

Fire Protection Inspector 25-Year Retirement Plan For Tier 4 Members (FPI-25)

Tier 4



NYC EMPLOYEES'
RETIREMENT SYSTEM

February 2025

This brochure describes the benefits of the Fire Protection Inspector 25-Year Plan (FPI-25 Plan). The FPI-25 Plan is available **ONLY** to FPI Members. An FPI Member is a NYCERS member employed by the City of New York or the New York City Fire Department in a title whose duties are those of an FPI, Associate FPI, or a supervisor of those employees.

PARTICIPATION

Participation in the FPI-25 Plan is **optional**.

Anyone who was a Tier 4 member before April 20, 2024, who was also an FPI Member on April 20, 2024, has the option to become a participant in the FPI-25 Plan by filing Election Form #179 by **December 16, 2024**.

Anyone who was a Tier 4 member before April 20, 2024, who subsequently becomes employed as an FPI Member after April 20, 2024, has an option to join the FPI-25 Plan. These participants will be sent Election Form #179 after which they will have 180 days to elect into the FPI-25 Plan.

ONCE AN ELECTION TO PARTICIPATE IN THE FPI-25 PLAN IS FILED WITH NYCERS, IT MAY NOT BE REVOKED.

Participants who cease to be employed as an FPI Member will no longer be able to participate in the FPI-25 Plan. However, if they become an FPI Member at a later date, they will be required to resume participation in the FPI-25 Plan.

Members who choose not to participate or who discontinue service in the FPI-25 Plan are eligible to participate in the Basic Tier 4 62/5 plan, 57/5 plan or 55/25 plan, as applicable.

CONTRIBUTIONS

Tier 4 participants are required to contribute 3% of their pensionable gross wages until they attain 10 years of Credited Service or reach the tenth anniversary of their membership date – whichever is earlier. These contributions are referred to as Basic Member Contributions (BMCs) and are held in the Member Contribution

Accumulation Fund (MCAF).

As a member of the FPI-25 Plan, participants are also required to contribute Additional Member Contributions (AMCs) of 6.25% of their pensionable gross wages. Payment of AMCs is required until April 20, 2025 or 30 years of Allowable Service, whichever is later.

AMCs are maintained in the Retirement Reserve Fund (RRF), which is an account maintained separately from the MCAF account. Both funds earn interest at a rate of 5% compounded annually.

All contributions are Federal tax-deferred, meaning that a member does not pay Federal taxes on the contributions, only New York State and local taxes. Contributions made while on Union leave are **not** Federal tax-deferred.

Please note: If participants were previously enrolled in another special plan, AMCs may still be required under the previous plan(s).

DEFICITS

Failure to pay any of the required BMCs or AMCs will result in a deficit in either the Member Contribution Accumulation Fund (BMCs) or the Retirement Reserve Fund (AMCs). If the deficit is identified prior to retirement, NYCERS will certify payroll deductions (where applicable) and notify the member so they can resolve the deficit.

If there is a deficit at retirement, NYCERS will notify the member of the choice to either pay the deficit in full or apply an actuarial reduction (a lifetime reduction to their pension based on their deficit amount) to resolve the deficit. Unpaid deficits may also impact disability and death benefits.

Participants who cease to be employed as an FPI



Member and withdraw their AMCs (and accrued interest), and later become a participant again, will be required to repay the AMCs refunded to them, including 5% per-annum statutory interest.

LOANS

FPI-25 Plan participants may borrow up to 75% of the BMCs held in the MCAF account and up to 75% of the AMCs held in the RRF account. Any loans taken are subject to the terms and conditions applicable to Tier 4 members. Please consult the Tier 4 62/5 Summary Plan Description (SPD) or [Loans Brochure #911](#) for additional information.

ALLOWABLE SERVICE

Allowable Service is defined as service rendered in a covered title in the FPI-25 Plan. Allowable Service in the FPI-25 Plan also includes certain Military Service, Union Leave Service and Purchased Service for any time rendered in an FPI title before becoming a NYCERS member.

Allowable Service **does not** include other public service rendered in New York State or New York City, e.g., service rendered in a clerical position in another agency.

