

# your retirement plan

Article 14 Benefits  
For PFRS Tier 3 Members

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, if eligible, after you leave public employment (death benefits); and
- 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,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli  
State Comptroller

# Contents

About Your Membership .....	3
Service Credit.....	6
Final Average Salary.....	10
Service Retirement Benefits.....	11
Choosing a Payment Option.....	14
Items That May Affect Your Pension.....	16
Vested Retirement Benefit .....	19
Disability Retirement Benefits .....	21
Death Benefits.....	23
Receiving Your Benefits.....	25
How to Stay Informed .....	27
About This Presentation .....	28

# 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.

When you become a Retirement System member, you must complete and file a membership application with the Office of the State Comptroller.

## TIER STATUS

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

You are a Tier 3 member covered by Article 14 if you joined the Police and Fire Retirement System on or after July 1, 2009 but before January 9, 2010, you did not elect to be covered by Article 22 (Tier 5) benefits and you:

- Elected coverage under your employer's special 20-year plan; or
- Elected coverage under your employer's special 25-year plan and your employer offers the one-year final average salary benefit for your employee group; or
- Are employed by the City of Yonkers or the State Police.

There are four tiers in PFRS.

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 (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**

---

You are required to contribute 3 percent of your gross earnings toward your retirement benefits for 25 years or until retirement, whichever is earlier. If you are employed by more than one participating employer, once you join the Retirement System, all salary and service earned in connection with all employment must be reported to us.

Your required 3 percent contributions are reportable as taxable income for federal, State and local income tax purposes. They are calculated on your full gross salary, before any salary reductions for any tax-deferred plans.

## **BECOMING ELIGIBLE FOR A BENEFIT**

---

As long as you do not withdraw your contributions, you will have earned the right to receive a pension once you meet the minimum requirement of five years of service credit, even if you discontinue your public employment.

Vesting is automatic — you do not have to fill out any paperwork or file an application to become vested. As a vested member, you may leave public employment and, at a later date, apply for and receive a vested retirement benefit.

You can choose to begin receiving your vested retirement benefit at your early retirement age or when you reach age 55. Your early retirement age is the age at which you would have completed 20 years of service credit.

The amount of your vested benefit will be based on your service, age at retirement and the salary you earned when you were an active member.

## **WITHDRAWING YOUR CONTRIBUTIONS AND/OR MEMBERSHIP**

---

If you leave public employment with at least five, but less than ten, years of credited service, you may choose to:

- End your membership and withdraw your accumulated contributions (with interest compounded at 5 percent per year); or
- Leave your contributions in your account and qualify for a retirement benefit when you become eligible.

If you choose to withdraw, or you have less than five years of service and do not qualify for a retirement benefit, you should file the Withdrawal Application (RS5014) no earlier than 15 days after you leave public employment.

If you have at least five years of credited service, and you do not withdraw your membership, make sure to apply for a retirement benefit when you become eligible.

Once you have ten or more years of credited service, you cannot withdraw from the Retirement System.

## **ENDING YOUR MEMBERSHIP**

---

Once you join the Retirement System, your membership cannot end unless you:

- Are not vested and seven years have elapsed since you left public employment. Public employment means paid service as an officer or employee of an employer that participates in the New York State and Local Retirement System;
- Have less than ten years of service credit, leave public employment for at least 15 days and voluntarily withdraw your membership;
- Transfer to another retirement system;
- Retire; or
- Die.

# 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, we calculate your retirement service credit by subtracting your beginning date of employment from the date you actually leave paid employment, as long as:

- You work on a full-time, continuous basis; and
- You earn at least the annual equivalent of New York State's annual minimum wage for your full career in public service.

“Full-time” is defined by your employer, but must be at least six hours per day, for a five-day week.

### Part-Time Employment

Part-time employment is credited as the lesser of:

$$\begin{aligned} & \text{number of days worked} \div 260 \text{ days} \\ & \text{or} \\ & \text{annual salary reported} \div \\ & (\text{State's hourly minimum wage} \times 2,000) \end{aligned}$$

## LEAVES OF ABSENCE

---

Half credit is given 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**

You may be able to receive credit for some or all of your Workers' Compensation leave. To determine your eligibility and the cost (if any), please send a request to the Retirement System for review. State Police employees will receive up to one year of service credit per incident while on Workers' Compensation leave.

