

THE Sentinel

Spring 2022

A semiannual newsletter for members of the Police and Fire Retirement System (PFRS)

Thomas P. DiNapoli, State Comptroller



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A Message from Comptroller Thomas P. DiNapoli



During the past two years, I have heard many stories about public employees in New York who have continued providing vital services in the face of the difficulties caused by COVID-19. The pandemic has touched all of us in one way or another, but we can draw inspiration from the dedication and commitment displayed by our fellow NYSLRS members.

While we have made steady progress in the fight against COVID-19, current world events remain unsettling. It is no surprise that in these uncertain times, financial markets respond with volatility. Despite this, I want to assure you of my steadfast commitment to see that the Common Retirement Fund remains financially strong now and well into the future. As a Retirement System member, you can depend on the sustainable, long view investment strategy we use to protect the long-term well-being of the Fund. One way we do this is to recognize the potential economic impact of climate change on the Fund's investments and the world economy. You can learn more about our climate solutions investment strategy in this issue of the newsletter.

Also in this issue, read about vesting requirement changes for Tier 5 and 6 members and how *Retirement Online* makes it convenient to submit a retirement application online.

Finally, please remember that the Retirement System is always here to help. Do not hesitate to contact us whenever you have questions about your retirement plan and the benefits it provides.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Protecting Fund Investments from Climate Risk

The New York State Common Retirement Fund, which had an estimated value of nearly \$280 billion at the end of 2021, holds and invests the money used to pay NYSLRS pensions. Comptroller DiNapoli and his investment staff have worked hard to ensure solid returns for the Fund. But they are also working to address one of the Fund's biggest challenges: investing in renewable energy opportunities and the low-carbon economy while mitigating the risks that climate change poses to its long-term value.

Around the world, we are seeing the impact of record temperatures, floods, rising sea levels, droughts and wildfires. Climate change is not just an environmental issue — it poses significant risks to the global economy and the Fund's investments. Fortunately, Comptroller DiNapoli is taking bold steps to protect the Fund from climate risks.

Recently, the Comptroller set a goal of transitioning the Fund's investment portfolio to net zero greenhouse gas emissions by 2040. The strategy

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Protecting Fund Investments from Climate Risk

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for meeting that goal includes investing in climate solutions, urging companies to address climate risks and, when it is consistent with his fiduciary duty, divesting from specific companies that aren't transitioning to a low-carbon economy.

In the past year, the Fund:

- Invested approximately \$400 million in two renewable energy funds.
- Committed \$2 billion to a new climate index focused on reducing the risks and capitalizing on the opportunities arising from the transition to a low-carbon economy.
- Worked with major U.S. companies to reduce their greenhouse gas emissions, adopt new energy efficiency measures and increase their use of renewable energy.
- Joined 457 investors with \$41 trillion in assets in signing the *2021 Global Investor Statement to Governments on the Climate Crisis* statement, urging all governments to adopt an ambitious climate action agenda.
- Divested from investments in oil sands, thermal coal mining and shale oil and gas companies that did not have viable plans to adapt to the low-carbon future.

Climate change is not just an environmental issue — it poses significant risks to the global economy and the Fund's investments.

Boost Your Personal Retirement Savings

It's helpful to think of retirement planning as a three-legged stool. Each leg of the stool provides you with a portion of the income you'll need to enjoy a secure retirement.

The first leg of the stool is your **NYSLRS pension**, which provides you with a monthly benefit payment for the rest of your life. The second leg is **Social Security**, which on average could replace 40 percent of your pre-retirement income.

