

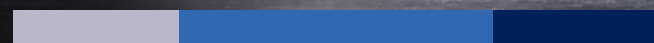
■ THE TDA PROGRAM
GIVES YOU COVERAGE



Enroll today!

**BERS
2026**

Tax Deferred Annuity Program



A diverse group of smiling people, with a young woman in the foreground. The image is split into two halves. The left half has a dark blue overlay with white text. The right half shows a group of people, with a young woman with long brown hair and blue eyes smiling at the camera in the foreground. Behind her are several other people, including an older man with a white beard and glasses, and a woman with dark hair, all smiling. The background is bright and out of focus.

**If you want
the opportunity
to start saving
more money
for your
retirement, join
the BERS TDA
Program today.**



Table of Contents

| | |
|--|----|
| Introduction | 1 |
| Current participants | 2 |
| New participants | 2 |
| Investment choices | 3 |
| Roth Contributions | 4 |
| Advantages of Pre-tax Contributions | 5 |
| Maximizing your TDA contributions | 6 |
| Flexibility | 7 |
| Loans | 7 |
| Withdrawals | 8 |
| Direct withdrawals | 8 |
| Hardship withdrawals | 9 |
| Pre-tax to Roth conversion | 9 |
| Retirement options | 10 |
| Transfers/Rollovers | 10 |
| Required Minimum Distributions | 11 |
| When employment ends before retirement | 12 |
| For beneficiaries | 12 |
| Important reminders | 13 |
| Additional information | 13 |
| Determining your contribution percentage | 14 |



Introduction

Fantastic! We are glad that you are taking a moment to consider the BERS Tax Deferred Annuity Program.

How far are you from retirement? Will you be able to retire and have sufficient savings? Remember that in retirement, your income will likely be significantly less than it is today. You **must** begin planning now to ensure that in addition to your pension and Social Security payments, you have sufficient savings to maintain your desired standard of living.

There are two ways to maintain your standard of living: reduce your expenses, or **increase your savings**. In retirement, you will still have the following expenses: electricity, gas, telephone, water and sewage, car insurance, food, housekeeping supplies, clothing, transportation, health, entertainment, gifts, home furnishings, pets, personal care products and services, and probably a few others.

Rather than cut back on your needs, we encourage you to increase your retirement income today by joining or increasing your contributions to the BERS Tax Deferred Annuity Program (TDA), authorized under section 403(b) of the Internal Revenue Code.

The BERS TDA Program is specifically designed to encourage retirement savings for those in education service. You may choose to make your TDA contributions on a pre-tax basis, on a Roth basis, or a combination of the two. When you make pre-tax contributions, your savings are not taxed now (when you, as an active worker, are likely in a higher tax bracket), but upon withdrawal in retirement (when you will likely be in a lower tax bracket). When you make Roth contributions, these contributions are taxed when they are earned, but with proper planning the earnings may be entirely tax-free, as described on page 4.

Regular, consistent contributions, made while you are working, play an important role in preparing for your financial needs in retirement. If you are unsure about how much you can afford to save, you may want to start small when selecting a percentage of your gross pay. If you would like to increase your current TDA contributions, you can contribute any percentage of your salary up to 85%.

Consider saving more today, to help ensure that you **retire on a solid foundation!**

If you have any questions regarding the BERS TDA Program, please call BERS at (929) 305-3800. ■

Current participants

If you are currently enrolled in the TDA Program, do not wish to change your contribution rate or investment option for 2026, and do not wish to begin making Roth contributions, then no action is needed. Your participation will continue automatically into 2026 based on your current elections. However, we encourage you to read this booklet thoroughly to understand the provisions of the Program.

BERS permits TDA participants to make contributions on a pre-tax and Roth basis. Unlike pre-tax TDA contributions, Roth contributions are taxed when they are made. If you would like to make Roth contributions to the BERS TDA program, you can sign up by submitting a TDA Investment Change form, or by submitting a request through the online Member Self-Service (MSS) portal. For more information about Roth contributions, please see page 4.

You can contribute up to 85% of your salary to the TDA Program, provided your contributions are within the dollar limit imposed by the IRS. The dollar limit for calendar year 2026 contributions is shown on page 6 of this booklet.

Your current contribution rate does not guarantee that you will contribute the maximum allowed in 2026. You should refer to the worksheet on page 14 of this booklet to estimate your contribution percentage for 2026 if you would like a specific amount deducted per payroll contribution.

Please note that you are only allowed to make contributions to your TDA account using money earned from your primary job. BERS cannot take TDA deductions from any additional paychecks that you may receive outside of your primary job. If this scenario applies to you and you would like to continue contributing the same amount to your TDA, we suggest that you consider increasing your contribution rate from your primary paycheck.

Your current investment election will remain in effect unless you tell BERS to change it by returning a completed TDA Investment Change form or by submitting a request through the online MSS portal.

If you wish, you can change your current beneficiary(ies) by completing and returning the TDA Designation of Beneficiary form. Please refer to the beneficiary instruction sheet for details on how to complete this form. ■

New participants

If you are not currently participating in the BERS TDA Program, you may file the enclosed TDA Enrollment form at any time to begin contributions in 2026. As a new enrollee, ***you must indicate the percentage of salary you wish to contribute on a pre-tax and/or Roth basis, and how you want these contributions allocated between the Fixed and Variable Programs.*** If you return the form without indicating a contribution rate and/or investment option, the Enrollment form will be returned to you and no action will be taken. Please read the instructions and this booklet very carefully before completing the form.

