

# Your Retirement Plan

## Legislative and Executive Plan

For Tier 1 and 2 Members  
(Section 80-a)

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



New York State and Local  
Employees' Retirement System



## A Message from Comptroller Thomas P. DiNapoli

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As a member of the Retirement System, you are covered by a plan that provides important benefits. This booklet 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.

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

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This summary plan booklet describes the benefits available to Tier 1 and 2 members who elected coverage under the Legislative and Executive Retirement Plan provided by Section 80-a of the New York State Retirement and Social Security Law.

Throughout this booklet, you will find references to “sections” and “articles” that refer to the New York State Retirement and Social Security Law (RSSL), as enacted by the New York State Legislature. 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.

## **Many Ways to Keep Informed About Your Benefits**

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You are participating in a program designed to help you and your dependents achieve financial stability after your retirement or in the event of disability or death. It is vital that you have the most current information on your Retirement System to understand everything about the benefits we offer. There are several ways to do this:

- Read this booklet carefully. Many of your questions can be answered within these pages. Keep it handy as a quick reference for future questions concerning your benefits.
- You will receive newsletters containing current information about your plan and its benefits, as well as general information about retirement and the Retirement Law.
- Each year, you will receive a comprehensive statement detailing your personal status as a member of the Retirement System. When it arrives, review the information carefully so any errors can be corrected quickly.
- At your employer's request, we offer presentations for members, especially those within five years of retirement eligibility. The pre-retirement presentation will guide you through the retirement process, explaining the benefits you can expect and discussing post-retirement issues.

- Visit our website at **[www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire)**. You will find sections developed specifically for members, retirees and employers. You can download forms, read information booklets, brochures and newsletters. View recent legislation that could affect your benefits. Get tips on preparing for retirement.
- You can also get copies of any of the forms or publications mentioned in this booklet by printing them from our website, by contacting our Call Center or by asking your employer.
- You can visit any of our consultation sites throughout the State where you can meet with an Information Representative to discuss your own retirement benefits. We especially recommend a consultation if you are nearing retirement and looking for specific information before filing your application for retirement.
- Please advise us, in writing, whenever your mailing address changes. This is especially important if you leave public employment before becoming eligible for retirement. Having your correct address in our files will help us keep you up-to-date about benefits.
- Any questions?
  - Contact our Call Center toll-free at 1-866-805-0990, or at 474-7736 if you live in the Albany area;
  - E-mail us via our website at **[www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire)**;
  - Fax us at (518) 402-4433; or
  - Write to us at:  
New York State and Local Retirement System  
110 State Street  
Albany, NY 12244-0001

# About Your Membership

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## Participation

If you are working in a permanent, full-time position for an employer that participates in the New York State and Local Employees' Retirement System, you must become a member of the Retirement System. To join, 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 1 member if you joined the Employees' Retirement System before July 1, 1973. If you joined the Employees' Retirement System on or after July 1, 1973, but prior to July 27, 1976, you are a Tier 2 member

## Special Plan Eligibility

The Legislative and Executive Retirement Plan authorized by Section 80-a (RSSL) applies only to legislative and executive employees in legislative service before July 1, 1973 and who elected Section 80-a on or before December 31, 1976.

You are also covered by this plan if you:

- Were previously enrolled in Section 80-a but your coverage was terminated because you were employed by a joint legislative employer; and
- Were a legislative employee from February 28, 1997 through September 7, 1999; and

- Re-elected Section 80-a coverage by June 30, 1999.

Since this plan was closed to new members on July 1, 1973, it is not available to new legislative members of the Retirement System.

“Legislative service” means paid service as Lieutenant Governor, Comptroller, Attorney General, State Senator, Member of the Assembly, or an annual or session employee of the Legislature.

“Executive member” means you served as Lieutenant Governor, Comptroller, Attorney General, State Senator, or Member of the Assembly.

“Legislative member” means an officer or employee of the Senate, Assembly or a joint legislative employer.

“Joint legislative employer” means joint legislative commissions, councils, or similar bodies regardless of duration.

## **Contributing Towards Your Retirement**

While you are not required to contribute towards your retirement benefits, you may elect to make voluntary contributions to the Retirement System. These contributions, plus the interest they earn, will provide you with an annuity when you retire.

