

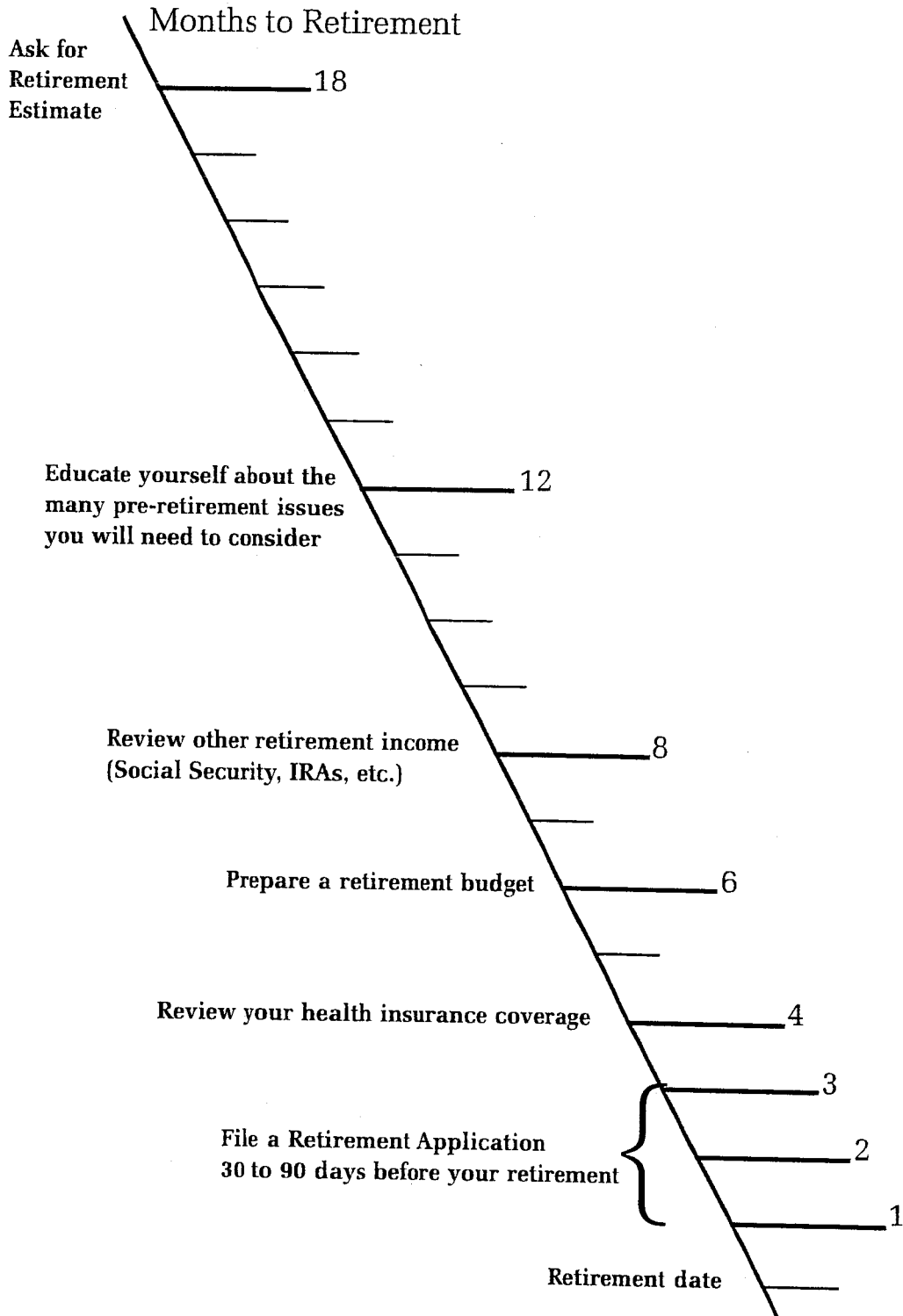
# **Retiring? Know the steps.**



## A QUICK GUIDE

More comprehensive information is available through your UPSEU Representative and/or the New York State Employees' Retirement System.

