

Life Changes

A Guide for Retirees



Office of the New York State Comptroller
Thomas P. DiNapoli



NYSLRS

New York State and Local Retirement System

A Message from Comptroller Thomas P. DiNapoli

You already know that you will continue receiving a retirement benefit for the rest of your life. Now, I want to make sure you know about other benefits you may be entitled to receive and the services we provide retirees.



This guide has been developed to help answer questions you may have about your benefits and services. It also addresses the responsibilities you have as a retiree. Please keep it handy as a reference.

I also encourage you to register for *Retirement Online*, a convenient and secure way to review your benefits and conduct transactions in real time. In many cases, you'll be able to use *Retirement Online* instead of mailing forms or calling NYSLRS. Retirees can view their benefit information, update contact information, view and update beneficiaries and generate a pension verification letter. Learn more at www.osc.state.ny.us/retire/retirement_online/customers.php.

Remember, our experienced staff is available to assist you with any concerns or questions you may 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

Table of Contents

Your Benefits	3
Retirement Benefits	3
How Your Benefits Can Change	4
Post-Retirement Death Benefit	8
Pension Payment Option Beneficiary	9
Survivor's Benefit	10
Services We Offer	12
Retirement Online	12
Call Our Automated Information Line	13
Email Us from Our Website	13
Payments by Direct Deposit	14
Pension Verification Letters	14
Retiree Tax Information	15
Individual Consultations	15
Information We Provide	16
Your Obligations	17
Notify Us of Address Changes	17
Report a Lost, Late or Stolen Check	18
Review Your Withholding Regularly	18
Contact Us Before You Return to Employment	19
Keep Your Beneficiary Current	19
If You Become Incapacitated	20
Upon Your Death	21
Stay Informed	22
Contact Us	24

Your Benefits

Retirement Benefits

The New York State and Local Retirement System (NYSLRS) pays retirement benefits monthly. For most members, you will receive your first pension payment at the end of the month that follows the month in which you retired. However, certain situations may delay your first payment. If you have not submitted your proof of date of birth or pension payment option form, or if you have a domestic relations order on file, your first payment may be delayed.

When we complete your benefit calculation, we will send you a letter explaining how we determined your retirement benefit. This final calculation letter will provide you with the amount of the benefit you will be receiving each month for the remainder of your life. It will also provide you with the total amount of the pension you have earned up to that point and the total amount already paid to you.

If you believe your benefit has been calculated incorrectly, please email us using our secure contact form at www.emailNYSLRS.com, or write to NYSLRS, to the attention of the Recalculation Unit in our Benefit Calculations and Disbursement Services Bureau at the address on page 24. Be sure to include copies of any supporting documentation, along with your reasons for requesting a recalculation. If there is an error, your benefit will be adjusted retroactively to your retirement date.

If we determine the original calculation is correct, but you disagree, you may request a hearing and redetermination before an independent hearing officer. Your request must be filed with us within four months of the date you received our explanation of your calculation. You can request a hearing through *Retirement Online* (see page 12). If you prefer, you can also email your request for a hearing and redetermination to our Hearing Administration Bureau at hearings@osc.state.ny.us, or you can mail a letter. At the hearing, you must prove that the NYSLRS calculation is incorrect. You can represent yourself or have an attorney represent you at the hearing.

How Your Benefits Can Change

Recalculation

We may recalculate your benefit at your request or when you receive a retroactive contract settlement. In the latter case, please send a letter, a copy of your check stub and/or any correspondence from your employer, to the Recalculation Unit of our Benefit Calculations and Disbursement Services Bureau. We will recalculate your benefit and, if it increases, you will receive a retroactive adjustment in your next monthly benefit payment.

Cost-of-Living Adjustment (COLA)

This annual adjustment, based on the cost-of-living index, will permanently increase your retirement benefit. To be eligible for annual COLAs, you must be:

- Age 62 or older and retired five years or more;

- Age 55 or older and retired ten years or more; or
- A disability retiree who has been retired five or more years.

We will notify you when your COLA payments will begin shortly after you meet the requirements. Your first payment will be retroactive to your eligibility date. Once COLA payments start, they will continue automatically and your benefit will be adjusted every September.

For more information, please refer to our brochure, *Permanent COLA* (VO1863), available on our website at www.osc.state.ny.us/retire/publications/vo1863.php. COLA information is also available on our automated information line. See Contact Us (page 24).

Health Insurance

We do not administer health insurance programs. However, we can deduct premiums from your monthly retirement benefit to pay for your health insurance coverage if your former employer requests it. Whenever your premiums change, we will notify you. Please direct any questions about your health insurance coverage or premium deductions to your former employer. If you retired from a New York State agency, you can contact the New York State Department of Civil Service. Call 1-800-833-4344 or 518-457-5754 between 9 am and 3 pm or write to:

New York State Department of Civil Service
Employee Benefits Division
Albany, NY 12239.