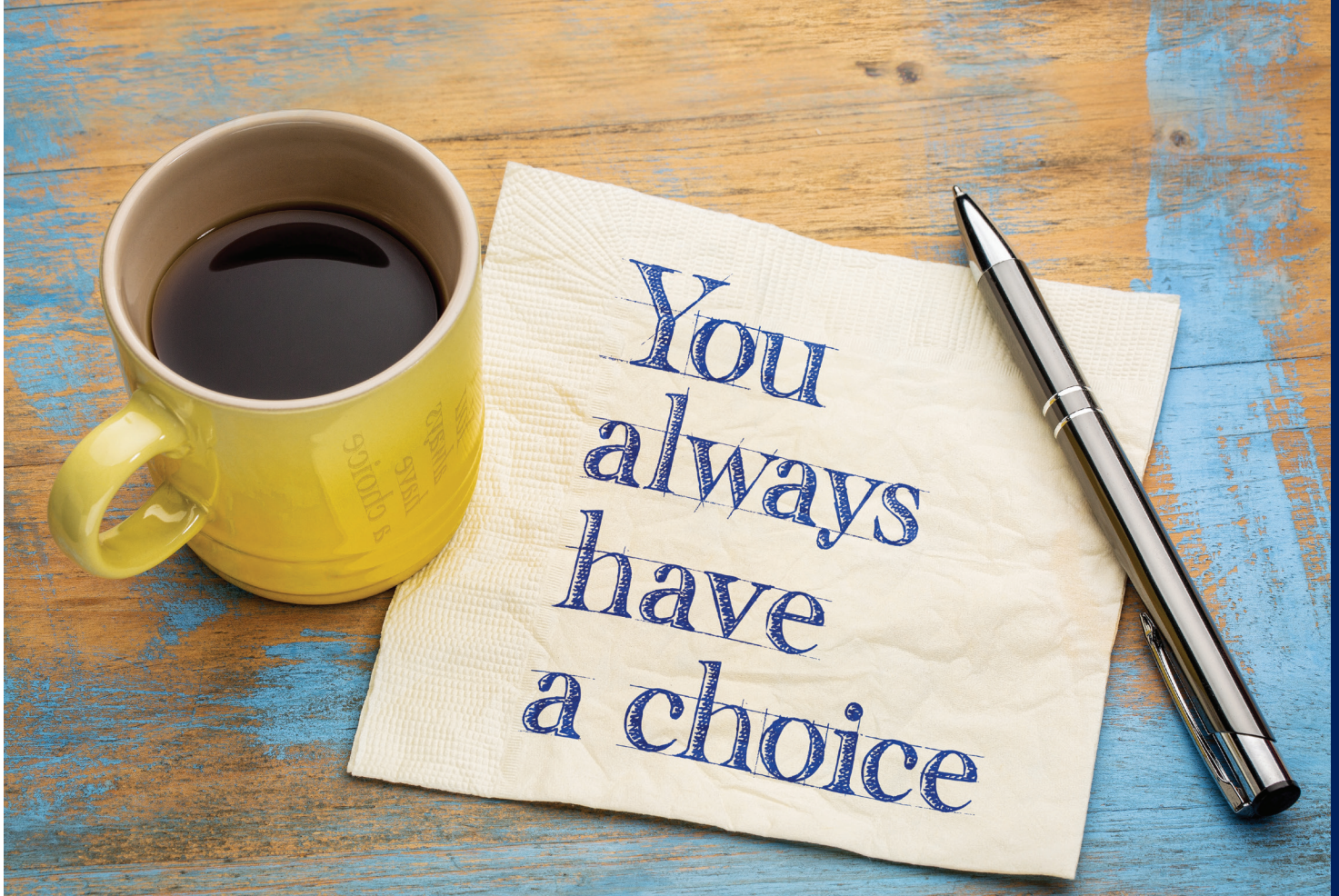
Contributions will begin with the first payroll in January 2026 if your form is received on or before December 1, 2025. Otherwise, your contributions will begin as early as possible, within 60 days after BERS receives your application.

Instead of submitting a paper form, you may also enroll in the BERS TDA Program by submitting a request through the online Member Self-Service (MSS) portal.

If you are currently a participant in another 403(b) plan, or in a 401(k) plan, you can still elect to participate in the BERS TDA Program, but note that contribution limits apply across all 403(b) and 401(k) plans.

Please complete the TDA Designation of Beneficiary form when you enroll. Your TDA beneficiary designation is very important, and is separate from the beneficiary designation you made when you joined the pension plan.

School Crossing Guards, School Safety Agents employed by NYPD, Transferred Contributors outside of DOE employment, and employees of the School Construction Authority are not eligible to participate in the BERS TDA Program. ■



Investment choices

The BERS TDA Program offers a choice of two investment options, the Fixed Program and the Variable Program.

- 1 The Fixed Program** offers you a guaranteed annual rate of return on your investment, set by the New York State legislature. The return on the Fixed Program is currently 7% per year for UFT members and 8.25% per year for all other members.
- 2 The Variable Program** invests in a fully diversified portfolio of common stock. The financial objective is to capture the return of the broad equity market, while attempting to control its short-term volatility. The value of your Variable Program holdings is based on the investment performance of the portfolio and may increase or decrease from month to month. Since this program is subject to the fluctuations of the stock market, it may carry higher risk than the Fixed Program, but offers the potential for greater return. The Variable Program is currently co-invested in the NYC Teachers' Retirement System Tax Deferred Annuity Variable A Program, and returns are based on the performance of the investments in that program. The Variable Program also includes a 4% annual incremental increase credited monthly to your accumulated units. For a comprehensive list of BERS investment portfolio please visit the BERS website. The information can be found in the latest Annual Comprehensive Financial Report (ACFR).

The BERS TDA Program is a self-sustaining program. The expenses for administration of the Fixed Program are covered by a charge to contributing participants, currently \$0. Additionally, to cover the expenses of the Variable Program, a base charge is levied against the assets. Currently, this base charge is 2/100ths of 1% of the assets per month. ■

Roth Contributions

BERS permits TDA participants to make contributions on a Roth basis.