# COUNTDOWN TO RETIREMENT



# A Checklist for Those Nearing Retirement

## At Least 18 Months Before You Retire:

- **Become Informed.** This is the most important step to take in planning for your retirement. Here are some things you can do:
  - Read your [Plan Booklet](#)
  - Meet with an [Information Representative](#)
- **Commit to Paying Off Your Retirement System Loan and/or Outstanding Balance for the Purchase of Credit for Previous Service.** If you retire with an outstanding loan balance, you will receive a permanently reduced annuity or retirement benefit. If you have an outstanding balance to purchase credit for previous service, you may only receive credit for a prorated portion of your service. In most instances, with less service credit at retirement, you will receive a smaller retirement benefit.

## 18 - 12 Months Before You Retire

- **Request a [General Estimate](#)** to learn the approximate amount you can expect to receive monthly. Employees' Retirement System members can also visit our [benefit projection](#) calculator to get an idea of how much your annual benefit will be based entirely on the data you input.
- **Locate Proof of Your Birth Date.** No benefits can be paid without proof of your birth date. The most common documents we accept are:
  - birth certificate
  - baptismal certificate
  - [Certificate of Release or Discharge from Active Duty \(DD-214\)](#)
  - passport
  - naturalization papers

The National Center for Health Statistics' website contains information for each state on where to write for vital records, such as your birth certificate, and the cost. Visit their website at: [www.cdc.gov/nchs/howto/w2w/w2welcom.htm](http://www.cdc.gov/nchs/howto/w2w/w2welcom.htm)

## 12 - 3 Months Before You Retire

- **Review Your Health Insurance Coverage.** Check with your health benefits administrator to determine your eligibility for post-retirement coverage. You may have to investigate private health insurance plans.

## 8 Months Before You Retire

- **Review [Other Income Sources](#).** Experts say you will need at least 80 percent of your pre-retirement income to maintain your current standard of living
- **Prepare a Retirement Budget.** Having a budget allows you to decide how you want to spend your money and aids you in keeping your long-term goals in focus.

### **3 - 1 Months Before You Retire**

- [Submit Your Retirement Application](#)
- [Submit a W-4P Form](#). Use our [tax calculator](#) to determine approximately how much you should have withheld from your retirement benefit. Review more [tax information](#).

### **By the Last Day of the Month You Retire**

- Choose a Retirement [Option](#). Base your selection on your most recent estimate.

**Enjoy Your Retirement!**

## Review your Contract



1. Are there requirements for providing notice to retirement in your contract which is greater than the New York State Employees' Retirement System (30 day minimum, 90 day maximum)?
2. Does your Contract provide for the New York State minimum Employer Contributions for the Empire plan into Retirement or does it provide a greater employer contribution? The New York State Empire Plan provides that 35% of the family plan premium be paid by the employer with 65% being paid by the retiree; and, 50% individual plan paid by the employer with the other 50% being paid by the retiree.
3. Does your employer require the New York State minimums for retiree health care contributions or are there special requirements of your employer. New York State minimum requirements for retiree health insurance is that the retiree be at least age 55, had at least five years of service with the employer from which he or she is retiring, and was a participant in the plan at the time of retirement. Some employers provide for a higher employer percentage for contribution and/or a greater number of years of service.
4. Does your employer provide for 41J at retirement? The 41J provision allows for any unused sick days which are not paid by the employer to be added to your credited service up to 165 days (7.6 months) for purposes of determining your total years of service. However, the additional credited service cannot be used to meet eligibility requirements for retirement or an improved benefit formula.
5. Does your employer provide for payment of unused sick days and if so, is there a requirement for providing a specific amount of notice to receive it?
6. Have you contacted your UPSEU Representative and Employer Benefits Office for more information regarding any of these entitlements or something which may be available to you at retirement which is not listed above and/or in your contract?

# What Tier Are You In?

When you join the Retirement System, you are assigned to a tier based on your date of membership. There are five tiers in the Employees' Retirement System (ERS) and four in the Police and Fire Retirement System (PFRS). Your tier determines:

- Your eligibility for benefits,
- The formula used in the calculation of your benefits,
- Death benefit coverage,
- Service crediting,
- Whether you must contribute towards your benefits, and
- Eligibility for loans

## **If you are an ERS Member...**

### **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 or after

There are no Tier 4 New York State correction officers or security hospital treatment assistants. Those who joined July 27, 1976 through December 31, 2009 are Tier 3 members; those who joined on or after January 1, 2010 are Tier 5 members.

