



LEAVING ACTIVE CITY SERVICE

**Tier 3, 4, 6, and
22-Year Plan Members**

Our records indicate that you have not been in active City service for 35 days or more. This is likely due to one of the following reasons:

- You have left City service; or
- You are on a leave of absence; or
- You transferred to another City agency and that agency did not notify NYCERS.

You may have questions and concerns about your NYCERS membership. Plenty of “what ifs” may cross your mind:

- What if I have an outstanding loan?
- What if I want a refund?
- What if I want to buy back service?
- What if I am/am not vested?
- What if I pass away?
- What if I want to change my beneficiaries?
- What if I transfer to another agency?
- What if I move to a new address?

This brochure provides answers to the “what if” questions.

PLEASE NOTE: Some of the actions suggested in this brochure are time-sensitive and may require your prompt attention. Please read carefully all questions that are applicable to you.

What if I have an outstanding loan?

Default

Failure to make a payment on an outstanding loan for more than 90 days will result in your loan being placed in default — it will be a Non-Performing Loan. This means that:

- If you return to active service, you will not be eligible to take out another loan until you have paid the outstanding balance of your Non-Performing Loan in full.
- Your Non-Performing Loan will be taxable for Federal income tax purposes as a taxable distribution. There is an additional 10% early distribution tax penalty for members who are under the age of 59½.
- Your Non-Performing Loan will no longer be insured against your death. If a beneficiary is due to receive a benefit, the amount of that benefit will be reduced by the amount of the outstanding loan.
- Any future retirement benefit you are entitled to will be reduced because of the unpaid loan balance and interest that continues to accrue on such balance.

Avoiding Default

Whether you have left active City service or you are on an approved leave of absence, you can avoid the consequences of default by:

- Paying the entire outstanding balance of your loan; or
- Continuing to make payments on a monthly basis.

Shortly after you receive this brochure, NYCERS will send you a loan payment coupon offering these two payment methods. If you choose to make monthly payments, you will receive a loan payment coupon each month until your balance is paid in full, provided that you continue making payments. Submit your check or money order made payable to NYCERS with the loan payment coupon.

If you are on an approved leave of absence, the obligation to repay your loan may be suspended for up to one year. However, your loan repayment schedule cannot exceed the maximum five-year repayment schedule specified by IRS regulations. Contact our Call Center to take advantage of this special consideration.

If you are called to Active Military Duty, the obligation to repay your loan will be suspended while you are on Military Duty. If you chose a repayment schedule of less than five years, the repayment schedule will be extended for the same amount of time you were on Active Military Duty. However, your loan repayment schedule cannot exceed the five-year limitation specified by IRS regulations. During the suspension of your obligation to repay your loan, interest continues to accrue at a rate of 6%. Contact our Call Center to take advantage of this special consideration.

Reduction of Retirement/Death Benefit

An unpaid outstanding loan balance at retirement will reduce your retirement benefit. The amount of the reduction is based on loan reduction factors released at the beginning of each calendar year, which take into account one's age at retirement. The amount of the outstanding loan is also a primary determinant in the amount of reduction to apply – the higher the amount, the greater the reduction.

An unpaid outstanding loan will also reduce any death benefit payable to your beneficiary(ies). The death benefit will be reduced by the outstanding loan amount. Suppose your beneficiary is entitled to receive a death benefit of \$100,000 and you have an outstanding loan amount of \$20,000 at the time of your death. The death benefit would be reduced to \$80,000.

For more information, please see NYCERS' Loan Default Fact Sheet, available at www.nycers.org.

What if I want a refund?

Basic Member Contributions (BMCs)

Members may become eligible for a refund of their BMCs upon leaving City service. In addition to eligibility requirements explained below, members must no longer be employed by the City for at least 30 days to be eligible for a refund.

If you have less than five years of Credited Service, you may apply for a refund of your BMCs, which effectively terminates your membership. This means you will not be eligible for any future benefits from NYCERS.

If you have between 5 and 10 years of Credited Service, you may apply for a refund of your BMCs, which also terminates your membership. For Tier 3 and 4 members only, because you have attained the minimum service requirement to vest, you must submit a Waiver of Right to a Vested Retirement Benefit (Form #341).

