

THE UPDATE

A semiannual newsletter for members of the Employees' Retirement System (ERS)

Thomas P. DiNapoli, State Comptroller



**IN THIS
ISSUE** 

**A Message from
Comptroller DiNapoli**

1

**Considering Early
Retirement? Read This First**

2

**Pension Fund
Commended**

3

**Tier 6
Rates**

4

A Message from Comptroller Thomas P. DiNapoli



On March 31 of this year — the end of the 2021-2022 State fiscal year — the New York Common Retirement Fund reached a value of \$272.1 billion. This represents a yearly return of 9.5 percent. While this is good news, it must be taken in context. The lingering uncertainty about COVID-19, high gas prices and historically high inflation, among other factors, have increased financial market volatility so far in 2022. But despite the market turmoil, I want to assure you that the Fund remains strong and secure, thanks in large part to our balanced, long-term investment strategy. This strategy looks to the future and has a proven track record of weathering market storms over the last 100 years.

I encourage you to look to your own financial future by preparing for retirement, no matter how distant it may seem. One way you can do this is by using the [pension estimate tool](#) available to you in *Retirement Online*. You can enter different retirement dates and beneficiaries, and adjust your years of service and earnings to see how your choices affect your potential benefit. It's quickly become the most popular feature among our online services. I hope you'll try it today and see how this powerful resource can help you better understand the value of your NYSLRS membership.

NYSLRS members like you spend years in public service providing the essential services that make New York a great place to live. I thank you for the work you do every day. And when your public service career ends, it is my sincere hope that you enjoy the retirement benefits you have earned.

As always, feel free to reach out to us whenever you need more information or assistance. My office is here to serve you.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Welcome

TO THE TEAM

If you're a new NYSLRS member, you've taken your first big step toward preparing for retirement. The decisions you make now and throughout your public service career can help you achieve financial security later in life.

We're here to help you on this journey, so we invite you to visit our [New Member webpage](#). We've collected several handy resources all in one convenient place so you can:

- Understand how your NYSLRS membership works and what benefits you're entitled to receive;
- Designate a beneficiary (someone you choose to receive a benefit upon your death);
- Learn how a NYSLRS pension works; and
- Read about how a retirement savings account can boost your retirement confidence.

So, welcome to NYSLRS! We look forward to offering the information and support you need on your way to retirement.



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New Tool Can Help You Find Your Plan Publication

There's a convenient way to look up details about your NYSLRS retirement benefits. Our [new online tool](#) makes it easy to locate your retirement plan publication — an essential resource that you should consult throughout your career. Your plan publication explains how long you'll need to work in order to receive a pension, how your pension amount is determined and what kind of death and disability benefits may be available to you.

To use the tool, you just need to know your retirement plan code. You can find that in the 'My Account Summary' section of your [Retirement Online account](#). You can also use the tool by entering your retirement system (ERS), tier and occupation type.

Have a look today; it's a great way to learn more about the benefits you're earning as a NYSLRS member.



Considering Early Retirement? *Read This First*

Many people can't wait to retire. If that sounds like you, you may be considering early retirement. Before you decide, it's important that you understand how early retirement will affect your pension.

How Age Affects Pension Amounts

Generally, your pension will be based on your service credit and your final average earnings. Some members are in retirement plans that allow them to retire after a certain number of years regardless of their age, but for most members, your age is a factor. For these members, your tier determines the age you can receive your full pension. The full retirement age is 62 for members in Tiers 2 – 5 and 63 for members in Tier 6.

Most members in regular retirement plans can choose to retire as early as age 55. However, if you retire before your full retirement age, your pension may be permanently reduced. The reduction is a percentage of your pension, and the amount depends on your tier and age at retirement.

Pension reductions are prorated by month. The closer you are to your full retirement age when you retire, the less the reduction will be. For a list of reductions by tier and age, see [About Benefit Reductions](#).

Once you retire with a reduced benefit, the reduction is permanent — it does not end when you reach your full retirement age.