Roth contributions are taxed when they are made. This means that you will not get the benefit of deferred taxation for any Roth contributions you make. However, there are other advantages to participating in a Roth program.

Your **Roth contributions** are not subject to federal, New York State, or local (if applicable) tax when paid out to you, since this tax has already been withheld at the time of contribution.



Any earnings on your Roth contributions are entirely free from federal, New York State, or local (if applicable) tax when paid out to you, as long as the refund takes place in the fifth year from your first Roth contribution or later, and as long as you are at least 59½ years of age or disabled. For example, if you made your first Roth contribution on March 1, 2026, and you turn 59½ in 2030, your Roth earnings will be free from federal or New York State tax if paid out on or after January 1, 2031. However, if you receive a refund of your Roth earnings before that date, then these earnings will be subject to federal and New York State and local (if applicable) tax. (If you reside in, or plan to move to, a different state, consult a tax professional regarding the tax treatment of your Roth funds.)

As a general rule, pre-tax TDA contributions reduce your tax burden during your working years, while Roth contributions reduce your tax burden in retirement. However, please

note that BERS cannot provide legal or tax advice. If you need advice as to whether Roth contributions would be advantageous for you, you should discuss the question with your tax professional.

Your Roth contributions to the BERS TDA will be invested in the same way as your pre-tax contributions. The fixed interest rate, the variable incremental increase, and the variable unit value are all the same for Roth contributions as for pre-tax contributions.

How to sign up for Roth contributions: You can sign up for Roth contributions by submitting a TDA Investment Change form and filling in a value greater than 0 in the box "Roth ____%." For example, if you wish to contribute 10% of your income to the TDA Program on a pre-tax basis and 5% of your income to the TDA Program on a Roth basis, enter "Pre-tax 10%" and "Roth 5%." The sum of these two fields should not exceed 85%.

Keep in mind that although Roth contributions are taken out of your pay after taxes, the dollar amount for your Roth contribution is calculated based on your gross (pre-tax) pay, just the same way that your pre-tax TDA contributions are calculated. However, you do not receive a tax deferral for your Roth contributions, so you will need to make sure that there is enough money in your paycheck to cover all state, federal, and local taxes on your contribution amount. Partial deductions cannot be withheld, so if there is not enough money to cover all of the above, then your Roth TDA contribution will not be deducted.

It's important to also be aware of the order in which deductions are taken from your paycheck. Contributions to your Pension, Early Retirement Program (e.g., 55/25, 57/5, 55/27, if you're a participant), and Transit Check (Commuter Card) will be deducted first. Next the Pre-Tax TDA and Roth contributions will be calculated. Next, the Pre-tax TDA contribution will be withheld. The Roth contribution will also be calculated at this point, however, it will be withheld after FICA, Medicare, Taxes, Union Dues, Paid Family Leave, and any other tax deductions have been deducted. ■

Advantages of Pre-tax Contributions

When making pre-tax TDA contributions, you enjoy immediate tax advantages over after-tax savings programs. The following chart compares the income of a hypothetical TDA participant with the income of a non-participant and is for illustration purposes only. Both participants earn and save the same amount of money monthly, but one utilizes the pre-tax contributions to the BERS TDA Program while the other utilizes a savings program without the benefit of tax deferral.

The chart assumes that a 3% pre-tax contribution has already been taken from your gross pay and a marginal tax rate of 12% (2026, single filing status) applies. Your tax savings will vary according to your personal contribution rate and tax bracket.

| | TDA Participant | Non-Participant |
|---------------------------------------|-----------------|-----------------|
| Gross Pay | \$1,500 | \$1,500 |
| Pension Contribution (3%) | 45 | 45 |
| TDA Pre-tax Contribution Amount (10%) | 150 | 0 |
| Current Taxable Income | 1,305 | 1,455 |
| Federal Tax (12%) | 156.60 | 174.60 |
| After Tax Income | 1,1148.40 | 1,280.40 |
| After Tax Savings Amount | 0 | 150 |
| Net Income | 1,152 | 1,135 |

As the chart on the left illustrates, the TDA participant who makes pre-tax contributions will have a lower Current Taxable Income than the non-participant. Therefore, the TDA participant will pay fewer taxes and, in some cases, may even have a higher net income.

You may also be eligible to take advantage of a tax credit called the Saver’s Tax Credit. The Saver’s Tax Credit is a federal income tax credit for investing in a retirement plan, such as the BERS TDA Program. The amount of credit you are entitled to is based upon your contribution amount and credit rate. Your Adjusted Gross Income (AGI) is the basis for the credit rate, which ranges from 10% to 50% of your contribution amount.

The Saver’s Tax Credit is in addition to any deduction or exclusion allowed for your contributions. The chart below illustrates how it works.

| Income Limits | | | | |
|---------------|----------------------|----------------------|----------------------|----------------|
| Credit Rate | Married Joint Return | Head of Household | Others | Maximum Credit |
| 50% | Up to \$48,500 | Up to \$36,450 | Up to \$24,250 | \$1,000 |
| 20% | \$48,501 to \$52,500 | \$36,351 to \$39,375 | \$24,251 to \$26,250 | \$400 |
| 10% | \$52,001 to \$80,500 | \$39,376 to \$60,375 | \$26,251 to \$40,250 | \$200 |

The above advantages apply when contributing to the TDA Program on a pre-tax basis. For the advantages of contributing to the TDA Program on a Roth basis, please see page 4 above.