If you have 10 or more years of Credited Service, you are not eligible for a refund of your BMCs. You are encouraged to file a Notice of Intention to File for a Tier 3, 4, 6 or 22-Year Plan Vested Retirement Benefit (Form #254), which enables NYCERS to maintain communications with you after you have left City service.

Additional Member Contributions (AMCs)

Members in special retirement plans that require participants to make AMCs may become eligible for a refund of all of (or a portion of) their AMCs upon leaving City service. Members contemplating this refund should meet with a NYCERS Customer Service representative to understand the ramifications.

Taxability

Your refund will be wholly or partially subject to Federal income taxes. In addition, if you are under the age of 59½ you will also be subject to the 10% early distribution penalty tax assessed by the IRS. Exceptions to this penalty may apply, especially if you leave City service during or after the year in which you attain age 55. You may also avoid taxation and this penalty by rolling over your refund into a Traditional IRA or Employer Plan, for example, a 401(k) Plan. NYCERS cannot advise you on these matters. Please consult your personal tax advisor.

What if I want to buy back service?

You may purchase (buy back) and be credited with full-time or part-time public service previously rendered in the employ of a public entity anywhere in New York City or New York State.

Filing an Application

Generally, only active members (on active payroll or on an approved leave of absence) may apply to purchase previous service by submitting Form #241 (Application to Purchase Credit for Service Rendered Prior to Membership Date in NYCERS) or by applying online through MyNYCERS.

Exceptions to this general rule are as follows:

Members who have left City service with at least two years of membership service may apply for buy-back after leaving City service but may purchase **only** enough credit to reach the minimum service required to vest or apply for ordinary disability.

Members who are laid off for economic reasons will be deemed to be on payroll for an additional 90 days from the date of layoff in order to purchase service. If you file a buyback application within 90 days of being laid off, you may purchase as much previous service as you wish. If you file after the 90-day period, you may buy back only enough service to vest or to apply for ordinary disability. This must be accomplished before your membership is terminated, which will occur five years after you have left City service if you are not vested. A layoff letter from your employer must accompany your application.

NOTE: In all tiers, purchasing previous service will generally increase your retirement benefit. However, purchased service will NOT increase your retirement benefit under your current plan if:

- You are in a special plan that requires “Allowable Service” and the service you wish to buy back is not creditable, such as in the Tier 4 and Tier 6 Transit 25/55 Plan (see your plan brochure to find out if your service is Allowable or Credited). Note, however, that if you cannot meet the service requirements under your current plan, you may purchase service in order to retire under your underlying plan.
- You are in a plan that limits your retirement benefit calculation to a maximum number of years and you have already attained that number of years, or the amount of previous service you wish to buy back will bring your total Credited Service to more than the maximum number of years.

Payment Methods

If you are on active payroll, you can make buy-back payments through payroll deductions. If you are not receiving a paycheck, you will need to make a lump-sum payment for your buy-back using personal funds or a rollover from the NYC Deferred Compensation Plan or an Individual Retirement Account. If you did not complete full payment of a buy-back claim you initiated while on active payroll, you can pay off the balance in a lump sum and receive credit for the service as long as you have completed the purchase prior to making a final option selection at retirement (which occurs after your Payability Date has passed). Similarly, members applying for buy-back under the general exceptions listed above can pay off the balance in a lump sum by the same payment methods.

It is important to bear in mind that interest continues to accrue on any unpaid balance. Therefore, the longer you wait, the higher the payoff amount.

If you return to active service without completing full payment, payroll deductions should automatically resume. Please contact our Call Center if this does not occur. Since it is likely that additional interest accrued on your unpaid balance, your total outstanding balance will be higher and will need to be revised.

Military Leave

If you have left City service for active duty in the U.S. military, that time may be purchasable under State law or Federal law, provided you meet certain criteria. For example, under Federal law (the Uniformed Services Employment and Re-employment Rights Act, or USERRA), members/employees must apply to return to a City position within 14 days after termination of military duty if their military service lasted between 31 and 180 days, or must apply within 90 days after termination if their military service lasted more than 180 days. Note: Some agencies allow employees to return for reemployment in a timeframe greater than that allowed under USERRA.

