your retirement plan

Non-Contributory Plan with Guaranteed Benefits
For Tier 1, 2, and 5 Members, and Tier 3 Members Covered by Article 11
(Section 375-e)

New York State Office of the State Comptroller
Thomas P. DiNapoli
New York State and Local
Police and Fire Retirement System

A Message From Comptroller Thomas P. DiNapoli

As a member of the Retirement System, you are covered by a plan that provides important benefits. This presentation explains some of those benefits and the services available to you as a member of our system, including:

- Benefits you will receive at retirement if you meet the service and age requirements (service retirement benefits);
- Benefits you may receive if you become permanently disabled (disability retirement benefits);
- Benefits your beneficiary may receive if you die while working for a public employer or after you retire (death benefits);
- Benefits you may receive at a later date, even if you leave public service before you become eligible to retire (vested benefits).

I am joined by a staff of dedicated professionals in my commitment to helping you make informed decisions about your future. I encourage you to contact us with any questions or suggestions you might have.

Sincerely,

Thomas P. DiNapoli
State Comptroller

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About Your Membership

Retirement System Membership

Police officers and paid firefighters working for employers that participate in the New York State and Local Police and Fire Retirement System (PFRS) must become members of the Retirement System.

Tier Status

When you join the Retirement System, you are assigned to a tier depending on your date of membership.

You are in:	If you joined:
Tier 1	before July 31, 1973
Tier 2	July 31, 1973 through June 30, 2009
Tier 3	July 1, 2009 through January 8, 2010*
Tier 5	January 9, 2010 or after
*PFRS members who joined July 1, 2009 through January 8, 2010 and did not elect to be covered by Article 22 (i.e., did not opt into Tier 5), can be covered by Article 11 or Article 14 benefits, depending on their retirement plan election.	

There is no Tier 4 in the New York State and Local Police and Fire Retirement System.

Contributing Toward Your Retirement

Tier 1 and 2 Members and Tier 3 Members covered by Article 11 benefits

If you are a Tier 1 or 2 member, or a Tier 3 member covered by Article 11, you are not required to contribute toward your retirement benefits, but you may elect to make voluntary annuity savings contributions to the Retirement System. These contributions, plus the interest they earn, will provide you with an annuity when you retire. (If you are a Tier 3 member covered by the benefits of Article 14, please refer to the presentation explaining benefits available to you.)

Tier 5 Members

If you are a Tier 5 member, you are required to contribute 3 percent of your reportable earnings toward your retirement benefits until you retire or have 32 years of service credit, whichever occurs first. These mandatory contributions are not annuity savings contributions and will not provide you with an annuity when you retire.

Becoming Eligible for a Benefit

Once you have accrued the required amount of credited service, you will have earned the right to receive a pension, even if you discontinue your public employment.

- Tier 1, 2 and 3 members need five years of credited service.
- Tier 5 members need ten years of credited service.

You can begin receiving your vested retirement benefit when you reach age 55. The amount of your vested benefit is based on your service, age at retirement and the salary you earned when you were an active member.

Vesting is automatic — you do not have to fill out any paperwork or file an application to become vested. However, you will need to file an application to begin receiving you vested benefit.

Ending Your Membership

Once you join, there are only five ways your membership can end:

- If you do not have at least five years of credited service (ten for Tier 5 members) and seven years have elapsed since you last worked in public service;
- If you are not vested, leave public employment before age 60 and voluntarily withdraw your membership;
- If you transfer your membership to another New York State public retirement system;
- If you retire; or
- If you die.

"Public employment" means paid service as an officer or employee with an employer that participates in the New York State and Local Retirement System.

Service Credit

Full- and Part-Time Service Credit

Full-Time Employment

If you join the Retirement System on the day you begin employment with a participating employer and you work on a full-time, continuous basis, we calculate your retirement service credit by subtracting your beginning date of employment from the date you actually leave paid employment.

Part-Time Employment

Service credit may be prorated for Tier 1 members employed less than full-time.

For Tier 2, 3 and 5 members, part-time employment is credited as the lesser of:

number of days reported ÷ 260 days
or
annual salary reported ÷ (State's hourly minimum wage × 2,000)

Leaves of Absence

Tier 1 members are given full credit for sick leave at half pay; Tier 2, 3 and 5 members receive half credit for sick leave at half pay.

Since service is usually not credited for any period of time you do not receive a salary, credit is not given for:

- Leaves of absence without pay;
- Authorized, unpaid medical leaves of absence; or
- Unpaid leave under the federal Family and Medical Leave Act.

Workers' Compensation

Tier 1 members will usually receive up to one year of service credit for each accident while on Workers' Compensation leave.

Tier 2, 3 and 5 members will not receive credit while on Workers' Compensation leave, unless your employer continues to pay you and reports your earnings to us. In that case, even if the Workers' Compensation carrier later reimburses your employer, your service credit will not be taken away.