## **Borrowing Against Your Contributions**

If you have contributions on deposit, are in active service and have at least one year of member service credit, you may take a loan from the Retirement System. To apply, you must file a Tier 1/Tier 2 Loan Application (RS 5025) with us. If you already have an outstanding Retirement System loan and want to take a new loan, please contact our Call Center to connect with our Loan Interactive Voice Response Line to determine if refinancing your loan or carrying multiple loans would be better for you.

The following conditions apply when borrowing against your contributions:

- Each loan must be for a minimum of \$25, but not more than 75% of your member contribution balance, less any outstanding loan balances.
- You 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.
- Loans may be subject to Federal income tax.
- If you retire or withdraw from the Retirement System and have one or more outstanding loan balance(s), part or all of the loan balance(s) may be considered taxable income and subject to Federal income tax in the year that you retire or withdraw your membership.
- At retirement, any outstanding loans will be canceled and your annuity will be **permanently reduced** by an actuarially determined amount.

## Ending Your Membership

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

- When seven years have elapsed since you last worked for a public employer, provided you do not have at least five years of credited service; or
- If you leave public employment before age 60 and voluntarily withdraw your membership; or
- When 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.

## Final Average Salary

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Your retirement benefit calculation is based on your years of credited service and your final average salary (FAS). Under Section 80-a, your FAS calculation is the average of the wages you earned during any three consecutive *calendar* years of creditable service when earnings were highest. This is usually the last three years of employment.

Payment for unused sick leave at retirement is not included in the FAS calculation, but the following are:

- Overtime if earned in the period used in the FAS
- Holiday Pay
- Non-compensatory overtime earned for each year in the FAS period
- Longevity bonus (maximum of three) if paid in the years used in the FAS

### 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%.

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 if your FAS is based on the 36 months of earnings immediately preceding your date of retirement.

## **Tier 2**

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

# **Your Service Retirement Benefits**

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## **Eligibility for Service Retirement**

### **Tier 1**

You are eligible for a service retirement benefit at age 55 with at least five years of legislative service and five years of additional creditable service, or after 20 years of service as a Senator or Member of the Assembly, regardless of your age.

### **Tier 2**

You are eligible for a service retirement benefit at age 55 with at least 10 years of legislative service, or after 20 years of service as a Senator or Member of the Assembly, regardless of your age.

## **The Service Retirement Benefit**

If you elected this plan before July 1, 1972, you will receive a pension equal to 1/40<sup>th</sup> (2.5%) of your FAS for each year of service credit. If you elected this plan on or after July 1, 1972, you will receive a pension equal to 1/40<sup>th</sup> (2.5%) of your FAS for each year of legislative service credit.

If your service began before April 1, 1960, your benefit will include an annuity purchased by required contributions, plus interest. If you made any voluntary contributions to the Retirement System, your benefit will also include an annuity purchased by the contributions and the interest they earned.

Under this plan, the pension portion of your retirement benefit cannot exceed 75% of your FAS. This limitation is raised to 80% of your FAS if you are eligible to receive the additional service credit provided by Article 19 (RSSL).

## **Other Retirement Benefits**

### **Career Plan (Section 75-f)**

With 40 or more years of service, you could be eligible for a better benefit under the Career Plan if you were employed by New York State on March 31, 1970. This plan provides a benefit of one-half (50%) of your FAS for 25 years of service credit, plus 1/60<sup>th</sup> (1.66%) for each additional year of service credit, with no benefit cap.

### **Section 80-a(g)**

At age 55, you are eligible for the retirement benefit provided by Section 80-a(g) if you:

- Are no longer employed by the Legislature; and
- Have at least 10 years of legislative or executive service credit;
- Elected to continue as a member of the Executive and Legislative Plan under Section 80-a(g); and
- Work for another participating employer.

The benefit calculation under Section 80-a(g) depends on the regular retirement plan your current employer provides. For example, if your employer offers the New Career Plan (Section 75-h or 75-i), and you have at least 20 years of total service credit, your benefit under Section 80-a(g) will equal:

- 1/40<sup>th</sup> (2.5%) of your FAS for each year of creditable legislative or executive service; plus
- 1/50<sup>th</sup> (2%) of your FAS for the remaining years of service credit.

Your total benefit cannot exceed 75% of your FAS but this limitation is raised to 79% of your FAS if you are eligible to receive the additional service credit provided by Article 19.

With less than 20 years of total service credit, your benefit under Section 80-a(g) will equal:

- 1/40th (2.5%) of your FAS for each year of creditable legislative or executive service; plus
- 1/60<sup>th</sup> (1.66%) of your FAS for the remaining years of service credit.

