



BERS WORDS

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We Are Lucky

We are lucky. We work for an employer that values their employees enough to provide defined benefit retirement plans as well as tax advantaged annuity investing plans that help provide lifetime retirement income. We work with individuals that value these retirement investment opportunities and participate in them for the benefit of themselves and their families. We belong to unions that work to protect these retirement plan savings options, and we are members of a retirement system that cares about its members and works to protect their plan assets and provide a comfortable retirement for those that choose to belong.

We are lucky. Most employed individuals do not have access to a defined benefit plan like those provided by the New York City Board of Education Retirement System (BERS) and its extended

family of plans in the New York City Retirement System. As recently as 1983, 66 percent of workers had access to a traditional defined benefit pension plan administered by their employers, providing them the option of life time economic security. Today, only 15 percent of workers have access to defined benefit pensions. 86 percent of surveyed Americans “believe that the nation faces a retirement crisis.” We, the members of the Board of Education Retirement System should not be among those at risk. Membership is a privilege that should be seriously considered if you are not already a BERS Member.

You are lucky. You have the ability to build a secure future retirement because you work for a concerned City, are represented by concerned unions and will, as a Member, be advised and protected by the concerned employees of BERS.

What You Must Do If You Changed Your Address

It is very important that you contact BERS immediately whenever you change your address. If you list a new mailing address when filing any forms at BERS, that does not mean your mailing address will be updated in our database.

We have no way of knowing if an address is current or correct. Submitting a BERS Loan Form, for example, with your present mailing address, will not change the information in our system, and neither will the updating of your address with another organization other than BERS.

To correctly update your current mailing address with BERS, you must submit a Change of Address Form.

Any discrepancy in the address in our database and the address on a submitted form will cause an unnecessary delay in processing your paperwork. BERS must receive an official Change of Address Form in order to complete your paperwork.

Note: this also applies if you have left employment with the DOE or another eligible employer but still have retirement funds at BERS.

Retirees are also required to notify BERS of any changes to their address by filling out a Retiree Change of Address Form. This form must be notarized before submitting it to BERS. Please keep your mailing address up to date so that your pension benefits or information about your benefits can delivered without any delay.

Please contact us at (718) 935-5400 if you need a Change of Address Form and one will be sent to you. You may also download the required form at www.nycbers.org. At the web site under the **Plan Information** menu choose **Online Forms** and depending on your Tier or status select a Change of Address form under the links for Tier 4, Tier 6 or Retiree.

We would like to hear from you. Please send comments regarding our newsletter, or any specific concern to The Editor, **BERS WORDS, Board of Education Retirement System, 65 Court Street, Room 1603, Brooklyn, N.Y. 11201**. Or E-mail your comments to Brespon@bers.nyc.gov.

When Will Pension Contributions Stop For Tier 4 Members?

Tier 4 members are required to make regular contributions to BERS equal to 3% of their annual wages. But due to a change in law effective October 1, 2000, when Tier 4 members complete 10 years of membership or have 10 years of credited service, they are no longer required to make these contributions. This does not apply to Tier 4 members represented by the UFT whose membership start date falls between December 10, 2009 and March 31, 2012. So, except for those UFT members, once you have either 10 years of membership in the Retirement System or 10 years of credited service – whichever happens first – the deduction from your paycheck of your 3% contributions will automatically stop. Even if you are no longer required to make employee contributions to BERS, you will be required to continue to pay Medicare and Social Security (FICA) contributions.

Members in one of the Tier 4 Early Retirement Plans are required to make the additional contributions over and above the standard 3%, whether or not they have 10 or more years of membership or credited service. See the Tier 4 Summary Plan Description, available online at www.nycbers.org, for details about the requisite additional member contributions in the early retirement programs. Again, note that the requirements of participants in the Age 55/27 Mandatory Early Retirement Program for Teachers (the 55/27 UFT (ii) Program) are different.

Naturally, once your 3% regular contributions cease, an amount equivalent to those contributions will no longer be channeled into your Member Contributions Accumulation Fund (MCAF). The funds that already accumulated in your MCAF account while you were making these contributions, though, will continue to earn interest.

Note that the cost to purchase previous service is not affected by the legislative change to regular employee contributions. For example, if you were to buy back 14 years of prior service, you would still pay the equivalent of 3% of the wages you earned during the entire 14-year period (plus 5% annual compound interest), even though the time period you are claiming surpasses 10 years.

Usually, your employee contributions are made to BERS through payroll deductions before federal taxes are taken out of your paycheck. This means that your employee contributions are currently not included as part of your gross income for federal tax purposes, but instead will be subject to federal taxes when your benefits are paid out in retirement, or if and when you receive a refund of these contributions.

Any employee contributions, however, that you made before July 1, 1989, were included as part of your gross income and hence, *were* subject to federal taxes at that time. This means that the specific portion of your retirement benefits financed by those pre-July 1, 1989 contributions will *not* be taxed federally when paid out in retirement, *nor* would a refund of those specific contributions be so taxed.

