



BERS

Board of
Education
Retirement
System

of the City of New York

**SUMMARY
PLAN
DESCRIPTION
TIER 6**





Tier 6 Summary Plan Description

Including Early Retirement Programs

Executive Office

55 Water Street, 50th Floor
New York, NY 10041

Service Center

65 Court Street, 1st Floor
Brooklyn, New York 11201

TRUSTEES

For a list of the current BERS trustees, please visit our website <https://www.bers.nyc.gov/>

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June 2024

Dear Tier 6 Member:

Well-informed, proper planning for your retirement and future financial security is so very important. Therefore, at the Board of Education Retirement System of the City of New York ("BERS"), we are eager that you fully understand your retirement plan, and will clarify many features of your particular plan and benefits in this Summary Plan Description ("SPD").

BERS was founded in 1921 to provide a retirement system to New York City Department of Education employees other than those eligible to join the New York City Teachers' Retirement System. The BERS membership now also includes employees of the School Construction Authority, the Office of the Special Commissioner of Investigation, BERS, participating charter schools, and School Crossing Guards employed by the New York City Police Department. BERS' structure, procedures, and benefits are determined by administrative rules and regulations and by law. BERS is governed by a Board of Trustees that includes both employee and employer representatives.

As of June 30, 2023 BERS' assets have grown to more than \$9.29 billion. Every year the Chief Actuary of the City of New York appraises these assets to reconfirm their value and assesses BERS' liabilities and obligations so as to secure payment of benefits. Also every year, an independent auditor examines BERS to ensure that the System continues to operate soundly. And as required by law, both an independent certified public accountant and the Department of Financial Services study BERS' operations frequently. Thus, BERS functions and transactions are regularly subject to extensive, rigorous scrutiny—to protect you and your benefits.

BERS is run by a committed staff known for their dedication to the members. Although we believe this book will address many of the questions you may have about retirement, we strongly recommend that you also visit the Retirement Office to discuss further questions with our representatives.

We trust this book will be of great help to you and your loved ones.

Sincerely,

A handwritten signature in black ink, appearing to read "Sanford Rich", written in a cursive style.

Sanford Rich
Executive Director

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TIER 6 SUMMARY PLAN DESCRIPTION

This SPD discusses in detail the features and benefits provided by BERS under its Tier 6 63/5 Basic Plan, added in 2012, and under the two Tier 6 early retirement plans.

Descriptions of the following plans are also included in the SPD:

1. Tier 6 – 63/5 Basic Plan (added in 2012)
2. Tier 6 – 50/25A Automotive Early Retirement Plan (added in 2012)
3. Tier 6 – 25/Out Special Officers Early Retirement Plan (added in 2012)

This SPD is a new revised edition of the original BERS Tier 6 Summary Plan Description, published in April 2012. This SPD is also available electronically on our web site at www.nycbers.org.

Through a careful reading of this SPD and with an understanding of its contents, you can take utmost advantage of these benefits, and thus better plan for your future. It is also a wise idea to keep this SPD in a safe place, readily available for future reference.

This SPD is intended to cover in detail the basic provisions of the Tier 6 retirement plans. Nevertheless, it is a “summary plan description” and, accordingly, you may be in need of further information or have questions you would like to discuss with BERS representatives. Do not hesitate to call us at (929) 305-3800 or (800) 843-5575 (outside of New York State) or visit the BERS Retirement Office located in Room 101, at 65 Court Street, Brooklyn, New York 11021. One of our representatives will be pleased to help you.

TIER 6 SUMMARY PLAN DESCRIPTION

The laws, rules and regulations governing BERS benefits and their application are complex and detailed. Accordingly, should there be any discrepancy between these laws, rules and regulations and the language of this SPD, the applicable laws, rules and regulations will govern.

BERS also wishes to state explicitly that its policy is not to discriminate in its benefit programs, activities and employment practices on the basis of race, color, creed, national origin, age, disability, marital status, sexual orientation, or gender as required by law.

The following Glossary contains definitions or descriptions of key terms and acronyms (abbreviations) which provide a handy reference in understanding your benefit provisions. You may wish to refer to the Glossary for these terms and abbreviations.

Tier 6 | Introduction



Accidental Death Benefit

An annuity payable to the eligible beneficiary(ies) of a member who died in active service, or in vested deferred status, as a result of (a) an accident sustained in the performance of their duties, or (b) a qualifying World Trade Center condition. See also [Beneficiary](#), [Death Benefit](#).

Active Service

(when applied to BERS membership)

Paid service rendered on the payroll of the Department of Education or any other covered employer, or while a transferred contributor; active service does not include being on a noncontributory leave of absence without pay or in retirement.

Additional Member Contributions (AMC)

Contributions made to Early Retirement programs, in addition to regular member contributions.

Actuarial Calculations

Mathematical and statistical calculations that pertain to annuity payments and benefits payments, using risk factors such as life expectancy and other demographic data.

Actuary

A professional who performs actuarial calculations. The NYC Office of the Actuary provides actuarial information and services for the five major actuarially-funded New York City Retirement Systems, including BERS.

Alternate Payee

A former spouse of a member entitled to receive a portion of the member's retirement benefits under a court order known as a domestic relations order (DRO).

American Clearing House (ACH)

An association of banks that exchange checks and electronic funds transfers with one another. BERS can only issue Electronic Funds Transfer (EFT) payments to organizations that participate in the ACH.

Annuity

A sum of money (variable or fixed) paid out monthly or at other regular intervals.

Arrears

Unpaid contributions that are owed for a period of membership service. If arrears are not fully paid off before retirement, the outstanding balance will result in a reduction to the retirement benefit.

Beneficiary

The person or entity who will receive death benefits and/or any other moneys payable after a member's death. The lump-sum death benefit is payable to the designated beneficiary, meaning anyone the member designates by filing a Designation of Beneficiary form. The accidental death benefit is payable to the eligible beneficiary, who is determined by law. The option annuity is payable to the option beneficiary after the member's death, irrevocably designated by the member at the time of retirement. See also [Accidental Death Benefit](#), [Death Benefit](#), [Designated Beneficiary](#), [Eligible Beneficiary](#), [Option](#), and [Option Beneficiary](#).

Catch-Up Contributions

Additional contributions that TDA participants can make to the BERS TDA program, above and beyond the standard goal amount. Age-based catch-up contributions apply to all members aged 50 or older. Service-based catch-up contributions apply to members who have been employed by the DOE for at least 15 years, and whose combined TDA and 401(k) contributions during their employment average less than \$5,000 annually. Service-based catch-up contributions are subject to a \$15,000 lifetime cap. See also [Goal Amount](#).

Cost of Living Adjustment (COLA)

An increase made to pension payments based on the cost of living index, which is a gauge of prices of services used and goods bought by the standard consumer. See also [Cost of Living Index](#).

Compound Interest

Interest paid on both the principal and the accrued interest (that is, interest on interest); such interest can be compounded annually, semi-annually, or at other regular intervals.

Contingent Beneficiary

A secondary beneficiary who would receive a death benefit should the primary beneficiary die before the member.

Contributions

Payments made to fund the retirement benefits provided by BERS, including service retirement, disability retirement, and death benefits. Members of BERS make QPP contributions based on their tier and their participation in an early retirement program, if applicable. These contributions are calculated as a fixed percentage of salary, and deducted through salary withholdings. The employer also makes QPP contributions each year, in an amount certified by the NYC Office of the Actuary. TDA contributions are made only by participating members, in an amount chosen by each member, and are entirely voluntary.

Cost of Living Index

Gauges the prices of services used and goods bought by the standard consumer; these figures then provide the basis for annual adjustments made to Social Security payments, pension payments and more. See also [Cost of Living Adjustment \(COLA\)](#).

Covered Employment

In addition to employment with the New York City Department of Education, this includes employment with the New York City School Construction Authority, the Office of the Special Commissioner of Investigation, certain charter schools, BERS, or as a School Crossing Guard employed by the New York City Police Department. Covered employment makes an employee eligible for BERS membership.

Creditable Service

Employment that can count toward retirement credit and toward the calculation of the retirement benefit. See also [Credited Service](#).

Credited Service

Employment that has been counted toward retirement credit and toward the calculation of the retirement benefit. There are many different kinds of credited service; see also [Membership Service](#), [Prior Service](#), [Military Service During Membership](#), [Military Service Prior to Membership](#), [Reinstated Service](#), and [Transferred in Service](#).

Death Benefit

A lump-sum payment to the designated beneficiaries of a covered member. The designated beneficiaries will receive (a) an ordinary death benefit if the member died in active service with at least one year of service credit; or (b) a vested death benefit if the member died as a deferred vested member with at least 10 years of service credit; or (c) a post-retirement death benefit if the member died in retirement and was in Tier 2, 4 or 6. Additionally, if the deceased member had a balance in their TDA account, this balance will be paid out to a separately designated set of beneficiaries. See also [Beneficiary And Designated Beneficiary](#).

Deemed Distribution

A report to the IRS of a defaulted loan. The IRS will treat the unpaid balance of the defaulted loan as income for tax purposes. Also, if a loan has not been fully paid off 5 years after issuance, the unpaid balance must be reported as a deemed distribution. See also [Default](#).

Default

Failure to make scheduled payments on a loan. BERS considers a loan defaulted when no payments have been received in 90 days. When a loan has been placed in default, the outstanding balance will be scheduled for a deemed distribution, meaning that it will be reported to the IRS as income. See also [Deemed Distribution](#).

Deferred Retirement

Retirement after a period of separation from active service. A member who leaves active service after vesting, but before attaining the age required to receive a benefit, is entitled to receive a deferred retirement benefit upon reaching the retirement age for their tier (and early retirement program, if applicable). See also [Vesting](#).

Deficit

An insufficient balance in a contribution account (such as the MCAF or AMC account). See also [Arrears](#).

Designated Beneficiary

The beneficiary (or beneficiaries) who will be paid a lump-sum death benefit (ordinary death benefit, vested death benefit, post-retirement death benefit, and/or TDA death benefit) in the event of the member's death. The member can change their designated beneficiary(ies) for lump-sum death benefits at any time by filing a Designation of Beneficiary form. A designated beneficiary is usually a person, but may be an entity, such as a trust. See also [Death Benefit](#).

Disability Retirement

Retirement from active service after becoming disabled. A member who has 10 or more years of credited service may file for ordinary disability retirement (ODR), and this application will be granted on a finding that the member is permanently disabled for the performance of duty, regardless of the cause of the disability. A member who was injured in a work-related accident may file for accident disability retirement (ADR), regardless of the length of credited service, and this application will be granted on a finding that (a) the member is permanently disabled for the performance of duty, (b) the member suffered a work-related accident, and (c) this accident resulted in the member's disability. See also [Service Retirement](#).

Distribution

Any withdrawal from a pension plan or tax-deferred retirement account. See also [Refund](#).

Domestic Relations Order (DRO)

A court order that instructs a retirement system to pay a portion of a member's retirement benefits to a former spouse, known as an alternate payee. BERS may receive a DRO directed to a member's QPP account, TDA account, or both. When a DRO is directed to the QPP account, it generally orders BERS to pay the alternate payee a portion of the member's pension, usually effective when the member retires. When a DRO is directed to the TDA account, it generally orders BERS to pay the alternate payee a lump sum from the member's TDA, usually effective upon request. See also [Alternate Payee](#).