State law (Article 20 of the New York State Retirement and Social Security Law) does not contain the same requirement, but requires that members have at least five years of Credited Service to apply for Military Buy-Back. An additional requirement under State law is that members must apply to purchase military service while on active payroll or on an approved leave of absence.

Each law has different provisions for granting service, and you are entitled to receive credit under the law that provides you with the greatest benefit. Under all provisions, military service must have been satisfactorily completed and an honorable discharge must have been granted.

For additional information, please refer to our Military Buy-Back Brochure (Brochure #902) and/or our Tier 4 62/5 and Tier 6 63/10 Summary Plan Description booklets or your Tier 6 plan brochure, available on our website at www.nycers.org. If you are eligible to purchase credit for your military service, submit NYCERS' Application to Purchase Credit for Military Service (Form #244).

Authorized Child Care Leave

Only members of the uniformed force of the New York City Department of Correction may apply to purchase service credit for an authorized child care leave. Members must file Form #246 within 90 days of termination of the child care leave. If eligible, you will be required to pay an amount equal to the contributions that would have

otherwise been required if not for the child care leave, plus interest at a rate of 5%. Purchase of up to one year of service credit for each period of child care leave is permitted.

Note: Uniformed Correction Force members in the 22-Year Plan (CF-22) are not eligible to purchase credit for periods of child care leave without pay.

What if I am /am not vested?

What if I am vested in my retirement plan?

Many retirement plans contain vesting provisions, which allow you to receive a retirement benefit in the future even if you leave City service before you are eligible to retire. You are vested when you have accumulated the minimum service requirements specified in your retirement plan. For most plans you must have at least five years of service to vest; Tier 6 Basic and Special Plans require at least 10 years to vest. However, there are two types of service credit – Credited Service and Allowable Service – and the type you need to vest in your plan depends on the provisions of that plan. Please see the charts on the following pages for the vesting requirements under each plan.

If you are eligible to vest, you should file a Notice of Intention to File for a Tier 3, 4, 6 or 22-Year Plan Vested Retirement Benefit (Form #254) upon leaving City service. This will enable NYCERS to communicate with you after you have left City service and provide you with your Vested Member Annual Disclosure Statement.

NOTE: Members of the Tier 3 Uniformed Correction Force 20-Year Plan (CO-20); Tier 4 Sanitation 20-Year Plan (SA-20); Tier 4 and Tier 6 Triborough Bridge and Tunnel Authority 20-Year/Age 50 Retirement Plans (TBTA-20/50 and 6TB-20) are not eligible to retire with a deficit in Additional Member Contributions (AMCs).

Tier 4 Basic Plan & Early Retirement Programs

Plan	Vesting Eligibility	Vested Retirement Benefit
Basic Tier 4 Plan	Five or more years of Credited Service Benefit payable at age 62	Less than 20 years of Credited Service: Benefit = $1.67\% \times \text{Final Average Salary (FAS)} \times \text{Years of Credited Service}$. For members with 20 or more years of Credited Service: Benefit = $2\% \times \text{FAS} \times \text{Years of Credited Service}$, up to 30 years Plus $1.5\% \times \text{FAS} \times \text{Years of Credited Service over 30}$
Tier 4, Age 57 Early Retirement Program	Five or more years of Credited Service Benefit payable at age 57, except if in a Physically Taxing Position, then: Benefits payable at age 50 with 25 years of Credited Service in a Physically Taxing Position	Same as Basic Tier 4 Plan
Tier 4, Age 55/25 Year Early Retirement Program	No Vesting Provision. However, members who do not meet the minimum thresholds to retire for service under the 55/25 Program may vest under the Basic Tier 4 Plan.	No Vesting Provision. If eligible, same as benefit calculation under Basic Tier 4 Plan.

