retirement, including your Social Security benefits, investments, and personal savings.

We want you to understand what Social Security can mean to you and your family's financial future. This explains the basics of the Social Security retirement, disability, and survivor's insurance programs.

The current Social Security system works like this: when you work, you pay taxes into Social Security. We use the tax money to pay benefits to:

- People who have already retired.
- People with qualifying disabilities.
- Survivors of workers who have died.
- Dependents of beneficiaries.

The money you pay in taxes isn't held in a personal account for you to use when you get benefits. We use your taxes to pay people who are getting benefits right now. Any unused money goes to the Social Security trust funds, not a personal account with your name on it.

Social Security is more than retirement

Many people think of Social Security as just a retirement program. Most of the people receiving benefits are retired, but others receive benefits because they're:

- Someone with a qualifying disability.
- A spouse or child of someone getting benefits.
- A divorced spouse of someone getting or eligible for Social Security.
- A spouse or child of a worker who died.
- A divorced spouse of a worker who died.
- A dependent parent of a worker who died.

Based on your circumstances, you may be eligible for Social Security at any age. In fact, we pay more benefits to children than any other government program.

YOUR SOCIAL SECURITY TAXES

We use the Social Security taxes you and other workers pay into the system to pay Social Security benefits.

You pay Social Security taxes based on your earnings, up to a certain amount. In 2024, that amount is \$168,600.

Medicare taxes

You pay Medicare taxes on all of your wages or net earnings from self-employment. These taxes are for Medicare coverage. There are additional Medicare taxes for higher-income workers.

If you work for someone else	Social Security tax	Medicare tax
You pay	6.2%	1.45%
Your employer pays	6.2%	1.45%
If you're self-employed		
You pay	12.4%	2.9%

Additional Medicare tax

Workers pay an additional 0.9 percent Medicare tax on income that exceeds certain thresholds. The chart below shows the threshold amounts based on tax filing status:

Filing Status	Threshold amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000

Head of household (with qualifying person)	\$200,000
Qualifying surviving spouse with dependent child	\$200,000

WHERE YOUR SOCIAL SECURITY TAX DOLLARS GO

In 2024, when you work, 85 cents of every Social Security tax dollar you pay goes to a trust fund that pays monthly benefits to current retirees and their families and to surviving spouses and children of workers who have died. About 15 cents goes to a trust fund that pays benefits to people with disabilities and their families.

From these trust funds, Social Security also pays the costs of managing the Social Security programs. The Social Security Administration is one of the most efficient agencies in the federal government, and we're working to make it better every day. Of each Social Security tax dollar you pay, we spend less than one penny to manage the program.

The entire amount of Medicare taxes you pay goes to a trust fund that pays some costs of hospital and related care for all Medicare beneficiaries. The Centers for Medicare & Medicaid Services, not Social Security, manages Medicare.

WHAT YOU NEED TO KNOW ABOUT SOCIAL SECURITY WHILE YOU'RE WORKING

Your Social Security Number

Your link with Social Security is your Social Security number. You need it to get a job and pay taxes. We use your Social Security number to track your earnings while you're working and your benefits after you're getting Social Security.

Don't carry your Social Security card. You should be careful about giving someone your Social Security number. Identity theft is one of the fastest growing crimes today. Most of the time, identity thieves use your Social Security number and your good credit to apply for more credit in your name. Then, they use the credit cards and don't pay the bills.

Your Social Security number and our records are confidential. If someone else asks us for information we have about you, we won't give any information without your written consent, unless the law requires or permits it.

Do you need to request a Social Security number, a replacement card, or make a name change on your current card? Our Social Security Number and Card page at www.ssa.gov/ssnumber can help you find the best way to get what you need.

On this page, we ask you a series of questions to determine whether you can:

- Complete the application process online.
- Start the application process online, then bring any required documents to your local office to complete the application, typically in less time.

Once you complete your application (online or in-person), we will mail the card after we process the application. Please understand that we don't issue cards at our offices.