## **CREDIT FOR PREVIOUS OR MILITARY SERVICE**

---

You may be able to obtain credit for your previous public employment or military service. 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. To receive this credit, you must earn at least two years of credited service as a Retirement System member.

### **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. If your previous membership was with another retirement system, please write to our Member & Employer Services Bureau. For reinstatement to Tier 1 or Tier 2, you must send us a completed Application to Reinstatement a Former Tier 1 or 2 Membership (RS5506).

## **PAYMENT FOR SERVICE CREDIT**

---

As a Tier 3 member covered by Article 14, you will usually be required to pay for service currently not credited to you. There are two kinds of past service costs — mandatory and optional.

Mandatory costs are required for service credit you earned as a member but for which you made no (or insufficient) contributions.

Optional costs are payments you choose to make to purchase credit for a period of previous or military service. Once you have made payment and have accrued two years of service credit as a member, you can receive that credit. Before you purchase optional past service credit, though, you must pay for any outstanding mandatory costs.

### **Example of Mandatory Past Service Costs:**

You joined the Retirement System on July 13, 2009, but your employer did not begin taking contributions from your paycheck until August 3, 2009. You would then need to make payments for July 13th through August 3rd.

## **APPLYING FOR PREVIOUS OR MILITARY SERVICE CREDIT**

---

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

Requesting credit for this service as early in your career as possible ensures that:

- The credit will be less expensive than if you wait to purchase it at a later date.
- You will stop making the 3 percent contributions sooner.
- Your retirement benefit will be processed more quickly if your service credit is in order.

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 credit for previous service after you leave 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 to for you become vested.

**NOTE: If your purchased service brings your total credited service to ten or more years, you will no longer be eligible to withdraw your contributions and end your membership.**

## **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 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 members), 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 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.
- Meet the service credit requirement to retire in a special 20- or 25-year plan.

## Final Average Salary

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.

If the earnings in any year included in the FAS period exceed the average of the previous two years of earnings by more than 10 percent, the amount in excess of 10 percent is excluded from the computation.

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 earned in the FAS period;
- Holiday pay;
- Noncompensatory overtime earned in the FAS period;
- Longevity payments (maximum of three), if earned in the FAS calculation; and
- Payment for up to 30 days vacation, if the FAS is based on the 36 months immediately preceding retirement.

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

- Unused sick leave (payment for over 165 days is included for State Police members);
- 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.

# Service Retirement Benefits

## OVERVIEW

---

You can choose normal retirement or early retirement, but must be separated from service on the first of the month following the month you reach 62.

## NORMAL RETIREMENT

---

With at least 22 years of service credit, you can apply for normal retirement regardless of your age. The normal retirement benefit equals 50 percent of your FAS. When you turn 62, the normal retirement benefit is reduced by 50 percent of your primary Social Security benefit.

Your retirement benefit may be eligible for escalation — the annual increase or decrease of a benefit, based on the cost-of-living index. Some benefits are eligible for full escalation, while others are eligible for partial escalation.

- If you retire with at least 22 years and 1 month of service credit, but less than 25 years, you are immediately eligible for partial escalation.
- If you retire with at least 25 years of service credit, you are immediately eligible for full escalation.

### Example:

Retiring with 25 years of credited service and a \$60,000 FAS

Estimated primary Social Security benefit = \$12,000

50 percent × \$60,000 = \$ 30,000 Total Annual Benefit

### At Age 62:

\$12,000 × 50 percent = \$ 6,000 Primary Social Security Benefit Reduction

\$30,000 – \$6,000 = \$ 24,000 Total Annual Benefit + Full Escalation

## 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 on which your retirement will occur.

## EARLY RETIREMENT

---

With 20 years of service credit, you can apply for early retirement regardless of your age. The early retirement benefit equals 42 percent of your FAS for 20 years of service credit plus an additional 4 percent of your FAS for each year of service (or prorated portion thereof) beyond 20 years.

Your total benefit cannot exceed 50 percent of your FAS. When you turn 62, the early retirement benefit is reduced by 50 percent of your primary Social Security benefit. This retirement benefit is not eligible for escalation.