## **If you are a PFRS Member...**

<b>You are in:</b>	<b>If you joined:</b>
Tier 1	before July 31, 1973
Tier 2	July 31, 1973 through June 30, 2009
Tier 3	July 1, 2009 through January 8, 2010*
Tier 5	January 9, 2010 or after

\*PFRS members who joined July 1, 2009 through January 8, 2010 and did not elect to be covered by Article 22 (opt into Tier 5), can be covered by Article 11 or Article 14 benefits, depending on their retirement plan election.

## **Reinstating Your Former Date of Membership**

You may be eligible for a change in your date of membership and perhaps a change in your tier status if you were ever a member of one of the following public retirement systems in New York State prior to your current date of membership:

- New York State and Local Employees' Retirement System

- 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 Police Pension Fund
- New York City Teachers' Retirement System
- New York City Board of Education
- New York City Fire Department Pension Fund

**LISTED BELOW ARE THE BENEFITS UNDER THE DIFFERENT TIERS**

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
<b>Contributions</b>	Contributions are required for service rendered before 4/1/60	Same as Tier 1	Contributions are required at the rate of 3% on all gross salary until you have been a member of the Retirement System for 10 years or have 10 years of credited service.	Same as Tier 3
<b>Creditable Previous Service</b>	In most cases all paid service rendered in public employment is allowable.	Same as Tier 1	Same as Tier 1	Same as Tier 1
<b>Final Average Salary (FAS)</b>	Average of wages earned during any three consecutive years of credited service. If your date of membership is before 4/1/72 payment for unused vacation not to exceed 30 days will be included in your final average salary if the FAS period is the 3 year period immediately preceding termination of employment If your date of membership is 6/17/71 or later the wages in any twelve month period used in the FAS calculation cannot exceed the earnings in the preceding 12 month period by more than 20%.	Average of wages earned during any three consecutive years. Earnings in any year included in the period cannot exceed the average of the previous two years by more than 20%. Payment of accumulated vacation cannot be used.	Average of wages earned during any three consecutive years. Earnings cannot exceed the average of the previous two years by more than 10%.	Same as Tier 3
<b>Eligibility for the Benefit</b>	Full retirement benefits at age 55.	Full retirement benefits at age 62 or with 30 years of credited service at age 55.	Same as Tier 2	Same as Tier 2
<b>Service Retirement Benefit</b>	75-c or 375-c-1.66% or 1/60th of your FAS for each year of service rendered on or after 4/1/60. For each year of service rendered prior to 4/1/60 .83% or 1/120th of your FAS. 75-d&e or 375-d&e-1.66% or 1/60th of your FAS for each year of service rendered after 3/31/60. For each year of service prior to 4/1/60 an allowance consisting of a pension and an annuity provided by your required contributions equal to 1 .66% or 1/60th of your FAS for each year. 75-f&g or 375-f&g with 25 or more years of service credit is 25/50ths (50%) of your FAS, plus 1/60th (1 .66%) for each year of service credit over 25 years. With less than 25 years of service credit, 1/60th (1.66%) of your FAS for each year of service credit. For any service before 4/1/60, your benefit will include an annuity purchased by your contributions that you were required to make prior to that date, plus interest 75-h&i or 375-h&i-Less than 20 years is 166% or 1/60th of your FAS for each year of service credit. With 20 or more years of service 2% or 1/50th of your FAS for each year of service not to exceed 75% of FAS. If your service began before 4/1/60, your benefit will include an annuity purchased by your contributions that you were required to make prior to that date, plus interest.	Same as Tier 1 with 30 or more years of service. With less than 30 years there is an age reduction. See below.	Less than 20 years is 1.66% or 1/60th for each year of service credit. With 20 to 30 years of service credit 1/50th (2%) for each year of service not to exceed 30 years. No reduction with 30 years of service.	Less than 20 years is 1.66% or 1/60th for each year of service credit With 20 to 30 years of service credit, 1/50th(2%) for each year of service. For each year beyond 30 years, the benefits will include an additional 1.5% of your final average salary. No reduction with 30 years of service.
<b>Reduction for Early Retirement Based on Age at Retirement</b>	None	Age 55-27% Age 56-24% Age 57-21% Age SB-1 8% Age 5S-15% Age 60-12% Age 61-6%	Age 55-30%      Age 59-16.67% Age 56-26.67%    Age 60-1 3.33% Age 57-23.33%    Age 61-6.67% Age 58-20.00% At age 62, pension reduced by 50% of the primary COESC Social Security retirement benefit based on public employment Note: A Tier 3 member eligible to retire under the Article 15 plan would be covered by the lower Tier 4 early age reduction, if that benefit calculation resulted in a higher benefit.	Same as Tier 2
<b>Ordinary Disability Retirement</b>	Need ten years of credited service	Same as Tier 1	Ordinary Disability Retirement need five years of credited service and have been awarded Primary Social Security Disability Benefits.	Same as Tier 1
<b>Ordinary Death Benefit</b>	1/12 (8.33%) of your last year's earnings multiplied by your years of credited service up to 36 years or three times your last year's salary. After age 55 your death benefit is equal to the initial value of your pension benefits calculated under the 75-c or 375-c plan.	Death Benefit 1 - One month's salary for each year of service credit not to exceed three years salary. After 62 , your death benefit is equal to the initial value under Section 75-c or 375-c Death Benefit 2 -Salary multiplied by your service not to exceed three years. Beginning at age 61 Death Benefit 2 will be reduced by four percent each year, but not below sixty percent of the original benefit There is a post retirement death benefit.	Same as Tier 2	Same as Tier 2