Tier 3 and 4 Special Occupational Plans

Plan	Vesting Eligibility & Payability	Vested Retirement Benefit
Tier 3 general members and members of the uniformed force of the NYC Department of Correction who are not in a 20-year plan	Five or more years of Credited Service Full benefit payable at age 62 or reduced benefit payable as early as age 55	Less than 20 years of Credited Service: 1.67% x FAS x Years of Credited Service. 20 or more years of Credited Service: 2% x FAS x Years of Credited Service.
Tier 3, 20-Year Plan for Correction Members Below the Rank of Captain and 20-Year Plan for Correction Members of the Rank of Captain or Above	Five or more years, but less than 20 years of Allowable Correction Service (or Credited Service for certain members). Benefit payable on the earliest date the Participant could have retired for service	2.5% x FAS x Years of Allowable Correction Service (or Credited Service for certain members).
Tier 4 Transit 55/25 Plan	Five or more years of Credited Service, but less than 25 years of Allowable Service in the Transit Authority is eligible to vest under the Basic Tier 4 (62/5) Plan. Benefits payable at age 62.	Same as benefit calculation under Basic Tier 4 Plan
	25 Years of Allowable Service in Transit Authority, but not yet 55, eligible to vest under this plan with benefit payable at age 55.	2% x FAS x years of Allowable Service in Transit Authority (up to 30 years) plus 1.5% x FAS x years of Allowable Service in Transit Authority (for each year in excess of 30).
Tier 4, MTA Bridges and Tunnels 20-Year and Age 50 Plan	At least five, but less than 20 years of Credited Service. The Vested Retirement Benefit becomes payable on the date the Participant could have retired with 20 years of Credited Service, if discontinuance had not occurred, and has reached at least age 50.	2.5% x FAS x Years of Credited Service.
Tier 4 Sanitation 20-Year Plan	At least five but less than 20 years of Allowable Sanitation Service. Benefit payable on the earliest date the member could have retired with 20 years of Allowable Sanitation Service.	2.5% x FAS x Years of Allowable Sanitation Service, plus 1% x Final Compensation x Years of Credited Service other than Allowable Sanitation Service.
Tier 4 Dispatcher 25-Year Plan Tier 4 Emergency Medical Technician 25-Year Plan Tier 4 25-Year Special Peace Officer Plan	At least five, but less than 25 years of Allowable Service in the plan The date the member could have retired with 25 years of Allowable Service, if discontinuance had not occurred.	2% x FAS x Years of Allowable Service
Tier 4 Deputy Sheriff 25-Year Plan	At least five, but less than 25 years of Credited Service. The date the member could have retired with 25 years of Credited Service, if discontinuance had not occurred.	2.2% x FAS x Years of Credited Service
Tier 4 25-Year/Age 50 Automotive Member Plan	At least five, but less than 25 years of Credited Service. The date the member could have retired with 25 years of Credited Service, if discontinuance had not occurred, and has reached age 50.	2% x FAS x Years of Credited Service
Tier 4 Police Communications Technician 25-Year Plan	At least five, but less than 25 years of Credited Service. The date the member could have retired with 25 years of Credited Service, if discontinuance had not occurred.	2% x FAS x Years of Credited Service

