NYSLRS

New York State & Local Retirement System

Chapter 9
Your Retirement Benefits Employees' Retirement System

Office of the New York State Comptroller
Thomas P. DiNapoli

Self-Help Guide 9-1
(Rev. 1/25)

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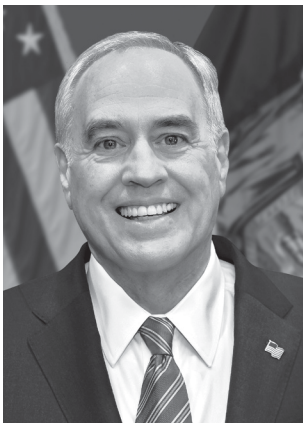
A Message from State Comptroller Thomas P. DiNapoli



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*, and like us on Facebook 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,

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**) 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 ÷ 260 days or annual earnings reported ÷ (State's hourly minimum wage × 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

$\frac{\text{\# hours unused sick leave}}{\text{full-time hours per day}}$	=	# days additional service credit
$\frac{\mathbf{1320}}{\mathbf{8}}$	=	**165 days additional service credit**
$\frac{\text{\# days additional service credit}}{260}$	=	additional service credit
$\frac{\mathbf{165}}{\mathbf{260}}$	=	**.63 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, FAE means the average of the three highest consecutive years of earnings in covered public employment. 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-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

The specific types of earnings included in your FAE calculation depend on your retirement plan and tier. Please check your plan publication (**www.bit.ly/plan-publication**) for details.

In most cases, your FAE will include the payments listed below, if they are earned in the FAE period. (In some cases, restrictions may apply.)

- Regular earnings
- Holiday pay
- Longevity payments
- 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
- Any form of termination pay
- Payments made in anticipation of retirement
- Lump sum payments for deferred compensation
- Any payments made for time not worked

Example

Date of Retirement 3/9/2025

Earnings Period	Usable Earnings
Year 1: 3/9/2024 – 3/8/2025	$ 46,723
Year 2: 3/9/2023 – 3/8/2024	$ 44,912
Year 3: 3/9/2022 – 3/8/2023	$ 42,336
	$ 133,971 ÷ 3 =
	$ 44,657 FAE

Payment for Unused Vacation

Your FAE can include payment for up to 30 days lump sum vacation if your FAE is based on the three years immediately before retirement **and** if you joined NYSLRS:

- Before April 1, 1972; or
- From July 26, 1976 through March 31, 2012 (Tier 6 cannot use lump sum vacation pay).

EARNINGS RESTRICTIONS FOR TIER 5 AND 6 MEMBERS

The following payments cannot be used in the FAE calculation:

Tier 5

- Overtime pay above the limit, which increases by 3% each calendar year. See Overtime Limits for Tier 5 (**www.osc.ny.gov/retirement/members/overtime-limits-tier-5**).

Tier 6

- Overtime pay above the limit, which increases each calendar year based on the consumer price index as of September 30 of the previous year. See Overtime Limits for Tier 6 (**www.osc.ny.gov/retirement/members/overtime-and-earnings-limits-tier-6**).
- Earnings above the Governor's salary ($250,000 as of April 1, 2021).
- Earnings reported by more than your primary and secondary (if applicable) employers.

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 × 1.2 = 45,600	$ 45,600
Year 2: $38,000	$37,000 × 1.2 = 44,400	$ 38,000
Year 3: $37,000	$33,000 × 1.2 = 39,600	$ 37,000
Year 4: $33,000		
		$ 120,600 ÷ 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	$\frac{(33,000 + 32,000)}{2} \times 1.2 = 39,000$	$ 37,000
Year 4: $33,000		
Year 5: $32,000		
		$ 120,000 ÷ 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, 5 and 6

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, 5 or 6 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	$\frac{(33,000 + 32,000)}{2} \times 1.1 = 35,750$	$ 35,750
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.

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:

- 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 9-25 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 9-21 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 9-24 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

Tier 1 | Age 55

28 years of service
FAE = $43,500

$\frac{28 \times \$43{,}500}{50}$ = $ 24,360 per year
$ 2,030 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.