**\*Note: Effective January 1, 2010 a new tier 5 was added.**



# Tier 5 Benefit Information

## Key Tier 5 Benefits Compared to Current Benefits

	Current Benefits	Tier 5 Benefits
Vesting		
Both systems	5 Years	10 Years
Overtime Cap		
ERS	No cap	\$15,000 per year with a 3% inflation factor
PFRS	No cap	15% per year of regular salary
Member Contributions		
ERS	3% for 10 years	3% for entire career*
PFRS	None, if employer offers non-contributory plan	3% for entire career**
Full Retirement		
ERS & PFRS in regular plans	Age 62 with 5 years of service credit or ERS members can retire with full benefits at age 55 with 30 years of service credit	Age 62 with 10 years of service credit  Eliminated***
Early Retirement		
ERS	Can retire with a reduction for early retirement between age 55 and 62 with less than 30 years of service credit	Can retire between age 55 and 62 with an increased reduction for early retirement
PFRS	Can retire with a reduction for early retirement between age 55 and 62	Can retire with a reduction for early retirement between age 55 and 62

\* Correction Officers contributions cease with 30 years of service credit. Uniformed Court Officers and Peace Officers employed by the Unified Court System contribute 4% for all years of public service.

\*\* This does not apply to all PFRS members. For example, members are not required to contribute after accruing the maximum amount of service allowed in their retirement plan.

\*\*\* Except for Uniformed Court Officers and Peace Officers employed by the Unified Court System.

# Tier 5 Benefit Information

## Membership Tiers

### ERS Tiers

Tier	Effective Dates
1	Before July 1, 1973
2	July 1, 1973 – July 26, 1976
3	July 27, 1976 – August 31, 1983
4	September 1, 1983 – December 31, 2009
5	January 1, 2010 and after Registration numbers begin with 5xxxxxxx

There are no Tier 4 New York State correction officers or security hospital treatment assistants. Those who joined July 27, 1976 through December 31, 2009 are Tier 3 members; those who joined on or after January 1, 2010 are Tier 5 members.

### PFRS Tiers

Tier	Effective Dates	Coverage
1	Before July 31, 1973	Article 8 Not affected by Tier 5 legislation
2	July 31, 1973 – June 30, 2009	Article 11 Not affected by Tier 5 legislation
3	July 1, 2009 – January 8, 2010*	Article 11 or 14 Registration numbers begin with 0B2
5	January 9, 2010 and after	Article 22 Registration numbers begin with 0B5

\*These members can choose to be covered by Article 22 benefits by filing an [election form](#) by May 9, 2010.

## Highlights of ERS Benefits

The ERS retirement plans and disability and death benefits for Tier 5 members are the same as the current Article 15 (Tier 4) benefits with the following exceptions:

### Member Contributions

- Members must contribute 3 percent of their salary for all their years of public service, except:
  - State Correction Officers whose contributions would be limited to 30 years of service and

- Uniformed Court Officers and Peace Officers employed by the Unified Court System who would contribute 4 percent of their salary for all their years of public service.
- Tier 5 contributions are tax-deferred until they are distributed under Internal Revenue Code Section 414(h).
- Tier 5 ERS Members can borrow against their contributions once they meet eligibility requirements.

**Vesting**

- Members must have ten years of service credit to be vested and eligible for retirement benefits.