Early Retirement Programs

Programs that allow the member to retire at an earlier age, but which require payment of Additional Member Contributions (AMC). These programs include the 57/5 early retirement program (Tier 4 only), the 55/25 early retirement programs (Tiers 2 and 4), the 55/25 early retirement programs for UFT members (Tiers 2 and 4), the Automotive early retirement programs (Tiers 4 and 6), and the Special Officers early retirement programs (Tiers 2, 4, and 6).

Earnable Salary

Regular annual wages, not including any additional compensation, such as overtime pay.

Earned Salary

Actual wages earned during a specified period of time.

Effective Date Of Retirement

The actual date on which one's retirement begins. No service can be credited after the effective date of retirement. In cases of deferred retirement, this date may be retroactive.

Electronic Funds Transfer (EFT)

The deposit of a payment directly into a bank account. BERS can only issue EFT payments to financial institutions that participate in the American Clearing House (ACH).

Eligible Beneficiary

The beneficiary who will be paid an accidental death benefit in the event the member dies as a result of a work-related accident. The eligible beneficiary is not designated by the member, but determined by law. This will be the surviving spouse, if living; otherwise any surviving children under age 25; otherwise to dependent parents; otherwise any other qualifying dependent; otherwise the designated beneficiary. See also [Accidental Death Benefit](#).

Escalation

Incremental increases in the amount of benefit payable.

Final Average Salary (FAS)

An important component of your pension calculation. The FAS formula is different for each tier, but in general it is calculated by averaging your earnings during your highest-earning consecutive years of credited service (not necessarily your last years), with some limits applied for members who received significant pay increases during this period.

Federal Insurance Contributions Act (FICA)

A federal law that requires employers to withhold a percentage of wages and make payments to fund Social Security and Medicare.

Fixed Return Fund

One of two options for investing TDA contributions. The Fixed Return Fund guarantees investment earnings at a fixed interest rate of return. The fixed interest rate is 7% per year for members represented by the United Federation of Teachers (UFT) and 8.25% per year for all other members. See also [Variable Annuity Fund](#).

Five-Year Out Rule

Under the applicable law, a member who leaves covered employment before vesting will lose all membership rights 5 years after the last day of active service. This means that all interest on BERS accounts will stop, and the member has no rights to any BERS retirement benefits other than to can apply for a refund of all contributions and earnings. If the member returns to active service and joins BERS or another retirement system, the service can be reinstated. See also [Vesting](#).

Goal Amount

The maximum dollar amount that a TDA participant can contribute to the BERS TDA Program in a calendar year. The goal amount is announced by the IRS in autumn of each year, and takes effect on January 1 of the following year. The goal amount is combined between all TDA and 401(k) programs a member may contribute to. However, contributions to 457 programs are tallied separately. See also [Catch-Up Contributions](#).

Hardship Distribution

A distribution of TDA funds to a member who is less than 59½ years old and remains in service, but who has suffered one of the following hardships: medical expenses for self, spouse, or dependents; purchase of a primary residence; tuition for post-secondary education; danger of eviction; burial or funeral expenses for a parent, spouse, child, or dependent; repair of damage to principal residence casualty loss; or expenses or losses related to a federally declared FEMA disaster area. A hardship distribution may not exceed the amount of the hardship itself, and can include only TDA contributions (not interest or earnings) .

Insurance Premium

A fee paid for insurance protection. BERS includes an insurance premium when calculating each loan payment schedule. When a member dies with an outstanding loan that is insured, the beneficiaries will receive the full death benefit amount. Note that a defaulted loan is no longer insured; when a member dies with an outstanding loan that is uninsured, the beneficiaries will receive a death benefit reduced by the amount of the unpaid loan balance. See also [Default](#).

Liquidate

To fully pay off a loan.

Member Contributions Accumulation Fund (MCAF)

The account in which the regular employee contributions of Tier 4 and Tier 6 members accumulate and earn interest.

Membership Service

Service credit accrued after the date of membership.

Military Service During Membership

Service in the armed forces of the United States or the State of New York, performed while a member of BERS. If the member goes off their employer's payroll during a period of military service during membership, the member can purchase service credit for this military service by making the contributions that they would have made had they remained in active service during the same period.

Military Service Prior to Membership

Service in the armed forces of the United States performed before the date of membership in BERS. A member may purchase up to 3 years of military service prior to membership, at a cost that depends on the member's tier.

New York City Or State Public Employee Retirement Systems

The 7 retirement plans for employees in New York public service. Besides BERS, this includes the New York City Employees' Retirement System (NYCERS), the Teachers' Retirement System of the City of New York (TRS), the New York City Police Pension Fund (PPF), the New York City Fire Department Pension Fund (FDPF), the New York State and Local Employees' Retirement System (NYSLRS), and the New York State Teachers' Retirement System (NYSTRS).

New York Public Service

Any employment with the State of New York, or with any county, town, village, school district, special district, or public authority within the State, or with the City of New York, including the Department of Education.

Option

At the time of retirement, a member may choose either to receive the maximum retirement allowance, or to select an option that reduces the retirement allowance but offers continued coverage for an option beneficiary of the member's choice. The available options depend on the member's tier. Thirty days after the first pension payment has been issued, the option chosen at retirement cannot be changed, and, except in the case of the 5- and 10-Year Certain options, the beneficiary cannot be changed, either. See also option [Beneficiary](#).

Option Beneficiary

The beneficiary who will be paid an annuity in the event of a retired member's death. The option beneficiary is designated by the member at the time of retirement, and cannot be changed once thirty days have elapsed after the first pension payment has been issued, except in the case of the 5- and 10- Year Certain options. See also [Option](#).

Payable

Money which can or must be paid to someone (such as benefits).

Prior Service

Service credit for employment with the City or State of New York before the date of membership in BERS. A BERS member can purchase prior service for employment if the employment in question would have made the member eligible to join BERS or any one of the other New York City or State public employee retirement systems. The cost of prior service depends on the member's tier.

Prorate

To assess, divide, and distribute proportionally.

Qualified Pension Plan (QPP)

The plan that receives a BERS member's retirement contributions and issues their pension payments after they retire. The term "qualified" indicates that the BERS QPP follows the requirements of Section 401 (a) of the Internal Revenue Code.

Reduced Escalation

Growth in the amount of benefit payable at a smaller percentage with each increase.

Refund

A payment of QPP or TDA contributions, and/or interest and earnings on these contributions. BERS may issue a QPP refund under various circumstances, including overpayment of contributions, termination of membership, etc. BERS may issue a TDA refund on request to any TDA participant who is 59½ years of age, separated from service or approved for a hardship distribution. A refund of pre-tax funds will be reported to the IRS as income. It may be possible to roll over a refund to another retirement account, such as an Individual Retirement Account (IRA), in order to continue to enjoy the tax advantages. See also [Hardship Distributions, Required Minimum Distributions, And Rollover](#).

Required Minimum Distributions (RMDs)

Mandatory refunds that participants in the BERS TDA Program who are retired or otherwise separated from service must receive each year once they reach a certain age. As of January 1, 2023, that age is 73. On January 1, 2033, it will increase to 75. RMDs cannot be rolled over. Roth contributions and earnings are not subject to RMDs during the member's lifetime. See also [Refund](#).

Rescind

To take back, withdraw, cancel (such as an application).

Reinstated Service

Service credit accrued under a previously terminated membership, either at BERS or at another New York City or State public employee retirement system, which has been reinstated and is now credited to the member's account. See also [Tier Reinstatement](#).

Retirement Allowance

The actual benefit payable to the retiree.

Retroactive

Calculated with an effective date in the past. May refer to payments, contributions, the effective retirement date, etc.

Rollover

A transfer of retirement funds, usually from the BERS QPP or TDA to an Individual Retirement Account (IRA). A member can only request a rollover of funds if the member is already eligible to receive a refund of the same funds. Pre-tax funds can only be transferred to a pre-tax account. Roth funds can only be transferred to a Roth account. Post-tax funds (e.g., a lump sum used to purchase prior service) cannot be rolled over, and can only be distributed (though they are not subject to taxes). See also [Refund](#).

Roth Contributions

Starting January 1, 2024, BERS will permit TDA participants to make contributions on a Roth basis. Roth contributions are taxed when they are made. Roth contributions are not subject to federal or New York State tax when paid out to the member, since this tax has already been withheld at the time the contribution was made. Any earnings on Roth contributions are entirely free from federal and New York state tax when paid out to the member, as long as the first refund takes place in the fifth year from the member's first Roth contribution or later.

Retirement and Social Security Law (RSSL)

The New York State RSSL is the legislation governing the pension contributions, retirement calculations, loans, refunds, death benefits, and other retirement-related rights and responsibilities of certain public employees, including BERS members.

Service Rendered

Employment engaged in, work performed.

Service Retirement

Retirement from active service after accruing the amount of service credit and reaching the age specified by the member's tier (and/or early retirement program, if any). For example, a Tier 6 member is entitled to retire at age 63 with 5 years of credited service. See also [Disability Retirement](#).

Social Security Quarters

Refers to the credits earned under the Federal Insurance Contributions Act (FICA). Each quarter represents 3 months of covered employment. A worker born after 1928 must have at least 40 quarters of work in covered employment (i.e., 10 years) to apply for a Social Security old age pension. For Social Security purposes, "employment" includes most work that is subject to the Social Security payroll tax.

Tax-Deferred Annuity (TDA) Program

The BERS TDA Program, governed by Section 403(b) of the Internal Revenue Code, is a program that allows eligible BERS members employed by the Department of Education (DOE) to set aside additional savings for their retirement. Pre-tax contributions to the BERS TDA Program accumulate earnings on a tax-deferred basis, and are not taxed until withdrawn. As of January 1, 2024, eligible BERS members may also make Roth contributions to the BERS TDA Program. See also [Roth Contributions](#).

1099-R

A statement sent to taxpayers and to the Internal Revenue Service by the pension administrator, reporting all retirement-related income (including pensions, refunds, defaulted loans, and death benefits).

Tier

A group of members, based on their date of membership. Members in each tier have different rights and responsibilities. Tier 1 covers members who joined before 06/30/1973. Tier 2 covers members who joined between 07/01/1973 and 07/26/1976. Tier 4 covers members who joined between 07/27/1976 and 03/31/2012. Tier 6 covers members who joined on or after 04/01/2012.

Tier Reinstatement

Members who once belonged to BERS or another New York City or State public employee retirement system, left their covered employment and received a refund of their retirement contributions, and later rejoined a New York City or State public employee retirement system, are eligible to apply to reinstate their original membership date and tier rights by repaying all withdrawn contributions with interest. A member may apply for a reinstatement even if the original membership was in the same tier as the current membership; this will give the member the benefit of the original membership date for most legal purposes. See also [Reinstated Service](#).

Transferred Contributor (of BERS)

A BERS member who left education service and started another City job that would ordinarily make them eligible for NYCERS or NYC TRS membership, but who filed an application to remain a BERS member. A member can only file for transferred contributor status if the new job begins no more than sixty days after the prior job ends. A BERS transferred contributor cannot participate in the BERS TDA Program, but continues to earn interest on existing contributions. NYCERS and NYC TRS also have their own transferred contributors. See also [Transfer Between Retirement Systems](#).

Transfer Between Retirement Systems

When a member of one retirement system leaves their original job and joins another retirement system, the member can, and usually should, request a transfer to the second retirement system. The first retirement service then sends all contributions and interest accumulated in the member's accounts, together with an accounting of all credited service, to the second retirement system. This is usually advantageous because all credited service is now in one place. Transfers can happen between any two New York City or State public employee retirement systems. See also [Transferred Contributor](#), [Transferred In Service](#).

