

THE Sentinel

Winter 2021-22

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

A Message from Comptroller Thomas P. DiNapoli

Although the COVID-19 pandemic continues to present significant hardships for all New Yorkers, through resilience and determination, we will persevere.

In my role as steward and trustee of the Common Retirement Fund, I am keenly aware of the great uncertainty COVID-19 has brought to the financial markets, and along with it, concerns over how the crisis would affect the Fund's investments. But I am pleased to report to you that the Common Retirement Fund, which holds and invests the Retirement System's assets, has remained strong. In fact, as of September 30, 2021, its estimated value reached \$267.8 billion. The sound, long term investment strategy we employ continues to enhance the Fund's ability to recover from market swings. This approach helps to keep NYSLRS one of the best-managed and best-funded public retirement systems in the nation.

It's true that many things have changed during the pandemic, but even in tumultuous times, you can always count on the safety and security of the retirement benefits you earn as a NYSLRS member.

If you'd like greater access to information about the retirement benefits you're earning, please consider opening an account in *Retirement Online*. Hundreds of thousands of members are already using the system, doing everything from changing their address or updating their beneficiaries, to applying for retirement. If you don't already have an account, I encourage you to visit our website to sign up today.

Finally, thank you for your commitment to public service. During this pandemic, many New Yorkers have come to realize the value of your service.

Sincerely,



Thomas P. DiNapoli
State Comptroller



Thomas P. DiNapoli
State Comptroller



NYSLRS
1921 – 2021

Your Membership, in a Nutshell

Are you new to the Retirement System? Membership provides you with many benefits, such as a lifetime pension benefit, death benefits for your survivors, loans for members who make contributions and more.

The best way to learn about your membership is to read your retirement plan booklet. Your plan booklet explains how long you'll need to work before you're eligible to retire (service credit), how we calculate your pension, what death and disability benefits are available to you and other plan benefits.

To look up your plan booklet, you'll need to know your retirement system and tier. Your retirement system is the Police and Fire Retirement System (PFRS). Members who joined on or after April 1, 2012 are in Tier 6. Your plan and tier are listed in your [Retirement Online](#) account and in your Member Annual Statement.

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Retirement Online

Troubleshooting Your Account

With *Retirement Online*, you can update your sign-in information on your own.

I forgot my User ID.

On the Sign In page, click the 'Forgot ID' link. Fill out the fields needed to identify yourself within the system and answer your security questions. Once you have submitted your responses, your User ID will appear on the screen.

I don't remember my password.

If you enter an incorrect password too many times, you may be locked out of your account. Before this happens, you should reset your password. Click the 'Forgot Password' link on the Sign In page. Enter your User ID and answer your security questions to change your password.

For additional help and step-by-step instructions, visit the [Tools & Tips section of our Retirement Online webpage](#).

You may be asked to answer the security questions you entered in the system during registration to retrieve your User ID and password.

Did You Know?

You can update your contact information right in *Retirement Online*. Keep your contact information up to date to ensure you receive your annual statement and other important information about your NYSLRS benefits. If you don't have a *Retirement Online* account, [sign up](#) for one today.

A Century of Security and Stability

In 1921, NYSLRS opened its doors and set to work providing New York's public employees with secure retirement benefits. This year, NYSLRS celebrates a century of service to New York's public employees.

The original pension plan was very similar to the defined-benefit plan NYSLRS members have now. Unlike the 401k-style defined-contribution plans common in the private sector, a defined-benefit plan provides a guaranteed, lifetime benefit, so you don't have to worry about your money running out during retirement. Your benefit is based on your service credit and earnings, providing a benefit once you work a certain number of years.

NYSLRS' founders recognized the need to calculate the cost of the pension plan taking into account factors such as employees' salaries and how long they are expected to be retired. They also saw the need to make provisions to cover those costs through contributions and other income. They recommended a plan supported, in part, by the contributions of public employers and employees.



THE PENSION FUND

NYSLRS and the Common Retirement Fund have seen incredible growth over the years. The number of retirees has increased steadily, and the Fund has kept pace. Retirees can count on us and know that their pension will be there for them in retirement.

SOURCE: 1921, 1941, 1961, 1981, 2001, 2021 ANNUAL REPORTS

FISCAL YEAR	FUND ASSETS	RETIRES & BENEFICIARIES
1921	\$8.3 million	43
1941	\$254.0 million	5,626
1961	\$1.6 billion	29,551
1981	\$17.0 billion	166,619
2001	\$112.0 billion	298,078
2021	\$258.1 billion	496,628

Today, the Fund is widely recognized as one of the best-managed and best-funded plans in the country, and investment returns cover most of the cost of retirement benefits. Comptroller DiNapoli, along with his investment staff and Fund managers, have worked hard to ensure solid returns for the Fund by using a long-term investment strategy that takes advantage of growth opportunities during good economic times so we can weather economic downturns.

In 1921, the Retirement System provided benefits to just a few dozen retirees. A century later, NYSLRS has grown into one of the largest public pension systems in the nation, providing retirement security to over a million members, retirees and beneficiaries. We are proud to witness that in our centennial year, the Fund has grown to an estimated value of \$267.8 billion as of September 30, 2021. We look forward to the future of NYSLRS, and you can be confident that your future benefits will remain secure.

Countdown to Retirement *Review Your Finances*

Taking a close look at your finances at least a year before your retirement date can help you avoid unwelcome surprises later.

Estimate Your Income

Your NYSLRS pension will be a major source of income in retirement, so it's essential to know the approximate amount of your pension well before you retire.

Most members can estimate their pension using *Retirement Online*. You can also customize your pension estimate. To get started, [sign in to your Retirement Online account](#).