Credit for Previous or Military Service

You may be able to obtain credit for your previous public employment. It is very important that you claim all the service credit you are entitled to receive as early as possible, because records documenting your previous service may be lost or destroyed with the passage of time.

Prior Service

Prior service is any period of time you received salary from a participating employer before that employer elected to participate in the Retirement System.

Service Before Your Date of Membership

You may receive credit for working for a public employer in New York State before you joined the Retirement System.

Military Service

You may be able to receive credit for some or all of your military service. To determine your eligibility and the cost, if any, please send us a copy of your Certificate of Release or Discharge from Active Duty (DD-214).

Service From a Previous Membership

If you previously were a member of this System, or another public retirement system in New York State, your service may be recredited and your date of membership and tier changed. The Retirement System will initiate reinstatement to Tier 3 or to an earlier date within Tier 3 or 5. We will send you information about your eligibility and give you the opportunity to purchase credit for your withdrawn service. If your previous Tier 3 or 5 membership was with another retirement system, please write to our Member & Employer Services Bureau. For reinstatement to Tier 1 or Tier 2, send us a completed Application to Reinstate a Former Tier 1 or 2 Membership (RS5506). If you were a member of another public retirement system within New York State, please contact our Member & Employer Services Bureau.

Applying for Previous or Military Service Credit

To receive credit for any type of previous or military service, send a written request (which must be received before your effective date of retirement) to our Member & Employer Services Bureau. Please include as much information as you can about the period of employment for which you are seeking credit. We will determine your eligibility to receive the credit and any cost involved.

Requesting credit for your previous public employment as early in your career as possible ensures that:

- If there is a cost, it will be less expensive than if you wait to purchase it at a later date.
- Your retirement benefit will be processed more quickly, if your service credit is in order.

Please note that if you are requesting previous service credit to establish eligibility for a vested retirement benefit, you should request credit while you are on the payroll of a participating employer. If you receive a statement of the cost after you leave the payroll, you must make payment within 30 days of notification. You can request this service once you are off the payroll, but you must pay the cost (if any) and return to the payroll of a participating employer for the service to be credited and for you to become vested.

Additional Service Credit for Sick Leave (Section 341-j)

Section 341-j of the Retirement and Social Security Law (RSSL) provides an optional sick leave benefit. If your employer has chosen to offer this optional benefit, you may receive service credit for your unused, unpaid sick leave days at retirement. To be eligible for this benefit, you must retire directly from public employment or within a year after separating from service. The additional credit is determined by dividing the total unused, unpaid sick leave days, which cannot exceed 165 (200 days for some police officers employed by New York State), by 260. Contact your employer or refer to your Member Annual Statement to determine if this benefit is available to you.

Credit for your unused sick leave at retirement cannot be used to:

- Qualify for vesting. For example, if you have four years and ten months of service credit and you need five years to be vested, your sick leave credit cannot be used to reach the five years.
- Qualify for a better retirement benefit calculation. For example, if you have 19½ years of service credit but your pension will improve substantially if you have 20 years, your sick leave credit cannot be used to reach the 20 years.
- Increase your pension beyond the maximum amount payable under your retirement plan.

Final Average Salary

Overview

Your pension is based on your years of credited service and your final average salary (FAS). FAS is the average of the wages you earned during any 36 consecutive months of service when your earnings were highest. This is usually the last three years of employment.

The calculation of your FAS can include, but is not limited to, the following types of payments. In some cases, certain restrictions may apply.

- Regular salary;
- Overtime* if earned in the period used in the FAS;
- Holiday pay;
- Noncompensatory overtime* earned for each year in the FAS period; and
- Longevity payment (maximum of three), if earned in the years used in the FAS.

The following types of payments are **not** considered regular compensation and, in most cases, will not be included in your FAS calculation:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for deferred compensation; and
- Any payments made for time not worked.

* For Tier 5 members, the total amount of overtime and noncompensatory overtime is limited to 15 percent of your salary.

Limitations

Tier 1

If your date of membership is June 17, 1971 or later, the wages in any 12-month period used in the FAS calculation cannot exceed the earnings in the preceding 12-month period by more than 20 percent. The amount in excess of 20 percent is excluded from the computation of your FAS.

Also, payment for up to 30 days of accumulated unused vacation will be included in your FAS calculation if:

- Your date of membership is before April 1, 1972; and
- Your FAS is based on the 36 months of earnings immediately preceding your date of retirement.

Tier 2 Members and Tier 3 Members covered by Article 11 benefits

If the earnings in any year included in the FAS period exceed the average of the previous two years by more than 20 percent, the amount in excess of 20 percent is excluded from the computation of your FAS. Payment for accumulated vacation is not included in the calculation of your FAS.