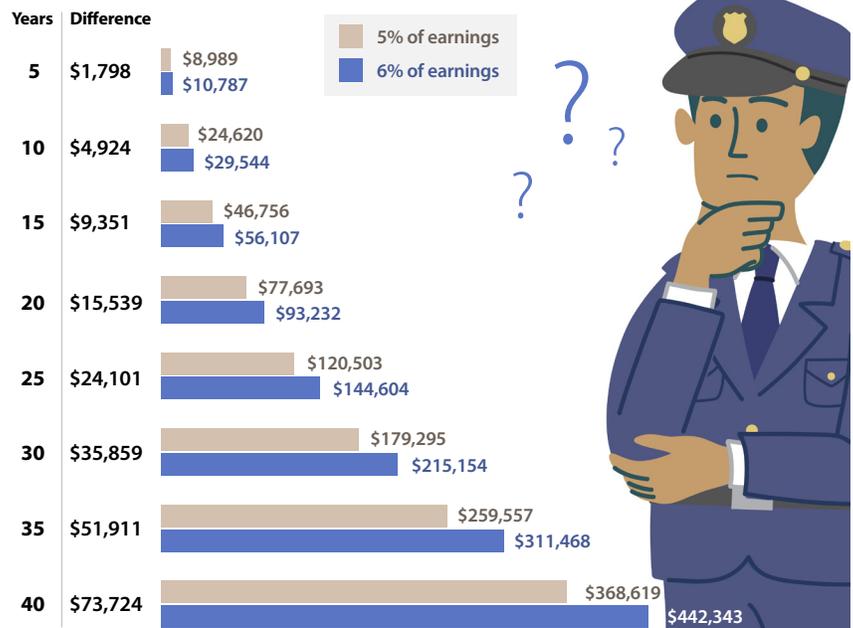
The third leg of the stool is your **personal retirement savings**. With this leg, you get to decide how much to save and how to invest it. It's important to start saving early so your money has time to grow. But even if you get a late start, making small increases here and there could make a big difference over time. You can invest with an individual retirement account (IRA) or by contributing to a plan your employer may offer, like a 401(k). [The New York State Deferred Compensation Plan](#) is a 457(b) plan created for New York State employees and employees of other participating public employers in New York. You can check with your human resources office or benefit administrator to learn what plans are available.

If you currently set aside 5 percent of your income for retirement, what would happen if you boosted your savings by just 1 percent?

Saving a Little Bit More

Saving a little extra for retirement can have a big impact over time.

Pat is determined to save for retirement but he can't decide how much to save each year. The graph below shows the difference in his savings over 40 years if he were to save 5 percent or 6 percent of his earnings.



Assumes a starting salary of \$40,000 with 2 percent pay increases annually and annual compounded returns of 5.9 percent. Calculated using [Bankrate's online Retirement Calculator](#). Results are for illustrative purposes only. Actual savings results may vary.

Note: This graphic is based on the findings of the source material and does not reflect the opinions of NYSLRS.

Tier 5 and 6 Members Now Vested After Five Years

Effective April 9, 2022, Tier 5 and 6 members only need five years of service credit to be vested.

Being vested means that you have enough years of service credit to qualify for a retirement benefit, even if you leave public employment before you are old enough to retire. Previously, Tier 5 and 6 members needed 10 years of service to be eligible for retirement benefits. You can [sign in to your Retirement Online account](#) to view your total estimated service credit. Over the next few months, we will be updating members' Retirement Online accounts to reflect any changes in vesting status. Read our [Becoming Vested blog post](#) for more information about the new legislation.



COVID-19 Accidental Death Benefit

During the COVID-19 pandemic, many Retirement System members faced great personal risk as they carried out their essential duties. The families of these selfless public servants can take some comfort in knowing that if their loved one contracts COVID-19 while on the job, they may be eligible for an accidental death benefit if their loved one dies as a result.

The COVID-19 accidental death benefit is a pension — not a lump sum payment — paid to your spouse for life. If there is no surviving spouse, the benefit can be paid to dependent children until a certain age, or if there are none, to a dependent parent for life. It is equal to 50 percent of your final average earnings or your last year's salary, depending on your retirement plan.

Your beneficiary would be eligible for the COVID-19 accidental death benefit if you are not retired and:

- Worked at either your normal workplace or another assigned workplace, not your residence, as directed by your employer, on or after March 1, 2020;
- Contracted COVID-19 within 45 days of the last day that you reported for work;
- Died on or before December 31, 2022; and
- Died and COVID-19 caused or contributed to your death.

To claim the benefit, your survivors must contact NYSLRS to [report your death](#) and let us know that it was COVID-related. We'll ask for an original death certificate, and then reach out to your beneficiary to assist them in claiming the benefit. If your beneficiaries are eligible for more than one type of death benefit, in many cases they may be able to choose which benefit they wish to receive.

For more information, please read our [Enhanced Death Benefit for Survivors of COVID-19 Victims blog post](#).