Transferred In Service

Service credit transferred to BERS from another retirement system.

Variable Annuity Fund

One of two options for investing TDA contributions. The Variable Annuity Fund seeks escalating growth through diversified and managed investments, but does not guarantee earnings nor an assured rate of return, since its returns hinge on the fluctuations of its investments' value. In addition to earnings and losses reflected in the variable unit value, variable fund accounts earn a 4% increase to the number of units per year (referred to as the "variable explosion"). See also [Fixed Return Fund](#).

Vesting

Acquiring the right to receive the benefits specified by a particular retirement program after having completed a certain amount of credited service. At this time, all BERS members vest with 5 years of credited service.

Who is a Tier 6 member

If you joined BERS on or after April 1, 2012, you are covered under the Tier 6 Plan. As a Tier 6 member you may be eligible—required—to participate in one of the following plans:

1. Tier 6 – 63/5 Basic Plan (added in 2012)
2. Tier 6 – 50/25A Automotive Early Retirement Plan (added in 2012)
3. Tier 6 – 25/Out Special Officers Early Retirement Plan (added in 2012)

See the relevant SPD sections on the eligibility requirements for each of these plans and whether your participation is voluntary or mandatory.

Who is eligible for BERS membership

Membership in BERS is open to all employees of the New York City Department of Education who are not eligible to participate in the New York City Teachers' Retirement System. In addition, employees of the New York City School Construction Authority, participating charter schools, BERS, the Office of the Special Commissioner of Investigation, and School Crossing Guards employed by the New York City Police Department are eligible for BERS membership.

Is BERS membership mandatory or voluntary

If you were appointed to a permanent position in the competitive or labor class of civil service, then BERS membership is mandatory for you. If you were appointed within one of the other employment classes, then BERS membership is voluntary for you. (Non-competitive and exempt class employees, provisional positions, and substitute teachers are some examples of positions for which BERS membership is voluntary.) When joining or rejoining, you should speak with your Personnel Manager or Timekeeper to clarify within which precise employment class your particular position falls so that you can determine whether BERS membership is required or optional for you.

If mandatory for you, your membership starts on your official date of appointment. If voluntary for you, your membership starts when your membership application is received by BERS.

Automatic enrollment as of July 1, 2024.

Effective July 1, 2024, Chapter 721 of the Laws of 2023 provides that eligible members of BERS (with the exception of provisional members) will be automatically enrolled in BERS unless they opt out within 90 days. This applies to every employee who:

- a) is currently in service in a title eligible for BERS membership;
- b) is active on payroll;
- c) is not enrolled in BERS or any other New York City or State retirement system; and
- d) is not provisionally appointed.

If you are a current employee who meets the above criteria as of July 1, 2024, you will be enrolled effective October 1, 2024 unless you leave service or file an Auto-Enrollment Opt-Out form with BERS by September 30, 2024.

If you first meet the above criteria after July 1, 2024, you will have 90 days from the date of eligibility to opt out. If you do not opt out or leave service by then, you will be enrolled effective on the 91st day. Your BERS membership will continue as long as you remain in active service in a covered position.

Employees who are already members of BERS, or of any other New York City or State retirement system, are not impacted by this new law.

Provisional employees are outside the scope of this law. A provisional employee is one with Civil Service Status Code E, F, G, H, I, J, K, Q, and U. Only employees with Civil Service Status Codes N, W and X are subject to auto-enrollment under Chapter 721.

Employees who are subject to Chapter 721, but who would like to join BERS sooner than the 91st day, can do so by filing a Tier 6 Membership Application form.

Employees who file an Auto-Enrollment Opt-Out form will be exempted from automatic enrollment. However, even if you opt out, you may still become a BERS member at a later date if either a) you file a Tier 6 Membership Application with BERS; or b) you become permanently appointed to a competitive or labor class position (in which case you will be mandated into BERS).

Becoming a member of BERS

How to join or rejoin BERS

To become a member of BERS, whether joining for the first time or rejoining, you must complete and then submit an Enrollment Application form to BERS. At the same time, you are required to submit a Designation of Beneficiary form.

When joining or rejoining, you ought to discuss with a BERS representative the period of time you have worked in the past, because your prior employment with the City or State of New York just might be applicable toward retirement credit at BERS. So, before you consider any transaction involving retirement benefits or rights from a former job (withdrawal of contributions, for example), you should be well informed as to the possible consequences.

You should also determine whether the tier reinstatement law (described on page 17) applies to you. If you had a prior membership in BERS or in another New York City or State public employee retirement system, it may be possible to reinstate your original membership rights.

Once your application for BERS membership is received by the retirement system, it is irrevocable: you may not withdraw your membership so long as you remain in New York City education service. This means that you cannot reverse your decision to join BERS once that application arrives at the BERS Retirement Office as long as you stay employed in New York City education service.

Naming a beneficiary (or beneficiaries) when joining or rejoining BERS

When enrolling, you have to complete the Designation of Beneficiary form, on which you must choose and identify your beneficiary or beneficiaries—clearly a very important decision—so that any death benefit due will be paid to your survivors according to your wishes. These death benefits are described in the chapter “What If You Die Before Retirement” on page 42. You can name any persons you wish (such as a family member or friend) or entities (such as a charity or another organization of meaning to you) as your beneficiaries.

You can change your selection of beneficiaries at any time by filing the appropriate form with the Retirement Office. Your semi-annual statement from BERS (which you should always look over carefully) indicates your current beneficiary information—make sure it is what you intend.

Take note that if no Designation of Beneficiary Form is received by BERS, any death benefit due will be paid to your estate.

If you also participate in the BERS Tax-Deferred Annuity (TDA) program, you must complete a separate Designation of Beneficiary form for your TDA death benefit.

BENEFICIARY SELECTION**First Designation**

When you join BERS, you must designate beneficiaries for the Ordinary Death Benefit

Later Designations

At any time during your membership, you can change beneficiaries

Retirement Designation

At retirement you make up to three designations

- 1 Temporary Beneficiary
- 2 Option Beneficiaries
- 3 Fractional Beneficiary

About Tier reinstatement

Legislation enacted in 1999 permits a member of BERS who had a prior, ceased membership in BERS or another New York State or City public employee retirement system under a different tier to restore the rights of their original tier. This process is commonly referred to as “tier reinstatement.”

For example, if you were once a Tier 4 member of BERS, then left your employment, terminated your membership, and later re-joined BERS as a Tier 6 member, you might be able to restore your Tier 4 rights. Similarly, if you were once a Tier 1 member of NYCERS, then left your employment, terminated your membership, and later joined BERS as a Tier 6 member, you might be able to restore your Tier 1 rights.

If you received a refund of contributions when your original membership ended, you must repay the refund, plus 5% compound interest from the date of the refund, in order to restore the rights of your original membership. This payment must be submitted to BERS in full before your reinstatement can become effective.

If you are granted a tier reinstatement, the date on which your original membership began would be reestablished as the official start date of your BERS membership.

If you believe that you may be eligible for tier reinstatement, please discuss the matter with a BERS counselor at your earliest opportunity. BERS will determine your eligibility for tier reinstatement, calculate the cost of your tier reinstatement, and explain any related benefits from tier reinstatement.

So, determine the dates of your former membership and also the circumstances under which it ended. Why the latter? Because, in order to qualify for tier reinstatement, your former New York public retirement system membership must have come to an end for one of the following reasons: you had insufficient service credit when you left the position that accorded you such membership; you withdrew all of your contributions; or, you withdrew your membership.

About employee contributions

Tier 6 members who joined prior to April 1, 2013 were required to make employee contributions of 3% to BERS until March 31, 2013. As of April 1, 2013, Tier 6 members are required to make contributions to BERS based on their annual wages during the preceding plan year. For the first three years of membership, annual wages will be projected by the employer. These contributions are credited to your Member Contributions Accumulation Fund (MCAF), where they accrue 5% interest per year.

The rate of basic employee contributions on and after April 1, 2013 will be determined by the following schedule:

Annual wages	Basic member contributions
\$45,000 or less	3%
greater than \$45,000 up to \$55,000	3.5%
greater than \$55,000 up to \$75,000	4.5%
greater than \$75,000 up to \$100,000	5.75%
over \$100,000	6%

As a result of temporary legislation enacted April 9, 2022, the methodology used to determine the rate of Tier 6 contributions disregarded overtime pay between April 1, 2022 and April 1, 2024. (Note: Overtime pay was still subject to deductions for BERS contributions, and counted toward Final Average Salary, up to the Tier 6 pensionable overtime cap. However, overtime pay did not count toward the total wages for the purpose of determining the contribution rate between April 1, 2022 and April 1, 2024.)

Earnings above the Overtime Ceiling and the Governor's Salary are exempt from contributions. For more information about these caps, see page 30.

Participants in the Automotive and Special Officer programs are required to make the additional contributions over and above these basic employee regular contributions. These additional member contributions (AMC) are outlined below.

All contributions made through payroll deductions are made 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.

In addition to making employee contributions to BERS, you are required to pay Social Security and Medicare (FICA) taxes.

About employer contributions

In addition to your employee contributions, your employer also makes contributions to BERS. The Office of the Actuary calculates and determines the contributions the employer is required to contribute to BERS. Together, employee contributions, employer contributions, and earnings on BERS' investments fund the retirement benefits of BERS members.

Your employer also makes FICA contributions on your behalf in an amount equal to your own employee FICA contributions.

What kind of service counts and how

Credited Service (that is, employment which counts toward your retirement allowance) can include the following:

- ▶ Membership Service
- ▶ Prior Service
- ▶ Reinstated Service
- ▶ Transferred Service
- ▶ Union Leave Service
- ▶ Military Service Prior to Membership
- ▶ Military Service During Membership

Membership Service is the service rendered (that is, work performed) after you joined BERS; and it includes all service while you were on the payroll in a position that either required you to join BERS or allowed you to join BERS. Membership service includes paid leave of absence, paid sick leave, paid annual leave, retroactive service under the provisions of tier reversion, and service from an earlier BERS membership granted under the provisions of tier reinstatement.

Prior Service, also known as "Previous Service", is service rendered prior to the date you became a member of BERS—whether you were employed by the Department of Education, by the City of New York, by the State of New York or any New York State political subdivisions, or by another covered employer. You must purchase such prior service to get credit for it at BERS, and you must be eligible to do so. Eligibility and cost are both explained in the very next chapter, "How You Buy Back Prior Service," page 23.

If you have been granted tier reinstatement and restored your tier rights under an earlier membership in a different New York City or State public employee retirement system, such service is also considered prior service for most purposes.

Reinstated Service is service credit accrued under a previously terminated membership, either at BERS or at another New York City or State public employee retirement system, which has been reinstated and is now credited to your account. If you received a refund of contributions when your original membership ended, you must repay the refund, plus 5% annual compound interest from the date of the refund, in order to restore the rights of your original membership. Reinstatement is explained in more detail on page 17.

Reinstated service, if rendered in a system other than BERS, is deemed prior service under the law. You do not purchase reinstated service, but you must repay any contributions that were refunded to you. Eligibility for, and cost of tier reinstatement, are explained in the section “About Tier Reinstatement,” page 12.

Transferred Service is service accrued for which you received credit while you were a member of another public retirement system in the City or State of New York. You must first join BERS, then transfer this service to BERS in order to get credit for the service at BERS. After such service is transferred, it becomes service with BERS.

You should consult with your former retirement system and with BERS concerning any restrictions on transferred service. (See the chapter “Transferring Your Membership,” page 25.)