Example

Tier 2 | Age 55

30 years of service
FAE = $43,500

$\frac{30 \times \$43{,}500}{50}$ = $ 26,100 per year
$ 2,175 per month

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 9-21 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 9-21 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

$$\frac{17 \times \$43{,}500}{60} = \$\ 12{,}325 \text{ per year}$$
$$\$\ 1{,}027 \text{ per month}$$

Tier 2 | Age 55

17 years of service
FAE = $43,500

$$\frac{17 \times \$43{,}500}{60} = \$\ 12{,}325$$
$$-\ 3{,}327\ *$$
$$\$\ 8{,}998 \text{ per year}$$
$$\$\ 750 \text{ per month}$$

* 27 percent benefit reduction at age 55.

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 9-21 for reductions.)

Examples

Age 62

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325 per year
$ 1,027 per month

Age 55

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325
- 3,327 *
$ 8,998 per year
$ 750 per month

* 27 percent benefit reduction at age 55.

Examples

Age 62

22 years of service
FAE = $43,500

$\frac{22 \times \$43{,}500}{50}$ = $ 19,140 per year
$ 1,595 per month

Age 55

22 years of service
FAE = $43,500

$\frac{22 \times \$43{,}500}{50}$ = $ 19,140
- 5,167 *
$ 13,973 per year
$ 1,164 per month

* 27 percent benefit reduction at age 55.

Age 55 Over 30 Years of Service

32 years of service
FAE = $43,500

$\frac{30 \times \$43{,}500}{50}$ = $ 26,100
(1.5% × 2**) × 43,500 = + 1,305
$ 27,405 per year
$ 2,283 per month

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 9-21 for reductions.)

Examples

Age 62

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325 per year
$ 1,027 per month

Age 55

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325
- 4,724 *
$ 7,601 per year
$ 633 per month

* 38.33 percent benefit reduction at age 55.

Examples

Age 62

22 years of service
FAE = $43,500

$\frac{22 \times \$43{,}500}{50}$ = $ 19,140 per year
$ 1,595 per month

Age 55

22 years of service
FAE = $43,500

$\frac{22 \times \$43{,}500}{50}$ = $ 19,140
- 7,336 *
$ 11,804 per year
$ 983 per month

* 38.33 percent benefit reduction at age 55.

Age 55

32 years of service
FAE = $43,500

$\frac{30 \times \$43{,}500}{50}$ = $ 26,100
(.015 × 2**) × 43,500 = + 1,305
$ 27,405
- 10,504 *
$ 16,901 per year
$ 1,408 per month

* 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 9-21 for reductions.)

Examples

Age 63

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325 per year
$ 1,027 per month

Age 63

22 years of service
FAE = $43,500

$43,500 × .35 (20 years) = $ 15,225

$\frac{2 \times \$43{,}500}{50}$ = + 1,740
$ 16,965 per year
$ 1,413 per month

Examples

Age 55

17 years of service
FAE = $43,500

$\frac{17 \times \$43{,}500}{60}$ = $ 12,325
- 6,409 *
$ 5,916 per year
$ 493 per month

* 52 percent benefit reduction at age 55.

Age 55

22 years of service
FAE = $43,500

$43,500 × .35 (20 years) = $ 15,225

$\frac{2 \times \$43{,}500}{50}$ = + 1,740
$ 16,965
- 8,821 *
$ 8,144 per year
$ 678 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 9-37 to 9-39.

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, they 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, they 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, they 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, they 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, they 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 9-47.*

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/let-us-help-you**. 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 (**www.osc.ny.gov/retirement/retirees/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 they 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.

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

$$\frac{34 \times \$43{,}500}{12} = \textbf{\$ 123,250 (lump sum)}$$

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

$$\frac{34 \times \$43{,}500}{60} = \$24{,}650 \times 13.954^{*} = \textbf{\$ 343,966 (lump sum)}$$

* 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.

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 age 62 for Tier 2-5 members, and age 63 for Tier 6 members.
- 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

- Amount is based on the ordinary death benefit you had before you retired and how long you have been retired.
- First year of retirement: 50 percent of your ordinary death benefit.
- Second year of retirement: 25 percent of your ordinary death benefit.
- After your second year of retirement: 10 percent of ordinary death benefit that would have been payable at retirement, or at age 60, whichever was earlier.
- 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.