To get a Social Security number or a replacement card, you may need to show us proof of your U.S. citizenship or immigration status, age, and identity. We don't need proof of your U.S. citizenship and age for a replacement card if they're already in our records. We only accept certain documents as proof of U.S. citizenship. These include your U.S. birth certificate, U.S. passport, Certificate of Naturalization, or

Certificate of Citizenship. If you aren't a U.S. citizen, we must see your immigration document proving work authorization. If you don't have work authorization, different rules apply.

For proof of identity, we accept current documents showing your name, identifying information and preferably a recent photograph. Such a document may be a driver's license or other state-issued identification card, or a U.S. passport.

To apply for a name change on your Social Security card, you may need to show a recently issued document that proves your name has been legally changed.

Be sure to safeguard your Social Security card. We limit the number of replacement cards you can get to three in a year and 10 during your lifetime. Legal name changes and other exceptions don't count toward these limits. For example, changes in noncitizen status that require card updates may not count toward these limits. These limits may not apply if you can prove you need the card to prevent a significant hardship.

For more information, read [Your Social Security Number and Card](#) (Publication No. 05-10002). If you aren't a citizen, read [Social Security Numbers for Noncitizens](#) (Publication No. 05-10096).

Our card services are free. Social Security never charges for the card services we provide.

HOW YOU BECOME ELIGIBLE FOR SOCIAL SECURITY

As you work and pay taxes, you earn Social Security "credits." In 2024, you earn one credit for each \$1,730 in earnings — up to a maximum of four credits per year. The amount of money needed to earn one credit usually goes up every year.

Most people need 40 credits (10 years of work) to qualify for benefits. Younger people need fewer credits to be eligible for disability benefits or for their family members to be eligible for survivors benefits when the worker dies.

WHAT YOU NEED TO KNOW ABOUT BENEFITS

Social Security benefits only replace some of your earnings when you retire, develop a qualifying disability, or die. We base your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you didn't work, or had low earnings, your benefit amount may be lower than if you worked steadily.

Retirement benefits

Choosing when to start receiving retirement benefits is one of the most important decisions you'll ever make. If you choose to start receiving benefits when you reach your full retirement age, you'll receive your full benefit amount. We will reduce your benefit amount if you begin receiving benefits before you reach full retirement age. You can also choose to continue working beyond your full retirement age. If you do, your benefit will increase from the time you reach full retirement age, until you start receiving benefits, or until you reach age 70.

Full retirement age

If you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67. In 2024, if your birth year is 1956 or earlier, you are already eligible for your full Social Security benefit. Use the chart below to find out your full retirement age.

Year of birth	Full retirement age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

NOTE: Although the full retirement age is rising, you should still apply for Medicare benefits three months before your 65th birthday. If you wait longer, your Medicare medical insurance (Part B) and prescription drug coverage (Part D) may cost you more money.

Delayed retirement

If you choose to delay receiving benefits beyond your full retirement age, we'll increase your benefit a certain percentage, depending on the year of your birth. We'll add the increase automatically each month from the time you reach full retirement age, until you start receiving benefits or reach age 70, whichever comes first. There is more information on delayed retirement credits on our website at www.ssa.gov/benefits/retirement/planner/delayret.html.

Early retirement

You may start receiving benefits as early as age 62. We reduce your benefits if you start early by about 0.5% for each month you start receiving benefits before your full retirement age. For example, if your full retirement age is 67, and you sign up for Social Security when you're 62, you would only get about 70% of your full benefit.

Once you've made the decision about when to start benefits, you can apply for Social Security retirement benefits on our website at www.ssa.gov/retirement.

If you work and get benefits

You can continue to work and still receive retirement benefits. Your earnings in (or after) the month you reach full retirement age won't reduce your Social Security benefits. In fact, working beyond full retirement age can increase your benefits. We'll have to reduce your benefits, however, if your earnings exceed certain limits for the months before you reach your full retirement age.

If you work, but start receiving benefits before full retirement age, we deduct one dollar in benefits for each two dollars in earnings you have above the annual limit. In 2024, the limit is \$22,320.