Currently, New York City and State income taxes apply to your employee contributions when made. City and State taxes, in turn, are neither imposed on your retirement benefits, nor on any refund of your contributions. However, New York imposes taxes on the accumulated interest that accrues on your contributions.

Tier 4 Plan	Contribution	Plan Start Date	Plan End Date
Coordinated Retirement Plan	3% - 10 yrs.	9/1/1983	3/31/2012
55/25 Optional Early Retirement	3% - 10 yrs., AMC - 30 yrs.	6/28/1995	9/26/1995
55/25 Optional Early Retirement - Physically Taxing	3% - 10 yrs., AMC - 30 yrs.	6/28/1995	9/26/1995
57/5 Mandatory Early Retirement	3% - 10 yrs., AMC - 30 yrs.	6/28/1995	3/31/2012
57/5 Mandatory Early Retirement - Physically Taxing	3% - 10 yrs., AMC - 30 yrs.	6/28/1995	3/31/2012
55/25 Optional Early Retirement - Teachers	3% - 10 yrs., AMC - 25 yrs.	2/28/2008	12/9/2009
55/27 Optional Early Retirement - Teachers	3% - 10 yrs., AMC - 27 yrs.	2/28/2008	12/9/2009
55/27 Mandatory Early Retirement - Teachers	3% - 27 yrs., AMC - all yrs. of service	12/10/2009	3/31/2012
25 Out Early Retirement - Special Officers	3% - 10 yrs., AMC - 30 yrs.	12/19/2001	3/31/2012
50/25 Early Retirement - Automotive	3% - 10 yrs., AMC - 30 yrs.	12/12/2001	3/31/2012

BERS Appoints New Executive Director Sanford R. Rich

The Board of Education Retirement System's Board of Trustees is pleased to announce the appointment of Sanford "Sandy" Rich as Executive Director of the Board of Education Retirement System. Mr. Rich's impressive background in finance makes him a perfect fit to lead the system and oversee the retirement funds of the Department of Education's hardworking employees.

Sanford Rich was most recently Chief of Negotiations and Restructuring at the Pension Benefit Guaranty Corporation, a U.S. government agency. Sandy has served as the CEO of public and private corporations, a partner in Registered

Investment Advisors, and as an analyst, trader and investment banker for multinational commercial and investment banks.

Sandy brings to BERS broad experience managing insurance and financial executives and operations. Sandy also brings experience managing investment portfolios for large public and private sector pension funds.

BERS will continue to thrive under Sandy's expertise and leadership. Together the Trustees and the entire BERS membership extend congratulations to him in his new position as the Executive Director.

When Do Survivor Benefits Begin?

A monthly schedule for processing benefits payments is set by the Financial Information Services Agency (FISA), which is the City agency responsible for data processing of financial information including payroll.

Beneficiaries eligible to receive a continuing benefit under a retirement option must submit the following documents to BERS in order to process benefit payments:

- Original Death Certificate
- BERS Claimant Statement - Pension Form
- IRS Form W-4P (Withholding Certificate for Pension or Annuity Payments)

- Electronic Funds Transfer Form (if direct deposit is desired). Available online at www.nycbers.org.

If BERS receives the required paperwork before the scheduled processing date, beneficiaries will receive payment the same month. If the forms are received after the scheduled processing date for that month, beneficiaries will receive their first benefit payment in the next month following their submission of paperwork.

It is important to report the member's death as soon as possible to avoid overpayments of benefits.

Voided Retiree Checks

Retirees who receive their BERS pension check through the mail should not delay the depositing/cashing of their benefits. Please be advised that banks and other financial institutions do not accept issued checks older than 3 months (90 days). BERS will cancel any check which has not been redeemed within 3 months, whether or not we have been contacted by a retiree. Once the pension check has been voided, the retiree must file a Lost Check Affidavit with BERS in order to have their benefit payment reissued.

BERS pensioners can avoid this by choosing to receive their benefits by Electronic Fund Transfer (EFT; i.e., Direct Deposit) to their bank accounts. EFT is a fast, easy, safe and dependable way to ensure that your pension check is deposited directly into your bank account as soon as it is available. If you currently receive your benefit by mail and wish to change to an EFT, contact BERS to receive an EFT enrollment form or you may download a form available at www.nycbers.org.

Questions and Answers

Q If I remarry, will I be able to designate my current spouse as my survivor beneficiary?

A. It depends. If the court has issued a Domestic Relations Order (DRO) which stipulates that your ex-spouse is entitled to all or a portion of your retirement benefits, you cannot designate your new spouse as a beneficiary of those benefits covered by the DRO.

Q How can I receive a duplicate statement of my account?

A. Active BERS members can print a copy of their statement of account by accessing their member account online at www.nycbers.org. Retirees who have TDA accounts may also review their account online.

When you visit the website for the first time, you are required to register and set up your own account so that you will be able to access your personal pension information. Registering is easy: just click the green "Register" button on the top right and enter the information requested in the boxes. Create a Login ID and a Password, which you will use whenever you need to access your account information. Your account information is updated on a monthly basis.

Please note: If you forgot your Login ID or password, they cannot be recovered. For security reasons, and to protect your vital information, you must re-register at the BERS web site and create a new account.

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