22-Year Plans and Tier 6 Basic and Special Occupational Plans

Plan	Vesting Eligibility and Payability	Vested Retirement Benefit
<p>Uniformed Correction Force 22-Year Plan (CF-22)</p> <p>Uniformed Sanitation Force 22-Year Plan (SA-22)</p> <p>DA Investigators 22-Year Plan (DA-22)</p>	<p>At least five, but less than 20 years of Credited Service</p> <p>Benefit payable on the date the member could have attained 20 years of Credited Service, but not earlier than age 55.</p> <p>Benefit reduced at age 62 when member becomes eligible for Social Security</p> <p>A vested member will not receive escalation if payment is received at the 20th year.</p> <p>If the vested benefit commences after normal retirement age (22 service years), the benefit will be computed and subject to a reduced escalation at 22 years plus one month in the same manner as an early retirement benefit deferred until normal retirement. Vesteers may receive full escalation if they defer until what would have been the 25th year of Credited Service.</p>	<p>2.1% x Final Average Salary x years of Credited Service; minus</p> <p>50% of Primary Social Security Benefit commencing at age 62, which is determined by a formula based on wages earned from a public employer from which Social Security deductions were taken.</p> <p>If member elects to receive the benefit before the date he/she could have attained 20 years of Credited Service, the following reductions apply:</p> <p>Benefit reduced by 6.6% for each year, if any, that the member's early retirement age is greater than age 60; and</p> <p>Benefit reduced by 3.3% for each additional year the vested benefit commences prior to early retirement age.</p>
Tier 6 Basic Plan (63/10)	<p>At least 10 years of Credited Service</p> <p>Benefit payable at age 63</p>	<p>Less than 20 years of Credited Service: 1.67% x FAS x years of Credited Service</p> <p>20 or more years of Credited Service: 35% of FAS for the first 20 years of Credited Service, plus 2% x FAS x each year of Credited Service in excess of 20</p>
Tier 6 Transit Operating Force 55/25 Plan (6TR-25)	At least 10 years of Credited Service but less than 25 years of Allowable Service in Transit Operating Force. Eligible to vest in Tier 6 Basic Plan. Benefit payable at age 63.	Same as Tier 6 Basic Plan
	25 years of Allowable Service in Transit Operating Force, but not yet age 55. Eligible to vest under this plan; benefit payable at age 63.	<p>2% x FAS x years of Allowable Service, up to 30 years, plus</p> <p>1.5% x FAS x years of Allowable Service in excess of 30 years</p>
Tier 6 Triborough Bridge and Tunnel Authority 20-Year/Age 50 Plan (6TB-20)	At least 10 but less than 20 years of Credited Service. Benefit payable at age 63.	2.5% x FAS x years of Credited Service
Tier 6 Dispatcher 25-Year Plan (6DI-25)	At least 10 but less than 25 years of Allowable Service. Benefit payable at age 63.	2% x FAS x years of Allowable Service
Tier 6 Emergency Medical Technician 25-Year Plan (6EM-25)	Less than 10 years of Allowable Service but at least 10 years of Credited Service. Eligible to vest under Tier 6 Basic Plan.	Same as Tier 6 Basic Plan
Tier 6 Special Peace Officer 25-Year Plan (6SO-25)		
Tier 6 Deputy Sheriff 25-Year Plan (6DS-25)	At least 10 but less than 25 years of Credited Service. Benefit payable at age 63.	2.2% x FAS x years of Credited Service.
<p>Tier 6 Automotive Member 25-Year/Age 50 Plan (6AU-25)</p> <p>Tier 6 Police Communications Technician 25-Year Plan (6PC-25)</p>	At least 10 but less than 25 years of Credited Service. Benefit payable at age 63.	2% x FAS x years of Credited Service.

What if I am not vested?

If you have left City service before you attained the minimum service requirement to vest in your plan (or underlying plan for plans that do not have a vesting provision), you may:

- Apply for a refund of your contributions with the full understanding that doing so will effectively terminate your membership and you will not be entitled to any future benefits from NYCERS; or
- Leave your contributions on deposit. If you do not return to public service in a NYCERS-eligible position within five years from the date of your separation from City service, your membership will be terminated by operation of law. At that time, you may apply for a refund of your contributions, plus 5% interest that accrued up to the date your membership was terminated; or
- Purchase only enough previous service needed to reach the minimum service requirement to vest under your plan (or underlying plan for plans that do not have a vesting provision).

What if I pass away?

In the event of your death after you have left active City service, your beneficiary(ies) may be entitled to a death benefit. The type of death benefit and the amount depends on when your death occurs and the amount of service with which you have been credited.

Ordinary Death Benefit (ODB)

Tier 3, 4 and 6 members except Uniformed Correction Force, Uniformed Sanitation Force and 22-Year Plan Members:

An ODB is payable to your beneficiary(ies) if you die while on active payroll. An ODB is also payable if you were off payroll or were on an authorized leave without pay at the time of your death and: (1) you were on payroll, in service and paid within the last 12 months before death; and (2) you were not gainfully employed since last on the payroll; and (3) you had credit for one or more years of continuous service since you last entered the service of your employer.