If you made voluntary contributions to the Retirement System, your benefit will also include an annuity purchased by your contributions, and the interest they earned.

## **Filing for the Service Retirement Benefit**

The 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.

# Items That May Affect Your Pension

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## 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 the calculation of benefits. Section 401(a)(17) affects members who first join on or after April 1, 1996 and currently earn \$205,000 or more in the State's fiscal year (April 1- March 31). This amount is set by Federal law and is periodically adjusted for inflation.

## 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. This adjustment, subject to pension caps and limitations, is 50% of the previous year's annual rate of inflation, but never less than 1% or more than 3% of your benefit. The adjustment percentage is applied only to the first \$18,000 of your Single Life Allowance, even if you selected a different option at retirement.

You will begin receiving COLA when you are:

- Age 62 or older and retired for five or more years, or
- Age 55 or older and retired for 10 years; or
- Receiving a disability pension for five or more years.

When you die, if you selected an option at retirement 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.

## **Divorce**

If you are in the process of a divorce, you should know the New York State Court of Appeals has determined that retirement benefits are considered marital property and are subject to the equitable distribution provisions of the Domestic Relations Law. Equitable distribution is the fair division of marital assets between husband and wife after the marriage has ended. At the time of your divorce, you and your ex-spouse can agree on how your pension benefits should be divided, or you can have the decision made by the court. Either way, any division of your pension benefits 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 is the legal document issued by a court that provides us with specific direction on how your pension benefits should be divided between you and your ex-spouse. However, it does not allow for a distribution of your pension until you actually retire.

For more information on how your pension benefits can be affected when divorcing, consult your attorney and read our publication, *Divorce, Equitable Distribution and the Retirement System*.

# Receiving Your Benefits

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## 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. Also, you can get help by calling or writing to us and from our Information Representatives at our consultation sites throughout New York State.

## Filing with the State Comptroller's Office

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 at 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 personally file these time-sensitive documents, 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 simultaneously file applications “without prejudice” for disability and regular service retirement benefits. “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.

Your request must be in writing and received by us within four months of the date of the benefit denial or determination that you feel is incorrect. At this hearing, you will need to present evidence to support your contention before an order modifying your benefits can be subsequently issued.

# **How We Credit Your Service**

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## **Full-Time Employment**

A State Senator, Member of the Assembly or a session employee who serves during an entire regular legislative session, or an annual employee who serves at least 26 weeks during the calendar year, receives full-time service credit for the entire year.

## **Part-Time Employment**

Service credit is prorated for session employees who do not work the entire legislative session or annual employees who do not serve at least 26 weeks during the calendar year.

## **Leaves of Absence**

Tier 1 members are given full credit for sick leave at half pay; Tier 2 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.

You will usually receive up to one year of service credit while on Workers' Compensation leave.

## **Additional Service Credit Under Article 19**

If eligible, you will receive one month of additional service credit for each year of service credit you have at your date of retirement or death, up to 24 months. This service can be used to qualify you for a service retirement benefit, the vesting requirement, the 10-year service requirement for the out of service death benefit or an ordinary disability retirement benefit.

You are eligible for additional service credit provided by Article 19 if:

- Your date of membership is before July 27, 1976, **and**
- You were in active service on April 1, 1999, and continued in active service up to and including October 1, 2000.

Active service for this benefit means:

- You are paid on the payroll;
- You are on a leave of absence with pay;
- You are on an approved leave of absence without pay; or
- For teachers and other school district employees, any period of time between school terms and between September 1 and October 1, 2000.

Under this plan, the pension portion of your retirement benefit cannot exceed 75% of your FAS. This limitation is raised to 80% of your FAS if you are eligible to receive the additional service credit provided by Article 19.

# Getting Credit for Previous Public Service

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## Creditable Service

If you elected this plan before July 1, 1972, you may receive credit, under Section 80-a, for other public employment *prior to your legislative service*. Certain military service can also be credited. If you elected this plan on or after July 1, 1972, only legislative and certain military service can be credited under Section 80-a.

If you are able to obtain credit for your previous public employment, it is very important that you claim all that service, as early as possible, because records documenting your previous service may be lost or destroyed with the passage of time. The types of service that you may be eligible to claim are described below.

## Prior Service

This is any period of time you received salary from a participating employer before that employer elected to participate in the Retirement System. There is no cost to receive credit for prior service.