In the year you reach your full retirement age, we reduce your benefits by one dollar for every three dollars you earn over a different annual limit (\$59,520 in 2024). This will continue until the month you reach full retirement age.

Once you reach full retirement age, you can keep working, and we won't reduce your Social Security retirement benefit, no matter how much you earn.

For more information about how work affects your benefits, read [How Work Affects Your Benefits](#) (Publication No. 05-10069).

NOTE: *People who work and receive Social Security disability benefits or SSI payments have different earnings rules. They must immediately report all their earnings to Social Security no matter how much they earn.*

Retirement benefits for surviving spouses

If you receive surviving spouse's benefits, you can switch to your own retirement benefits as early as age 62. This can be done assuming your retirement benefit is more than the amount you receive on your deceased spouse's earnings. Often, you can begin receiving one benefit at a reduced rate and then switch to the other benefit at the full rate when you reach full retirement age. The rules are complicated and vary depending on your situation, so talk to one of our representatives about the choices available to you.

For more information about retirement benefits, read [Retirement Benefits](#) (Publication No. 05-10035).

Disability benefits

If you can't work because of a physical or mental condition that has lasted or is expected to last at least one year or result in death, you may be eligible for Social Security disability benefits.

Our disability rules are different from private or other government agency plans. If you qualify for disability from another agency or program, it doesn't mean you will be eligible for disability benefits from us. Having a statement from your doctor saying you have a disability doesn't mean you'll automatically be eligible for Social Security disability benefits. For more information about Social Security disability benefits, read [Disability Benefits](#) (Publication No. 05-10029). You can apply for Social Security disability benefits on our website at www.ssa.gov/benefits/disability.

People, including children, who have little income and few resources, and who have a disability, may be eligible for disability payments through the SSI program. For more information about SSI, read [Supplemental Security Income \(SSI\)](#) (Publication No. 05-11000).

If you develop a disability, file for disability benefits as soon as possible, because it usually takes several months to process a disability claim. We may be able to process your claim more quickly if you have the following information when you apply:

- Medical records and treatment dates from your doctors, therapists, hospitals, clinics, and caseworkers.
- Your laboratory and other test results.
- The names, addresses, phone and fax numbers of your doctors, clinics, and hospitals.
- The names of all medications you're taking.
- The names of your employers and job duties for the last 15 years.

YOUR BENEFITS MAY BE TAXABLE

Some people who get Social Security will have to pay taxes on their benefits. About 46 percent of our current beneficiaries pay taxes on their benefits.

You may have to pay taxes on your benefits if you file a federal tax return as an “individual” and your total income is more than \$25,000. If you file a joint return, you may have to pay taxes if you and your spouse have a total income that is more than \$32,000. For more information, call the Internal Revenue Service’s toll-free number, **1-800-829-3676**.

BENEFITS FOR YOUR FAMILY

When you start receiving Social Security retirement or disability benefits, other family members may also be eligible to receive benefits. For example, benefits can be paid to your spouse:

- If they’re age 62 or older.
- At any age if they’re caring for your child (the child must be younger than 16 or have a disability and entitled to Social Security benefits on your record).

Benefits can also be paid to your unmarried children if they’re:

- Younger than 18.
- Between 18 and 19 years old, but in elementary or secondary school as full-time students.
- Age 18 or older and have a qualifying disability (the disability must have started before age 22).

Under certain circumstances, we can also pay benefits to a stepchild, grandchild, step-grandchild, or an adopted child. If you become the parent of a child after you begin receiving benefits, let us know about the child, so we can decide if the child is eligible for benefits.

How much can family members get?

Each family member may be eligible for a monthly benefit that is up to half of your Social Security retirement or disability benefit amount. However, there is a limit to the total amount of money that can be paid to you and your family. The limit varies but is generally equal to about 150% to 180% of your retirement or disability benefit.

