Member Contributions

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Overview

In NYSLRS, the term “tier” refers to the particular membership status established by legislation, and is determined by the date a member joined NYSLRS.
Mandatory Contributions

TIERS 3 AND 4

Most Tier 3 ERS members are covered under the provisions of both the Coordinated-Escalator Retirement Plan (CO-ESC), Article 14, and the Coordinated Retirement Plan, Article 15, except for New York State Correction Officers who are covered by a modified CO-ESC Retirement Plan, Article 14. Most Tier 4 members are covered under the provisions of the Coordinated Retirement Plan, Article 15. Tier 3 PFRS members can be covered by Article 11 or Article 14, depending on their plan coverage.

Until they have been a member of the system for ten years or have ten years of credited service, Tier 3 and 4 ERS members must contribute 3 percent of their wages. Most Tier 3 PFRS members covered by Article 11 are not required to contribute. Tier 3 PFRS members covered by Article 14 are required to contribute 3 percent of their wages for 25 years.

TIER 5

There are limits to the earnings that can be used in pension calculations for Tier 5 members. Generally, employers should not withhold contributions from earnings beyond these limits. See the Reporting section for details.

ERS

Most Tier 5 ERS members are covered under the modified provisions of the Coordinated Retirement Plan, Article 15.

Tier 5 ERS members are required to contribute 3 percent of their earnings for their entire career (except New York State correction officers, who are not required to contribute after 30 years of service, and uniformed court officers and peace officers employed by the Unified Court System, who are required to contribute 4 percent of their earnings).

PFRS

Most Tier 5 PFRS members are covered under modified provisions of Article 22. Tier 5 PFRS members must contribute 3 percent of their earnings for their entire career unless they are enrolled in a retirement plan where the maximum amount of service credit allowed is capped. In that case, Tier 5 PFRS members are not required to contribute after accruing the maximum amount of service allowed in their retirement plan. In addition, if a union-negotiated collective bargaining agreement, in effect on January 9, 2010, requires an employer to offer a noncontributory plan, any new employees who joined while that agreement was in place, and who elected the special plan, may not be required to contribute.
TIER 6

There are limits to the earnings that can be used in pension calculations for Tier 6 members. Generally, employers should not withhold contributions from earnings beyond these limits. See the Reporting section for details.

ERS

Tier 6 ERS members are covered under the provisions of Article 15, as modified by Chapter 18 (RSSL), Laws of 2012.

During fiscal year 2012-13, Tier 6 ERS members were required to contribute 3 percent of their reportable gross earnings (except for Uniformed Court Officers or Peace Officers employed by the Unified Court System, who contribute 4 percent). Effective April 1, 2013, Tier 6 ERS members are required to contribute a percentage of their reportable earnings for their entire career, except New York State correction officers, who are not required to contribute after 30 years of service.

PFRS

Tier 6 PFRS members are covered under the provisions of Article 22 of the Retirement and Social Security Law.

During fiscal year 2012-13, Tier 6 PFRS members were required to contribute 3 percent of their reportable gross earnings. Effective April 1, 2013, they are required to contribute a percentage of their reportable earnings for their entire career, however, there are some exceptions:

- Tier 6 PFRS members enrolled in retirement plans limiting the amount of creditable service they may accrue are not required to contribute once they reach the maximum amount of service allowed by their plan.

- If a union-negotiated collective bargaining agreement in effect on January 9, 2010, requires an employer to offer a noncontributory plan, any new employees who joined while that agreement was in place, and who elected the special plan, may not be required to contribute.
By March of each year, we provide employers with the rates your Tier 6 employees are required to contribute beginning April 1. For the first three years of membership, each Tier 6 employee's contribution rate is based on the annualized wage you provide on the membership application. After this three-year period, as established by Tier 6 legislation, we base the contribution rate on what the employee actually earned two years prior. For part-time employees, their contribution rate is also based on the annualized wage you provide; however, the contributions these members actually make are based on their annual earnings.

To view the variable contribution rates for each of your Tier 6 employees, log on to our Variable Contribution Rate (VCR) application, available during March and April each year. The VCR application, on a secure area of our website, lists your current Tier 6 employees and the rates at which they will be required to contribute during the current state fiscal year (ex., April 1, 2017 – March 31, 2018). During the time the list is available online, it is updated weekly to include any new employees registered.

No other benefits may be adopted for Tier 3, 4, 5 or 6 members participating in the regular plan except employers can elect to provide to their employees the unused sick leave benefit under Sections 41-j or 341-j (refer to the Participation and Plans section).
Voluntary Contributions

Under Sections 21(L) and 321(L) (RSSL), a Tier 1 or 2 member in a non-contributory plan may choose to make voluntary contributions to the system to purchase additional annuity income. PFRS Tier 3 – 6 members who are covered under non-contributory plans are also allowed to make voluntary contributions. Any whole percentage of gross salary from 1 percent to 10 percent may be contributed. Whether the member is in ERS and applying for 21(L), or in PFRS and applying for 321(L), a Section 21(L) Election form (RS5379) must be completed by the member and filed with the member’s payroll officer. Voluntary contributions can be stopped by filing a Cancellation of Election to Purchase Additional Annuity form (RS5378) with the payroll officer.

If a member wishes to change the percentage of voluntary contribution, a new election form (RS5379) should be completed and the procedure described above should be followed. A member may make only one election, modification or cancellation during a 12-month period.

Deductions at the designated rate begin on the next payroll following receipt of the election form by the payroll officer. You must include these voluntary contributions in your monthly report.