World Trade Center Presumption

Eligibility Requirements Changed



If you worked for an employer that participates in NYSLRS or another New York public retirement system on September 11, 2001, and you participated in rescue, recovery or cleanup efforts, you may be eligible for the World Trade Center Presumption — even if you were not a Retirement System member at that time. Previously, you had to have been an active member, but this requirement recently changed (Chapter 424, Laws of 2021). You must still meet the other [eligibility requirements](#).

[The World Trade Center Presumption](#) provides accidental disability and death benefits to eligible individuals. If you meet the eligibility requirements, be sure to file a [World Trade Center Notice \(RS6047-N\)](#). This is not an application for benefits, but filing this notice protects your rights, and the rights of your beneficiaries, to apply for benefits in the future. The deadline to file a notice is September 11, 2022.

Sign Up for E-News

Want to know more about your NYSLRS benefits? Sign up for E-News to get NYSLRS updates, retirement planning tips and more right in your inbox every month.

Email Sign Up

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State Comptroller

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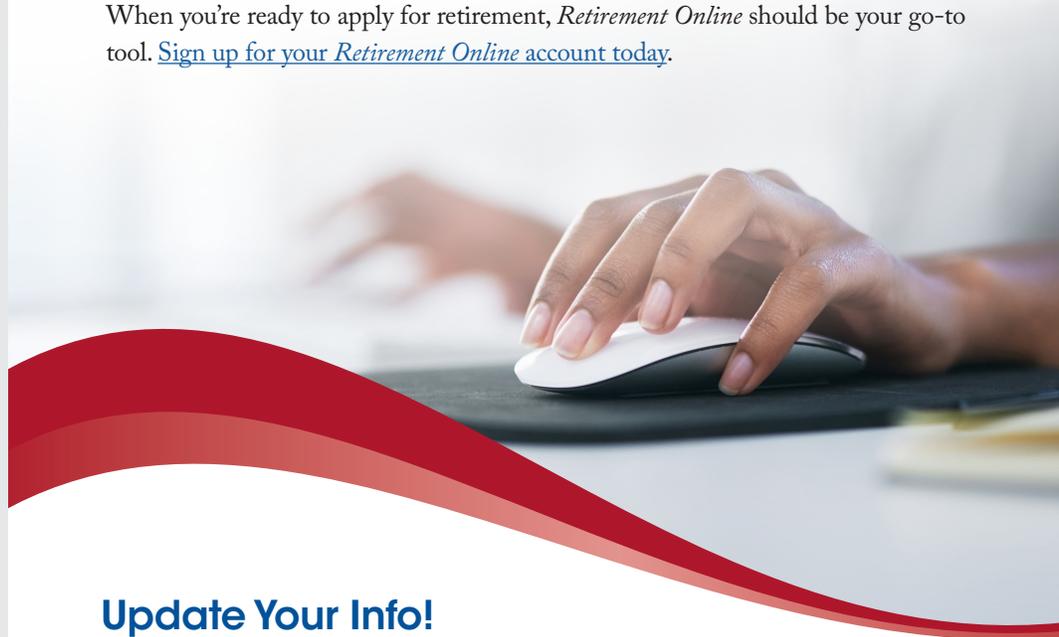
Filing for Retirement Just Got Easier

Retirement Online is the best place to keep track of your NYSLRS benefit information. Now, *Retirement Online* can also make retiring easier. With the online retirement process, you can:

- Choose your retirement date;
- See an estimate of your pension with different payment options;
- Choose your payment option;
- Sign up for direct deposit;
- Set up your federal tax withholding; and
- Upload required documents, such as proof of your date of birth.

The online process also lets you take care of outstanding membership items, like paying off NYSLRS loans and applying to purchase missing service credit. A big advantage of filing for retirement online is that you do not have to get anything notarized. We'll also notify you if we need additional documentation so you can upload it through *Retirement Online*.

When you're ready to apply for retirement, *Retirement Online* should be your go-to tool. [Sign up for your Retirement Online account today.](#)



Update Your Info!

It's important to make sure that the personal information in your NYSLRS account is accurate and complete. Having your correct address, phone number and email address helps NYSLRS contact you and send you important correspondence. The fastest way to update your personal information is through *Retirement Online*. [Sign in to Retirement Online](#) (or register, if you don't already have an account), then click on the "update" link on your Account Homepage. Be sure to use an email address that you'll have access to both before and after you retire.

You may also change your contact information by phone or through the mail. Visit our [Change of Address webpage](#) to learn how.