If you’re divorced

If you’re divorced, your ex-spouse may qualify for benefits on your earnings. In some situations, they may get benefits even if you don’t receive them. To qualify, a divorced spouse must:

- Have been married to you for at least 10 years.
- Have been divorced from you at least two years if you have not filed for benefits yet.
- Be at least 62 years old.
- Be unmarried.
- Depending on the circumstances, not be entitled to or eligible for a benefit on their own work that is equal to or higher than half the full amount on your record.

Survivors benefits

When you die, your family may be eligible for benefits based on your work.

Family members who can collect benefits include a surviving spouse who is:

- 60 or older.
- 50 or older and has a qualifying disability.
- Any age if they care for your child who is younger than 16 or has a qualifying disability, and is entitled to Social Security benefits on your record.

Your children can receive benefits, too, if they're unmarried and:

- Younger than 18 years old.
- Between 18 and 19 years old, but in an elementary or secondary school as full-time students.
- Age 18 or older and has a qualifying disability (the disability must have started before age 22).

Additionally, your parents can receive benefits on your earnings if they were dependent on you for at least half of their support.

One-time payment after death

If you have enough credits, a one-time payment of \$255 also may be made after your death. This benefit may be paid to your spouse or minor children if they meet certain requirements.

If you're divorced and have a surviving ex-spouse

If you're divorced, your ex-spouse may be eligible for survivor's benefits based on your earnings when you die. They must:

- Be at least age 60 years old (or 50 if they have a qualifying disability) and have been married to you for at least 10 years.
- Be any age if they care for a child who is eligible for benefits based on your earnings.
- Not be entitled to a benefit based on their own work that is equal or higher than the full insurance amount on your record.
- Not be currently married, unless the remarriage occurred after age 60 or after age 50 if they have a qualifying disability.

Benefits paid to an ex-spouse won't affect the benefit rates for other survivors receiving benefits on your earnings record.

NOTE: *If you're deceased and your ex-spouse remarries after age 60, they may be eligible for Social Security benefits based on either your work or the new spouse's work, whichever is higher.*

How much will your survivors get?

Your survivors receive a percentage of your basic Social Security benefit — usually in a range from 75 to 100 percent each. However, there is a limit to the amount of money that can be paid each month to a family. The limit varies but is generally equal to about 150% to 180% of your benefit rate.

WHEN YOU'RE READY TO APPLY FOR BENEFITS

You should apply for benefits about four months before the date you want your benefits to start. If you aren't ready to apply for retirement benefits yet but are thinking about it, you should visit our website to use our informative retirement planner at www.ssa.gov/retirement. To file for disability or survivors' benefits, you should apply as soon as you're eligible.

You can find out the best way to apply for benefits at www.ssa.gov/apply.

If you have a personal *my* Social Security account, you can get an estimate of your personal retirement benefits and see the effects of different ages at which you may want to begin receiving retirement benefits. If you don't have a personal *my* Social Security account, create one at www.ssa.gov/myaccount.

What you will need to apply

When you apply for benefits, we will ask you to provide certain documents. The documents you'll need depend on the type of benefits you file for. Provide these documents to us quickly to help us pay your benefits faster. You must present original documents or copies certified by the issuing office — we can't accept photocopies.

Don't delay filing an application just because you don't have all the documents you need. We'll help you get them.

Some documents you may need when you sign up for Social Security are:

- Your Social Security card (or a record of your number).
- Your birth certificate.
- Your children's birth certificates and Social Security numbers (if you're applying for them).
- Proof of U.S. citizenship or lawful immigration status if you (or a child) weren't born in the United States.
- Your spouse's birth certificate and Social Security number if they are applying for benefits based on your earnings.
- Your marriage certificate (if signing up on a spouse's earnings or if your spouse is signing up on your earnings).
- Your military discharge papers if you had military service.
- Your most recent W-2 form, or your tax return, if you're self-employed.

We will let you know if you need other documents when you apply.

HOW WE PAY BENEFITS

You must receive your Social Security payments electronically. One of the ways you can choose to receive your benefits is through direct deposit to your account at a financial institution. Direct deposit is a simple and secure way to receive your payments. Be sure to have your checkbook or account statement with you when you apply. We will need that information, as well as your financial institution's routing number, to make sure your monthly benefit deposit goes into the right account.