Exceptions to Early Retirement Reductions

Pensions are not reduced for Tier 1 members, or Tier 2, 3 and 4 members who retire before full retirement age with 30 or more years of service. They are also not reduced for Tier 5 Uniformed Court Officers and Peace Officers employed by the Unified Court System who retire with 30 or more years of service.

Estimate Your Pension

Personalized estimates can help you choose a retirement date that will work best for you. [Sign in to Retirement Online](#) and click the "Estimate my Pension Benefit" button in the 'My Account Summary' area of your Account Homepage. You can enter different retirement dates to see how changing the date will affect the amount of your pension.



Pension Fund Commended

for High Professional, Ethical Standards

The New York State Common Retirement Fund, which holds and invests the money used to pay your NYSLRS benefits, is carefully managed. Despite the market volatility the Fund remains strong and secure.

A recent independent auditor review praised the Fund for adhering to the highest ethical and professional standards, and for continuing to meet fiduciary duties despite the challenges presented by the pandemic. The report, released in April 2022, reviewed the Fund's investment transactions over a three-year period that ended on March 31, 2021.

"From the Comptroller down through the organization, Common Retirement Fund staff were knowledgeable, professional, and dedicated to their roles," according to the review. "The Common

Retirement Fund, under the leadership of the Comptroller, continues to be a leader amongst its peers for management and operational transparency."

Our fiscal year 2021-2022, which ended on March 31, saw the Fund reach a value of \$272.1 billion. This represents a 9.5 percent return for the year. There has been tremendous volatility in the markets in recent months, but thanks to the investment strategies of Comptroller Thomas P. DiNapoli and Fund managers,

the Fund finished the year with a positive return. A challenging investment environment is expected for the foreseeable future, but we're fortunate to be able to meet recent challenges as one of the best-funded, most secure public pension funds in the nation.

NYSLRS recognizes that more than one million members, retirees and their families rely on us for their financial security in retirement. While market volatility and economic uncertainty are likely to continue, the Fund is well positioned to meet the challenges of the future.

Your NYSLRS Death Benefits

NYSLRS benefits extend beyond a lifetime pension. Most members and retirees are entitled to leave some type of death benefit to a beneficiary.

If You Are an Active Member

If you die while in active service, your beneficiary may be entitled to what is referred to as an ordinary death benefit. The calculation of this benefit can vary depending on your tier and retirement plan, but for most members, the benefit equals your salary for the year prior to your death multiplied by your full years of service credit, not to exceed three years' salary. The first \$50,000 of this benefit is exempt from federal income tax.

An accidental death benefit may also be available to certain beneficiaries if your death is a result of an on-the-job accident. To learn more about in-service death benefits, visit our [Death Benefits for Members webpage](#).

Any accumulated membership contributions would also be payable to your beneficiary.

When You Retire

For most retirees, if you die after you retire, your beneficiaries will be entitled to a post-retirement death benefit. This is a lump sum payment based on the ordinary death benefit you had before you retired and how long you have been retired. For more information about post-retirement death benefits, visit our [Death Benefits for Retirees webpage](#).

Whether You Are Working or Retired

Be sure to keep your beneficiaries current. The easiest way to do this is through *Retirement Online*. [Sign in to your account](#) periodically to see who you have listed and make any needed changes.

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

Thomas P. DiNapoli State Comptroller

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The Update is a semiannual newsletter published by the New York State and Local Retirement System (NYSLRS) for active members of the New York State and Local Employees' Retirement System. This newsletter is a summary of benefits, rights and responsibilities. It is not a substitute for New York State or federal law.