**Example:**

Retiring with 21 years of credited service and a \$60,000 FAS

Estimated primary Social Security benefit = \$12,000

42 percent × \$60,000 = \$ 25,200 (20 years of credited service)

4 percent × \$60,000 = + 2,400 (1 year of service beyond 20)

Total Annual Benefit = \$ 27,600

**At Age 62:**

\$12,000 × 50 percent = \$ 6,000 Primary Social Security Benefit Reduction

\$27,600 - \$6,000 = \$ 21,600 Total Annual Benefit — No Escalation

### 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 on which your retirement will occur.

## RETIREMENT AT AGE 62 WITH LESS THAN 20 YEARS OF SERVICE

---

At age 62, your service retirement benefit equals 2.1 percent of your FAS for each year of service credit. The benefit is reduced by 50 percent of your primary Social Security benefit.

**Example:**

Retiring with 18 years of credited service and a \$60,000 FAS

Estimated primary Social Security benefit = \$12,000

2.1 percent × 18 = 37.8 percent × \$60,000 = \$22,680

\$12,000 × 50 percent = \$ 6,000 Primary Social Security Benefit Reduction

\$22,680 - \$6,000 = \$ 16,680 Total Annual Benefit — No Escalation

## **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 on which your retirement will occur.

## **ESCALATION**

---

Escalation is the annual increase or decrease of a benefit, based on the cost-of-living index. Service retirement benefits can be eligible for either full or partial escalation. If a benefit is eligible for full escalation, it will increase or decrease each April at a rate equal to the increase or decrease in the cost-of-living index or 3 percent, whichever is less. However, a benefit will never decrease below the original amount paid.

The full escalation date for a service retirement is the first day of the month following the date you complete or would have completed 25 years of service credit. If you begin collecting your service retirement benefit prior to the full escalation date, your benefit may be eligible for partial escalation. For each month your retirement precedes the full escalation date, the rate of increase or decrease will be reduced by 1/36th. If you retire more than three years prior to the full escalation date, your benefit will not be eligible for escalation.

The full escalation date for a disability benefit is the first day of the month following the date you become eligible for that benefit. For death benefit payments, it is the first day of the month following the date your beneficiary becomes eligible for an accidental or ordinary death benefit paid as a continuing benefit.

Once you become eligible for a cost-of-living adjustment (COLA), your benefit will include either the COLA or escalation (if eligible), whichever adjustment provides the greater benefit.

## **SOCIAL SECURITY ADJUSTMENT**

---

Beginning at age 62, your pension will be reduced by one-half (50 percent) of the primary Social Security benefit — regardless of whether you are actually collecting a benefit from Social Security. The primary Social Security benefit is the part of your Social Security benefit based on public employment in New York State. It is determined using your wages for service with a public employer for which you received retirement credit. The primary Social Security benefit may not be the same as your actual Social Security benefit. This adjustment applies to both service and disability retirements.

# Choosing a Payment Option

## RECEIVING YOUR BENEFIT AND FILING YOUR OPTION SELECTION

---

### 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. You may elect the Single Life Allowance, which provides 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 the Single Life Allowance (Option 0).

## 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 selection, 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.

### Joint Allowance — Full\*

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. 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 stop at your death.

### **Joint Allowance — Partial\***

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive a specific percentage of your benefit (without COLA) which you select (either 75, 50 or 25 percent) for his or her lifetime. If your beneficiary dies before you, all 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 or the escalation adjustment (if applicable), whichever provides the greater benefit.

Learn more about COLA.

# Items That May Affect Your Pension

## IRS PENSION LIMITATION

---

The Internal Revenue Code limits the amount of salary that qualified pension plans, including the New York State and Local Retirement System, may use in calculating benefits. Section 401(a)(17) affects members who join on or after April 1, 1996, and currently excludes earnings over \$245,000 (effective April 1, 2011) 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

---

### Overview

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.

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. The total of all your loans may not be more than 75 percent of your contributions.
- 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.

Age at Retirement	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 ADJUSTMENTS (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 COLA when you are:

- 62 or older and retired for five or more years; or
- 55 or older and retired for ten or more 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 at the time of death, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

**Once you become eligible for a cost-of-living adjustment, your benefit will include either the COLA or escalation (if eligible), whichever adjustment provides the greater benefit.**

## **DIVORCE**

---

The New York State Court of Appeals has determined that retirement benefits are marital property and are subject to equitable distribution. Equitable distribution is the division of marital assets between spouses after the marriage has ended. This 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, the Cash Refund Contributions option and the Five and Ten Year Certain options. Survivor Benefit beneficiaries for retirees who chose the Single Life Allowance option may also be revoked.

