

Tier 6 Special Plan Fact Sheet



NYC EMPLOYEES'
RETIREMENT SYSTEM

Tier 6

March 2025

Chapter 18 of the Laws of 2012, which established Tier 6, amends the retirement benefits of public employees who establish membership in a public employee retirement system **on or after April 1, 2012**. This fact sheet provides answers to frequently asked questions about the obligations and benefits provided to participants of a Tier 6 Special Plan. In the event of a conflict between the information provided in this fact sheet and any provision of Chapter 18 and/or applicable law, the provisions of Chapter 18 and/or applicable law shall govern.

Who is a Tier 6 member?

A Tier 6 member is someone who joins the New York City Employees' Retirement System (NYCERS) on or after April 1, 2012, except:

- Members of the Uniformed Force of the NYC Department of Correction
- Members of the Uniformed Force of the NYC Department of Sanitation
- Investigators employed in a District Attorney's Office

If I am employed as a member of the Uniformed Correction Force, Uniformed Sanitation Force, or as a District Attorney Investigator, am I a Tier 6 member if I join NYCERS on or after April 1, 2012?

No. You will be in a Tier 3 22-Year Plan. (See the [22-Year Plan Fact Sheet #720](#) for more information.)

If I was a member of a public retirement system in New York City or New York State before April 1, 2012 and that membership has been terminated, can I be reinstated to an earlier tier?

Yes, provided that you meet the eligibility requirements of the "tier reinstatement" law which, among other things, requires that you repay any contributions refunded to you when your membership was terminated (if any) plus 5% compounded interest from the date of the refund to the date of payment. (See the [Membership Reinstatement Brochure #905](#) for more information.)

I am employed in a special occupational title and I am joining NYCERS on or after April 1, 2012. Am I eligible for participation in a Tier 6 Special Plan?

Yes, depending on your title, you will be a participant in one of the following special plans:

- [Fire Protection Inspector 25-Year Plan](#)
- [Triborough Bridge and Tunnel Authority 20-Year Plan](#)
- [Transit Operating Force 25-Year/Age 55 Plan](#)
- [Emergency Medical Technician 25-Year Plan](#)
- [Dispatcher 25-Year Plan](#)
- [Deputy Sheriff 25-Year Plan](#)
- [Special Peace Officer 25-Year Plan](#)
- [Automotive Member 25-Year/Age 50 Plan](#)
- [Police Communications Technician 25-Year Plan](#)



While the Tier 6 law did not eliminate these special plans, many changes were made affecting provisions relating to contributions, vesting requirements, and benefit calculations. The changes are discussed further below.

Is it possible to opt out of my Tier 6 Special Plan and, if so, which plan would I belong to?

Participants in the Fire Protection Inspector 25-Year Plan, Emergency Medical Technician 25-Year Plan, Dispatcher 25-Year Plan, Special Peace Officer 25-Year Plan, and the Police Communications Technician 25-Year Plan who are older than age 30 (age 25 for FPIs and EMTs) upon being mandated into participation, may elect to opt out of their Tier 6 Special Plan within 180 days after they receive notification that they have this option. In such event, they will be placed in the Tier 6 Basic Plan. For participants in other Tier 6 Special Plans, it is not possible to opt out.

I am employed in a physically taxing title. Am I eligible for participation in a Tier 6 Special Plan, allowing early retirement?

No. The Tier 6 law eliminated the Tier 4 55/25 and 57/5 Plans, which provided early retirement for members employed in physically taxing titles. Members in physically taxing titles who joined NYCERS on or after April 1, 2012 will be members of the Tier 6 Basic Plan.

How much do I have to contribute as a Tier 6 member?