If you don't have an account with a financial institution, or if you prefer to receive your benefits on a prepaid debit card, you can sign up for the Direct Express® card program. With Direct Express®, payments go directly to the card account. Another payment choice you can consider is an electronic transfer account. This low-cost federally insured account lets you enjoy the security and convenience of automatic payments.

Supplemental Security Income (SSI) program

If you have limited income and resources (things you own), SSI may be able to help. SSI funding comes from general revenues, not Social Security taxes.

SSI makes monthly payments to people who are age 65 or older or who are blind or have a qualifying disability. Your income and the things you own affect eligibility for SSI. We don't count some of your income and some of your resources when we decide whether you're eligible for SSI. Your house and your car, for example, usually don't count as resources. We do count cash, bank accounts, stocks, and bonds.

How do you apply for SSI?

Visit our SSI Benefits webpage at www.ssa.gov/benefits/ssi to begin the application process online. The online process takes about 5 to 10 minutes, and no documentation is required to start. Once you provide some basic information and answer a few questions, we will schedule an appointment to help you apply for benefits. If you cannot apply online, you can call us toll-free at 1-800-772-1213 (TTY 1-800-325-0778) or your local Social Security office to schedule an appointment to apply.

Right to appeal

If you disagree with a decision made on your claim, you can appeal it. You can handle your own appeal with free help from Social Security, or you can choose to have a representative help you. We can give you information about organizations that can help you find a representative. For more information about the appeals process and selecting a representative, read [*Your Right to Question the Decision Made on Your Claim*](#) (Publication No. 05-10058).

ONLINE “[MY SOCIAL SECURITY](#)” ACCOUNT

You can now easily create a personal *my* Social Security account online to check your earnings and get your benefit estimates. You may also use your secure *my* Social Security account to request a replacement Social Security number card (available in many states and the District of Columbia). If you currently receive benefits, you can also:

- Change your address and phone number (Social Security beneficiaries only).
- Get an instant benefit verification letter.
- Request a replacement Medicare card.

- Get a replacement SSA-1099 or SSA-1042S for tax season.
- Start or change your direct deposit.
- Opt out of getting agency notices by mail for those available online.
- View your appointed representative.
- Report your wages if you work and receive Social Security disability benefits, SSI payments, or both.

You can create a personal *my* Social Security account if you're age 18 or older and have a Social Security number, valid email address, and U.S. mail address. To create an account, go to www.ssa.gov/myaccount. You will need to create an account with one of our credential partners and follow the prompts for next steps.

MEDICARE

Medicare is our country's basic health insurance program for people age 65 or older and for many people with disabilities.

You shouldn't confuse Medicare with Medicaid. Medicaid is a health care program for people with low income and limited resources. State health and human services offices or social services agencies run the Medicaid program. Some people qualify for just one program, while others qualify for both Medicare and Medicaid.

Parts of Medicare

Social Security enrolls you in Original Medicare (Part A and Part B).

Medicare Part A (hospital insurance) helps pay for inpatient care in a hospital or limited time at a skilled nursing facility (following a hospital stay). Part A also pays for some home health care and hospice care.

Medicare Part B (medical insurance) helps pay for services from doctors and other health care providers, outpatient care, home health care, durable medical equipment, and some preventive services.

Medicare Advantage Plan (previously known as Part C) includes all benefits and services covered under Part A and Part B — prescription drugs and additional benefits such as vision, hearing, and dental — bundled together in one plan.

Medicare Part D (Medicare prescription drug coverage) helps cover the cost of prescription drugs.

Who's eligible for Medicare Part A?

Most people get Part A when they turn 65. You qualify for it automatically if you're eligible for Social Security or Railroad Retirement Board benefits. Or, you may qualify based on a spouse's (including a divorced spouse's) work. Others qualify because they're government employees not covered by Social Security, but who paid the Medicare tax.

If you get Social Security disability benefits for 24 months, you'll qualify for Part A.