The TDA Program also gives you the convenience of payroll deductions. You decide your contribution percentage rate and your allocation between the Fixed and Variable Programs. In addition to the convenience, payroll deductions allow you to invest the same amount at regular intervals. This strategy, known as dollar cost averaging, can be a successful tool when investing in the Variable Program for long-term growth. Dollar cost averaging allows you to buy more units when the value is low and buy fewer units when the value is high. ■

Maximizing your TDA contributions

Generally, the maximum contribution amount for 2026 is the lesser of 85% of your gross compensation or \$24,500. This maximum includes both Pre-tax and Roth contributions. Although the law allows contributions of up to 100% of salary, you need to ensure that your contribution rate will allow enough remaining salary to cover post-tax payroll deductions, such as union dues, loan repayments, health insurance and other deductions. If you don't, many consequences may result, including loan defaults, union dues arrears and forfeiture of health coverage.



Age-Based Catch-Up Contributions

Members aged 50-59, and 64 or older are eligible to contribute an additional \$8,000 above the \$24,500 limit in 2026.



SECURE 2.0 Act of 2022 Catch-Up Contributions

A higher catch-up contribution limit applies for employees who are age 60, 61, 62 and 63 who participate in the BERS TDA program. For 2026, this higher catch-up contribution limit is \$11,250 instead of \$8,000.



Service-Based Catch-Up Contributions

Members of BERS who have been employed by the Department of Education for at least 15 years, and whose combined TDA and 401(k) contributions during their employment average less than \$5,000 annually, may be eligible for service-based catch-up contributions. Service-based Catch-up contributions can be as much as \$3,000 each year (above the \$24,500 limit), and are limited to a lifetime total of \$15,000.

You can elect to contribute up to 85% of your gross pay to the BERS TDA Program. This maximum includes both pre-tax and Roth contributions. You may choose a percentage that allows contributions to be deducted from your pay for the entire year without reaching your dollar limit. If you meet your goal amount before the last payroll of the year, BERS will automatically stop your contributions when you reach your dollar limit. Participants who are paid on multiple payrolls should ensure that their TDA deductions are taken from the primary job only.

If you participate in the BERS TDA Program and a 457 plan, you do not have to coordinate contributions to both plans. You are allowed to contribute the maximum under each

plan separately. However, if you participate in the BERS TDA Program and another 403(b) plan, or a 401(k) plan, contributions must be combined and must not jointly exceed your 2026 dollar limit.

BERS cannot coordinate contributions across multiple plans, and so cannot guarantee that your deductions will stop at the dollar limit if you are making contributions to more than one tax-deferred savings plan.

A worksheet has been provided on page 14 that can help you estimate your contribution percentage based on the dollar amount you decide to contribute each payday. ■

Flexibility

The BERS TDA Program allows for flexibility in the selection of a percentage of salary you wish to contribute and how you wish to allocate your contributions between the Fixed and Variable Programs.

Each quarter, you may change the way your future contributions and past contributions are invested between the Fixed and Variable Programs by filing a TDA Investment Change form with BERS or by making the change through the Member Self Service (MSS) Portal. Contributions can be split between the Fixed Program and the Variable Program in whole number multiples of 5%. Your investment percentages to the Fixed and Variable Programs must add up to 100%.

You may convert a portion of your past contributions from Fixed to Variable or from Variable to Fixed. The converted portion must be in whole number multiples of 5%.

You may convert past contributions from one account to the other over a period of 3 or 12 months.

Your completed TDA Investment Change form or portal request must be received at least 30 days before the beginning of the next calendar quarter. The following table shows the 2026 schedule for submitting the TDA Investment Change form or portal request::

| Deadline for BERS to Receive your form * | Effective date of change |
|--|--------------------------|
| November 30, 2025 | January 1, 2026 |
| February 28, 2026 | April 1, 2026 |
| May 31, 2026 | July 1, 2026 |
| August 30, 2026 | October 1, 2026 |

*Timeframe adjusted due to 2026 payroll schedules.

You can stop contributing to the TDA Program at any time by filing a TDA Investment Change form or through the MSS portal and by checking the Stop Contribution check box. Your contributions will stop as soon as possible, but no later than 60 days after BERS receives your form or request.

You can increase or decrease your rate of contribution to the TDA Program, both pre-tax and Roth, by filing a TDA Investment Change form or through the MSS portal at any time. These updates will be processed as soon as possible, but no later than 60 days after BERS receives your form or request. ■

Loans

You may be eligible to take a loan from your TDA account if you:

- (a) have been a TDA participant for at least one year, and
- (b) are a BERS member in active service, are on an approved leave of absence, have resigned with vested retirement benefits, or are retired, having deferred your TDA account, and
- (c) are not in default on an existing TDA, Pension, or Tier Enhancement loan, and
- (d) have not taken a TDA loan in the last 12 months.



Every loan you take out will be computed and maintained separately. For additional information on the TDA Loan Program please refer to the current TDA Loan Program brochure, which is available at <http://www.nycbers.org>. ■

Withdrawals

Withdrawals are also available to TDA participants in certain circumstances.

You are able to withdraw all or a portion of your account if you:

- are no longer a member of BERS for any reason, or
- are at least age 59½, or
- have a hardship (see page 9 for IRS hardship conditions), or
- have a TDA account in Deferral status (see page 10 - When Employment Ends), or
- have a December 31, 1988 balance and are not yet age 59½.

If you decide to close your QPP account with BERS, you must also withdraw or roll over all of your TDA funds. The TDA account will cease to accrue interest once the QPP account has been closed. If a TDA account balance remains after the QPP has been closed, the TDA account will no longer accrue interest.

If you withdraw funds from the Variable Program, the value of your account will depend upon the unit value for the month

following the receipt of your request for the withdrawal. If however, your withdrawal is made in conjunction with your retirement, the value of your variable account will depend on the unit value for the month in which you retire. It's important to note that there may be delays in processing withdrawal requests that include variable funds. The following months may see a delay in disbursement if the unit value is not received in time: May 2026, June 2026, November 2026, December 2026. We recommend submitting your application well in advance of these periods to help ensure timely processing .