Military Service Prior to Membership is service in one of the armed forces of the United States that you performed before joining BERS. In order to receive credit for military service prior to membership, the following requirements apply:

- 1) You must have at least five years of credited service, not counting any military service prior to membership (but including membership service, prior service, transferred service, etc.); and
- 2) You must apply for and purchase the service credit. The cost of the service credit is calculated according to the following formula:

6% of the salary you earned during the 12 months before you apply for the service credit
multiplied by
the number of years of military service prior to membership that you are purchasing

Note that any payments you make for military service prior to membership are considered employer contributions. Accordingly, they are not deposited into your MCAF, and you are not entitled to take loans from this balance. Such payments are generally not refundable, with two exceptions:

1. If, at retirement, your purchased military service prior to membership does not produce a retirement benefit greater than the benefit you would have received if you had not purchased the military service prior to membership, then you will be entitled to a refund of the cost of the military service prior to membership, with interest.
2. If you die prior to retirement, but the military service prior to membership does not produce a death benefit greater than the benefit that would have been paid had you not purchased the military service prior to membership at all, then your beneficiary(ies) will be entitled to a refund of the cost of the military service prior to membership, with interest.

Prior to May 31, 2016, additional limitations applied to purchases of military service prior to membership. Specifically, such service could be purchased only if performed in certain theaters and during certain periods of conflict. These requirements are no longer in effect. If you applied to purchase military service prior to membership sometime before May 31, 2016 and your application was denied on the grounds that your service was not performed in certain theaters and during certain periods of conflict, you may reapply to purchase this service.

You can apply for and purchase credit for military service prior to membership at any time before your retirement. The cost may be paid either through payroll deductions or in a lump sum.

Military Service During Membership is active duty in the armed forces of the United States or the State of New York that may be eligible for retirement service credit under the New York State Military Law, the federal Uniformed Services Employment and Reemployment Act (USERRA), and under the New York State Military Law Section 243 or 244. Under both the State and federal laws you had to be engaged in covered employment; be granted a leave of absence to serve in active duty; actually serve in same and be honorably discharged therefrom; apply to return to your covered position; then, usually, pay the contributions that you would have been making during your military leave.

You can apply for and purchase credit for military service during membership at any time before your retirement.

Union Leave Service is service while on an approved leave of absence from your covered employment to work full-time for your union. To receive credit for this service, you will need to pay BERS the contributions that you would have made, if you had remained in active service during this period. If you are approved for such a leave of absence, please contact BERS at least once per year to arrange for calculation and payment of your employee contributions.

Full-Time and Part-Time Service

Covered service with BERS can be either full-time or part-time. If you are working on a full-time basis, the amount of service credit you earn will be equal to the length of your employment, minus any breaks in service (including leaves without pay).

If you are working on a part-time basis, the amount of service credit you earn will be based on one of the following formulas:

- 1) If you are a substitute teacher, you will receive 1 year of service credit for 180 days or 1,170 hours worked.
- 2) If you are working in a school-based title, you will earn 1 year of service credit for every 1,470 hours worked.
- 3) If you are working in a non-school-based title, you will earn 1 year of service for every 1,827 hours worked.

You can never earn more than:

- (a) a year of service credit in a calendar year;
- (b) a month of service credit in a calendar month;
- (c) a week of service credit in a calendar week; or
- (d) a day of service credit in a calendar day.

How you “buy back” Prior Service

If you want to receive credit for prior service (also known as “previous service”), you must submit a completed Prior Service Application form to BERS and purchase such credit. Prior Service may be full-time or part-time.

Who is eligible to buy back Prior Service

You are eligible to purchase credit for prior service if either of the following applies to you:

- ▶ Before your BERS membership, you performed service in a position that made you eligible to join BERS or another public employee retirement system of New York City or State, but you did not join at that time; or
- ▶ Before your BERS membership, you performed service in a position that that did not make you eligible to join BERS or another public employee retirement system of New York City or State at that time, but which would make you eligible to join if you were serving in that position today.

You are eligible to purchase credit for prior service, even if there was a break in employment between the period you performed the prior service and your BERS membership.

How much it costs to buy back Prior Service

The cost for Tier 6 members to purchase credit for prior service is equal to 6% of the wages you earned during the period(s) of prior service that you are claiming, plus 5% annual compound interest. The interest covers the time period starting from the dates of such service up to the date that full payment is made to BERS. Participants in the Tier 6 early retirement programs may also be required to pay additional member contributions on all or on a part of the prior service credit they purchase. Please see page 19 for further details on the various early retirement programs.)

Once you submit your application, BERS will calculate the cost of purchasing credit for your prior service, and will give you the option of making the required payment in either lump sum or through payroll deductions. These payroll deductions are made after New York City (if applicable), New York State, and federal taxes are taken out of your paycheck.

When you receive credit for Prior Service

To receive credit for your prior service, you need at least two years of membership service. You can claim and pay for the prior service at any time, but remember that you will not receive credit for it until you have completed two years of membership service with BERS.

So, this means that if you have two years of membership service and you buy back three years of prior service, you will have five years of credited service. Membership service, as before, includes credited service that you may have transferred to BERS from another public retirement system of the City or State of New York. (If you work on a part-time basis, remember that it may take more than two calendar years to earn two years of credited service.) Reinstated service from a prior BERS membership also counts as membership service.



Remaining in BERS as a Transferred Contributor

If you change jobs and take another position with the City of New York (such as with another city agency entirely), and your new job would not otherwise entitle you to BERS membership, you may still remain in BERS as a Transferred Contributor, provided that the following apply to you:

- ▶ you start the other position within 60 days of the resignation date from your current job; and
- ▶ you do not withdraw your member contributions from BERS; and
- ▶ you do not become a member of another retirement system.

As a Transferred Contributor, you will continue to make contributions, if so required, toward your retirement allowance through payroll deductions, and hence, you will continue to accrue BERS benefits. However, you will not be eligible to make contributions to the Tax-Deferred Annuity Program (TDA) at BERS unless you remain in education service. Your status as a Transferred Contributor is effective as soon as you complete and submit the proper forms to BERS. These forms include a Transferred Contributor Application. Once you submit a Transferred Contributor Application to BERS, your choice is irrevocable.

Transferring your membership

Transferring to another system

If you change jobs and take another position with the City or State of New York, and your new job entitles you to membership in another public employee retirement system, you may be eligible to transfer your BERS membership to that system.

You are eligible to transfer your membership to another such system provided that the following apply to you:

- ▶ you resign your position with the Department of Education (or other covered employer); and
- ▶ you do not withdraw your member contributions from BERS; and
- ▶ you apply to transfer your membership service credit and your contributions within five years of your resignation date. You will need to submit the proper forms both to your new retirement system and to BERS. (If you are vested when you resign, the five-year rule does not apply.)

Before you make such a decision, it is important that you discuss your particular situation with representatives of both retirement systems. Why? Because your rights and benefits under the new system may not be the same as they are under BERS.

Transferring to BERS from another system

If you change jobs and your new job entitles you to membership in BERS, and you are a member of another New York City or State public employee retirement system, you may be eligible to transfer your present membership to BERS.

You should discuss your particular situation with representatives of both retirement systems. And if you decide to transfer to BERS, you should do so under the advisement of a BERS representative so as to properly execute such a transfer.



What if your employment ends before retirement

Vesting in BERS

Vesting means acquiring the right to receive the benefits specified by your particular retirement program after having earned a certain amount of credited service in the retirement system. All Tier 6 members are automatically vested in the Basic Tier 6 Plan with a minimum of five years of credited service. Note that vested members in the early retirement programs may be eligible to receive retirement benefits before age 63.

What happens to your membership and contributions if you are a vested member

If your employment ends and you are vested, but have less than 10 years of credited service, you can either remain vested, maintain your right to receive a retirement allowance at age 63, and leave your contributions in your account; or you can get a refund of the balance in your account, with interest. If you receive such a refund, however, your membership in BERS will end, as will your right to receive a retirement allowance at age 63. Further, there may be tax consequences associated with such a refund.

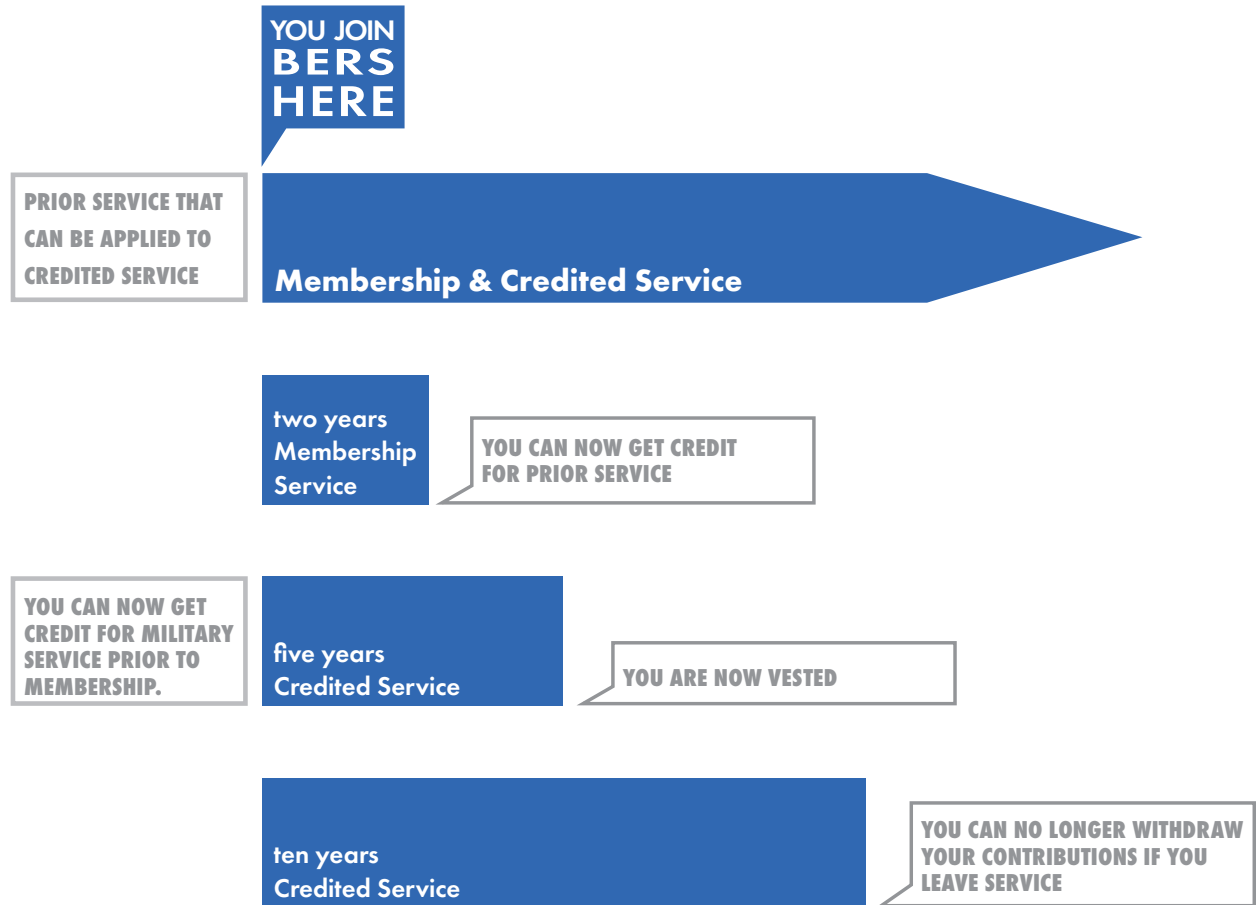
But if your employment ends after you have accrued 10 or more years of credited service, you cannot get a refund of your account balance(s). You will, however, be eligible to receive a retirement allowance starting at age 63.

