



LIFE

Changes

After Retirement:

A Guide For Retirees



New York State Office of the State Comptroller
Thomas P. DiNapoli



New York State and Local
Employees' Retirement System
Police and Fire Retirement System

A Message from Comptroller Thomas P. DiNapoli



You already know you will be receiving a retirement benefit for the rest of your life. Now, I want to make sure you know about other benefits you may be entitled to receive and the services we provide to you as a retiree.

That's where this guide can assist you. It has been developed to help you become aware of these benefits and services. It also discusses certain responsibilities you have as a retiree and answers many questions you may have. Please keep it handy as a reference guide. Remember our experienced staff is always available to assist you with any concerns or questions you may 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

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Your Benefits

Retirement Benefits

Retirement benefits are paid monthly. Generally, you will receive your first retirement payment six to eight weeks after you retire. Since it takes time for your former employer(s) to provide all the information we need to determine your final retirement benefit, your first payments will be advance checks. Advance checks are partial payments, based on the information we have and the option you chose. They are 80 to 90 percent of what your retirement benefit will ultimately be.

You will continue to receive advance checks until we finalize your benefit. Once we determine your final retirement benefit, you will receive a retroactive payment along with a letter explaining how we calculated your final retirement benefit.

If you believe your benefit has been incorrectly calculated, please write to our Benefit Calculation and Disbursement Services' Recalculation Unit using the address on the back cover. Be sure to include photocopies of any supporting documentation along with the reasons for requesting a recalculation. If there was an error, your benefit will be adjusted retroactively to your retirement date.

If we determine the original calculation was correct, you may request a hearing and redetermination. A hearing request must be in writing and filed with us within four months of the letter

explaining how we calculated your benefit. At the hearing, you must prove that your calculation is correct. You have a choice of representing yourself or using an attorney to represent you at the hearing.

How Your Retirement Benefits Can Change:

- **Recalculation** — This usually occurs when you request a recalculation or receive a retroactive contract settlement. If it is the latter, please send a letter along with a copy of your check stub and/or any correspondence you received from your employer to our Benefit Calculation and Disbursement Services' Recalculation Unit. We will recalculate your benefit and, if your benefit increases, you will receive a retroactive adjustment in your next monthly benefit payment.
- **Cost-of-Living Adjustment (COLA)** — This annual adjustment, based on the cost-of-living index, will permanently increase your retirement benefit. To be eligible to receive annual COLAs, you must be age 62 or older and retired five or more years, at least age 55 and retired ten or more years, or a disability pensioner retired five or more years. For more information, please refer to our brochure, *Permanent COLA*, available on our website at www.osc.state.ny.us/retire/retirees/cost_of_living_adjustment.htm. COLA information is also available on our automated information line (see back cover for our phone number).
- **Health Insurance** — We do not administer health insurance programs. However, we will deduct premiums from your monthly

retirement benefit to pay for your health insurance coverage if we are instructed by your former employer to do so. Any questions you may have concerning your health insurance coverage or premium deductions should be directed to your former employer. If you retired from a New York State agency, you can contact the New York State Department of Civil Service at 1-800-833-4344 or 518-457-5754.

- **Medicare** — If you retired from a New York State agency and are enrolled in a health insurance plan under the New York State Health Insurance Program (NYSHIP), you are reimbursed for the usual cost of the Medicare Part B (medical insurance) premium through your retirement benefit, unless you receive reimbursement from another source. Any questions you may have concerning your premium should be directed to the New York State Department of Civil Service at 1-800-833-4344 or 518-457-5754.

- **Divorce and Domestic Relations Orders** — If you are divorced or become divorced during your retirement, your retirement benefit may be considered a marital asset and subject to equitable distribution. Equitable distribution is the division of marital assets between husband and wife after the marriage has ended. This division must be stated in the form of a Domestic Relations Order (DRO) that gives us specific directions on how your retirement benefit should be divided.

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 Contribution option (Tiers 1 and 2) and Five and Ten Year Certain options. Survivor Benefit beneficiaries for retirees who chose the Single Life Allowance option or certain alternative options may also be revoked.

For more information on how your benefits can be affected by divorce, consult your attorney, contact our Matrimonial Bureau, or read our guide to domestic relations orders and review the list of Frequently Asked Questions about divorce available on our website at www.osc.state.ny.us/retire.

- **Federal Tax Liens** — If you owe back taxes, the Internal Revenue Service can place a tax lien on your retirement benefit, taking all or a portion of your benefit until the lien is fully satisfied.
- **Child Support/Alimony** — If we receive a child support or alimony order from your county's social services department, we must withhold these payments from your retirement benefit based on this order. However, such payments cannot exceed 65 percent of your disposable income.
- **Federal Income Tax Withholding** — Your monthly benefit payment will reflect any change in either the income tax withholding tables published by the Internal Revenue Service or your filing status for withholding.