Members currently on leave with or without pay are not eligible to withdraw from the TDA program unless they are at least 59½ years old or meet the criteria for a hardship withdrawal outlined on page 9.

Since the BERS TDA Program was established to assist you in retirement savings, the IRS has imposed certain restrictions on withdrawals before retirement. ■



Direct withdrawals

The IRS may impose an additional 10% tax on all Direct Withdrawals unless:

- You make your withdrawal after age 59½; or
- You make your withdrawal in conjunction with your termination of employment in or after the year in which you attain age 55; or
- Your withdrawal is made in conjunction with your disability or service retirement.

If you are a "foreign person" within the meaning of the Internal Revenue Code, the Plan is required by law to withhold 30% of your payment, unless an applicable treaty between the U.S. and your country of residence permits a lower rate. ■

Hardship withdrawals

If you are suffering a hardship as defined under federal law, you may request a refund from your TDA even if you are an active member, or on a leave with or without pay. This refund must not exceed the amount of the hardship you are facing.

The pre-tax portion of any hardship withdrawal that you receive is subject to a mandatory federal income tax withholding of 20%, as well as any applicable state and local taxes (if you live in New York City, that means New York State and New York City income taxes). If your hardship withdrawal includes any Roth funds, then no income tax will be withheld from a refund of any Roth contributions, but any earnings on your Roth contributions may be taxable if withdrawn before the fifth year from your first contribution, or if you are under 59½ years of age and not disabled. **For more on Roth contributions, see page 4.**

The taxable amount withdrawn may also be subject to a 10% federal income tax penalty in the year of the withdrawal. According to IRS guidance, permissible hardships include:

- Medical expenses incurred by you, your spouse, or dependents. Your withdrawal is used to pay medical expenses to the extent that those expenses are deductible for federal income tax purposes.
- Payments of funeral and related expenses for the employee's spouse, dependents, and non-dependent children.

- Payment for post-secondary school tuition for you, your spouse, or dependents.
- Payment to prevent the eviction from, or foreclosure on your principal residence.
- The first-time purchase of a principal residence. The IRS may waive the penalty on the first \$10,000.00 withdrawn. Any amount over the \$10,000.00 will be subject to additional tax penalties.
- Expenses for the repair of damage to your principal residence that would qualify for the casualty loss deduction allowed by Section 165 of the Internal Revenue Code, excluding damage from progressive deterioration (described in IRS Publication 547).
- Expenses or losses related to a federally declared FEMA Disaster Area.

As of 1/1/2024, BERS members can self-certify their need for a hardship withdrawal. Self-certification means that you are attesting that you are eligible for a hardship without submitting documents to BERS. This self-certification is made under penalty of perjury and although you will not need to submit your documents to BERS, we recommend that you keep your supporting documents for seven (7) years in the event that you are audited by the Internal Revenue Service. BERS suggests that you keep all documents that pertain to hardship withdrawals on file for seven years. ■

Pre-Tax to Roth Conversion

The TDA Program provides members with the option to convert their pre-tax contributions into Roth. Converting pre-tax 403(b) contributions to a Roth account means you'll pay taxes now in exchange for tax-free withdrawals later. Members can choose how much to convert and can easily do so by completing the Conversion to BERS Roth TDA form.

Tax Implications

Immediate Tax Bill: You'll owe ordinary income tax on the amount you convert. This can push you into a higher tax bracket for the year.

Spread Out Conversions: Consider converting in smaller chunks over several years to avoid a big tax spike.

No Early Withdrawal Penalty: Even if you're under 59½, converting does not trigger the 10% early

withdrawal penalty—unless you withdraw the funds instead of converting them.

Remember: Converted funds must stay in the Roth for five years before tax-free withdrawals on earnings can be made—even if you're over 59½. If you withdraw earnings on your Roth contributions prior to the fifth year, you may incur a tax liability. ■

Retirement options

At retirement, you have a number of options for what to do with your TDA account. You may (a) elect to defer your TDA at retirement, which allows you to leave your TDA contributions and earnings in your account. If you choose this option and you have pre-tax funds, the contributions will remain deferred until Required Minimum Distributions begin; (b) arrange to receive regular payments through the purchase of an annuity, (c) make a direct withdrawal of your entire TDA balance, or (d) roll your entire TDA balance over to an IRA or other retirement plan.

Retired participants who choose to receive payments through the purchase of an annuity will receive their monthly payment (in a check separate from your Qualified Pension Plan Allowance) payable in fixed dollars or variable units. In general, the same options available for your Qualified Pension Plan Allowance are also available for your TDA account. A 403(b) annuity is subject to Federal income tax, but may be exempt from New York State and New York City income taxes. When you apply to annuitize your TDA, you may adjust your investment election one time prior to annuitization. If you elect to hold funds in the

Variable program, the amount of your monthly payment will vary depending on unit values at the time of payment. It is also important to note that you will no longer gain interest on the value of the TDA account following annuitization. You will also no longer have the ability to take withdrawals or receive a Required Minimum Distribution. Any outstanding TDA loans at the time of annuitization are deemed distributed, and will be reported to the IRS. When you apply to annuitize your TDA, you must choose how you want your annuity allowance to be paid. The choice cannot be changed later than 30 days after the first payment of your TDA annuity allowance has been made. Each option selection, other than the maximum allowance, will result in a reduced allowance.

If you defer your TDA at retirement, you may request a full or partial refund at any time.