Tier 5

If the earnings in any year included in the FAS period exceed the average of the previous two years by more than 20 percent, the amount in excess of 20 percent is excluded from the computation of your FAS. Payment for accumulated vacation is not included in the calculation of your FAS. The amount of overtime is limited to 15 percent of salary in any year.

One-Year FAS

If your employer has adopted this optional benefit, your retirement will be calculated based on a one-year FAS unless the three-year calculation will provide a higher FAS.

The one-year FAS includes only the regular compensation earned during the last 12 months preceding retirement. The calculation of a one-year FAS can include, but is not limited to, the following types of payments:

- Regular salary;
- Overtime;*
- Holiday pay;
- Noncompensatory overtime;* and
- Longevity payment.

All payments must be earned in the 12 months immediately preceding retirement.

The following types of payments are **not** considered regular compensation and will not be included in the one-year FAS calculation:

- Unused sick leave;
- Unused vacation;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for deferred compensation; and
- Any payments made for time not worked.

The earnings used in the calculation of the one-year FAS cannot exceed the wages in the previous 12-month period by more than 20 percent. Any amount over 20 percent will be excluded from the calculation.

* For Tier 5 members, the total amount of overtime and noncompensatory overtime is limited to 15 percent of your salary.

Service Retirement Benefits

Overview

Eligibility

Tier 1 members are eligible to retire at age 55. Tier 2, 3 and 5 members are eligible to retire with full benefits at age 62, or you may choose early retirement with a reduced benefit between ages 55 and 62. Tier 2 members must also have at least five years of service credit after July 1, 1973. For all tiers, if you recently changed employers, you may be required to complete two years of service before you can retire under the benefits of this plan.

Regardless of tier, if you work for an employer that offers a special retirement plan, you must retire by the first day of the month following your 70th birthday, even if you have not elected the special plan.

The Benefit

At retirement, you will receive a pension equal to:

- 1/60th (1.66 percent) of your FAS for each year of service credit earned on or after April 1, 1960; and
- 1/60th (1.66 percent) of your FAS for each year of prior service including prior service credit you have received for military duty; and
- An annuity purchased by any voluntary contributions (and the interest earned) you might have made to the Retirement System.

Maximum Retirement Benefit for Tiers 2, 3 and 5

The maximum pension payable to Tier 2, 3 and 5 members is the benefit payable on completion of 32 years of service.

Filing

Your Application for Service Retirement (RS6037) must be on file with the Office of the State Comptroller at least 15 days but not more than 90 days before the date of your retirement.

Retiring Before Age 62

Tier 2, 3 and 5 members who retire before age 62 will have their benefit reduced by the percentages shown below:

Age at Retirement	Percentage of Reduction
55	27
56	24
57	21
58	18
59	15
60	12
61	6
62	0

Receiving Your Benefit and Filing Your Option Election

Receiving Your Benefit

At retirement, you must decide how you want your retirement benefit paid. You can choose from several options, all of which will provide you with a monthly benefit for life. For example, you may elect to have your retirement benefit paid to you as a Single Life Allowance, providing you with the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a smaller monthly benefit to provide for a possible payment to a designated beneficiary after your death.

Filing Your Option Election

You must file your Option Election form (unless notified otherwise, as in the case of disability retirement) before the first day of the month following your retirement date. You have up to 30 days after your pension benefit becomes payable to change your selection. If you are a disability retiree, you may change your option selection up to 30 days after your disability application is approved, or up to 30 days after your retirement date, whichever is later.

If your election is not timely, by law, we must process your retirement as if you had selected Cash Refund — Contributions (Option ½), with your estate named as beneficiary.

Available Options

Single Life Allowance (Option 0)

This is the basic retirement benefit. It provides for the maximum benefit payment to you each month for the rest of your life. Under this option, all payments cease upon your death. When you die (even if it is only one year, or sooner, after retiring), nothing will be paid to any beneficiary.

Cash Refund — Contributions (Option ½)

(Available only to members with annuity savings contributions on deposit)

This option will provide you with a reduced monthly benefit for your lifetime. At your death, the unpaid balance of your accumulated annuity savings contributions will be paid to your beneficiary or your estate. If all of your accumulated annuity savings contributions have been expended, all payments will cease upon your death. The 3 percent contributions required of Tier 5 members are not annuity savings contributions.

Cash Refund — Initial Value (Option 1)

(Available to Tier 1 members only)

This option will provide you with a reduced monthly benefit for your lifetime. It guarantees that if you die before receiving retirement benefit payments that equal the initial value of your benefit, the balance of the initial value will be paid to your beneficiary or estate in a lump sum. Initial value is an actuarial term for the value of your retirement benefit at the time of retirement.

If you live long enough, you will receive your initial value amount and more in your monthly retirement benefit. However, if you die after the full initial value amount has been paid out to you, no benefit is payable to your beneficiary.