If you cannot estimate your pension using *Retirement Online*, you can request a pension estimate by calling our toll-free number at 866-805-0990 or by submitting a [Request for Estimate form](#).

Other Sources of Income

Your NYSLRS pension is only one source of retirement income. Remember to review your Social Security benefits and personal savings too.

- Go to the [Social Security Administration \(SSA\) website](#) for benefit estimate calculators and other tools to help you understand your SSA benefits.
- If you have an account with the [New York Deferred Compensation Plan](#), visit their website to use their tools and calculators, attend webinars and create an online account.
- If you have other savings, such as traditional or Roth IRAs, review your latest statements and talk to the bank or custodian who handles your account.

Determine Your Expenses

Once you've estimated your retirement income, you'll want to make sure it will cover your expenses. Start by tracking what you spend now and estimate what you think you'll need in the future. Include expenses such as taxes, insurance and membership fees, and remember to account for any home or car maintenance costs. Our [Monthly Income and Expenses worksheets](#) can help you track your spending habits and estimate future expenses.

If your estimated retirement income doesn't cover your expenses, you'll need to make adjustments, such as increasing your savings. Reviewing your finances 12 months before retiring gives you time to consider your options and make changes.

These retirement planning tips are from our [Countdown to Retirement – 12 Months to Go blog post](#). For more tips, see our [Countdown to Retirement series](#).



All About Loans

The New York State and Local Retirement System (NYSLRS) loans program allows you to borrow money from your contributions to NYSLRS and pay it back with deductions from your paycheck. As with any financial commitment, you should be aware of the terms of taking out a loan and the possible risks.

In general, to take out a loan you need to be an active member, have at least one year of service and have a minimum amount of contributions in your account. The current interest rate is 5.8 percent and will remain fixed for the term of your loan.

NYSLRS loans are exempt from New York State and local income taxes, but in some cases, all or part of a NYSLRS loan may be subject to federal taxes.

If you already have a loan and you want to take another loan, you can either refinance your loan or apply for another one. Multiple loans will make your minimum payment higher, but you will pay off your loans faster than you would if you refinance. Refinancing loans will make your loan payment lower, but your tax consequences may be higher.

Loans that are not repaid before retiring could permanently affect the amount of your retirement benefit. Police and Fire Retirement System (PFRS) members may not repay their loan after retiring.

[Retirement Online](#) is the fastest way to apply for a NYSLRS loan. You'll be able to view all of your options for taking out a loan and managing your payments. Be sure to visit our [Loans webpage](#) to learn more about taking out a loan with NYSLRS.

Your Membership, in a Nutshell

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Another valuable booklet for learning about your NYSLRS membership is *Membership in a Nutshell*, which explains your benefits and the services we offer our members.

For more information about your membership and retirement planning, we invite you to read our [New York Retirement News](#) blog post for new members.

Thomas P. DiNapoli
State Comptroller

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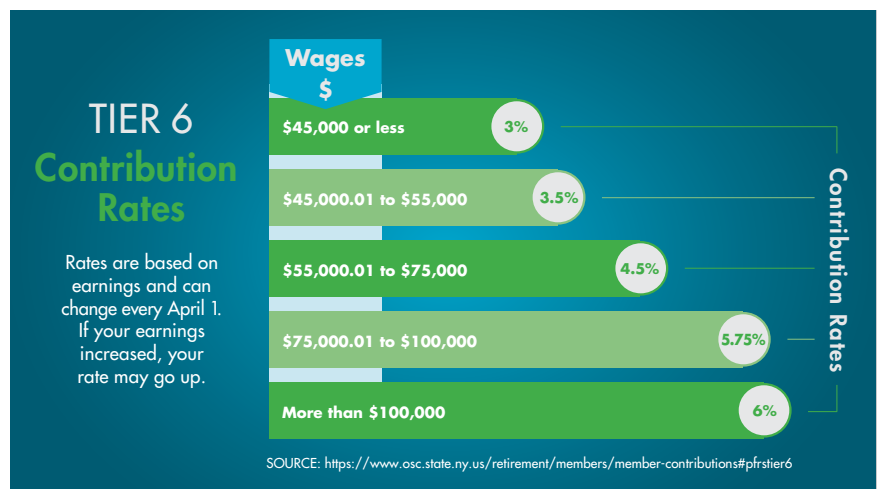
Tier 6 Members • Why Your Tier is Unique

What makes Tier 6 memberships different from other tiers? Variable contribution rates.

Most NYSLRS members, including those in Tier 6 (members who joined NYSLRS on or after April 1, 2012), contribute a percentage of their earnings to help fund their retirement benefits. Unlike other tiers, the percentage, or contribution rate, for Tier 6 members can change based on your year-to-year earnings.

How Tier 6 Contribution Rates Are Determined

The percentage you contribute toward your pension is based on your earnings. The minimum contribution rate is 3 percent, the maximum is 6 percent. If your earnings increase or decrease, your contribution rate could also increase or decrease.



Tier 6 contribution rates are determined annually, and become effective on April 1, the beginning of the State fiscal year. Your actual earnings from two years prior determine your contribution rate. For example, your contribution rate effective April 1, 2022 will be based on your earnings from April 1, 2020 through March 31, 2021.

If you are a new NYSLRS member, we use an estimated annual wage provided by your employer for your first three years of membership.

If You Work Part Time

For your first three years of membership, we use an estimated “annualized” wage (what your annual wage would be if you were working full-time) provided by your employer to determine your contribution rate. The contribution rate will be applied to your actual earnings — not to the estimated annualized wage — to determine how much you actually contribute.

For more information, see our [Member Contributions webpage](#), read our blog post, [How Your Tier 6 Contribution Rate Can Change](#) and watch our video, [Understanding Your Tier 6 Contributions](#).