The ODB is based on a multiplication of your salary as indicated in the following table:

YEAR OF SERVICE	A LUMP-SUM BENEFIT EQUAL TO
At least one year, but less than two years	One year's Current Salary*
At least two years, but less than three years	Two times Current Salary
At least three years	Three times Current Salary

* Current Salary: The regular compensation earned during a member's last 12 months of service, plus over-time, night differentials, longevity payments and any other type of pensionable earnings where applicable.

A refund of your Basic Member Contributions (BMCs) and, for special plan participants, possibly a refund of your Additional Member Contributions (AMCs), will also be payable to your beneficiary(ies), inclusive of 5% interest.

Uniformed Correction Force, Uniformed Sanitation Force and 22-Year Plan Members:

An ODB is payable to the beneficiary(ies) of members who die in active service. To be eligible, members must have been in service for at least 90 days. The ODB is equal to three times the member's salary. A refund of BMCs and AMCs is also payable, inclusive of 5% interest.

Death Benefit for ALL Tier 3, 4 and 6 Vested Members with 10 or more years of Credited Service

In the event of your death prior to your Payability Date and at a time and in a manner which did not result in payment of an ODB to your beneficiary(ies), a lump-sum death benefit will be paid to your beneficiary(ies) if you have 10 or more years of Credited Service. The death benefit amount is based on 50% of the ODB that would have been payable had you died on your last day in active service.

A refund of your BMCs and, for special plan participants, possibly a refund of your AMCs will also be payable to your beneficiary(ies), inclusive of 5% interest.

If you did not render 10 or more years of Credited Service, only a refund of your BMCs and, for special plan participants, possibly a refund of your AMCs will also be payable to your beneficiary(ies), inclusive of 5% interest.

What if I want to change my beneficiaries?

Although you have left City service, your last designation of beneficiary(ies) remains on file with NYCERS and will govern who is eligible to receive a death benefit, if any. If you wish to change your last designated beneficiary(ies) on file, you may do so at any time prior to your Payability Date. Visit www.nycers.org and download the appropriate beneficiary designation forms. When completing such forms, be sure to properly allocate percentages for each category under which you are designating a beneficiary – Primary and/or Contingent. The sum of each category must total 100%.

What if I transfer to another agency?

What if I transfer to an agency covered by NYCERS?

Tell your new employer that you are a NYCERS member and have the employer provide NYCERS with an Agency's Employee Status Change Notification (NYCERS Form #234) or contact our Call Center after you have received your first paycheck from your new City agency. This will ensure that any pension deductions such as required pension contributions, loan payments or buy-back deductions continue to be taken from your paycheck.

What if I transfer to a New York City or New York State Agency not covered by NYCERS?

You may be able to transfer your membership from NYCERS to one of the other New York City or New York State public employee retirement systems. In addition to NYCERS, there are seven retirement systems in New York City and New York State. They are:

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

NYCERS cannot advise you whether or not such a transfer will be beneficial to you. We strongly recommend that you contact your new retirement system before you initiate any transfer to verify eligibility to transfer your NYCERS membership, and to find out how it may impact any future retirement benefits.

What if I move to a new address?

Maintaining a current address is essential to receiving important communications from NYCERS. Regardless of your payroll or employment status, be sure to file Form #290 in the event that you have moved to a new address. MyNYCERS accountholders can also log in to their account and submit an address change online.

Contact Information

FORMS AND CORRESPONDENCE MAILING ADDRESS

30-30 47th Avenue, Suite 1010
Long Island City, NY 11101

EXECUTIVE OFFICES

335 Adams Street, Suite 2300
Brooklyn, NY 11201-3724

WEBSITE

www.nycers.org

CUSTOMER SERVICE CENTER

Mezzanine Level at 340 Jay Street in downtown Brooklyn
Monday – Friday, 8 a.m. – 5 p.m. except holidays

CALL CENTER

Monday – Friday, 8 a.m. – 5 p.m. except holidays
(347) 643-3000 – Call Center
(877) 669-2377 (If calling from outside the NYC area)
(347) 643-3501 TTY (hearing impaired)