**Reduction for Early Retirement**

- Early retirement reductions for members retiring prior to age 62 are greater.
- Retirement benefits of members retiring between age 55 and 62 will be reduced for early retirement — even if they have 30 years of service credit (except for Uniformed Court Officers and Peace Officers employed by the Unified Court System).

**Overtime Limitation**

- Overtime pay in excess of an annual cap is not included in the definition of wages. It should not be reported to the Retirement System and cannot be used in a final average salary calculation.
- This overtime cap for calendar year 2010 is \$15,000. The maximum reportable overtime increases by 3 percent each calendar year. See the ERS Overtime Limits tables below.
- Overtime should be reported to the Retirement System until the member has reached the overtime cap for that calendar year. Once the cap has been reached, any additional overtime paid to that member for the remainder of the calendar year should not be reported. The member must still be reported, however, overtime pay that exceeds the cap should not be reported. In addition, contributions should not be collected on any overtime amounts greater than the cap.

**ERS Overtime Limit by Year, 2010 to 2032**

<b>Year</b>	<b>Overtime Limit</b>
2010	\$15,000.00
2011	\$15,450.00
2012	\$15,913.50
2013	\$16,390.91
2014	\$16,882.63
2015	\$17,389.11
2016	\$17,910.78
2017	\$18,448.11

ERS Overtime Limit by Year, 2010 to 2032

<b>Year</b>	<b>Overtime Limit</b>
2018	\$19,001.55
2019	\$19,571.60
2020	\$20,158.75
2021	\$20,763.51
2022	\$21,386.41
2023	\$22,028.01
2024	\$22,688.85
2025	\$23,369.51
2026	\$24,070.60
2027	\$24,792.71
2028	\$25,536.50
2029	\$26,302.59
2030	\$27,091.67
2031	\$27,904.42
2032	\$28,741.55

ERS Overtime Limit by Year, 2033 to 2054

<b>Year</b>	<b>Overtime Limit</b>
2033	\$29,603.80
2034	\$30,491.91
2035	\$31,406.67
2036	\$32,348.87
2037	\$33,319.34
2038	\$34,318.92
2039	\$35,348.48
2040	\$36,408.94
2041	\$37,501.21
2042	\$38,626.24
2043	\$39,785.03
2044	\$40,978.58
2045	\$42,207.94
2046	\$43,474.17
2047	\$44,778.40
2048	\$46,121.75
2049	\$47,505.40
2050	\$48,930.57
2051	\$50,398.48

ERS Overtime Limit by Year, 2010 to 2032

<b>Year</b>	<b>Overtime Limit</b>
2052	\$51,910.44
2053	\$53,467.75
2054	\$55,071.78

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## Working after Retirement

Once you decide to retire, you may still look to the challenge of working — maybe to supplement your retirement income or to pursue a second career. You should be aware that there may be some restrictions on your post-retirement earnings.

Your retirement benefit will not be affected if you are a regular service retiree (not receiving a disability benefit from the Retirement System) and your employer is not a public employer in New York State. You do not need Retirement System approval to work and your earnings are unlimited if you:

- Are self-employed;
- Work for a private employer;
- Work for another state or its political subdivisions; or
- Work for the Federal government.

However, if you plan to work for a public employer (New York State or one of its political subdivisions), there are two sections of the Retirement and Social Security Law, Section 211 and 212, that might affect you.

Under Section 212, you may earn up to the annual amount set by law. The limit for 2007 is \$30,000. The New York State Legislature periodically adjusts this amount. However, your earnings are generally not limited once you reach age 65.

If you return to work for a public employer and will earn more than the Section 212 limit, your prospective employer must request a Section 211 approval of employment for you. If approved, this will allow you to continue receiving your retirement benefit without reduction unless you return to a former employer. Earnings from work for a former employer are subject to a set limit—the difference between the Single Life Allowance (Option 0) amount and your final salary. A "former employer" is any public employer that paid you a salary during the two years before your retirement and your retirement benefit is based in part on that salary and/or service.

Unlike service retirees' earnings, all disability retirees' earnings, both public and private are restricted. You may earn the difference in any year between the maximum salary you would have received in the next higher position from which you retired and the Single Life Allowance (Option 0).

Before you return to work, please read our booklet, ["What If I Work After Retirement?" VO1648](#). Understanding these laws will help you avoid any reduction to or suspension of your retirement benefit.