Joint Allowance — Full*

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your and your beneficiary's birth dates. After your death, your beneficiary will receive the same monthly amount (without COLA) for life. If your beneficiary dies before you, all benefit payments will cease upon your death.

Joint Allowance — Half*

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your and your beneficiary's birth date. After your death, your beneficiary will receive monthly payments equal to one-half of the amount you were receiving (without COLA) for life. If your beneficiary dies before you, all benefit payments will cease upon your death.

Pop-Up/Joint Allowance — Full or Half*

These options will provide you with a reduced monthly lifetime benefit. If you die before your beneficiary, we will continue paying the same monthly amount or one-half that amount (without COLA), depending on which option you elect, to your beneficiary for life. If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement, and all payments will cease upon your death.

Five Year Certain and Ten Year Certain

These options will provide you with a reduced monthly benefit for your lifetime, with the additional guarantee that if you live for less than five years or ten years after retirement, depending upon which option you elect, payments in the same amount you were receiving (without COLA) will be made to your beneficiary for the balance of the five- or ten-year period. You may change your beneficiary within the five- or ten-year period.

Alternative Options

If the options described here do not meet your needs, we will consider written requests for other payment methods. These requests must be outlined in detail by you and then approved by us for legal and actuarial soundness.

* If you elect this option, you must submit proof of your beneficiary's birth date. You can designate only one beneficiary and you cannot change your designation after your retirement. If your beneficiary is your spouse at the time of your death, he or she will be eligible for 50 percent of your COLA.

Items That May Affect Your Pension

IRS Pension Limitation

Internal Revenue Code Section 401(a)(17) limits the amount of salary that qualified pension plans, including the New York State and Local Retirement System, may use in the calculation of benefits. It affects members who first join on or after April 1, 1996, and currently excludes earnings over $245,000 (effective April 1, 2010) in the State's fiscal year (April 1st – March 31st). The amount is set by federal law and is periodically adjusted for inflation.

Borrowing Against Your Contributions

If you meet eligibility requirements, you may take a loan from the Retirement System. Before you apply, you should be aware of the federal tax laws pertaining to Retirement System loans.
Your loan will be taxable if:

- The loan amount exceeds federal limits.
- You have a loan with a deferred compensation (457) or tax-sheltered annuity (403-b) plan through your current employer that causes your loan to exceed the federal limits for nontaxable loans. Exceeding these limits could result in significant tax consequences for you.
- You do not make the required payments on your loan at least once every three months or do not complete payment within five years from the date the loan was issued.
- You retire or withdraw from the Retirement System and have one or more outstanding loan balances when you retire or withdraw.

If your loan is taxable, or becomes taxable as described above, you must include it on your federal income tax return for the year the loan is granted or becomes taxable. If you are under 59½ at the time, you may be required to pay a 10 percent penalty tax in addition to any ordinary federal income tax you owe. Please consider consulting a tax advisor before applying for a taxable loan from the Retirement System.

If you already have an outstanding loan with us and want to take another loan, please contact our Call Center and connect with our automated information line to determine if refinancing your current loan or carrying multiple loans would be better for you. Although the repayment amount may be larger if you choose a multiple loan, the taxable amount of a refinanced loan is always higher, unless the entire refinanced loan is nontaxable.

Tier 1 and 2 Members, and Tier 3 Members Covered by Article 11 Benefits

The following rules apply when borrowing against your contributions:

- You must be in active service and have one year of member service credit.
- Each loan must be for a minimum of $25, but not more than 75 percent of your annuity savings contributions, less any outstanding loans. Annuity savings contributions are those you make voluntarily or are required to make under Article 11.
- You must repay each outstanding loan through payroll deductions in an amount sufficient to repay the loan and interest within five years.
- You may borrow only once in any 90-day period.
- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.
- To apply, you must file a Loan Application (RS5025) with us.

If you retire with an outstanding loan, the **annuity portion** of your retirement benefit will be permanently reduced.

Tier 5 Members

The following rules apply when borrowing against your contributions:

- You must be in active service and have one year of member service credit.
- The total of all your loans may not be more than 75 percent of your contributions.
- Each loan must be for a minimum of $1,000, so you must have an account balance of at least $1,334.
- You must repay each outstanding loan through payroll deductions in an amount sufficient to repay the loan, interest and insurance premium within five years. The minimum deduction to repay your outstanding loan balances must be at least 2 percent of your salary.
- You may borrow only once in any 12-month period.
- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.
- To apply, you must file a Loan Application (RS5025-A) with us.

Please note: Any outstanding loan balance when you retire will **permanently reduce** your pension. You cannot pay off your loan once you retire. The amount of your pension reduction will be based on your age, the loan balance at retirement, and type of retirement (regular service or disability).

These are examples of how your service retirement benefit will be permanently reduced by an outstanding loan balance at retirement. The approximate reductions are for calendar year 2012. The amount of the reduction changes annually.