For more information on how your pension benefits can be affected by divorce, consult your attorney, contact our Matrimonial Bureau or 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 and have five or more years of credited service. You can choose to begin receiving your vested benefit at your early retirement age or when you reach age 55. Your early retirement age is the age at which you would have completed 20 years of service credit.

The amount of your vested benefit will be based on your service, age at retirement and the salary you earned when you were an active member.

## YOUR VESTED BENEFIT

---

The vested benefit equals 2.1 percent of your FAS for each year of service.

If you choose to begin receiving your benefit on or after age 55 but before your early retirement age, your benefit will be reduced by the percentages shown:

- 6.67 percent for each year your early retirement age exceeds 60; and
- 3.33 percent for each additional year your benefit begins prior to your early retirement age.

If you defer filing for your vested retirement benefit until you have or would have had 22 years and one month of creditable service, your vested retirement benefit will be eligible for escalation.

When you turn 62, the benefit is reduced by 50 percent of your primary Social Security benefit.

## FILING

---

To receive your vested pension at the earliest possible date, file a retirement application within 90 days before you first become eligible. If we receive your retirement application after you first become eligible, your vested retirement is effective 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 benefit.**

## EXAMPLES

---

**Example:**

A member joins at age 22 and has ten years of service credit when he or she leaves public employment. The member can apply for a vested retirement benefit at the early retirement age of 42 (the age he or she would have had 20 years of service credit). The benefit will not be reduced.

**Example:**

A member joins at age 40 and has ten years of service credit when he or she leaves public employment. This member could begin receiving a vested benefit at the early retirement age of 60 (the age when he or she would have had 20 years of service credit). This benefit would not be reduced.

However, the member could instead choose to begin receiving the benefit as early as age 55 with a reduction of 16.65 percent (3.33 percent for each of the 5 years the benefit begins prior to his or her early retirement age of 60).

**Example:**

A member joins at age 41 and has ten years of service credit when he or she leaves public employment. This member could begin receiving a vested benefit at the early retirement age of 61 (the age when he or she would have had 20 years of service credit). This benefit would not be reduced.

However, the member could instead choose to begin receiving the benefit as early as age 55 with a reduction of 26.65 percent (6.67 percent for the one year his or her early retirement age exceeded age 60 plus 3.33 percent for each of the additional 5 years the benefit begins prior to his or her early retirement age of 61).

If you defer filing for your vested retirement benefit until you have or would have had 22 years and one month of creditable service, your vested retirement benefit will be eligible for escalation.

When you turn 62, the benefit is further reduced by 50 percent of your primary Social Security benefit.

# Disability Retirement Benefits

## ORDINARY DISABILITY

---

### Eligibility

To qualify for the ordinary disability retirement benefit, you must:

- Be unable to perform your duties because of a permanent physical or mental incapacity;
- Have five years of credited service; and
- Be eligible for primary Social Security disability benefits.

### The Benefit

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

- One-third of your FAS or
- 2 percent of your FAS for each year of credited service, up to 25 years.

It is reduced by 100 percent of any Workers' Compensation benefit payable and 50 percent of the primary Social Security benefit beginning on the date you first become eligible for primary Social Security disability benefits. The benefit is also subject to full escalation.

### Filing

You, your employer, or someone authorized with your power of attorney may file your Application for Article 14 Disability Retirement Benefits (RS6411) with the Office of the State Comptroller. Your application must be submitted while you are in active service. If you are no longer in active service, you may be eligible if your Social Security disability benefit is awarded retroactively to a time when you were in active service.

Active service is defined as:

- When you are on your employer's payroll; or
- When you are on an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- When you are receiving Workers' Compensation, or other employer-funded benefits for up to two years.

You will not be considered in active service if your employment terminates, even if you are still receiving Workers' Compensation or similar employer-funded benefits.

