Special Peace Officer 25-Year Retirement Plan For Tier 6 Members (6SO-25) Tier 6



RETIREMENT SYSTEM

This brochure describes the obligations and benefits of the Special Peace Officer 25-Year Retirement Plan for Tier 6 members (6SO-25 Plan). The 6SO-25 Plan allows participants to retire after 25 years of Allowable Service without regard to age and is available only to members employed in a series of Special Peace Officer (SPO) titles.

The following SPO titles are eligible to participate in the 6SO-25 Plan: Special Officers (any rank) employed by a mayoral agency of the City of New York, the NYC Health and Hospitals Corporation (HHC), or the NYC Housing Authority (NYCHA); Parking Control Specialists employed by the NYC Department of Transportation (DOT); School Safety Agents (any rank) employed by the NYC Police Department (NYPD) or Board of Education (BOE); Campus Peace Officers (any rank) employed by the City University of New York (CUNY); Taxi and Limousine Inspectors (any rank) employed by the NYC Taxi and Limousine Commission (TLC); and Urban Park Rangers or Associate Urban Park Rangers employed by the NYC Department of Parks and Recreation.

Participation

Participation is mandatory for any person who becomes employed in an SPO title and becomes a NYCERS member on or after April 1, 2012. However, if they are older than age 30 upon being mandated into this plan, they have the option to not participate. These participants will be sent Opt-Out Form #186, after which they will have 180 days to opt out of the 6SO-25 Plan.

Once an election to opt out of the 6SO-25 plan is filed with NYCERS, it may not be revoked.

If a participant opts out of the 6SO-25 Plan, they will be placed in the Tier 6 Basic Plan.

Participants who cease to hold an SPO title will no longer be able to participate in the 6SO-25 Plan. However, if they return to an SPO title at a later date, they will be required to resume participation in the 6SO-25 Plan.

Contributions

Participants in the 6SO-25 Plan are required to make contributions as described in the next column. These contributions earn interest at a rate of 5%, compounded annually, and are Federal tax-deferred, meaning that participants do not pay Federal taxes on the contributions, only New York State and local taxes. Note, however, that contributions made while on Union Leave are not Federal tax-deferred

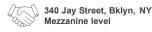
Basic Member Contributions (BMCs):

Tier 6 members who joined NYCERS between April 1, 2012 and March 31, 2013, are required to contribute BMCs equal to 3% of pensionable gross wages until the new contribution structure took effect on April 1, 2013. Beginning April 1, 2013, the BMC rate for all Tier 6 members is dependent upon annual wages* earned during a plan year according to the schedule in the table below.

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%

* 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

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overtime payments, for purposes of calculating BMC rates for the period of 4/1/22 through 12/31/26.

If a member 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 the member joined NYCERS between 4/1/12 and 3/31/13), NYCERS uses a projection of their annual wages to determine their BMC rate (Projected Wage Method). For the member's fourth plan year and each plan year thereafter, NYCERS uses their gross wages earned two plan years prior to determine their 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 (1/1 to 12/31). For that reason, if the member's 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. See the last page for a chart illustrating the application of each method based on hypothetical wages.

BMCs are held in the Member Contribution Accumulation Fund (MCAF) and must be contributed until the member separates from City service or retires. BMCs are not required on non-pensionable earnings (see wage exclusions in Final Average Salary section).

Additional Member Contributions (AMCs):

Participants in the 6SO-25 Plan are also required to contribute AMCs of 6.25% on all their gross wages, excluding non-pensionable earnings (see Final Average Salary section). AMCs are maintained in the Retirement Reserve Fund (RRF). Payment of AMCs is required until a participant attains 30 years of Allowable Service or retires, whichever occurs first.

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 contributions will result in a deficit in either the MCAF (for BMCs) and/or RRF (for AMCs). If the deficit is identified prior to retirement, NYCERS will notify the participant so they can resolve the deficit.

If there is an unresolved deficit at retirement in either the MCAF or RRF, NYCERS will notify the participant 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 in an SPO title, withdraw their AMCs (and accrued interest), and later become a participant again, will be required to repay the AMCs refunded to them including the 5% per-annum statutory interest.

Loans

6SO-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 same terms and conditions applicable to Tier 6 members. Please consult Loans Brochure #911 for additional information.

Refunds

6SO-25 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. Participants with between 5 and 10 years of Credited Service must also waive their right to a Vested Retirement Benefit. Refunds of BMCs are not possible for participants with 10 or more years of Credited Service, except in cases of a participant's death.

Participants who cease to be employed in an





SPO 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 and minus the present value of any loan. AMCs may also be withdrawn if a participant with less than 15 years of Allowable Service in an SPO title changes titles to a non-SPO title and remains in City service. After receiving the refund of AMCs, the participant will no longer be entitled to a benefit under the 6SO-25 Plan, but may be entitled to a benefit from the Tier 6 Basic 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 SPO title.

A participant who ceases to be employed in an SPO title and withdraws their AMCs (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 AMCs had never been made. Payment of a deficiency can be made in a lump-sum or through payroll deductions.

Participants must be off payroll for 30 or more days to qualify for a refund. If their agency records indicate that they are on a leave of absence with or without pay, they are **not** eligible for a refund.