At Age	Outstanding Loan Balance	Annual Pension Reduction
45	$5,000	$230
	$10,000	$460
55	$5,000	$277
	$10,000	$554
65	$5,000	$362
	$10,000	$724

(Rev. 1/12)

Cost-of-Living Adjustment (COLA)

Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. You will begin receiving COLAs when you are:

- Age 62 or older and retired for five or more years; or
- Age 55 or older and retired for ten years (generally applies to members in special plans that allow for retirement, regardless of age, after a specific number of years); or
- Receiving a disability pension for five or more years.

When you die, if you selected an option that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

Divorce

The New York State Court of Appeals has determined that retirement benefits are marital property and subject to equitable distribution. Equitable distribution is the division of marital assets between spouses after the marriage has ended. The division must be stated in the form of a Domestic Relations Order (DRO) if we are to pay a portion of your pension to your ex-spouse.

A DRO gives us specific direction on how your retirement benefits should be divided. However, it does not allow for a distribution of your pension until you actually retire, die or terminate membership.

If you are divorced, it is especially important to review your beneficiary designations to ensure your benefits will be distributed according to your wishes. Effective July 7, 2008, beneficiary designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final. An exception is if the terms of a DRO specify otherwise. Beneficiary designations may be revoked for the Ordinary Death Benefit, Cash Refund Initial Value option (Tier 1), Cash Refund Contributions option (Tiers 1 and 2) and Five and Ten Year Certain options. The Survivor Benefit beneficiary designations made by retirees who chose the Single Life Allowance option or certain alternative options may also be revoked.

For more information on how your pension benefits may be affected by divorce, consult your attorney, contact our Matrimonial Bureau, read our guide to Domestic Relations Orders and review our Divorce FAQs.

Vested Retirement Benefit

Eligibility

You are eligible for a vested retirement benefit if you leave public employment before retirement age and you have met the minimum service requirement. Tier 1, 2 and 3 members must have five years of credited member service. Tier 5 members must have ten years of service credit. When you reach retirement age, this will entitle you to a retirement benefit based on your service and the salary you earned when you were an active member.

Tier 1 members may receive their vested benefits at age 55. Tier 2, 3 and 5 members may receive their full vested benefits at age 62, or may choose early retirement with a reduced benefit between ages 55 and 62.

Your Vested Benefit

The provisions of the retirement plan that you were covered by in your last public employment determine the vested benefit. For an explanation of your benefit, please refer to Service Retirement Benefits.

The retirement benefit is payable for your lifetime. You may elect one of several payment options to provide for a continuing payment to a designated beneficiary of your choosing after your death.

Filing

To receive your vested retirement benefit at the earliest possible date, you should file a retirement application within 90 days before the first of the month following your 55th birthday. If we receive your retirement application after the first of the month following your 55th birthday, your vested retirement will be effective on the date the application is received.

Remember, it is up to you to file a retirement application when you become eligible and wish to receive your vested benefit.

Disability Retirement Benefits

Ordinary Disability Retirement Benefit

Eligibility

If you are unable to perform your duties because of permanent physical or mental incapacity, and have ten or more years of service credit, you may be eligible for an ordinary disability retirement benefit.

The Benefit

If approved, this is a benefit equal to the greater of:

- 1/60th (1.66 percent) of your FAS for each year of credited service; or
- 1/60th (1.66 percent) of your FAS for each year of credited service plus 1/60th of your FAS for each year of service you might have earned before age 60, but not more than one-third of your FAS.

The benefit would also include an annuity based on any annuity savings contributions you have made. The 3 percent contributions required of Tier 5 members are not annuity savings contributions, and Tier 5 members would not receive an annuity based on those contributions.

If you are 60 or older at the effective date of your disability retirement, your ordinary disability benefit would be equal to the benefit payable to you as a service retirement.

You must select an option for the payment of your disability benefits.

Filing

You, your employer or someone authorized with your power of attorney may file your application for ordinary disability retirement benefits.

If you are eligible, applications for ordinary disability, performance of duty disability, accidental disability and regular service retirement benefits may be submitted simultaneously. However, your application for ordinary disability retirement must be submitted while you are in service or within 90 days from the date you:

- Are last paid on the payroll; or
- Are last on an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- Last receive Workers' Compensation or other similar employer-funded benefits for up to two years (which may be extended for an additional two years); or
- Are terminated from employment, even if you are receiving Workers' Compensation or other similar employer-funded benefits.

Performance of Duty Disability Retirement Benefit

Eligibility

You may be entitled to this disability benefit if you are found permanently disabled as a result of the performance of your duties, regardless of the amount of service you may have.