What happens to your membership and contributions if you are a non-vested member

If your employment ends and you are not vested you may choose one of the following two alternatives:

- ▶ you can receive a refund of your account balance(s) with interest if you apply for such—if you receive such a refund, however, your membership in BERS will end; or
- ▶ you can leave your contributions in your account, and the contributions will continue to earn interest for up to five years. If you have not returned to active service by that point, then the interest will cease and your BERS membership will end. You must then apply for a refund of these contributions.

There may be tax consequences associated with a refund of contributions.



What if you leave and return to service later

Maintaining your membership rights

If your employment ends with the Department of Education or another covered employer before retirement and then you return to service later, you may be able to maintain Tier 6 membership rights in BERS and retain the credited service you had earned before your employment ended if the following apply to you:

- ▶ you do not withdraw your account balances, and either
- ▶ (a) you are vested, or
- ▶ (b) your time out of service does not total more than five years.

In general, should you return to the employ of the Department of Education or another covered employer within a five-year period, you would come back as a Tier 6 member with the same rights and privileges that you had before your employment ended. Your future credited service would then be added to your past credited service.

Approved leaves of absence without pay do not constitute time out of service and do not affect your membership, but such leaves are not included in your credited service (unless a special circumstance applies, such as union leave or military service prior to membership).

Returning to service after losing your membership rights

If you have lost your membership rights and later return to the employ of the Department of Education or that of another covered employer in the future, and join BERS again, you may apply to have the rights of your former BERS membership reinstated.

If indeed reinstatement is granted, and you had received a refund of any contributions under your past membership, you would have to pay the refund back, plus 5% compound interest from the date of refund.

The Tier 6 – 63/5 Basic Plan

Who Is eligible to participate in 63/5

If you joined BERS on or after April 1, 2012, you are covered by 63/5 unless you are participating in one of Tier 6 Early Retirement Plans.

How vesting works under 63/5

At five years of credited service, 63/5 members are automatically vested with the right to receive a pension at age 63.

Participants in Tier 6 Early Retirement Plans that require more than 5 years of credited service may still be eligible for pension benefits at age 63 under the Basic Tier 6 Plan if they have a minimum of 5 years of credited service.

Final Average Salary

Your Final Average Salary (FAS) is an important component of your pension calculation.

If your retirement date is before April 20, 2024, your FAS is defined as:

- ▶ The average of your earnings (including pensionable overtime) during any five consecutive years;
- or
- ▶ The average of the wages you earned in the last 60 months prior to your retirement date.

If your retirement date is on or after April 20, 2024, your FAS is defined as:

- ▶ The average of your earnings (including pensionable overtime) during any three consecutive years;
- or
- ▶ The average of the wages you earned in the last 36 months prior to your retirement date.

Note that FAS for Tier 6 members disregards (a) any compensation that exceeds the Governor's Salary (\$250,000.00 as of 2024), and b) any overtime earnings that exceed the Overtime Ceiling (\$20,459.00 as of 2024).

In addition, for FAS calculation purposes, your earnings in any one year cannot be greater than 110% of the average of your earnings in the previous four years.

TIER 6 SUMMARY PLAN DESCRIPTION

See below for an example of the FAS calculation for a retirement before 04/20/2024:

Assumed retirement date: 12/1/2023

FAS	Earnings period per year	Reported earnings	10% of average of earnings previous 4 years	Capped earnings
1	12/1/2022 - 11/30/2023	\$100,000.00	\$83,325.00	\$83,325.00
2	12/1/2021 - 11/30/2022	\$86,000.00	\$77,000.00	\$77,000.00
3	12/1/2020 - 11/30/2021	\$75,000.00	\$71,500.00	\$71,500.00
4	12/1/2019 - 11/30/2019	\$72,000.00	\$69,025.00	\$69,025.00
5	12/1/2018 - 11/30/2018	\$70,000.00	\$66,550.00	\$66,550.00
6	12/1/2017 - 11/30/2017	\$63,000.00	N/A	N/A
7	12/1/2016 - 11/30/2016	\$55,000.00	N/A	N/A
8	12/1/2015 - 11/30/2015	\$63,000.00	N/A	N/A
9	12/1/2014 - 11/30/2014	\$61,000.00	N/A	N/A
FAS: \$73,480.00				
In the above example, the FAS is:				
$(\$83,325.00 + \$77,000.00 + \$71,500.00 + \$69,025.00 + \$66,550.00) / 5 = \$73,480.00$				

See below for an example of the FAS calculation for a retirement on or after 04/20/2024:

Assumed retirement date: 12/1/2024

FAS	Earnings period per year	Reported earnings	10% of average of earnings previous 4 years	Capped earnings
1	12/1/2023 - 11/30/2024	\$100,000.00	\$83,325.00	\$83,325.00
2	12/1/2022 - 11/30/2023	\$86,000.00	\$77,000.00	\$77,000.00
3	12/1/2021 - 11/30/2022	\$75,000.00	\$71,500.00	\$71,500.00
4	12/1/2020 - 11/30/2021	\$72,000.00	N/A	N/A
5	12/1/2019 - 11/30/2020	\$70,000.00	N/A	N/A
6	12/1/2018 - 11/30/2019	\$63,000.00	N/A	N/A
7	12/1/2017 - 11/30/2018	\$55,000.00	N/A	N/A
FAS: \$77,275.00				
In the above example, the FAS is:				
$(\$83,325.00 + \$77,000.00 + \$71,500.00) / 3 = \$77,275.00$				

Note that an FAS Year is not necessarily the same as a calendar year. If you have breaks in your service, or if you were not working on a full-time basis, it may take more than one calendar year to complete one year of credited service.

Service multiplier

The table below is merely an illustrative example of the amount of Tier 6 benefits that would be paid at age 63 based on different numbers of years of service. The figures are also based on the selection of a "Maximum Retirement Allowance," as opposed to the selection of an "Option" (both of which will be explained in the chapter "How Benefits Are Paid"), and are based on a final average salary of \$25,000.

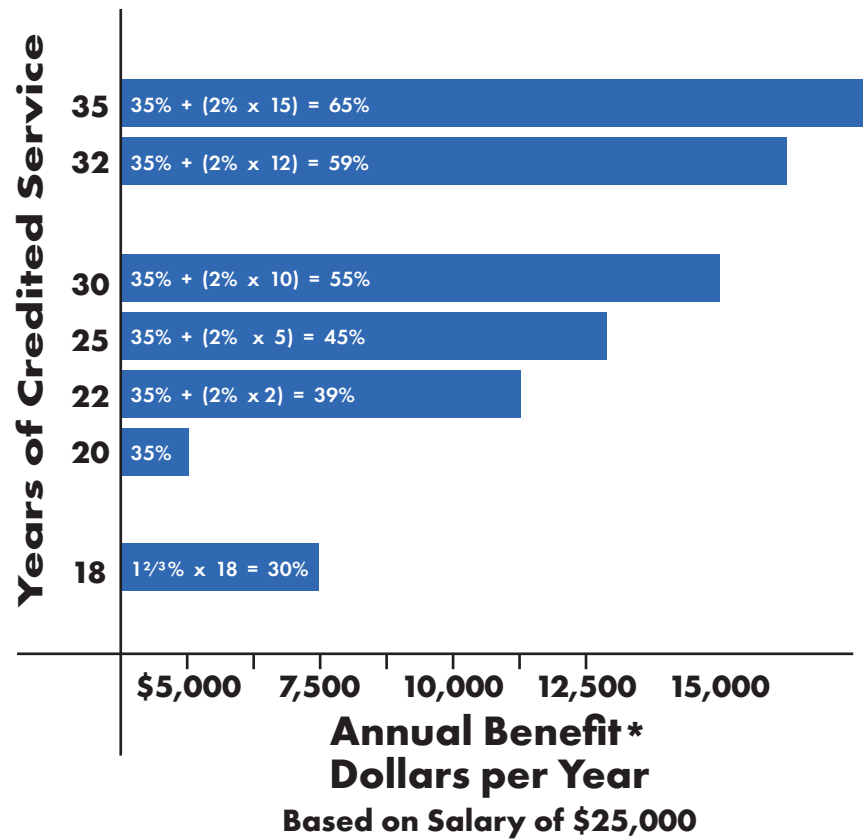
Number of years of credited service	Benefits as a percentage of your FAS	Your annual benefit
18	$1\frac{2}{3}\% \times 18 = 30\%$	\$7,500
20	35%	\$8,750
22	$35\% + (2\% \times 2) = 39\%$	\$9,750
25	$35\% + (2\% \times 5) = 45\%$	\$11,250
30	$35\% + (2\% \times 10) = 55\%$	\$13,750
32	$35\% + (2\% \times 12) = 59\%$	\$14,750
35	$35\% + (2\% \times 15) = 65\%$	\$16,250

Now, if you wish to provide benefits for your survivors by selecting an "Option" (rather than the "Maximum Retirement Allowance" examples used in the table above and in the graph on page 33), the amount of your benefits would be reduced. The amount of such reduction would depend on which option you selected.

Any deficit in your MCAF account balance will result in a reduction in your benefits as well. Nonpayment of an outstanding loan balance, for example, could significantly decrease retirement benefits due you. (Please also be aware that nonpayment of an outstanding loan balance will trigger a federal tax liability, and could result in a tax penalty on the outstanding balance.)

Meanwhile, if you are planning to retire in the near future and wish to have a detailed approximation of your retirement benefits (including the amounts of any Option you may have selected), you should call the BERS Retirement Office to request this information.

- ▶ The average of your earnings (including pensionable overtime) during any three consecutive years; or
- ▶ The average of the wages you earned in the last 36 months prior to your retirement date.



* Based on selection of Maximum Retirement Allowance

Early Retirement under the Basic Tier 6 Plan

The Basic Tier 6 Plan (63/5) provides full, unreduced retirement benefits at age 63 if you are vested and have made all required member contributions. 63/5 also provides a reduced early retirement benefit as early as age 55 for active members with at least 5 years of credited service. This means that you can retire between the ages of 55 and 63 under the Basic Tier 6 Plan, but with a reduction in the amount of benefit. So, if you are in active service, vested, have made all required membership contributions, and have reached at least age 55, then you are eligible to receive reduced service retirement benefits.

Based on the selection of a Maximum Retirement Allowance and calculated before any further reductions due to the choice of an Option, the Basic Tier 6 Plan early service retirement benefits are reduced as follows:

Time of Early Retirement	Percentage of Benefit Reduction
before age 63	6.5% per year

- 1 For example, if you retire at age 61, your benefits would be reduced like this:
the difference between age 61 and age 63 = 2 years
therefore, the benefit is decreased by $6.5\% \times 2 \text{ years}$ —that is, by 13%
- 2 If, for example, you retire at age 55, your benefits would be reduced in this way:
the difference between age 55 and age 63 = 8 years
therefore, the benefit is decreased by $6.5\% \times 8 \text{ years} = 52\%$

Remember, the two examples above do not include any further reductions due to an Option you may have selected.

Note that early retirement programs allow retirement before age 63 without reduction in benefit, as long as the service requirement are met.