Withdrawal of BMCs or AMCs will trigger a Federal tax liability and may result in an early distribution tax penalty.

If a participant does not return to City service within five years and has rendered less than five years of Credited Service, their membership is automatically terminated and they may need to withdraw their contributions.

Allowable Service

Allowable Service is a special term used in the 6SO-25 Plan. It is defined as service rendered in a covered title in the 6SO-25 Plan. Allowable Service in the 6SO-25 Plan also includes certain Military Service, Union Leave Service and Purchased Service for any time rendered in an SPO 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 or vested retirement.

Buy-Back

6SO-25 Plan participants may purchase previous public service rendered anywhere in New York City or New York State, but only previous service rendered in an SPO title will count as Allowable Service. The cost is 6% 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.

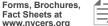
Military Buy-Back

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 6% 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.

Vested Retirement Benefit

Effective April 9, 2022, if participants leave City service with at least five years of Allowable Service (at least two years of which are Membership Service), but less than 25 years of Allowable Service, and their contributions

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Prior to April 9, 2022, participants needed at least 10 years (two of which must be Membership Service) in order to be entitled to a Vested Retirement Benefit.

The Vested Retirement Benefit is computed as follows:

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

Service Retirement Benefit

Participants in the 6SO-25 Plan become eligible to receive a Service Retirement Benefit upon attaining 25 or more years of Allowable Service without regard to age. The Service Retirement Benefit is calculated using the following formula:

- 50% of 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 such service.

Participants in the 6SO-25 Plan must file a service retirement application at least 30 days prior to the effective date of retirement, but no more than 90 days prior to the effective date of retirement, and they must be a participant of the 6SO-25 Plan on the day before their effective retirement date.

When a member files their service retirement application, NYCERS strongly encourages them to select an "Interim Option" on the application. This precautionary measure enables the member to leave some form of pension payment to a beneficiary should they die before a final option selection is made and their pension is finalized.

Underlying Plan

Retirement Under 63/5 Plan:

Participants in the 6SO-25 Plan, excluding vested members who have left City service, may retire from the 63/5 Plan whether or not the participant has satisfied the 25 year service requirement. All requirements and benefits of the 63/5 Plan will apply, including the ability to retire prior to age 63 with a benefit reduction.

Vested members who have left City service may only retire under the 63/5 Plan if they withdraw their AMCs (if eligible) and cease participation in the 6SO-25 Plan. Vested members who leave City service are not eligible to retire prior to age 63 with a benefit reduction.

Participants who leave City service at age 63 or older with less than 25 years (but at least five years) of Allowable Service must retire with a Service Retirement Benefit under their underlying 63/5 Plan, even if they are not entitled to an AMC refund.

Final Average Salary (FAS)

Effective April 20, 2024, FAS for Tier 6 members 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%. 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 a member is retiring under service or 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, their FAS will include projected earnings to fill in any missing years of service.



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Some wages are excluded from the FAS calculation. The Tier 6 definition of wages includes an "overtime ceiling," which limits overtime compensation for pension purposes according to the Consumer Price Index. 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 also excludes:

- Wages in excess of the annual salary paid to the Governor of the State of New York;
- Lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked;
- Any form of termination pay;
- 4. Any additional compensation paid in anticipation of retirement; and
- 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 successive employer.

Disability Retirement

Tier 6 members are eligible for a 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:

- ¹/₃ of the member's FAS; or
- 1 ²/₃% *times* FAS *times* years of Credited Service; or
- If they are eligible for a service retirement, their Service Retirement Benefit.

Survivor Benefits

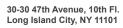
In the event of a participant's death prior to retirement, their NYCERS membership entitles their beneficiaries to a death benefit. There are two primary types of death benefits – Ordinary Death Benefits and Accidental Death Benefits.

An Ordinary Death Benefit (ODB) is a lump-sum benefit payable to the participant'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 participant 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 participant was on an authorized leave of absence without pay for medical reasons which has continuously been in effect since the participant was last paid on the payroll, provided the participant was in service and last paid on the payroll within the fouryear period prior to the participant's death.

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The ODB payable is a multiplication of the participant'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 participant 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 participant has at least 10 years of Credited Service, is awaiting payability of a Vested Retirement Benefit, and dies prior to age 63, their beneficiaries will receive a lump-sum death benefit based on 50% of the ODB that would have been payable if the participant 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 and reaching age 63, AMCs plus interest will be refunded as well.

If the participant 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 participant's Estate.

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

The annual benefit equals 50% of the wages the participant 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 AMCs will be refunded if they died prior to attaining 15 years of Allowable Service.

Projected Wage Method (First 3 Plan Years Only)			
	1 st Plan Year	2 nd Plan Year	3 rd 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	\$3,263	\$3,420
	(4.5% of \$72,000)	(4.5% of \$72,500)	(∕4.5% of \$76,000)
Actual Wage Method (4 th Plan Year and Thereafter)			
	4 th Plan Year	5 th Plan Year	
Actual Wages Earned in Plan Year	\$80,000 /	\$82,500	
Rate Based on Actual Wages	•	· ·	
Earned Two Plan Years Prior to	4.5%	5.75%	
the Current Plan Year			
Contributions Made in Plan Year	\$3,600	\$4,744	
	(4.5% of \$80,000)	(5.75% of \$82,500)	

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