Notice of Occurrence

To be eligible for this benefit, you must file an application for a performance of duty disability retirement benefit within one year following the alleged incident or occurrence. Otherwise, you must have filed a written notice of the incident or occurrence with:

- The Retirement System within 90 days of the incident or occurrence; or
- Your employer within 30 days of the date of the incident or occurrence, if your employer is covered by the Workers' Compensation Law or if the incident or occurrence took place on or after September 1, 1980.

The written notice must detail the time and place of the incident or occurrence, the particulars thereof, the nature and extent of your injuries, and the alleged incapacity.

The Benefit

If approved, the benefit would be equal to one-half (50 percent) of your FAS plus an annuity based on any annuity savings contributions you have made. The 3 percent contributions required of Tier 5 members are not annuity savings contributions, and Tier 5 members would not receive an annuity based on those contributions. The performance of duty disability benefit is not reduced by any Workers' Compensation benefit you may be eligible to receive.

You must also select an option for the payment of your disability benefits.

Filing

You, your employer or someone authorized with your power of attorney may file your application for performance of duty disability retirement. The application must be filed while you are still in service or within two years of your discontinuance from service. When filing for this benefit, "in service" is defined as while you are:

- Being paid on the payroll; or
- On an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- Receiving Workers' Compensation or other similar employer-funded benefits for up to two years (which may be extended for an additional two years) since last being paid on the payroll, as long as you have not resigned or are not terminated from employment while receiving those benefits.

If you are eligible, applications for ordinary disability, performance of duty disability, accidental disability, and regular service retirement benefits may be submitted simultaneously.

Accidental Disability Retirement Benefit

Eligibility

Regardless of the amount of service credit you may have, if you become permanently incapacitated (physically or mentally) and unable to perform your job as the natural and proximate result of an on-the-job accident not due to your own willful negligence, you may be eligible for the accidental disability benefit.

You may also be eligible if you are permanently disabled because you contracted HIV (where there may have been exposure to bodily fluids that may have involved the transmission of this disease), tuberculosis or hepatitis after contact with members of the public.

Notice of Accident

To be eligible for this benefit, you must file an application for an accidental disability retirement benefit within one year following the alleged accident. Otherwise, you must have filed a written notice of the accident with:

- The Retirement System within 90 days of the accident; or
- Your employer within 30 days of the date of the accident, if your employer is covered by the Workers' Compensation Law or if the accident occurred on or after September 1, 1980.

The written notice must detail the time and place of the accident, the particulars thereof, the nature and extent of your injuries, and the alleged incapacity.

The Benefit

If approved, the accidental disability retirement benefit is a lifetime pension equal to three-quarters (75 percent) of your FAS, and an annuity provided by any annuity savings contributions you may have made while in service. The 3 percent contributions required of Tier 5 members are not annuity savings contributions, and Tier 5 members would not receive an annuity based on those contributions.

You must apply for Workers' Compensation benefits if you are eligible. Regardless of tier, the accidental disability benefit will be reduced by the total amount of Workers' Compensation benefits that you are eligible to receive.

You must also select an option for the payment of your disability benefits.

Filing

You, your employer or someone authorized with your power of attorney may file your application for accidental disability retirement. The application must be filed while you are still in service or within two years of your discontinuance from service. When filing for this benefit, "in service" is defined as while you are:

- Being paid on the payroll; or
- On an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- Receiving Workers' Compensation or other similar employer-funded benefits for up to two years (which may be extended for an additional two years) since last being paid on the payroll, as long as you have not resigned or are not terminated from employment while receiving those benefits.

If you are eligible, applications for ordinary disability, performance of duty disability, accidental disability, and regular service retirement benefits may be submitted simultaneously.

Death Benefits

Ordinary Death Benefit

Your beneficiary may be entitled to an ordinary death benefit if your death is not attributable to an on-the-job accident. The first $50,000 of this benefit is paid in the form of group term life insurance, which is currently exempt from federal income tax. Your accumulated contributions (if any) are also payable to your beneficiary.

Eligibility

An ordinary death benefit may be payable to your designated beneficiary if you have completed at least one year of service since last joining the Retirement System and your death occurs:

- While you are on the payroll; or
- While you are on an authorized medical leave of absence without pay; or
- While you are receiving Workers' Compensation or other employer-funded benefits, for up to two years (which may be extended for an additional two years) following the last date you were paid on the payroll, provided your employment has not been terminated by resignation, employer action or any other means while receiving those benefits; or
- Within 12 months of the last date you were receiving salary, on an authorized medical leave of absence or receiving Workers' Compensation or other employer-funded benefits, provided you were not otherwise gainfully employed during that period.

Out-of-Service Death Benefit

If you are a vested member with at least ten years of credited service and you die more than one year after leaving public employment, 50 percent of the death benefit may still be payable. This vested benefit is also payable if you die within one year of leaving covered service but were gainfully employed during that time.

Filing

Your family or employer should notify us of your death as soon as possible so we can send the appropriate forms to your beneficiary.