If you get Social Security disability benefits because you have amyotrophic lateral sclerosis (Lou Gehrig's disease), you don't have to wait 24 months to qualify.

Also, someone with permanent kidney failure requiring dialysis or kidney replacement qualifies for Part A if they've worked long enough, or is the spouse or child of a worker who qualifies.

If you don't meet these requirements, you may be able to get Medicare hospital insurance if you pay a monthly premium. For more information, call our toll-free number or visit Medicare.gov.

Who's eligible for Medicare Part B?

Almost every person eligible for Part A can get Part B. Part B is optional and you usually pay a monthly premium. In 2024, the standard monthly premium is \$174.70. Some people with higher incomes pay higher premiums.

Medicare Advantage plans

Anyone who has Medicare Part A and Part B can join a Medicare Advantage plan. Medicare Advantage plans include:

- Health Maintenance Organization (HMO) plans.
- Preferred Provider Organization (PPO) plans.
- Private Fee-for-Service (PFFS) plans.
- Special Needs Plans (SNPs).

In addition to your Medicare Part B premium, you might have to pay another monthly premium because of the extra benefits the Medicare Advantage plan offers.

Who can get Medicare Part D?

Anyone who has Original Medicare (Part A or Part B) is eligible for Medicare prescription drug coverage (Part D). Part D benefits are available as a stand-alone plan or built into Medicare Advantage, unless you have a Medicare private fee-for-service (PFFS) plan. The drug benefits work the same in either plan. Joining a Medicare prescription drug plan is voluntary, and you pay an extra monthly premium for the coverage.

When should I apply for Medicare?

If you're not already getting benefits, you should contact us about 3 months before your 65th birthday to sign up for Medicare. You should sign up for Medicare even if you don't plan to retire at age 65. If you're already getting Social Security benefits or Railroad Retirement Board payments, we'll contact you a few months before you become eligible for Medicare and send you information. If you live in one of the 50 states, Washington, D.C., the Northern Mariana Islands, Guam, American Samoa, or the U.S. Virgin Islands, we'll automatically enroll you in Medicare Parts A and B. However, because you must pay a premium for Part B coverage, you can choose to turn it down.

We will not automatically enroll you in a Medicare prescription drug plan (Part D). Part D is optional and you must elect this coverage. For the latest information about Medicare, visit [Medicare.gov](https://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227) or TTY number, 1-877-486-2048 if you're deaf or hard of hearing.

***NOTE:** If you don't enroll in Part B and Part D when you're first eligible, you may have to pay a late enrollment penalty for as long as you have Part B and Part D coverage. Also, you may have to wait to enroll, which will delay coverage.*

If you have a Health Savings Account (HSA)

If you have an HSA when you sign up for Medicare, you can't contribute to your HSA once your Medicare coverage begins. If you contribute to your HSA after your Medicare coverage starts, you may

have to pay a tax penalty. If you'd like to continue contributing to your HSA, you shouldn't apply for Medicare, Social Security, or Railroad Retirement Board (RRB) benefits.

NOTE: *Premium-free Part A coverage begins six months before the date you apply for Medicare (or Social Security/RRB benefits), but no earlier than the first month you were eligible for Medicare. To avoid a tax penalty, you should stop contributing to your HSA at least six months before you apply for Medicare.*

“Extra Help” with Medicare prescription drug costs

If you have limited resources and income, you may qualify for Extra Help to pay for your prescription drugs under Medicare Part D. Our role is to help you understand how you may qualify and to process your application for Extra Help. To see if you qualify or to apply, call our toll-free number or visit

www.ssa.gov/extrahelp.

Help with other Medicare costs

If you have limited income and few resources, your state may pay your Medicare premiums and, in some cases, other “out-of-pocket” medical expenses, such as deductibles, copayments, and coinsurance.

Only your state can decide whether you qualify for help under this program. If you think you qualify, contact your Medicaid, social services, or health and human services office. Visit ***Medicare.gov/contacts*** or call **1-800-MEDICARE (1-800-633-4227; TTY: 1-877-486-2048)** to get their number.