Basic Member Contributions (BMCs)

Tier 6 Special Plan participants who joined NYCERS between April 1, 2012 and March 31, 2013 are required to contribute BMCs equal to 3% of gross wages (2% of gross wages for Transit Authority 25/55 participants). Beginning April 1, 2013, the BMC rate for all Tier 6 Special Plan participants is dependent upon annual wages* earned during a “plan year” according to the schedule in the table below. The annual wages that are used to determine a participant's BMC rate for a year is either projected or actual. The projected wage method is used for the first three plan years. NYCERS projects earnings for the year based on the participant's annual salary immediately prior to the year of the projection. The actual wage method is used for the fourth plan year and each plan year thereafter, and NYCERS takes the pensionable gross wages that were earned two plan years prior.

*Chapter 56 of the Laws of 2022 (Budget Bill: Part SS), as amended by Chapter 55 of the Laws of 2024 (Part KK), excludes pensionable earnings above the annual base wages, such as overtime payments, for purposes of calculating Basic Member Contribution (BMC) rates for the period of 4/1/22 through 12/31/26.

Annual Wages Earned During Plan Year	Contribution Rate
Up to \$45,000	3%
\$45,001 to \$55,000	3.5%
\$55,001 to \$75,000	4.5%
\$75,001 to \$100,000	5.75%
Greater than \$100,000	6%

If you joined NYCERS prior to November 20, 2015, a plan year was defined as the period from April 1st to March 31st. During the first three plan years of membership (or the first three plan



years beginning 4/1/13 if you joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of your annual wages to determine your BMC rate (Projected Wage Method). For your fourth plan year and each plan year thereafter, NYCERS uses your pensionable gross wages earned two plan years prior to determine your BMC rate (Actual Wage Method).

Chapter 510 of the Laws of 2015, signed on November 20, 2015, changed the plan year definition to a calendar year (January 1st to December 31st). For that reason, if your membership date falls between 4/1/12 and 3/31/14, the Actual Wage Method will be applied for the plan year 1/1/17-12/31/17. The chart below illustrates the application of each method based on hypothetical wages.

PROJECTED WAGE METHOD (FIRST 3 PLAN YEARS ONLY)			
	1st Plan Year	2nd Plan Year	3rd Plan Year
Projected Annual Salary	\$70,000	\$70,000	\$70,000
Rate Based on Projected Annual Salary	4.5%	4.5%	4.5%
Actual Wages Earned in Plan Year	\$72,000	\$72,500	\$76,000
Contributions Made in Plan Year	\$3,240 (4.5% of \$72,000)	\$3,263 (4.5% of \$72,500)	\$3,420 (4.5% of \$76,000)

ACTUAL WAGE METHOD (4TH PLAN YEAR AND THEREAFTER)		
	4th Plan Year	5th Plan Year
Actual Wages Earned in Plan Year	\$80,000	\$82,500
Rate Based on Actual Wages Earned Two Plan Years Prior to the Current Plan Year	4.5%	5.75%
Contributions Made in Plan Year	\$3,600 (4.5% of \$80,000)	\$4,744 (5.75% of \$82,500)

Additional Member Contributions (AMCs)

In addition to BMCs, Tier 6 Special Plan participants must contribute AMCs. AMCs are required because Tier 6 Special Plan participants can take advantage of early service retirement either based on a particular age (younger than age 63) or a minimum service requirement without regard to age. The table below shows the AMC rates for each Tier 6 Special Plan besides the Fire Protection Inspector 25-Year Plan.

Tier 6 Special Plan	AMC Rate
Triborough Bridge & Tunnel Authority 20	5.5% (Officers); 6% (Sergeants, Lieutenants)
Transit Operating Force 25/55	None
Emergency Medical Technician 25	6.25%
Dispatcher 25	6%
Deputy Sheriff 25	6.75%
Special Peace Officer 25	6.25%
Automotive Member 25/50	4.83%
Police Communication Technician 25	6%



The AMCs rate for the Fire Protection Inspector 25-Year Plan is determined by a participant's BMCs rate, not to exceed a total of 9.25%, according to the schedule in the following table:

BMC Rate	AMC Rate
3%	6.25%
3.5%	5.75%
4.5%	4.75%
5.75%	3.5%
6%	3.25%

How long do I have to make contributions?