Retired participants may elect to receive their TDA payments in the form of a fixed or variable annuity, which provides monthly payments in addition to your pension. ■



Transfers/Rollovers

You may transfer or roll over your TDA funds to an IRA or other retirement account, provided you meet the conditions outlined for withdrawals on page 8. A direct transfer or rollover allows you to move up to 100% of your account balance and retain the status of your funds, whether pre-tax or Roth, until they are subsequently withdrawn. Pre-tax funds can only be rolled over to pre-tax accounts, and Roth funds can only be rolled over to Roth accounts. The check is payable directly to your new investment provider.

Transferring your membership

If you transfer to another public employee retirement system, you may be able to transfer your TDA account directly to that system. You should discuss this with your new retirement system before requesting a direct transfer from your BERS TDA account. If your new retirement system cannot accept

the TDA transfer, then you will need to either withdraw or roll over the balance of your TDA account. Interest on your TDA balance will cease accruing on the account as of the date your transfer is completed.

Rolling over your 403(b)

Rollovers from your TDA account can be made to an IRA, another TDA plan, a 401(a) or (k) retirement plan, a profit-sharing or stock bonus plan, or a governmental 457 plan. The receiving plan must be able to accept 403(b) TDA funds into your account there. You should check with any new investment provider you are considering before requesting a rollover of your TDA funds.

Using your TDA to pay for prior service

You may also be eligible to transfer all or a portion of your TDA account to purchase pension credit for service rendered prior to the date you became a member of BERS, whether

(Continued)

you were employed by New York City Public Schools or another employer, including Military Service*. Once you have received your cost letter for your service credit purchase or military service purchase, you can elect on the payment method election form to use your TDA account to pay for the service. Once the form is submitted by the due date, BERS will initiate the rollover from the TDA account to the Pension (QPP) fund. In the year following the rollover, you will then

receive a 1099 to show funds moved from one account to the other.

*For eligibility requirements to purchase Military Service please see the Tier Summary Plan Description. Please call BERS for the necessary forms, or visit <http://www.nycbers.org>. ■

Required Minimum Distributions

The IRS mandates that you begin making withdrawals from your pre-tax TDA balance at a certain age depending on your employment status. A Direct Withdrawal of TDA funds that equals or exceeds your RMD amount would satisfy IRS requirements for the year; a Direct Withdrawal in a lesser amount would count toward your RMD, but you would still be required to receive the difference.

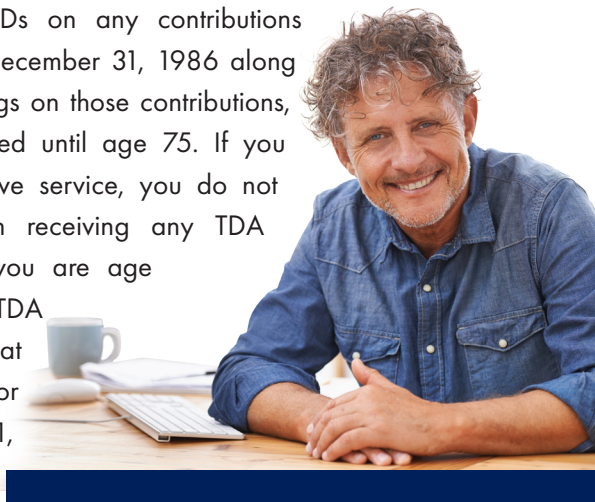
If you are no longer working, you must begin receiving amounts from your pre-tax TDA account by April 1 of the year following the calendar year in which you attain age 73. This "subsequent year" distribution option is available only for the first RMD; all future RMDs must be received by December 31 of each year. Note: If you elect the "subsequent year" option, two distributions would normally be required in that calendar year: the first, representing the previous year's distribution, by April 1; and the second, representing the current year's distribution, by December 31. Subsequent distributions must be made annually by each December 31. Failure to comply with the Required Minimum Distribution rules may result in a 25% excise tax charged to the member by the IRS on the difference between the required distribution amount and the actual amount distributed.

The RMD amounts are federally taxed in the year in which they are distributed. You can designate the percentage of federal tax withholding you would like applied to your RMD. If you do not make an election, a 10% withholding will automatically be applied to your RMD payment.

RMDs are made annually based on an IRS Uniform Lifetime Table. Special rules apply if your spouse is at least ten years younger than you and is your only beneficiary. If you are age

73 or older, you can elect to receive your RMD each year automatically from your BERS TDA account. BERS will mail you a notice of the IRS requirements regarding distributions once you turn 73. For information regarding RMDs, please visit <http://www.nycbers.org>. If you fail to complete and return the [Required Minimum Distribution form](#), BERS will issue an RMD using the default selections.

If you elect TDA Deferral status, you will have to begin receiving RMDs from your TDA balance prior to April 1st of the year following the year in which you reach age 73. Note that RMDs on any contributions made before December 31, 1986 along with the earnings on those contributions, may be deferred until age 75. If you are still in active service, you do not have to begin receiving any TDA RMDs unless you are age 75 and have TDA contributions that were made prior to December 31, 1986.



If you maintain multiple TDA accounts (for example, one at BERS and one at TRS), it is possible to use distributions from one TDA account to satisfy your RMD obligation for both TDA accounts, as long as the amount distributed is at least equal to the sum of the two RMDs. If you are fulfilling your RMD obligation to the BERS TDA by receiving an excess distribution from another TDA account, you will need to notify BERS each year. Otherwise, BERS will issue an RMD based upon your BERS account balance as required by law.

Note: Roth contributions to the BERS TDA, along with earnings on these contributions, are exempt from RMDs during your lifetime. RMDs would still apply to Roth balances owned by inherited account holders

following your death. Inherited account holders may be your TDA beneficiaries or alternate payees under a Domestic Relations Order, if they choose to leave their assigned TDA balance of with BERS. ■

When employment ends before retirement

When you resign or otherwise end your employment with the Department of Education before retirement, you have several options available to you.