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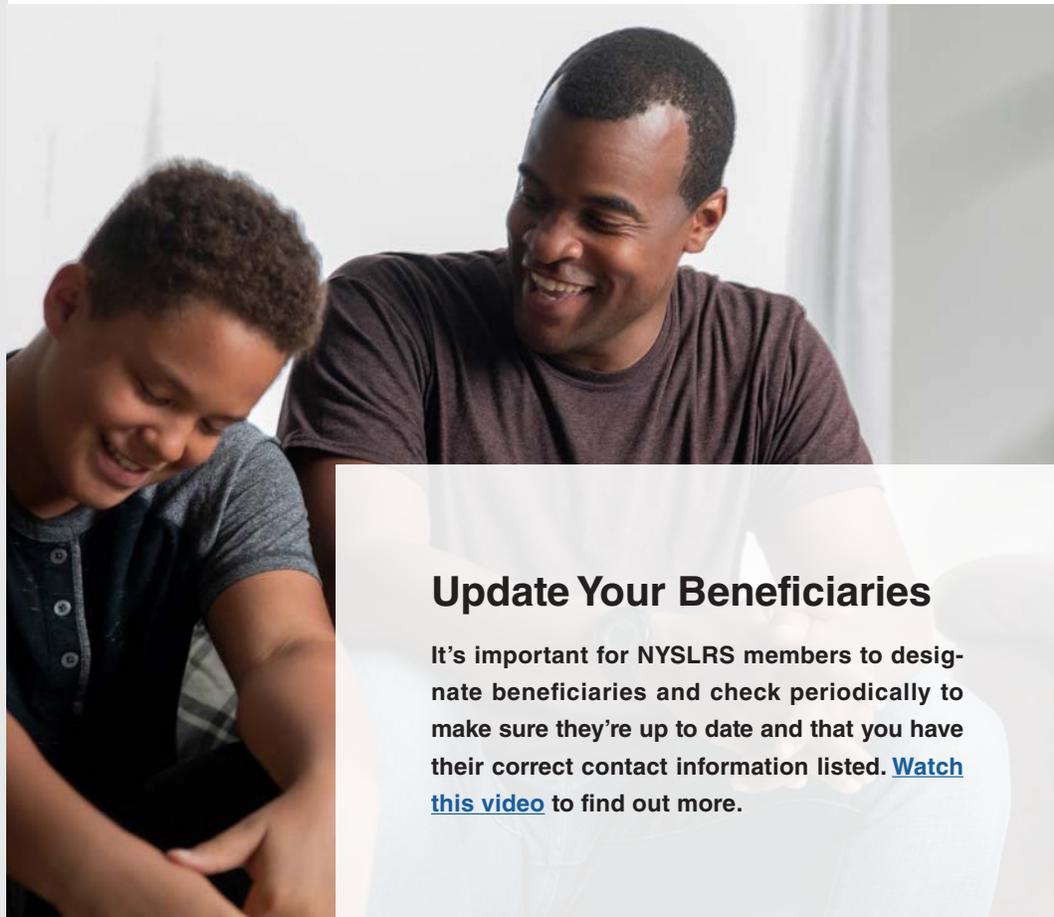
Overtime Pay Temporarily Excluded From Tier 6 Contribution Rates

New legislation has temporarily removed overtime pay earned from April 1, 2020 through March 31, 2022 from the Tier 6 contribution rate calculation. This may lower contribution rates for certain Tier 6 members from April 1, 2022 through March 31, 2024.

For most Tier 6 members with more than three years of service, their contribution rates are based on what they actually earned in all public employment two years prior. We're currently working with employers to review Tier 6 member earnings. It will take some time to collect this information, but once it's received and processed, Tier 6 members who should be contributing at a lower rate will receive a credit of their overpaid contributions retroactive to April 1, 2022.

Tier 6 members won't receive a rate decrease if they are already paying the minimum 3 percent rate or if they did not earn overtime from April 1, 2020 through March 31, 2022. New members who joined on or after April 1, 2020 also aren't eligible for the rate decrease because their rate is based on a projected annual wage (provided to NYSLRS by their employer) rather than their actual earnings.

Visit our [Member Contributions webpage](#) for more information about Tier 6 contributions.



Update Your Beneficiaries

It's important for NYSLRS members to designate beneficiaries and check periodically to make sure they're up to date and that you have their correct contact information listed. [Watch this video](#) to find out more.