SOME FACTS ABOUT SOCIAL SECURITY

2024 Social Security taxes

- You pay 6.2 percent, and your employer pays 6.2 percent.
- If you're self-employed, you pay 12.4 percent.
- You don't pay Social Security taxes on earnings greater than \$168,600.

2024 Medicare taxes

- You and your employer each pay 1.45 percent.
- If you're self-employed, you pay 2.9 percent.
- Medicare taxes are paid on all of your earnings; there is no limit.
- There are additional Medicare taxes for higher-income workers.

Work credits in 2024

- For each \$1,730 you earn, you receive one Social Security "credit," up to four per year.
- Most people need 40 credits to be eligible for retirement benefits.
- Younger people need fewer credits to qualify for disability benefits or for their family members to be eligible for survivors' benefits.

Estimated average 2024 monthly Social Security benefits

- All retired workers: \$1,907
- Retired worker with only an aged spouse: \$3,033
- Workers with a disability: \$1,537
- Worker with a disability with a young spouse and one or more children: \$2,720
- All aged surviving spouses: \$1,773
- Young surviving spouse with two children: \$3,653

2024 monthly federal SSI maximum payment rates

(Doesn't include state supplement, if any)

- \$943 for an individual
- \$1,415 for a couple

CONTACTING SOCIAL SECURITY

There are several ways to contact us, such as online, by phone, and in person. We're here to answer your questions and to serve you. For nearly 90 years, Social Security has helped secure today and tomorrow by providing benefits and financial protection for millions of people throughout their life's journey.

Visit our website

The most convenient way to conduct business with us is online at www.ssa.gov. You can accomplish a lot:

- Apply for *Extra Help* with Medicare prescription drug plan costs.
- Apply for most types of benefits.
- Start or complete your request for an original or replacement Social Security card.
- Find copies of our publications.
- Get answers to frequently asked questions.

When you create a personal [my Social Security](#) account, you can do even more.

- Review your *Social Security Statement*.
- Verify your earnings.
- Get estimates of future benefits.
- Print a benefit verification letter.
- Change your direct deposit information.
- Request a replacement Medicare card.
- Get a replacement SSA-1099/1042S.

Call us

If you cannot use our online services, we can help you by phone when you call our National toll-free 800 Number. We provide free interpreter services upon request.

You can call us at 1-800-772-1213 — or at our TTY number, 1-800-325-0778, if you're deaf or hard of hearing — between 8:00 a.m. – 7:00 p.m., Monday through Friday. For quicker access to a representative, try calling early in the day (between 8 a.m. and 10 a.m. local time) or later in the day. We are less busy later in the week (Wednesday to Friday) and later in the month. We also offer many automated telephone services, available 24 hours a day, so you may not need to speak with a representative.

If you have documents we need to see, they must be original or copies that are certified by the issuing agency

ACCOUNT SECURITY

What should I do if I get a call claiming there's a problem with my Social Security number or account?

If there is a problem, we will mail you a letter. Generally, we will only contact you if you have requested a call or have ongoing business with us. Recently, scams—misleading victims into making cash or gift card payments to avoid arrest for Social Security number problems—have skyrocketed.

Our employees will never threaten you for information or promise a benefit in exchange for personal information or money. Social Security employees also will not:

- Tell people that their Social Security number has been suspended.
- Promise a Social Security benefit approval, or increase, in exchange for information.
- Contact people to demand an immediate payment.
- Ask people for credit or debit card numbers over the phone.
- Require a specific means of debt repayment, like a prepaid debit card or gift card.
- Demand that people pay a Social Security debt without the ability to appeal the amount you owe.

Be cautious about providing personal information to someone who calls you and asks for:

- Cash;
- Retail gift cards;
- Prepaid debit cards; or
- Wire transfers.

Never provide payment to callers over the phone.

- If you receive a suspicious call or are unsure of the identity of someone alleging to be from Social Security: hang up;
- Do not provide personal information, money, or retail gift cards; and
- Report details of the call to our [Office of the Inspector General](#).