Should you terminate your employment for any reason before vesting in the QPP, you may withdraw or roll over the balance of your TDA account at any time. If you do not withdraw your QPP account balance, your TDA account will continue to accrue interest, if applicable, for up to five years from the date of your resignation. At this point you will have to withdraw or rollover the balance of your TDA account as it will no longer accrue interest. A withdrawal of your QPP account balance will automatically terminate your participation in the TDA Program, and all interest will cease as of that date, unless it had ceased already

If you leave employment after attaining vested rights under the BERS QPP, you may: (a) elect to defer your TDA account, which allows you to leave your contributions and earnings in your account until Required Minimum Distributions begin; (b) make a direct withdrawal of your entire TDA balance; or c) roll it over to an IRA or other retirement plan.

Members who elect Transfer Contributor status may elect to defer their TDA account. Transfer Contributors not working in education service will not be able to make contributions to the TDA account. Transfer Contributors may be able to participate in another City 401(k) or 457 plan. Please visit the NYC Office of Labor Relations website for more details on these plans. ■



For beneficiaries

The BERS TDA program allows you to list one or more beneficiaries to receive the balance of your TDA account in the event of your death. If you wish, you can change your

current beneficiary(ies) by completing and returning the TDA Designation of Beneficiary form. Please refer to the beneficiary instruction sheet for details on how to complete this form. You should review the listing of your current beneficiaries as shown on your statements and update your designation, if desired. If any of your beneficiaries have moved, you should submit a new form indicating their new address, otherwise BERS may be unable to locate them in the event of your death. If you do not have a designation on file for the TDA Program at the time of your death, the account balance will be paid to your estate. Note that your beneficiary designation for the TDA Program is separate from your designation for your BERS pension or any other benefit. If you die prior to withdrawing or annuitizing your TDA account, your TDA balance will be paid to your designated beneficiary(ies) shown on the form last filed with BERS.

(Continued)

Inherited Accounts

Beneficiaries have the option to keep their funds in the BERS Variable Program. A beneficiary who chooses to do so will become an inherited account holder and will be responsible for any required minimum distributions.

Rollovers

The surviving beneficiary of a member with a TDA account may also be able to roll the TDA funds over into their own IRA, TDA, 401(k), or 457 plan, as long as their own plan will accept the rollover. Pre-tax funds can only be rolled over to pre-tax accounts, and Roth funds can only be rolled over to Roth accounts.

RMDs

If your beneficiary chooses to inherit your TDA account, they may have to begin taking money out the year after you die. If they are not your spouse, they may also need to empty the

account within 10 years. If your spouse chooses to inherit your TDA account they may be able to roll it over to a compatible account, defer withdrawals, or take distributions based on their life expectancy.

SECURE Act Changes (Post - 2019 Deaths)

The SECURE Act requires most non-spousal beneficiaries to withdraw the entire account balance within 10 years of the owner's death. Annual RMDs are required during the 10-year period for most non-spousal beneficiaries, if the original account holder had already been receiving RMDs prior to their death. The RMDs must begin by December 31st of the year following the account owner's death. Spousal beneficiaries can treat the account as their own and can roll it over to another compatible plan. They can delay receiving the RMD until they reach the required age or they may be able to use the uniform life expectancy method to take annual RMDs based on their own age. ■

Important reminders

It is important that BERS' records remain accurate in order to provide correct benefits when you need them. If you need to make any changes to your name, address, telephone number, or email address, please visit our website and download a BERS Update Contact Information form, or submit a request through the online Member Self-Service (MSS) portal. ■

Additional information

Please be sure to have all your forms notarized before submission to avoid a delay in processing your request. As an alternative to filing forms, many requests can be submitted through the online MSS portal.

If you have general questions about the BERS TDA Program, you may contact BERS call center at 929-305-3800. You may also make an appointment to visit our office at 65 Court Street, 1st Floor, Brooklyn, New York 11201.

The information in this booklet should not be considered legal or tax advice. BERS suggests that you consult with an attorney and/or tax advisor if you have any specific legal or tax questions.

In the event that any of the information provided in this booklet conflicts with any law, rule or regulation, it is the law, rule or regulation that will govern. ■

When you do retire, will you have enough money saved to live comfortably?

Determining your contribution percentage

You are allowed to contribute up to 85% of your salary, not to exceed the 2026 dollar limit imposed by the IRS, as discussed on page 6. This maximum includes both Pre-tax and Roth contributions.

You can use the following worksheet to help you estimate your TDA contribution rate based on the amount you wish to contribute each pay period. Please note that the rate you come up with based on this worksheet may not meet your annual dollar limit. You will need a recent pay stub to complete the worksheet.

To start, you need to determine how much you can afford to contribute per paycheck to the BERS TDA Program. Please keep in mind that even though you are starting with a dollar amount, your actual TDA deductions will be based on your contribution rate. Any increase in your pay (e.g. as a result of overtime earned or salary increases) will result in a higher dollar amount deducted per paycheck.