## ACCIDENTAL DISABILITY

---

### Eligibility

You may be eligible for an accidental disability retirement benefit if:

- You are unable to perform your duties because of a permanent physical or mental incapacity **and**
- It is determined that the disability is the natural and proximate result of an accident sustained in the performance of duties not caused by your own willful negligence.

**or**

- You are awarded primary Social Security disability benefits **and**
- It is determined that the disability is the natural and proximate result of an accident sustained in the performance of duties not caused by your own willful negligence.

There is no minimum service requirement for an accidental disability retirement benefit.

### The Benefit

This benefit is a pension equal to one-half (50 percent) of your FAS and is reduced by 100 percent of any Workers' Compensation benefit payable and 50 percent of the primary Social Security benefit. If you are receiving Social Security disability benefits, the Social Security reduction begins immediately. If you are not receiving Social Security disability benefits, the reduction begins at age 62. The benefit is also subject to full escalation.

### Filing

You, your employer, or someone authorized with your power of attorney may file your Application for Article 14 Disability Retirement Benefits (RS6411) with the Office of the State Comptroller. The application should be filed while you are still in active service.

Active service is defined as:

- Service while on your employer's payroll; or
- When you are on an authorized medical leave of absence for up to two years.

If you are no longer in active service, you may be eligible if your Social Security disability benefit is awarded retroactively to a time when you were in active service.

# Death Benefits

## ORDINARY DEATH BENEFIT

---

### Eligibility

An ordinary death benefit may be payable to your designated beneficiary if you have 90 days of service and your death occurs:

- While you are on the payroll; or
- While you are on an authorized medical leave for up to two years (which may be extended for an additional two years); 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) as long as you have not resigned or are not terminated while receiving those benefits; or
- Within 12 months of the last date you were receiving salary, provided you were not otherwise gainfully employed during that period.

### The Benefit

Your ordinary death benefit would equal three times your salary raised to the next highest multiple of \$1,000. The salary is limited by Section 130 of the Civil Service law.

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 are also payable to your beneficiary.

### 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.

## OUT-OF-SERVICE DEATH BENEFIT

---

If you are a vested member with at least ten years of credited service, have not retired and you die more than one year after leaving public employment, 50 percent of the ordinary death benefit may still be payable. This vested benefit may also be 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.

## **ARTICLE 14 PFRS 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 payable on your behalf.

### **The Benefit**

The accidental death benefit is a pension equal to one-half (50 percent) of your FAS and is eligible for full escalation. It is paid to your beneficiaries, in this order:

- To your surviving spouse, provided he or she has not renounced survivorship rights in a separation agreement, until death or remarriage;\*
- To your surviving children, until they reach age 25;
- To your dependent parent or parents, as determined under regulations established by the Comptroller; or
- To any other person who qualified as a dependent on your final federal income tax return for the year preceding death, until that person reaches age 21.

The benefit will be divided equally among the beneficiaries in any one category if you have more than one child, parent or other dependent.

If the total of all the accidental death benefit payments is not more than the amount of the ordinary death benefit, the difference will be paid to the last eligible beneficiary or beneficiaries. If none exists, the benefit will be paid to the executors of your will, or to the persons who would be the executors if you die without making a will.

## **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. This application must be filed within two years of the date of death.

\* All beneficiaries would be eligible for annual COLAs after receiving the accidental death benefit for five years.

# Receiving Your Benefits

## APPLYING FOR BENEFITS

---

To apply for 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 us, or make an appointment 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:

New York State and Local Retirement System  
110 State Street  
Albany, NY 12244.

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 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 filed with the Hearing Administration Bureau within four months of the determination date. We will send you an acknowledgment letter with an explanation of the hearing process when we receive your written request. If you have questions regarding the hearing process, please review our Administrative Hearing FAQs, email the Hearing Administration Bureau at [Hearings@osc.state.ny.us](mailto: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, know 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.
- Update your mailing address if it 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 benefits provided by Article 14 of the Retirement and Social Security Law (RSSL) as enacted by the New York State Legislature. These benefits are available to Tier 3 New York State and Local Police and Fire Retirement System members who joined on or after July 1, 2009 and before January 9, 2010.

Throughout this publication, 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 this plan. Our main office is in Albany, New York.

This publication 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.

© 2011, New York State and Local Police and Fire Retirement System

**VO1644**

Content Revised: 9/11