Tier 6 Special Plan participants must contribute BMCs until they separate from City service or until they retire.

Tier 6 Special Plan participants must also contribute AMCs until they attain 30 years of Allowable Service (as defined below) or retire, whichever comes first, except for Triborough Bridge & Tunnel Authority 20-Year Plan participants, who must contribute AMCs until they attain 20 years of Allowable Service.

When am I eligible for service retirement under my Tier 6 Special Plan?

Tier 6 Special Plan participants are eligible for service retirement according to the provisions of their special plan. The following table shows the minimum age and/or service requirements for service retirement under each Tier 6 Special Plan.

Tier 6 Special Plan	Minimum Requirement for Service Retirement
Fire Protection Inspector 25	25 years of Allowable Service regardless of age
Triborough Bridge & Tunnel Authority 20	20 years of Credited Service regardless of age
Transit Operating Force 25/55	25 years of Allowable Service and age 55
Emergency Medical Technician 25	25 years of Allowable Service regardless of age
Dispatcher 25	25 years of Allowable Service regardless of age
Deputy Sheriff 25	25 years of Credited Service regardless of age
Special Peace Officer 25	25 years of Allowable Service regardless of age
Automotive Member 25/50	25 years of Credited Service and age 50
Police Communication Technician 25	25 years of Credited Service regardless of age

What is Credited Service?

In general, Credited Service is service rendered while a NYCERS member, previous public service or military service that was purchased, and service transferred from another public retirement system in New York City or New York State to NYCERS.

What is Allowable Service?

Allowable Service is service rendered while employed in a qualifying title for a specific plan. Most times it is considered as service rendered in a uniformed force. In addition, military service is also included as Allowable Service.



What happens if I leave City Service before I'm eligible to retire?

Effective April 9, 2022, if you have at least five years of Credited Service (or Allowable Service), but less than the minimum requirement for service retirement, your pension vests automatically. This means that you will be entitled to a Vested Retirement Benefit at a later date. Prior to April 9, 2022, you needed at least 10 years of Credited Service (or Allowable Service) in order to be entitled to a Vested Retirement Benefit. **The Tier 6 law defines age 63 as the age by which all Tier 6 participants are eligible to collect a Vested Retirement Benefit.** Vested members who leave City service are not eligible to retire prior to age 63 with a benefit reduction.

Please note, if you leave City service at age 63 or older with at least five years of Credited Service (or Allowable Service), but less than the minimum requirement for service retirement, you are not eligible to collect a Vested Retirement Benefit under your special plan and must collect a Service Retirement Benefit under your underlying 63/5 Plan instead.

If you have less than 10 years of Credited Service (or Allowable Service), you may request a refund of your BMCs, plus 5% compounded interest. If you have less than five years of service, you may leave your contributions on deposit with NYCERS for a period of five years. If you have less than five years of service and do not return to active service within those five years, your NYCERS membership will be terminated. This scenario is commonly referred to as a "five-year out."

What happens to my AMCs if my pension vests?

Depending on your special plan and your years of service, you may be eligible for a refund of your AMCs plus 5% compounded interest. If you rendered less than 15 years of service (or five years of service for the Automotive Member 25/50 and Police Communication Technician 25-Year Plans) and cease to hold your special occupational title for any reason whatsoever, you are eligible for a refund of your AMCs, plus 5% compounded interest.

How is my Service/Vested Retirement Benefit calculated?