How to file for retirement benefits

First, you should speak to your Timekeeper, Personnel Manager, or Payroll Department to see if you have any paid leave coming to you; then you should address how to handle your accrued vacation time, sick time, and terminal leave. Most importantly, you should consult them and determine the last day that you will be on payroll—and then inform BERS of that date. Your last day on payroll is the date that is crucial to BERS. Of course, once you decide to retire, you should inform your bureau head or supervisor of this decision.

Next, you should make an appointment to meet with a BERS representative at least three months before your retirement date. During this appointment you will receive a retirement application, information about your retirement payment options, information about your rights within your specific retirement program, and the approximate amount of your retirement allowance.

Then, if you are currently working or on an approved leave, if you meet all eligibility requirements, and you want to retire, you must file an application for service retirement with BERS. When filing this application, you should request that your actual date of retirement be the first day after the last day you are on payroll.

Advisably, you should complete and return these same application forms as soon as you make your decision to retire. But you must file your retirement application at least one day before your date of retirement, making your retirement date effective, at the earliest, the very next day. If you participate in the Tier 6 – 25/Out Special Officers Early Retirement Plan or the Tier 6 – 50/25 Automotive Early Retirement Plan, you must file your retirement application at least 30 days before your date of retirement.

If you are vested but not currently working, you may apply for a deferred vested benefit at age 63; your retirement date will be the later of the day after your last day on payroll or your 63rd birthday, whichever is later. (Note that if you are vested in an early retirement program, your retirement date will be the later of the day after your last day on payroll and the date of payability under the early retirement program.)

And when you file for service retirement, you choose and identify a beneficiary or beneficiaries once again.

Withdrawal of your application for retirement

You can withdraw your application for service retirement at any time up to the day before the actual date of your retirement. But to do so, you must file with BERS a written request to rescind your retirement application.

Once your actual retirement date has arrived, you can no longer rescind your retirement application.

What if you become disabled

Tier 6 Ordinary Disability Retirement eligibility

You are eligible to receive Tier 6 Ordinary Disability Retirement benefits at any age, provided that the following apply to you:

- ▶ You have 10 or more years of credited service; and
- ▶ You notify BERS in writing that you request disability retirement; and
- ▶ After a medical examination, the Medical Board finds that you are physically or mentally incapacitated for the performance of gainful employment, and, if you are no longer performing the duties of your job title, that you were so incapacitated when you ceased performance of your duties.

Tier 6 Accidental Disability Retirement eligibility

You are eligible to receive Tier 6 Accidental Disability Retirement benefits at any age, provided that the following apply to you:

- ▶ You were injured in an accident suffered while performing your job; and
- ▶ You were a member of BERS at the time the accident took place; and
- ▶ This accident was not the result of your own willful negligence; and
- ▶ This accident was the cause of your current disability; and
- ▶ You notify BERS in writing that you request Accidental Disability Retirement; and
- ▶ After a medical examination, the Medical Board finds you are physically or mentally incapacitated for the performance of gainful employment, and, if you are no longer performing the duties of your job title, that you were so incapacitated when you ceased performance of your duties.

Disability Retirement benefits

The formula for both Ordinary Disability Retirement and Accidental Disability Retirement is the same. However, Accidental Disability Retirement benefits are exempt from federal income tax.

If your application for disability retirement is approved, your benefit would be equal to the greater of the two calculations below:

$1\frac{2}{3}\% \times \text{final average salary} \times \text{years of credited service},$

or

$33\frac{1}{3}\% \times \text{final average salary}.$

If, however, you are eligible for service retirement as well and if your service retirement benefits would in fact be larger than either of the two calculations, then you will receive disability retirement benefits that are equal to the service retirement benefits to which you are entitled.

How to file for Disability Retirement

If you were on an approved leave of absence without pay for medical reasons, you must notify BERS in writing that you request Tier 6 Disability Retirement within 12 months after you receive notice that your employment has ended. Otherwise, you must notify BERS in writing that you request Tier 6 Disability Retirement within three months from the last date you were paid. In either case, you will need to submit an application for disability retirement. And, just as if you were filing for service retirement, you pick a beneficiary (or beneficiaries) once again when you file for disability retirement.

The effective date of your disability retirement, if approved, is either the date on which your application is received by BERS, or the date of your medical examination by the Medical Board—whichever date is later.

What if you are no longer eligible for Disability Retirement

Disability retirees are subject to re-examination by the Medical Board at any time until age 60. If, after retiring for disability, you are re-examined and deemed able to engage in gainful employment, your name will be placed on a list of preferred eligibles for appointment to a public service position in a salary grade no higher than that from which you retired. Your Disability Benefits would be continued until you are first offered such a position at such salary grade.

How benefits are paid

When you apply for either service retirement or disability retirement, you must choose how you want your retirement allowance to be paid. It is at this point that you must select either the Maximum Retirement Allowance or an Option. This is truly a very, very important choice—and a choice that cannot be changed later than 30 days after first payment of your retirement allowance has been made. Therefore, it is crucial that you read carefully and understand fully the explanations to follow as you consider your selection.

Maximum Retirement Allowance

If you do not select one of the options listed next, your benefits will be paid as a Maximum Retirement Allowance. With the Maximum Retirement Allowance, you receive a monthly installment whose amount is greater than the amount of any other benefit option. However, the Maximum Retirement Allowance continues for the remainder of your lifetime only and, consequently, does not provide benefits for your survivors. This means that when you die, the benefit stops.

Options

Options, on the other hand, do provide retirement benefits for your survivors, as well as providing you benefits during your lifetime. When you file your retirement application and if you select an Option, you must also select the beneficiary for your option benefit. In the case of Options 3 and 4, you may also choose a “contingent beneficiary” in addition to your “primary beneficiary.”

In selecting an option, you agree to accept a reduced retirement allowance for the rest of your lifetime. The amount of the reduction depends on which Option you select, and can also depend on your age and on your beneficiary’s age. For example, with some of the Options, the younger the beneficiary, the greater the reduction, as the payments would have to extend over a longer period of time.

Option 1

100% joint and survivor: You receive a reduced monthly allowance for the rest of your life. Upon your death, your beneficiary receives 100% of your reduced allowance for the rest of his or her life. If your beneficiary is your legal spouse, he or she would also be eligible to receive 50% of the monthly COLA for which you would have been eligible. If, though, your beneficiary dies before you do, you continue to receive your reduced lifetime benefits, which do not change, and the benefits cease upon your death.

With Option 1, you can name only one beneficiary. You choose your beneficiary when you file your retirement application, and you cannot change your choice of beneficiary later than 30 days after first payment of your retirement allowance has been made.

Option 2

Other joint and survivor options: You receive a reduced monthly allowance for the rest of your life. When selecting this Option, you must decide what percentage of your benefit—25%, 50%, or 75%—your beneficiary is to receive after you die. Your allowance will be reduced according to which percentage you decided on, and you cannot change that decision as to percentage once first payment of your retirement allowance has been made. Upon your death, your beneficiary will receive 25%, 50%, or 75% of your reduced allowance—whichever percentage you picked—for the rest of his or her life. If your beneficiary is your legal spouse, he or she would also be eligible to receive a prorated portion of the monthly COLA for which you would have been eligible.

If, though, your beneficiary dies before you do, you continue to receive your reduced lifetime benefits, which do not change, and the benefits cease upon your death.

With Option 2, you can name only one beneficiary. You choose your beneficiary when you file your retirement application, and you cannot change your choice of beneficiary later than 30 days after first payment of your retirement allowance has been made.

Option 3

Five-year certain: You receive a reduced monthly allowance for the rest of your life. After payment of the retirement allowance to you for five years, however, there is no further coverage for your beneficiary.

If you die within five years following retirement, your beneficiary will continue to receive the reduced monthly payments for the remainder of the five-year period following your retirement.

Yet if, after your death, your primary beneficiary has started to receive benefit payments and then he or she dies before the end of the five-year period, the benefits due for the remainder of the five-year period are paid in a lump sum to your contingent beneficiary. But, if you did not name a contingent beneficiary, these benefits are paid to the estate of your primary beneficiary.

If your primary beneficiary dies before you do and you do not name another primary beneficiary, and then you die within five years following retirement, the benefits due for the remainder of the five-year period are paid in a lump sum to your contingent beneficiary. But if you did not name a contingent beneficiary, these benefits are paid to your estate.

With this option, you can name one or more primary beneficiaries, as well as one or more contingent beneficiaries. If you do name more than one beneficiary, the benefits would be divided among them. The age of a beneficiary does not affect the reduction of benefits in the case of this option because its benefits are paid within a finite period of time. You choose your primary and contingent beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time—that is, even 30 or more days after first payment of your retirement allowance has been made.

Option 4

Ten-year certain: You receive a reduced monthly allowance for the rest of your life. After payment of the retirement allowance to you for 10 years, however, there is no further coverage for your beneficiary.

If you die within 10 years following retirement, your beneficiary will continue to receive the reduced monthly payments for the remainder of the 10-year period following your retirement.

Yet if, after your death, your primary beneficiary has started to receive benefit payments and then he or she dies before the end of the 10-year period, the benefits due for the remainder of the 10-year period are paid in a lump sum to your contingent beneficiary. But, if you did not name a contingent beneficiary, these benefits are paid to the estate of your primary beneficiary.

If your primary beneficiary dies before you do and you do not name another primary beneficiary, and then you die within 10 years following retirement, the benefits due for the remainder of the 10-year period are paid in a lump sum to your contingent beneficiary. But if you did not name a contingent beneficiary, these benefits are paid to your estate.

With this option, you can name one or more primary beneficiaries, as well as one or more contingent beneficiaries. If you do name more than one beneficiary, the benefits would be divided among them. The age of a beneficiary does not affect the reduction of benefits in the case of this option because its benefits are paid within a finite period of time. You choose your primary and contingent beneficiaries when you file your retirement application, and you can change your choice of beneficiaries at any time—that is, even 30 or more days after first payment of your retirement allowance has been made.

Option 5-1 and 5-2: “Pop-Up” Options

“Pop-Up” Joint And Survivor: Options 5-1 and 5-2 diverge from Options 1 and 2, respectively. You receive a lifetime reduced monthly allowance and your beneficiary would receive either 100% or 50% of your reduced allowance. If your beneficiary predeceases you, though, then your benefit converts to a Maximum Retirement Allowance.

Option 5-1: You receive a reduced monthly allowance for the rest of your life. Upon your death, your beneficiary will receive 100% of your reduced allowance for the rest of his or her life.

If, though, your beneficiary dies before you do, your benefit “pops up”—that is, converts to a Maximum Retirement Allowance, which you receive for the remainder of your lifetime only. The benefit ceases upon your death.

With Option 5-1, you can name only one beneficiary. You choose your beneficiary when you file your retirement application, and you cannot change your choice of beneficiary later than 30 days after first payment of your retirement allowance has been made.

Option 5-2: You receive a reduced monthly allowance for the rest of your life. Upon your death, your beneficiary will receive 50% of your reduced allowance for the rest of his or her life.

If, though, your beneficiary dies before you do, your benefit “pops up”—that is, converts to a Maximum Retirement Allowance, which you receive for the remainder of your lifetime only. This benefit ceases upon your death.

With Option 5-2, you can name only one beneficiary. You choose your beneficiary when you file your retirement application, and you cannot change your choice of beneficiary later than 30 days after the first payment of your retirement allowance has been made.

Note again, once you reach 30 days after first payment of your retirement allowance has been made, your choice of Maximum Retirement Allowance or Options 1, 2, 5 (and choice of beneficiary thereunder) is in force and cannot be changed. Although you cannot change your choice of Options 3 or 4 either, under Options 3 and 4, you can change your beneficiaries at any time.