Tier 1 Ordinary & Alternative Death Benefit

The Ordinary Death Benefit

This benefit is equal to 1/12th (8.33 percent) of your last year's earnings, multiplied by your years of service credit up to 36 years.

The Alternative Death Benefit

If you die while in service after age 55, your death benefit may be substantially increased. This benefit would be equal to the initial value of your pension under the provisions of the Non-Contributory Retirement Plan (Section 375-c) as of your date of death.

Tiers 2, 3, & 5 Ordinary Death Benefit

Members who joined before January 1, 2001 were given a choice between two death benefits. If you chose death benefit one and you die while in active service, your beneficiary will be paid the greater of the two death benefits; if you die after retirement, and meet the eligibility criteria, your beneficiary will receive the post-retirement death benefit.

Members who join on or after January 1, 2001 will automatically be covered by death benefit two, the greater benefit in almost all cases. Death benefit two is equal to your salary multiplied by your years of service, not to exceed three years of salary. For example, if you die after one year of service, your beneficiary would receive a benefit equal to one year of your salary; if you die after two years, your beneficiary would receive a benefit equal to two years of your salary; and if you die after three or more years of service, your beneficiary would receive a benefit equal to three years of your salary. The salary is limited by Section 130 of the Civil Service Law.

If you are in service at age 61, your death benefit will be reduced by 3 percent and will be further reduced by 3 percent each year you continue to be in service. It will not be reduced below 70 percent of the original benefit payable.

Death benefit two provides a post-retirement death benefit if you:

- Retire directly from service; or
- Are a vested member and file for retirement within one year of leaving covered employment.

The post-retirement death benefit is calculated at retirement. During your first year of retirement, the benefit is 50 percent of the ordinary death benefit payable at retirement; during your second year of retirement, the benefit is 25 percent. During your third year and thereafter, the benefit will be 10 percent of the ordinary death benefit that would have been payable at age 60, if any, or at retirement, whichever was earlier.

Example:

Age at Retirement = 62

Salary = $60,000

$60,000 × 3	$180,000
(reduction for working after age 60)	– 10,800
(ordinary death benefit at retirement)	$169,200

- **1st year of retirement**
  (50 percent of ordinary death benefit): $ 84,600
- **2nd year of retirement**
  (25 percent of ordinary death benefit): $ 42,300
- **After 2nd year of retirement**
  (10 percent of benefit at age 60): $ 18,000

Effective May 9, 2008, if you were age 60 or older when you joined the Retirement System and you retired on or after October 16, 1992, the post-retirement death benefit payable after your second year of retirement will be 10 percent of your last year's salary times your years of member service credit, up to three years.

For example:

• If you have one year of member service:	$60,000 × 10%	=	$ 6,000
• If you have two years of member service:	$60,000 × 10% × 2	=	$ 12,000
• If you have three or more years of member service:	$60,000 × 10% × 3	=	$ 18,000

Accidental Death Benefit

Eligibility

Regardless of your years of service credit, if you die as the natural and proximate result of an on-the-job accident not due to your own willful negligence, an accidental death benefit may be paid on your behalf.

The Benefit

The accidental death benefit is a lifetime pension if paid to a surviving spouse or dependent parent. The annual benefit is equal to one-half (50 percent) of your FAS (less any Workers' Compensation benefit paid or payable because of your death). Any accumulated contributions will be refunded to your designated beneficiary or to your estate.

The benefit can only be paid to the following family beneficiaries, in this order:

- First, to your surviving spouse, for life;
- Second, where there is no surviving spouse or in the event of his or her death, to minor children until the last child reaches age 18, or if students, until age 23;
- Finally, where there is no surviving spouse or minor children, to a dependent parent for life.

If all the beneficiaries listed become ineligible for benefit payments, and the payments made to that time do not equal or exceed the amount of the ordinary death benefit that would have been payable at the time of death, we will pay the difference to your designated beneficiary or to your estate. If you have no beneficiaries as listed above, we will not pay the accidental death benefit but will pay the applicable ordinary death benefit to your last designated beneficiary or your estate.

Filing

Your family or employer should notify us of your death as soon as possible so we can forward the appropriate forms to your beneficiary. The application for the accidental death benefit must be filed within two years of your date of death.

Special Accidental Death Benefit

Eligibility

If you die under circumstances that permit payment of the accidental death benefit, a special accidental death benefit will be paid to your surviving spouse. If the spouse receiving the special accidental death benefit dies, this benefit will be paid to your children who are under the age of 18 or, if they are students, until the age of 23.

The Benefit

The special accidental death benefit is a pension equal to your salary reduced by the following:

- The accidental death benefit without reductions; and
- The Social Security benefit payable.

The salary used to compute the special accidental death benefit will be the regular compensation earned by you during the last 12 months of service prior to the date of death. If you do not complete 12 months of service, the salary will be what you would have earned had you worked for the 12 months prior to death.