The Service/Vested Retirement Benefit formulas for each of the Tier 6 Special Plans are calculated per the brochures on nycers.org/tier-6 below:

- [Fire Protection Inspector 25, Tier 6 Brochure #951](#)
- [Triborough Bridge & Tunnel Authority 20, Tier 6 Brochure #985](#)
- [Transit Operating Force 25/55, Tier 6 Brochure #986](#)
- [Emergency Medical Technician 25, Tier 6 EMT Brochure #987](#)
- [Dispatcher 25, Tier 6 Brochure #988](#)
- [Deputy Sheriff 25, Tier 6 Brochure #989](#)
- [Special Peace Officer 25, Tier 6 Brochure #990](#)
- [Automotive Member 25/50, Tier 6 Brochure #991](#)
- [Police Communication Technician 25, Tier 6 Brochure #992](#)

How is my Final Average Salary (FAS) calculated?

Effective April 20, 2024, FAS is defined as the average of wages earned by a member during any three consecutive years which provide the highest average wage. However, due to a provision in law referred to as the Kingston Limitation, wages earned during any year used in an FAS calculation cannot exceed the average of the previous four years by more than 10 percent. Prior to April 20, 2024, the FAS was defined as the average of wages earned by a member during any five consecutive years which provided the highest average wage with the same



Kingston Limitation as described above. If you are retiring under Service/Vested retirement with less than nine years of service prior to April 20, 2024, or less than seven years of service from April 20, 2024 and after, your FAS will include projected earnings to fill in any missing years of service.

Are all wages included in the FAS calculation?

No. The Tier 6 definition of wages includes an “overtime ceiling,” which limits overtime compensation for pension purposes. An overtime ceiling of \$15,000 was established as of April 1, 2012 for Tier 6 members, and by law may escalate annually based on the increase in the Consumer Price Index (CPI-U) published by the United States Bureau of Labor Statistics. The overtime ceiling effective January 1, 2025 is \$20,958. Any overtime compensation earned in excess of the overtime ceiling is excluded from the FAS calculation. Overtime compensation is compensation paid at a rate greater than the standard rate.

The definition of wages excludes:

1. Wages in excess of the annual salary paid to the Governor of the State of New York (\$250,000 for 2025);
2. Lump sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
3. Any form of termination pay;
4. Any additional compensation paid in anticipation of retirement; and
5. In the case of employees who receive wages from three or more employers in a 12-month period, the wages paid by the third and each additional employer.

If I do not join NYCERS immediately after my employment, can I purchase (buy back) my pre-membership service and, if so, how much will it cost me?

You may purchase previous public service rendered anywhere in New York City or New York State. The cost is 6% of the wages earned during the period you are buying back, plus 5% interest compounded annually from the date of your previous service until the date of payment. However, depending on the type of service required under your special plan (Allowable or Credited), buying back previous service may not count towards retirement under such plan.

I served in the U.S. Military prior to my NYCERS membership. Can I purchase my military service?

Yes, if you meet the eligibility criteria specified in Article 20 of the New York State Retirement and Social Security Law (RSSL). The cost to purchase military service under Article 20 of the RSSL is 6% *times* the number of years of military service being purchased *times* the salary you earned during the 12 months prior to the date of your application. Interest is not factored into the cost.

If I die while in active service, what type of death benefit would my beneficiary/beneficiaries receive?

In the event of your death prior to retirement, there are two primary types of death benefits:

- An Ordinary Death Benefit (ODB) payable to your designated beneficiary/beneficiaries or Estate.
- An Accidental Death Benefit (ADB) should your death be the result of an on-the-job accident not caused by your own negligence. This benefit is payable to eligible beneficiaries defined by law.



What happens if I leave City Service and die prior to retirement?

You may be entitled to a Vested Death Benefit.

If you have at least 10 or more years of Credited Service, and die prior to your payability date, a lump-sum death benefit will be paid to your designated beneficiary/beneficiaries or Estate if no beneficiary was designated.

If you did not render 10 or more years of Credited Service, only the return of your contributions will be made payable to your Estate.

For more information, please refer to the Tier 6 Summary Plan Description (SPD) on nycers.org/plan-descriptions.