## Service Before Your Date of Membership

You may receive credit for working for a participating 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, please send us a copy of your Report of Transfer or Discharge Record (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 retirement service may be recredited and your date of membership changed. For reinstatement to an earlier date within Tier 1, send us a completed Application to Reinstate a Former Tier 1 or 2 Membership (RS5506).

## **Applying for Previous Service Credit**

To receive credit for any type of previous 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 that you are seeking to receive credit for. We will determine your eligibility to receive the credit and any cost involved.

By requesting credit for your previous public employment as early in your career as possible:

- 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.

## **Establishing Benefit Eligibility (Vesting)**

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### **Executive Members**

You are eligible for a vested retirement benefit if you have at least 10 years of executive service credit and separate from the Legislature or another participating employer. You are entitled to receive a vested retirement benefit as soon as the sum of your service as a State Senator or Member of the Assembly, plus the time which has elapsed since you left the Legislature, equals 20 years.

If you reach age 55 before the 20-year period has accumulated, you are eligible for a vested retirement benefit on the first of the month following your 55<sup>th</sup> birthday.

### **Legislative Members**

You are eligible for a vested retirement benefit if you separate from the Legislature or another participating employer before age 55 and you have at least 10 years of legislative service credit. When you reach age 55, this will entitle you to a retirement benefit based on your service and salary earned when you were an active member.

You are eligible for a vested benefit on the first of the month following your 55<sup>th</sup> birthday.

### **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 expla-

nation of your benefit, please refer to the “Your Service Retirement Benefit” section of this booklet.

The retirement benefit is payable for your lifetime and you must elect one of several options to provide for possible payment to a designated beneficiary of your choosing.

## **Filing for the Vested Benefit**

To receive your pension at the earliest possible date, you should file a retirement application within 90 days before the first of the month following your 55<sup>th</sup> birthday. If we receive your retirement application after the first of the month following your 55<sup>th</sup> birthday, your vested retirement is effective on the date the application is filed with or received by us.

If you were a State Senator or Member of the Assembly and become eligible for a vested retirement benefit prior to age 55, to receive your benefit at the earliest possible date, file a retirement application 30 to 90 days before you become eligible.

***Remember***, it is up to you to file a retirement application when you become eligible and wish to receive your benefit. Any delay in filing for a vested benefit will not increase your pension since the amount of your benefit is frozen when you leave public employment.

# **Benefit Payment Options**

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## **How You Receive Your Benefit**

At retirement, you must decide how you want your retirement benefit paid. While there are several options from which to choose, all of them 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 (Option 0) providing you the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a reduced monthly benefit to provide for possible payment to a designated beneficiary after your death.

## **Filing Your Option**

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 would not be expected to select your payment option until you receive an estimate of the amounts payable under each option available to you. If 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. Please note that you cannot change your option selection after the last day of the month in which you retire.

The following choices are available to you:

## **Single Life Allowance (Option 0)**

This basic retirement benefit provides for maximum payment to you. But remember, under this selection, all payments cease at 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 1/2)** (Available only to members with contributions on deposit)

This provides a reduced monthly benefit for your lifetime. At your death, any unpaid balance of your accumulated contributions will be paid to your beneficiary or your estate. If all your accumulated contributions have been expended, all payments will cease at your death.

## **Cash Refund – Initial Value (Option 1)** (Available to Tier 1 members only)

This reduced benefit 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 payments. 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 reduced benefit is based on your and your beneficiary's birth dates. When you die, your beneficiary will receive the same monthly amount (without COLA) as you did, for life. If your beneficiary dies before you, all benefit payments cease at your death.

### **Joint Allowance – Half\***

This reduced benefit guarantees you retirement income for your lifetime. 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 at your death.

### **Pop-Up/Joint Allowance – Full or Half\***

These options will provide you with a reduced benefit for life. If you die before your beneficiary, we will continue paying the same 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 stop at your death.

\*If you elect this option, you must submit proof of your beneficiary's birth date. You can only designate 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% of your COLA.

## **Five Year Certain and Ten Year Certain**

These options provide a reduced benefit for you 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 methods of payment. Such requests must be outlined in detail by you and then must be approved by us for legal and actuarial soundness.

# Ordinary Disability Retirement Benefit

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## Eligibility for the Ordinary Disability Benefit

If you are unable to perform your duties because of permanent physical or mental incapacity, and have 10 or more years of service credit, you may be eligible for an ordinary disability retirement benefit.