Naming a “temporary” beneficiary when filing for retirement benefits

Within your application for retirement, you are asked to nominate a beneficiary or beneficiaries to be paid benefits under Option 4, Ten-Year Certain.

This added designation of beneficiaries serves as a backup if you selected the Maximum Retirement Allowance, which does not provide for any beneficiaries. If you die after retirement but before the first payment of your retirement allowance has been made, then these “temporary” beneficiaries would receive a benefit to be calculated under Option 4 (Ten-Year Certain). Then, once first payment of your retirement allowance has been made, the Maximum Retirement Allowance comes into force.

Payment of benefits

Retirement benefit payments are made once per month, on the last day of the month. BERS can either send your check directly to your home, or BERS can deposit your payment directly into your bank account through Electronic Funds Transfer (EFT)—commonly known as direct deposit. EFT is a faster and safer method of payment, but is available to you only if your bank is a member of the New York Clearing House. (Talk to an official at your bank to find this out.) To choose EFT, you must also complete an Retirees EFT, have it signed by an official at your bank, and then return it to BERS. As an alternative to providing a bank official’s signature, you can enclose a cancelled check showing your name as account holder.

Benefit statements and tax forms

If you choose to receive payment via check, a stub will be attached to the monthly check. If you choose Electronic Funds Transfer, each calendar quarter you will receive a statement showing the amount of benefits paid to you. With either method of benefits payment, each year you will be sent a 1099-R with the information necessary for preparing your federal, state, and local income tax returns.

What if you die before retirement

Death Benefits

Benefits may be paid to your survivors if you die after retirement via the Options previously explained. But benefits also may be paid if you die before retirement.

One of three kinds of benefits may be paid if you die before retirement:

- ▶ **Ordinary Death Benefit**
to be paid to your designated beneficiary(ies), that is, whomever you chose; or
- ▶ **Death Benefit for vested members NOT in Active Service**
to be paid to your designated beneficiary(ies); or
- ▶ **Accidental Death Benefit**
to be paid to an “eligible beneficiary” as defined by law.

Ordinary Death Benefits

Ordinary Death Benefits are paid to your beneficiary(ies) provided that one of the following two scenarios applies to you at the time of your death:

Scenario 1

- ▶ you die while in active service, and
- ▶ you had at least one year of credited service; and
- ▶ the circumstances of your death do not qualify for an Accidental Death Benefit. (See page 46.)

Scenario 2

- ▶ you are off payroll or on leave, but
- ▶ you were on payroll, in active service, and paid within 12 months before your death: or, you were on an approved medical leave without pay, and paid within the four-year period before your death; and
- ▶ you were not gainfully employed since you were last on said payroll; and
- ▶ you had at least one year of credited service; and
- ▶ the circumstances of your death do not qualify for an Accidental Death Benefit. (See page 46.)

If you are a Tier 6 member and die in active service with at least 1 year of credited service, your beneficiary(ies) will receive the benefit under Death Benefit Plan 2.

Ordinary Death Benefit Plan 2

Ordinary Death Benefit Plan 2 provides a lump sum benefit that would equal the following:

▶ your MCAF
plus

the employee portion of your AMC, if applicable

plus

a benefit equal to whichever below applied to you:

Number of years of credited service	Amount of lump sum benefit
1 year but less than 2 years	one year’s current salary
2 years but less than 3 years	two x current salary
3 or more years	three x current salary

After three years of service, the maximum benefit is equal to three times your current salary.

Reductions in Death Benefit Plan 2 while still in active service after age 60

Each year after age 60, the death benefit is reduced by 3% of the original amount that would have been paid (for members who died before July 1, 2021, this reduction was 5% per year). So, if you are in active service and die at age 61, the death benefit that would be paid is reduced to 97% of the original death benefit (or 95% if you died before July 1, 2021); age 62 would mean a reduction to 94% (or 90% if you died before July 1, 2021), and so on. But, once age 70 or older, the amount is not reduced below 70% of the original death benefit in effect (or 50% for members who died before July 1, 2021). Please see the table below for further clarification of these reductions.

Age at death while still in active service	Amount of benefit (for deaths before July 1, 2021)	Amount of benefit (for deaths on or after July 1, 2021)
61	95% of original benefit in effect	97% of original benefit in effect
62	90% of original benefit in effect	94% of original benefit in effect
63	85% of original benefit in effect	91% of original benefit in effect
64	80% of original benefit in effect	88% of original benefit in effect
65	75% of original benefit in effect	85% of original benefit in effect
66	70% of original benefit in effect	82% of original benefit in effect
67	65% of original benefit in effect	79% of original benefit in effect
68	60% of original benefit in effect	76% of original benefit in effect
69	55% of original benefit in effect	73% of original benefit in effect
70 or over	50% of original benefit in effect	70% of original benefit in effect

Reductions in Ordinary Death Benefit Plan 2 after retirement

Death Benefit Plan 2 also gives your survivors a benefit should you die after retirement. If you die during your first year of retirement, the death benefit is reduced to 50% of the benefit in effect immediately prior to your retirement, regardless of your age at retirement. If you die during your second year of retirement, the death benefit is reduced to 25% of the benefit in effect immediately prior to your retirement, regardless of your age at retirement. And if you die during your third year of retirement or thereafter, the benefit is reduced to either 10% of the benefit that was in effect at age 60, or if you retired before age 60, to 10% of the benefit in effect at the time of your actual retirement. The benefit is not reduced to below 10% of the benefit in effect at age 60; if you retired before age 60, the benefit is not reduced to below 10% of the benefit in effect at the time of your actual retirement. Hence, the ultimate amount to be paid to your survivors would depend on the amount of time between your date of retirement and your death. Please see the following table for a further clarification of these reductions.

Year of retirement in which death occurs	Amount of benefit
1 st year	50% of benefit in effect immediately before retirement
2 nd year	25% of benefit in effect immediately before retirement
3 rd year and from then on	10% of benefit in effect at age 60; or if you retired before age 60, 10% of benefit in effect at the time of retirement

Death Benefit for vested members NOT in active service

If you are no longer in active service, and you die before the date you would have been eligible to retire, your survivors can still receive a death benefit if the following applies to you at the time of your death: you were vested and you had at least 10 years of service credited toward a retirement allowance with BERS. As already discussed in the chapter “What If Your Employment Ends Before Retirement,” once you have 10 years of credited service, you cannot terminate your membership.

So, if you were to die as a BERS member with 10 or more years of credited service, even if you had discontinued working for the Department of Education or another covered employer, your survivors would be entitled to a death benefit. The benefit would go to the beneficiary(ies) whom you selected or to your estate. The benefit would be equal to one half of the amount of Ordinary Death Benefit—Death Benefit Plan 1 or 2, whichever is applicable—that your survivors would have gotten had you died on your last day of active service.

Accidental Death Benefits

If BERS determines that your death is indeed the result of an accident you sustained while performing your job, while in active service and while a member of BERS, and that said accident was not a result of your own willful negligence, then a pension will be paid to your “eligible beneficiary” equal to 50% of the wages you earned during your last year of service, or equal to 50% of your annual wage rate if you had less than one year of service.

As opposed to the designated beneficiaries chosen by you, the eligible beneficiaries for the accidental death benefit are dictated by law and, thus, the benefit would be paid in the following order:

- ▶ to your surviving spouse—unless he or she has renounced survivorship rights in a separation agreement—until he or she remarries;
- ▶ to each of your children until he or she reaches age 25;
- ▶ to your parents who depend on you for support;
- ▶ to any other person who qualified as a dependent on your final federal income tax return until he or she reaches age 21.

If none of the above eligible beneficiaries exist, the benefit would be paid,

- ▶ to your designated beneficiary(ies) as chosen by you.

In the event that a class of eligible beneficiaries consists of more than one person, benefits shall be divided equally among them.

An application for an accidental death benefit must be filed within 60 days after your death. This 60-day period may be waived, provided that an ordinary death benefit has not been paid.

What survivors should do if you die before retirement

If you die before retirement, your survivors should meet with a BERS representative, who will do the following:

- ▶ determine your survivors’ eligibility for benefits,
- ▶ explain the procedures for claiming benefits,
- ▶ calculate any benefits due, and
- ▶ outline payment options.

Please take serious note: you should always keep all pertinent BERS documents and forms in a location that is known and readily accessible to your beneficiaries or the executor of your estate.

What if you return to work after service retirement

Your retirement allowance is not affected if you return to work outside of New York public service, that is, if you are employed by the federal government, or by another state, or in private industry.

What New York public service does include is this: any employment with the State of New York, or with any county, town, village, school district, special district, or public authority within the State, or with the City of New York, including the Department of Education.

If you return to work within New York public service, your retirement allowance will be suspended for the duration of such employment, unless you qualify for one of the statutory exceptions outlined in Sections 212 or 211 of the Retirement and Social Security Law (RSSL). If you meet the requirements of RSSL Sections 212 or 211, you may be permitted to receive all or a portion of your retirement allowance while employed in the New York public service.

RSSL Section 212

If you file with BERS a statement that you elect the provisions of RSSL Section 212, then you can work in New York public service without any earnings limitation amount (\$35,000 per year as of this printing) without any reduction in your retirement allowance payments. (The State Legislature periodically increases the Section 212 earnings limitation amount.)

But, if you are age 65 or above and you elect the provisions of RSSL Section 212, you can work in New York public without any earnings limitation, permitting you to earn any amount without a reduction in your retirement allowance payments.

RSSL Section 211

If you are employed in New York public service outside of the agency from which you retired, your post-retirement employer can apply for an RSSL Section 211 waiver for you. And if such a waiver is granted, you can continue to receive the full amount of your retirement allowance payments during such employment.

But if you are reemployed by the agency from which you retired, and your employer secures an RSSL Section 211 waiver for you, you can continue to receive your full retirement allowance payments as long as your post-retirement earnings from your former employer are less than the difference between:

- ▶ your retirement allowance (as calculated before any reductions due to an Option you may have selected) plus any cost-of-living increases
- and
- ▶ the current salary of the position from which you retired, rounded up to the nearest amount divisible by \$500.

TIER 6 SUMMARY PLAN DESCRIPTION

For example, if your maximum retirement allowance is \$19,250 per year (including any cost-of-living increases), and your old job currently pays \$35,000 per year, this stipulation would be figured as follows:

$$\$35,000 - \$19,250 = \$15,750$$

rounded up to the nearest amount divisible by \$500 = \$16,000.

Therefore, your post-retirement earnings from your former employer could not exceed \$16,000 per year.



Change of payroll status

This is crucial: you must notify BERS if your payroll status changes, for example, if you have been approved for an unpaid leave. Why? Because your employee contributions to BERS through automatic payroll deductions will cease when your former status ceases. Such a break in automatically deducted contributions will result in arrears—arrears that you will have to pay. Such a break would also interfere with other ongoing deductions from your payroll, including loan repayments, purchases of prior service, etc.

So be sure to confer with your Timekeeper, Personnel Manager, or Payroll Department to remain informed as to your status, and then inform BERS should there be a change.

Change of address

This is also crucial: if you plan to move, you must contact BERS for the appropriate change of address form. Then you must return to BERS a signed and notarized form if you are a retiree, or a change of address form if you are an active member. (When in active service, notifying your employer alone as to your change does not suffice.)

All information will then be sent to your new address. What BERS mails to you is extremely important—such as your semi-annual statements, news of critical changes in the law, let alone your checks and tax forms. You do not want such mailings rerouted or lost. These forms are also available on the BERS website, www.nycbers.org.