Post-Retirement Death Benefit

Your beneficiaries may be eligible for this benefit upon your death if you joined the Retirement System before age 60, are a Tier 2, 3 or 4 retiree and you retired directly from service or within one year of leaving covered employment. If you joined at or after age 60, a death benefit may still be payable if you meet certain other eligibility requirements. If you are eligible, this benefit will be paid in addition to any retirement benefit that may be paid, depending on your option choice at retirement.

There is no post-retirement death benefit available to the beneficiaries of:

- Tier 1 retirees;
- Tier 2, 3 or 4 retirees who did not retire within one year of leaving covered employment;
- New York State correction officers;
- Tier 4 county correction officers; or
- Tier 2 Police and Fire Retirement System members who retired under a special 20- or 25-year plan without regard to age.

Survivor's Benefit

If you were a New York State agency employee, your beneficiaries may be entitled to a survivor's benefit upon your death. A \$2,000 benefit is payable if you retired between October 1, 1966 and March 31, 1970 and a \$3,000 benefit is payable if you retired on or after April 1, 1970, provided you meet certain conditions. For more information, read our pamphlet, *Survivor's Benefit Program for Retired State Employees*, available on our website at www.osc.state.ny.us/retire/publications/index.htm.

Services We Offer

Automated Information Line

Our automated information line is available at 1-866-805-0990 or 518-474-7736 in the Albany, New York area 24 hours a day, seven days a week. This line enables you to get information on COLA eligibility, our Direct Deposit program, and taxes. You can also request to have forms mailed or faxed directly to you through this line. In addition, you can talk to a Customer Service Representative in our Call Center during regular business hours to:

- Report a change of address (if your new address is a post office box, you must notify us in writing);
- Notify us about a late or lost check;
- Report a pensioner's death;
- Get answers to any other questions you may have.

Retirement Online

You can check the deductions to your latest monthly pension payment, year-to-date payment totals, and other important retirement information right from your computer when you enroll in *Retirement Online* — a completely secure area on our website.

To enroll, visit our website at **www.osc.state.ny.us/retire/portal.htm** and click on “Enroll/Login.” You will be required to give your Social Security number and birth date as well as your

email address. You can then create your own user ID and we will mail you a password. The first time you login, you will need both the password we mailed you and the user ID you created. (After you login the first time, you can change this password to one you choose.)

Since we will mail your password to the address we have on file for you, please be sure it is correct — it's listed on your Retiree Annual Statement. If you need to update your address and it's not a PO Box or foreign address, you can call us toll-free at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.

Payments by Direct Deposit

If you choose to enroll in our Direct Deposit program, your retirement payments will be deposited directly into your checking or savings account on the last business day of each month. More than 80 percent of our retired members take advantage of this safe and convenient way to receive their retirement benefits.

If you would like to enroll in this program, or if you are already enrolled and want to change the bank where your retirement benefit is deposited, phone our automated information line and request an enrollment application. You can also find the application on our website at www.osc.state.ny.us/retire/forms/index.htm.

Pension Verification Letters

At your request, we will send letters to lending institutions, housing authorities, nursing homes, etc., to verify your pension income. Since this information is confidential, we will need your written permission and signed authorization before we will release it to a third party.

Pensioner Tax Information

To request a W-4P form for changing your federal income tax withholding, get a reprint of your 1099R tax statement for the current or previous years, or verify your current withholding tax filing status, you can phone our automated information line.

Individual Consultations

You can make an appointment to meet with an Information Representative at any of our 16 locations throughout the State to discuss questions you may have about your benefits. A list of these consultation sites is available on our automated information line or website at www.osc.state.ny.us/retire/consultation_site_offices/index.htm.

Information We Provide

One of our goals is to keep you informed about what is happening in the Retirement System and any changes that might affect you. To help us reach this goal, we send the following material to you throughout the year:

- ***Retiree Notes*** — A semiannual newsletter mailed to your home with information about your benefits.
- ***Retiree's Annual Statement*** — Mailed to you each winter, containing a summary of your total retirement benefit paid for the previous calendar year.
- ***1099R Tax Form*** — Mailed each January for your tax reporting. **(If your benefit is not taxable, we will not send you a 1099R Form.)**

In addition, many publications designed specifically for retirees are available on our website at www.osc.state.ny.us/retire/publications/index.htm#retirees or by calling our automated information line.

Your Obligations

Notify Us of Address Changes

Whether you receive your monthly benefit payment by mail or direct deposit, it is important to notify us of any change in your address. This ensures you will receive your tax information, annual statement and newsletters. If you receive your monthly benefit payment by mail, it will also help you avoid any delays, since the United States Postal Service usually will not forward pension checks. In most cases, you can update your address by calling our automated information line. If your new address is a post office box, you must notify us in writing.