Only Allowable Service can be used to qualify for Service retirement or Vested retirement from the FPI-25 Plan.

BUY-BACK

FPI-25 Plan members may purchase previous public service rendered anywhere in New York City or New York State, but only previous FPI service will count as Allowable Service. The cost is 3% of the wages earned during the period they are buying back, plus 5% interest compounded annually from the date of their previous service until the date of payment.

FPI-25 Plan members will also be charged AMCs, plus interest, for prior service rendered in a special plan title.

MILITARY BUY-BACK

Federal and state laws allow members to purchase service credit for time spent in U.S. Military service – the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Article 20 of the New York State Retirement and Social Security Law (RSSL), respectively. Under Article 20, the cost is 3% *times* the number of years of military service being purchased *times* the salary they earned during the 12 months prior to the date of their application. Under USERRA, the cost is the equivalent of the contributions required if they had never left for military service. No interest is charged on military buy-back.

REFUNDS

Plan participants who have rendered less than 10 years of Credited Service and who leave City service may apply for a refund of BMCs, plus accrued interest, effectively terminating their membership. Members with between 5 and 10 years of Credited Service must also waive their right to a Vested Retirement Benefit. Refunds will be reduced by the present value of any loan. Refunds of BMCs are not possible for members with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to hold an FPI covered title for any reason whatsoever, and who have rendered less than 15 years of Allowable Service, have the option of withdrawing their AMCs, plus accrued interest. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service in an FPI title changes titles to a non-FPI covered title and remains in City service. In this case, after receiving the refund of AMCs the participant will no longer be entitled to a benefit under the FPI-25 Plan, but will be entitled to a benefit from their underlying Tier 4 Plan (assuming service requirements have been met). Refunds of AMCs are not possible for participants with 15 or more years of Allowable Service in an FPI title.



A participant who ceases to be employed in an FPI title and withdraws their AMC's (and earned interest), and later becomes a participant again, will be charged with a deficit (including 5% per-annum statutory interest) calculated as if such AMC's had never been made. Payment of a deficit can be made in a lump-sum or through payroll deductions.

VESTED SERVICE RETIREMENT

If a participant leaves City service with at least five, but less than 25 years of Allowable Service, and their contributions have not been returned to them, they are entitled to a Vested Retirement Benefit. This benefit becomes payable on the date the participant would have completed 25 years of Allowable Service. The Vested Retirement Benefit is calculated using the following formula:

2% *times* Final Average Salary (FAS) *times* years of Allowable Service.

Final Average Salary is defined as the greater of:

The average of wages earned during any three consecutive calendar years

OR

The average of wages earned during the 36 months immediately preceding the member's retirement date.

NOTE: Wages earned in any year used in the FAS computation cannot exceed more than 10% of the average of the previous two years.

If the member leaves City service with less than five years of Allowable Service but their total Credited Service is five years or more, their vested benefit will be governed by their underlying plan.

NYCERS encourages members who separate from City service to file a [Notice of Intent to Vest \(Form #254\)](#). By doing so, NYCERS can send the member important information regarding their retirement account. For example, they will receive an Annual Disclosure Statement, detailing their account balances and designated

beneficiaries. Additionally, NYCERS will send the member an [Application for Payment of a Vested Retirement Benefit \(Form #266\)](#) approximately 90 days prior to the date they are eligible to receive a vested benefit (Payability Date).

SERVICE RETIREMENT BENEFIT

Participants in the FPI-25 Plan are eligible to receive a Service Retirement Benefit upon attaining 25 years of Allowable Service, regardless of age. The Service Retirement Benefit is calculated using the following formula:

50% of Final Average Salary (FAS) for the first 25 years of Allowable Service, **plus**

2% of FAS for each additional year of Allowable Service, up to a maximum of 30 years of Allowable Service.

The member must file a service retirement application at least 30, but no more than 90, days before their effective retirement date, and they must be a participant of the FPI-25 Plan on the day before their effective retirement date.