Health insurance benefits for Retirees

The City of New York provides health insurance coverage for eligible retirees and their dependents (that is, legal spouse or registered domestic partner, children, and other eligible dependents). Eligibility for health insurance benefits and retirement depends on a number of factors, including date of retirement, dates of service, union representation, and amount of credited service.

In order to continue health coverage after your retirement for you and the above list of dependents, you must file an application at the time that you file for retirement with the Office of Health and Welfare of the Department of Education (or that of your covered employer). Unless you have a Health and Welfare representative on-site (as does the School Construction Authority), you should contact:

HR Connect Department of Education
65 Court Street, Room 102
Brooklyn, NY, 11201
Telephone: 718-935-4000

If you are a transferred contributor, contact your particular employer's Health and Welfare Office.

Once retired, however, you should direct all issues and inquiries to:

New York City Health Benefits Program
40 Rector Street, 3rd Floor
New York, NY, 10006
Telephone: 212-306-7600
TTY/TTD (hearing impaired): 212-306-7753

This is critical, so please take note: upon your death, City health insurance benefits for your above mentioned dependents will end immediately unless your dependents choose to continue coverage via direct payment to the health plan itself.

It is also important to remember that when you or any of your dependents reach age 65, each of you must apply for Medicare on your own—that is, Medicare Part A and Medicare Part B (or any further supplemental policy).

Although there may be deductions in your retirement allowance payments to pay for the cost of certain health benefits, BERS does not administer health care benefits for retirees. So, once again, refer to the New York City Health Benefits office at 40 Rector Street after you have retired.

Welfare Fund Benefits

If you are a member of a union fund plan, you may be eligible for added benefits, such as dental and prescription drug programs. For further information, please contact your union's welfare fund representative.

About the BERS Tax Deferred Annuity Program

If you are a BERS member employed by the Department of Education, you have the added option of making employee contributions to the BERS Tax-Deferred Annuity Program (TDA). Authorized by Section 403(b) of the Internal Revenue Code, the TDA Program gives you important tax incentives to save for retirement.

Making TDA contributions will supplement your Social Security benefits and your pension. You can make pre-tax contributions to the TDA Program to establish a pool of tax-deferred assets for your retirement. The interest on pre-tax contributions is also tax-deferred.

Beginning in 2024, you will also be able to make Roth contributions to the TDA program. Roth contributions are taxed when made, but if you wait at least five years before withdrawing your funds, and as long as you are at least 59½ years old or disabled, the earnings on your Roth contributions will be entirely tax-free.

Participation in the TDA Program is entirely voluntary. If you want to participate, you must complete a Tax Deferred Annuity Enrollment Form with BERS. For more information about the TDA Program, refer to the BERS TDA Brochure. All forms and documents are available on our website at www.nycbers.org.



Tier 4/6 Loan Program

Tier 6 members of BERS are eligible to apply for loans under the Tier 4/6 Loan Program, which is separate and apart from any other loan program in which you may be eligible to participate. Other BERS loan programs include the Tax Deferred Annuity (TDA) Loan Program and the Early Retirement Loan Program. These loan programs are administered in accordance with federal tax law, IRS Regulations, the New York State Education Law, the Administrative Code of the City of New York, and administrative provisions adopted by BERS and its Board of Trustees.

BERS uses your Member Accumulated Contribution Fund (MCAF) account as collateral. When the loan check is drawn, your account balance is not reduced. However, if you retire or your employment ends and you have an outstanding balance, the outstanding balance and any accumulated interest thereon, unless repaid, will become a deficit in your account and cause a reduction in your benefits.

If you are a member in active service or on an approved leave of absence with pay, have at least one year of membership service, have not taken a Basic Tier 4/6 Loan in the last 12 months and are not in default in any BERS loan program, you may be eligible to take a loan.

For more information on the Tier 4/6 Loan Program please refer to the Tier 4/6 Loan Program brochure. This document is available on our website, www.nycbers.org.

The 50/25 Automotive Early Retirement Plan

If you joined BERS on or after April 1, 2012 and are employed in an eligible position, then you are covered under the 50/25 Early Retirement Automotive Plan (50/25A), which allows normal retirement at age 50 with 25 years of service, without any reduction in retirement benefits.

An eligible position is any position in a mayoral or non-mayoral agency of the City of New York as a senior automotive service worker, an automotive service worker, an auto body worker, an auto mechanic, a marine maintenance mechanic, an oil burner specialist, a supervisor of mechanics (mechanical equipment), a senior stationary engineer, a stationary engineer, an auto mechanic (diesel), an auto electrician, an auto machinist, a machinist, or a machinist helper.

You can retire under 50/25A and receive a full unreduced service retirement allowance if you have 25 or more years of service, have reached age 50, and are currently serving in an eligible position. Participants are required to make additional contributions over and above their regular contributions.

Those features of 50/25A that either differ from or are added to the 63/5 Basic Plan are discussed in this section.

When you are vested under 50/25A

At five years of credited service, 50/25A participants are automatically vested in the 63/5 Basic Plan, with the right to receive a reduced pension at age 63.

In addition, if you are a 50/25A participant and have completed five years of service, you are vested with the right to receive a deferred vested benefit on the earliest date on which you would have been able to retire for service, had you remained in an eligible position for 25 years, or on your 50th birthday, whichever is later.

When you are eligible to retire under 50/25A

If you are in service in an eligible position, have at least 25 years of service, have made all required membership and additional contributions, and have reached age 50, then you are eligible to receive full service retirement benefits under 50/25A.

You should complete and return retirement application forms as soon as you make your decision to retire. But you must file your retirement application at least 30 days before your date of retirement.

TIER 6 SUMMARY PLAN DESCRIPTION

How 50/25A benefits are computed

Under 50/25A, your retirement benefits are calculated as follows:

$$2\% \times \text{final average salary (FAS)} \times \text{years of allowable service in an eligible position up to a maximum of 30 years}$$

As you can see from the above formula, after 25 years of service and provided you remain in active service in an eligible position, the FAS-based pension portion of your retirement allowance is increased by an additional 2% per year for up to five years.

About additional contributions to 50/25A

Beyond your regular member contributions equal to 3-6% of your annual wages, you are required to make additional member contributions (AMC) to BERS under 50/25A, at a rate of 4.83% of your annual wages.

Your additional member contributions are kept in your AMC account—separate from your regular contributions, which are kept in your MCAF account. Usually, just like your regular MCAF contributions, your AMCs are made through payroll deductions before federal taxes are taken out of your paycheck. (The AMCs will be subject to federal taxes when benefits are paid, or if and when you receive a refund of these contributions.) Also like your regular MCAF contributions, your AMCs incur current New York City (if applicable) and State income taxes. You continue to make AMCs until you have completed 30 years of service.

Employee contributions and Employer contributions: Loans, Withdrawals, Refunds

Your additional member contributions (AMCs) fund the additional benefits of the 50/25A program. Once paid into the system, your AMCs are considered employer contributions.

You are permitted to borrow these employer contributions, plus interest thereon.

For more information regarding AMC loans, please refer to the Early Retirement Program Loan brochure. This document is available on our website, www.nycbers.org.

Withdrawals or refunds of these contributions are permitted only under the following circumstances

- ▶ transfer to an ineligible position or discontinue service before completing 5 years of credited service; or
- ▶ transfer to an ineligible position in another public employment retirement system.

What if your employment in an eligible position ends

If you terminate service in an eligible position, you will no longer be a participant in 50/25A. And if you later return to an eligible position, you will again become a participant in 50/25A. If you received a refund of your AMCs, you will be required to repay those contributions with interest.

The 25/Out Special Officers Early Retirement Plan

If you joined BERS on or after April 1, 2012 and you were in an eligible position, then you are covered under the 25/Out Early Retirement Special Officers Plan (25/Out), which allows normal retirement at any age with 25 years of allowable service in an eligible position, without any reduction in retirement benefits.

An eligible position is any position in one of the following titles that qualifies you for membership in BERS:

- ▶ Peace Officers employed by the Board of Education;
- ▶ transferred contributors to BERS such as these: School Safety Officers employed by the New York City Police Department; Campus Peace Officers at CUNY; Special Officers at mayoral agencies, the New York City Housing Authority, and the Health and Hospitals Corporation; Parking Control Specialists; Taxi and Limousine Inspectors.

Service in one of the above covered titles is also known as “allowable service” under 25/Out.

You can retire under 25/Out and receive a full unreduced service retirement allowance at any age, if you have 25 or more years of allowable service in an eligible position. Participants are required to make additional contributions over and above their regular contributions.

Those features of 25/Out that either differ from or are added to the 63/5 Basic Plan are discussed in this section.

TIER 6 SUMMARY PLAN DESCRIPTION

When you are vested under 25/Out

At five years of credited service, 25/Out participants are automatically vested in the 63/5 Basic Plan, with the right to receive a reduced pension at age 63.

In addition, once you have completed five years of allowable service in an eligible position, you are automatically vested with the right to receive a deferred vested benefit on the earliest date on which you would have been able to retire for service, had you remained in an eligible position for 25 years.

When you are eligible to retire under 25/Out

If you have at least 25 years of service in an eligible position, and have made all required membership and additional contributions, then you are eligible to receive full service retirement benefits under 25/Out.

You should complete and return retirement application forms as soon as you make your decision to retire. But you must file your retirement application at least 30 days before your date of retirement.



How 25/Out Benefits Are Computed

Under 25/Out, your retirement benefits are calculated as follows:

$$2\% \times \text{final average salary (FAS)} \times \text{years of allowable service} \\ \text{in an eligible position up to a maximum of 30 years}$$

As you can see from the above formula, after 25 years of allowable service in an eligible position and provided you remain in active service, the FAS-based pension portion of your retirement allowance is increased by an additional 2% per year for up to five years.

About additional contributions to 25/Out

Beyond your regular member contributions equal to 3-6% of your annual wages, you are required to make additional member contributions (AMCs) to BERS under 25/Out, at a rate of 6.25% of your annual wages.

Your additional member contributions are kept in your AMC account—separate from your regular contributions, which are kept in your MCAF account. Usually, just like your regular MCAF contributions, your AMCs are made through payroll deductions before federal taxes are taken out of your paycheck. (The AMCs will be subject to federal taxes when benefits are paid, or if and when you receive a refund of these contributions.) Also like your regular MCAF contributions, your AMCs incur current New York City (if applicable) and State income taxes. You continue to make AMCs until you have completed 30 years of allowable service.

Employee Contributions And Employer Contributions: Loans, Withdrawals, Refunds

Your additional member contributions fund the additional benefits of the 25/Out program. Once paid into the system, your AMCs are considered employer contributions.

You are permitted to borrow these employer contributions, plus interest thereon.

For more information regarding AMC loans, please refer to the Early Retirement Program Loan brochure. This document is available on our website, www.nycbers.org.

TIER 6 SUMMARY PLAN DESCRIPTION

Withdrawals or refunds of these contributions are permitted only under the following circumstances:

- ▶ ending participation within 180 days of submitting your application (which you were permitted to do, if you exceeded age 30 upon employment in an eligible position), or
- ▶ transfer to an ineligible position or discontinue service before completing 15 years of credited service; or
- ▶ transfer to an ineligible position in another public employment retirement system.

What if your employment in an eligible position ends

If you terminate service in an eligible position, you will no longer be a participant in 25/Out. And if you later return to an eligible position, you will again become a participant in 25/Out. If you received a refund of your AMCs, you will be required to repay those contributions with interest.



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