## The Ordinary Disability Benefit

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

- $1/60^{\text{th}}$  (1.66%) of your FAS for each year of credited service; or
- $1/60^{\text{th}}$  (1.66%) of your FAS for each year of credited service plus  $1/60^{\text{th}}$  of your FAS for each year of service you might have earned before attaining age 60, but not more than one-third of your FAS.

In addition to your pension, if you made voluntary contributions, you will receive an annuity based on your contributions and the interest earned.

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

You must select an option for the payment of your disability benefit. For more information, refer to the “Benefit Payment Options” section of this booklet

## **Filing for the Ordinary Disability Benefit**

Your application for ordinary disability retirement may be filed by you, the head of the department in which you are employed, or someone authorized with your power of attorney. You may submit application simultaneously for ordinary disability, accidental disability and regular service retirement benefits (if eligible). 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 for up to two years, but may be extended for an additional two years; or
- Last receive Workers' Compensation or other similar employer-funded benefits for up to two years, but may be extended for an additional two years; or
- Are terminated from employment.

# **Accidental Disability Retirement Benefit**

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## **Eligibility for the Accidental Disability Benefit**

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 benefit.

## **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 Accidental Disability Benefit**

If approved, the accidental disability retirement benefit is a lifetime pension of three-quarters (75%) of your FAS, and an annuity provided by any contributions you may have made while in service.

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 select an option for the payment of your disability benefits. For more information, refer to the "Benefit Payment Options" section in this booklet.

## **Filing for the Accidental Disability Benefit**

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

You may submit applications simultaneously for ordinary disability, accidental disability, and regular service retirement benefits (if eligible).

## **Ordinary Death Benefit**

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If you have at least one year of credited service in the Retirement System, 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 that, under present rules, is exempt from Federal income tax. Your accumulated contributions are also payable to your beneficiary.

### **Eligibility for the Ordinary Death Benefit**

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 in public service; or
- On an authorized medical leave without pay; or
- While receiving Workers' Compensation or other employer-funded benefits, for up to 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; or
- Within 12 months of the last date you were receiving salary, provided you were not otherwise gainfully employed during that period.

### **The Ordinary Death Benefit—Tier 1**

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

## The Ordinary Death Benefit—Tier 2

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. But, if you die after three or more years of service, your beneficiary would receive a benefit equal to three years of your salary.

If you are in service at age 61, your death benefit will be reduced by 4% and will be further reduced by 4% each year you continue to be in service. It will not be reduced below 60% 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% of the ordinary death benefit payable at retirement; during your second year of retirement, the benefit is 25%. During your third year and thereafter, the benefit will be 10% of the ordinary death benefit that would have been payable at age 60, or at retirement, whichever was earlier.

**Example:**

Retirement at age 62 with a salary of \$60,000	
	$\$60,000 \times 3 =$ \$180,000
(reduction for working after age 60)	- <u>14,400</u>
(ordinary death benefit at retirement)	\$165,600
<b>1st year of retirement</b>	
(50% of ordinary death benefit):	\$ 82,800
<b>2nd year of retirement</b>	
(25% of ordinary death benefit):	\$ 41,400
<b>After 2nd year of retirement</b>	
(10% of benefit at age 60):	\$ 16,560

**The Alternative Death Benefit**

If you die while in service after becoming eligible to retire, 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 75-c) as of your date of death.

**Out of Service Death Benefit**

If you are a vested member with at least 10 years of credited service and you die more than one year after leaving public employment, 50% of the death benefit may still be payable. This benefit is also payable if you die within one year of leaving covered service but were gainfully employed during that time.

**Filing for the Ordinary Death Benefit**

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

# **Accidental Death Benefit**

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## **Eligibility for the Accidental Benefit**

Regardless of your years of service credit, if you die as the direct 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 Accidental Death Benefit**

The accidental death benefit is equal to one-half (50%) of your FAS (less any Workers' Compensation benefit paid or payable because of your death). The benefit can only be paid to the following family beneficiaries, in this order:

- first, to your widow or widower until his or her death or remarriage;
- second, where there is no widow or widower or in the event of his or her death or remarriage, to each minor child until he or she reaches age 18;
- finally, where there is no widow, widower 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 for the Accidental Death Benefit**

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

VO1861

Printed 4/04  
Content Last Revised 8/11

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Employees' Retirement System

Printed on recycled paper



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