A note about Roth contributions: Although Roth TDA contributions are taken out of your post-tax pay, the dollar amount of your Roth TDA contributions will be calculated based on your gross (pre-tax) pay, just the same way that your pre-tax TDA contributions are calculated. For example, if your gross earnings are \$2,000 per pay period and you choose to contribute 10% of your earnings on a Roth basis, then you will make \$200 in Roth contributions per pay period. You can use the table below for calculating both pre-tax and Roth TDA contributions.

| | |
|--|----|
| 1. Determine the amount you wish to contribute per paycheck. Enter that amount in the box to the right. | \$ |
| 2. Find your total pre-tax earnings for a pay period on your pay stub (In example, Total Earnings This Period). Enter this number. | \$ |
| 3. Enter any payroll deductions (55/25, 57/5 or Transit Check deductions). | \$ |
| 4. Subtract any amounts in step 3 from your earnings in step 2. | \$ |
| 5. Divide your desired contribution amount in step 1 by your net pre-tax pay – the amount in step 4. | |
| 6. Multiply the figure in step 5 by 100. Round to the nearest whole percentage. (e.g. .092 = 9.2% rounds to 9%) This is your contribution rate. Enter this percentage in the Contribution Rate box on your TDA Enrollment or TDA Investment Change Form. | % |

If you want to contribute the maximum allowed per year, use the following worksheet to estimate your minimum % contribution.

| | |
|--|----|
| 1. Enter your 2026 dollar limit in the box to the right. | \$ |
| 2. Divide the dollar amount in step 1 by the number of paychecks you receive per year. This is the total amount you will contribute per paycheck. | \$ |
| 3. Find your total pre-tax earnings for a pay period on your pay stub (In example, Total Earnings This Period). Enter this number. | \$ |
| 4. Enter any payroll deductions (e.g. 55/25, 57/5 or Transit Check deductions). | \$ |
| 5. Subtract any amount in step 4 from your earnings in step 3. | \$ |
| 6. Divide your desired contribution amount in step 2 by your net pre-tax pay – the amount in step 5. | |
| 7. Multiply the figure in step 6 by 100. Round to the nearest whole percentage. (e.g. .092 = 9.2% rounds to 9%) This is your total TDA contribution rate. The pre-tax and Roth contribution rates that you enter into the Contribution Rate portion of the TDA Enrollment form or the TDA Investment Change form should add up to this percentage. | % |

Determining your contribution percentage example

To start, you need to determine how much you can afford to contribute per paycheck to the BERS TDA Program. In this example, the member decides to contribute \$40 per paycheck.

| | |
|--|-----------|
| 1. Determine the amount you wish to contribute per paycheck. Enter that amount in the box to the right. | \$110.00 |
| 2. Find your total pre-tax earnings for a pay period on your pay stub (In example, Total earnings This Period). Enter this number. | \$1184.89 |
| 3. Enter any payroll deductions (55/25, 57/5, or Transit Check deductions). | \$57.47 |
| 4. Subtract any amounts in step 3 from your earnings in step 2. | \$1127.42 |
| 5. Divide your desired contribution amount in step 1 by your net pre-tax pay – the amount in step 4. | .0975 |
| 6. Multiply the figure in step 5 by 100. Round to the nearest whole percentage. (e.g. .092 = 9.2% rounds to 9%) This is your total TDA contribution rate. The pre-tax and Roth contribution rates that you enter into the Contribution Rate portion of the TDA Enrollment form or the TDA Investment Change form should add up to this percentage. | 10% |

REVISED 12/08

The City of New York

EMPLOYEE

Payroll Management System

DIRECT DEPOSIT PAY STATEMENT

ITEM # PAY PERIOD PAY DATE PAYROLL # WORK UNIT CHECK NUMBER DISTRIBUTION #

12/14/25-12/27/25 01/02/26 740 0598 00G808

PENSION # ELECTRONIC FUND TRANSFER INFORMATION JSN ELEMENT STATE REFERENCE # CD

1 A 01 A 01 8

TAX INFO

| | | | | | | | | | | | | | | | |
|----------------|----------|-------------|---------|-----------------|---------|----------|--------|-----------|---------|----------|--------|-------------|--|------------------------------|--------|
| TOTAL EARNINGS | 1184.89 | FEDERAL TAX | 102.93 | SOCIAL SECURITY | 73.47 | MEDICARE | 17.19 | STATE TAX | 37.20 | CITY TAX | 23.86 | CITY WAIVER | | TOTAL DEDUCTIONS THIS PERIOD | 626.91 |
| THIS PERIOD | 1184.89 | | | | | | | | | | | | | | |
| YEAR TO DATE | 25441.96 | | 2867.23 | | 1549.13 | | 362.30 | | 1058.06 | | 637.60 | | | | |

REGULAR PAY

| | | | | | |
|-------------|--------------|--------------------------|---------------|-------------------------|----------------------|
| DESCRIPTION | UNITS / HOUR | AMT. EARNED PRIOR PERIOD | UNITS / HOURS | AMT. EARNED THIS PERIOD | LEAVE BALANCE AS OF: |
| REGULAR PAY | | | 70:00 | 1184.89 | 12/31/22 |

EARNINGS DATA

| | | | |
|------------------------|--------------------|--------------------------------------|---------------------------------|
| DESCRIPTION | AMOUNT THIS PERIOD | GOAL AMOUNT OR TOTAL INSTALLMENT NO. | BALANCE DUE OR INSTALLMENT LEFT |
| 55/25-57/10 G-CBP EMPE | 21.92 | | |
| BERS TDA | 112.74 | 15500.00 | 13359.09 |
| CTY EMP UN-U | 32.05 | | |

OTHER ITEMIZED DEDUCTIONS

MESSAGES

| | | | |
|--------------------------|--------------------|--------------------------------------|---------------------------------|
| DESCRIPTION | AMOUNT THIS PERIOD | GOAL AMOUNT OR TOTAL INSTALLMENT NO. | BALANCE DUE OR INSTALLMENT LEFT |
| BOE 414H STD G-CBP/DC EE | 35.55 | | |
| MUNI CRDT UN | 170.00 | | |

OTHER ITEMIZED DEDUCTIONS

FREE NYC CYCLING MAPS - CALL 311



WE'VE GOT YOU COVERED

BERS

Board of
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Retirement
System

EXECUTIVE OFFICE

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New York, NY 10041

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Fax: 718.935.4124 | 718.935.3830

<http://nycbers.org>