World Trade Center Presumption

If you participated in the World Trade Center rescue, recovery or clean up efforts, and you were a member of the Retirement System at that time, you should be aware of the benefits provided by the World Trade Center Presumption law.

- You may be eligible for an accidental disability retirement benefit if you become permanently disabled and unable to perform your job due to a qualifying condition.
- You may be eligible to reclassify your service or disability retirement benefit to an accidental disability retirement benefit if you develop a qualifying condition after you retire.
- Certain family beneficiaries may be eligible to receive an accidental death benefit if you die from a qualifying condition.

There are specific eligibility requirements and filing deadlines that must be met for these benefits. For more information or to download forms, visit our World Trade Center Presumption page.

Receiving Your Benefits

Applying for Benefits

To apply for all Retirement System benefits, you must file the appropriate application form with the Office of the State Comptroller in a timely manner. Forms are available from our website, our Call Center or your employer. Specific filing instructions are detailed in each benefit description. If you need help, you can call or write to us, or make an appointment to speak with an Information Representative at one of our 16 consultation sites throughout New York State.

Filing with the Office of the State Comptroller

Many retirement benefit applications and other documents are required by law to be filed with the Office of the State Comptroller within specific time limits. For a form to be considered as "filed with the Comptroller," it must be received by our Albany office, one of our consultation sites, or another office of the State Comptroller. **Giving your employer the form does not mean that you have "filed with the Comptroller."**

As an alternative to visiting our offices to file these time-sensitive documents personally, you can fulfill the filing requirements by mailing the document to us. We will consider it filed when it is delivered to us by the Post Office. If you are concerned about meeting a filing deadline, you can mail the document via "Certified Mail — Return Receipt Requested." When we receive the document, it will be considered as having been filed on the same date it was mailed.

To meet a filing deadline (such as an application for retirement benefits or an option election form), you can also send the document to us via fax. Although we will consider the form as filed on the date the transmission is received, you must still mail us the original document to continue the process and properly complete the filing requirement.

Filing Multiple Applications

Should you become ill or disabled and unable to perform your duties, depending on the circumstances, you may be eligible to file applications "without prejudice" for disability and regular service retirement benefits simultaneously. "Filed without prejudice" means we will process all filed applications and, if more than one benefit is approved, you will be given the opportunity to choose your pension from the approved benefits.

Challenging a Retirement System Determination

We can pay only those benefits authorized by law, and cannot pay you any benefits if you do not meet all the eligibility requirements established by law. If you believe that your benefit has been incorrectly denied or improperly calculated, you may request a hearing and redetermination to be held before a hearing officer.

Your request must be in writing and directed to the Hearing Administration Bureau within four months of the determination. We will send you an acknowledgment letter and an explanation of the hearing process when we receive your written request. If you have questions regarding the hearing process, please email our Hearing Administration Bureau at Hearings@osc.state.ny.us or call us at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.

How to Stay Informed

Your retirement benefits are an important part of a solid financial plan. They can help you and your beneficiaries achieve financial security in retirement or in the event of disability or death. Use these tips to help you understand your benefits and stay informed.

- Enroll in *Retirement Online*, and access your personal retirement-related information quickly, easily and securely on our website.
- Sign up for *E-News*, our free email newsletter, for the latest retirement news. It includes a special section dedicated to pre-retirement planning.
- Read the member newsletters we publish for current retirement information and updates on your benefits.
- Review your Member Annual Statement carefully and correct any errors quickly.
- Visit our website frequently to learn about your benefits, download forms, read informative booklets and brochures, and get tips on preparing for retirement.
- Attend a pre-retirement presentation to learn about the retirement process, find out what you can expect and discuss post-retirement issues. At your employer's request, we offer these presentations designed for members within five years of retirement eligibility.
- Visit any of our 16 consultation sites where you can meet with an Information Representative to discuss special concerns or request specific information.
- Notify us if your mailing address changes, so you can stay up-to-date about benefits. This is especially important if you leave public employment before you are eligible to retire.
- Contact us with any questions you have about your benefits.

About This Presentation

This retirement plan summary describes the benefits available to Tier 1, 2, 3 and 5 members covered by the Non-Contributory Plan with Guaranteed Benefits provided by Section 375-e of the New York State Retirement and Social Security Law (RSSL) as enacted by the New York State Legislature. (There is no Tier 4 within the Police and Fire Retirement System.)

Throughout this presentation, you will find references to "Sections" and "Articles" that refer to the RSSL. The New York State and Local Retirement System, headed by the Comptroller of the State of New York, administers these plans. Our main office is in Albany, New York.

This is a general summary of membership benefits, rights and responsibilities, and is not a substitute for any New York State or federal law. For specific information about your benefits, please contact us.

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