Report a Lost, Late or Stolen Check

If you receive your monthly benefit payment by check and you have not received it by the eighth of the month, please contact us so we can start the process to issue you a replacement check. You can call us during normal business hours toll-free at 1-866-805-0990 (or 518-474-7736 in the Albany, New York area). Once you are connected, press “2” for a menu of Retiree/Beneficiary services, then “3” to report your check is late. You will be connected to someone on our staff who can assist you.

Review Your Withholding Regularly

Your retirement benefit is subject to federal taxes but not New York State or local taxes within New York State. You may change your

tax withholding status at any time by filing a W-4P form, available from our automated information line or our website at www.osc.state.ny.us/retire/forms/form_w-4p.pdf.

Contact Us if You Return to Public Employment

If you return to work for a public employer in New York State, your post-retirement earnings may be limited. If you are a disability retiree, your earnings are restricted in both public and private employment. Contact us to find out what, if any, restrictions may apply to your return to the workforce.

Keep Your Beneficiary Current

Post-Retirement Death Benefit Beneficiary (Eligible Tier 2, 3 and 4 Retirees Only)

By keeping the designation of your beneficiaries up-to-date, you will ensure that any post-retirement death benefit will be paid according to your wishes. Your death benefit beneficiaries can be changed at any time, and you can order the form directly from our automated information line.

Pension Benefit Beneficiary Information

If you chose one of the following retirement options, you may change your pension beneficiary designation at any time. To do this, complete a Pensioner's Designation of Beneficiaries form (RS4411), available from our automated information line or website at: www.osc.state.ny.us/retire/forms/rs4411.pdf.

- Cash Refund — Contributions (available to Tier 1 and 2 members with contributions on deposit);
- Cash Refund — Initial Value (available to Tier 1 members);
- Five or Ten Year Certain;
- Alternative Option (depending on the terms of payment).

If you chose an option that assures a continuing benefit to a survivor, you cannot change your beneficiary. Also, if you were required to designate a former spouse as your option beneficiary by the court in a Domestic Relations Order, you will not be permitted to retire under an option that is contrary to the Court's order.

Survivor's Benefit Beneficiary Information

If you are a retired New York State agency employee (who met certain conditions) and chose the Single Life Allowance (Option 0) at retirement, you may change your beneficiary at any time. Complete a Designation of Beneficiary form (RS6361-B) and send it to:

New York State and Local
Retirement System
Survivor's Benefit Unit
110 State Street
Albany, NY 12244-0001

If the beneficiary you designated on your Option Election Form dies (or you wish to change your beneficiary for any other reason), please write to the Survivor's Benefit Program for instructions. Be sure to include your retirement or registration number on any correspondence.

Keep Us Informed If You Become Incapacitated

A properly executed Power of Attorney will allow someone you designate to act on your behalf, even if you become disabled. If, after reviewing and approving your original Power of Attorney document, we find it acceptable, your designee will be able to:

- Cash your retirement checks;
- Change your address on our records;
- Change the account or bank in which your benefit is deposited;
- Change your death benefit beneficiary;
- Change your retirement benefit beneficiary if you chose the Five or Ten Year Certain Option, the Cash Refund Option — Initial Value (Tier 1 members) or the Cash Refund Option — Contributions (Tier 1 & 2 members with contributions on deposit).

Please note: Effective July 7, 2008, a former spouse's rights to serve as a retiree's personal representative, executor, guardian, attorney-in-fact or in any other fiduciary role is revoked when a divorce, annulment or judicial separation becomes final.

You can revoke your Power of Attorney at any time by sending a notarized statement to us at:

New York State and Local
Retirement System
Pension Payroll Unit
110 State Street
Albany, NY 12244-0001.

Upon Your Death

In the event of your death, a family member or friend should notify us as soon as possible so potential benefits can be paid to your designated beneficiaries. They may phone our Call Center or notify us by mail but, either way, they will need to supply us with a certified copy of your death certificate.

Your survivors should also be mindful of the fact that any uncashed pension checks in your name need to be returned to us. Similarly, if your benefit is paid by direct deposit, your loved ones should be aware that we are obligated to automatically reclaim any overpayment.

How to Contact Us

There are several ways you can contact us:

- Call our automated information line at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.
- Email us through our website at **www.osc.state.ny.us/retire** (click on the “Contact Us” button on top).
- Fax us at 518-402-4433.
- Make an appointment to visit one of our 16 consultation site offices. See our website for locations.
- Write to us at:

New York State and Local
Retirement System
Pensioner Services Unit
110 State Street
Albany, NY 12244-0001.

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This publication provides a general summary of retiree 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.