UNDERLYING PLANS

Retirement from Underlying 62/5 Plan:

Participants in the FPI-25 Plan, including vested members who have left City Service, who became employed in an eligible position before June 28, 1995, and who do not meet the FPI-25 Plan's requirement of 25 or more years of Allowable Service may retire from the Basic 62/5 Plan, assuming service requirements have been met for the underlying plan. All requirements and benefits of the Basic 62/5 Plan will apply, including the ability to retire prior to age 62 with a benefit reduction (except in the case of vested members).

Retirement from Underlying 57/5 Plan:

Participants, including vested members, in the FPI-25 Plan who became employed in an eligible position after June 28, 1995 and before April 1, 2012 may retire from the 57/5 Plan **whether or not** the FPI-25 Plan's requirement of 25 or more years of Allowable Service is met. All



requirements and benefits of the 57/5 Plan will apply.

ORDINARY DISABILITY RETIREMENT

As an FPI-25 Plan member, participants are eligible for an Ordinary Disability Retirement Benefit at any age if they have 10 or more years of Credited Service and NYCERS' Medical Board determines that they are physically or mentally incapacitated to perform their job duties and were so incapacitated at the time that they ceased performance of their duties.

If they have less than 10 years of Credited Service, they are eligible to receive a Disability Retirement Benefit if NYCERS' Medical Board determines that they are physically or mentally incapacitated to perform their job duties AND their disability is the result of an accidental injury sustained in the performance of their duties, and not caused by their own willful negligence.

The Disability Retirement Benefit is equal to the greater of:

- $\frac{1}{3}$ of the member's FAS; **OR**
- $1 \frac{2}{3}\%$ *times* FAS *times* years of Credited Service; **OR**
- If they are eligible for a service retirement, their Service Retirement Benefit.

SURVIVOR BENEFITS

In the event of a member's death prior to retirement, their NYCERS membership entitles their beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to the member's beneficiary/beneficiaries if they die while in active service, before retirement, whether or not death occurs as the result of an accident sustained on the job.

An ODB will be paid only if:

- a) The member was being paid on payroll at the time of their death;

OR

b) They were off payroll or they were on an authorized leave without pay at the time of their death; **AND**

1. They were on payroll, in service, and paid within the last 12 months before death; **AND**
2. They were not gainfully employed since last on the payroll; **AND**
3. They had credit for one or more years of continuous service since they last entered the service of their employer.

OR

c) Effective October 1, 2000, the member was on an authorized leave of absence without pay for medical reasons which has continuously been in effect since the member was last paid on the payroll, provided the member was in service and last paid on the payroll within the four-year period prior to the member's death.

The ODB payable is a multiplication of the member's yearly salary as indicated below:

- If they have at least one, but less than two years of service, a lump-sum benefit equal to one year's current salary
- If they have at least two, but less than three years of service, a lump-sum benefit equal to two times current salary
- If they have at least three years of service, a lump-sum benefit equal to three times current salary.

The benefit is reduced for each year a member remains in active service beyond age 60.

Their beneficiary/beneficiaries will also receive a refund of their BMCs plus earned interest, and a refund of their AMCs if they rendered less than 15 years of Allowable Service, plus earned interest.

If the member has at least 10 years of Credited Service, is awaiting payability of a Vested



Retirement Benefit, and dies prior to the date they would have completed 25 years of Allowable Service or the age payable under their underlying plan, their beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if the member had died on their last day in active service, plus the refund of their BMCs plus interest. If they die prior to having 15 years of Allowable Service, BMCs plus interest will be refunded as well.

If the member did not render 10 or more years of Credited Service, only the return of their contributions in the MCAF and RRF, plus interest, will be payable to the member's Estate.

An Accidental Death Benefit (ADB) is payable to Eligible Beneficiaries, who are defined in law, if NYCERS' Medical Board determines that the member's death was the result of an accident sustained in the performance of their duty, not caused by their own negligence, or while in military service.

The annual benefit equals 50% of the wages the member earned during their last year of service, or their annual wage rate if they had less than one year of service. Their BMCs are not refunded to their beneficiaries, but their BMCs will be refunded if they died prior to attaining 15 years of Allowable Service.