Medicare

If you retired from a New York State agency and enrolled in a health insurance plan through the New York State Health Insurance Program (NYSHIP), you are reimbursed for the usual cost of the Medicare Part B (medical insurance) premium through your retirement benefit, unless you receive reimbursement from another source. Please direct any questions about your premium to the New York State Department of Civil Service at one of the phone numbers listed in the Health Insurance section on page 5.

Divorce and Domestic Relations Orders

If you are divorced or become divorced during your retirement, your retirement benefit may be considered a marital asset and subject to equitable distribution. Equitable distribution is the division of marital assets between spouses after the marriage has ended, which must be stated in the form of a domestic relations order (DRO). Ensuring a DRO is on file with NYSLRS when issued will prevent delay of your retirement benefit calculation when you apply for retirement.

After a divorce, it is especially important to review your beneficiary designations to ensure your benefits will be distributed according to your wishes. As of July 7, 2008, beneficiary designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final, unless a DRO specifies otherwise. Beneficiary designations may be revoked for the ordinary death benefit, the Cash Refund — Initial Value option (Tier 1), the Cash Refund — Contributions option [Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS) Tiers 1 and 2

and PFRS Tier 3 under Article 11] and the Five and Ten Year Certain options. The designation of beneficiaries for a survivor's benefit by retirees who chose the Single Life Allowance option or certain alternative options may also be revoked.

For more information on how divorce may affect your benefits, consult your attorney, contact our Matrimonial Bureau or read our guide to divorce and DROs on our website at www.osc.state.ny.us/retire/members/divorce/index.php.

Child Support or Alimony

If we receive a child support or alimony order from your county's social services department, we must withhold the amount from your retirement benefit. However, such payments cannot exceed 65 percent of your disposable income.

Federal Tax Liens

If you owe back taxes, the Internal Revenue Service (IRS) can place a tax lien on your retirement benefit, taking all or a part of it until you've paid the debt in full.

Federal Income Tax Withholding

Your monthly benefit payment may change if there is a change in the income tax withholding tables published by the IRS, or if you submit a tax withholding form (which indicates a specific amount to withhold or a marital status and number of dependents). See page 18 for more information about the tax withholding form.

Post-Retirement Death Benefit

Your beneficiaries may be eligible for a post-retirement death benefit if you are a Tier 2, 3, 4, 5 or 6 retiree and you retired directly from service or within one year of leaving covered employment. This payment is in addition to any retirement benefit, depending on your option choice at retirement.

There is no post-retirement death benefit for the beneficiaries of:

- Tier 1 retirees;
- Tier 2, 3, 4, 5 or 6 retirees who did not retire within one year of leaving covered employment;
- New York State correction officers;
- Tier 3, 4, 5 and 6 county correction officers; or
- Tier 2, 3, 5 or 6 Police and Fire Retirement System members who retired under a special 20- or 25-year plan without regard to age.

For more information about the post-retirement death benefit, including eligibility and benefit calculation, please refer to your plan booklet on our Publications page at www.osc.state.ny.us/retire/publications/index.php.

You can change your death benefit beneficiaries at any time. *Retirement Online* is a convenient and secure way to update your beneficiary information. Register or Sign In at www.osc.state.ny.us/retire/retirement_online/customers.php, then click *Update My Beneficiaries*. You can also order the form to change your designation directly from our automated information line. However, we cannot disclose beneficiary information by phone.

Pension Payment Option Beneficiary

If you chose one of the following retirement options, you may change your pension beneficiary designation at any time:

- Cash Refund — Contributions [ERS and PFRS Tiers 1 and 2 and PFRS Tier 3 (under Article 11) members with contributions on deposit];
- Cash Refund — Initial Value (Tier 1);
- Five or Ten Year Certain; or
- Alternative Option (depending on the terms of payment).

To do this, complete a Pensioner's Designation of Beneficiaries form (RS4411), available from our automated information line or website at www.osc.state.ny.us/retire/forms/rs4411.pdf.

If you chose an option that assures a continuing benefit to a survivor (a Joint Allowance), you cannot change your beneficiary. If you chose a Pop-Up Joint Allowance and your beneficiary dies before you, please send us a photocopy of your beneficiary's death certificate. We will increase your benefit to the Single Life Allowance amount. The option you elected at retirement is listed on your *Retirement Online* account. Sign in or register at www.osc.state.ny.us/retire/retirement_online/customers.php.

Please note: Members who have designated a former spouse as their option beneficiary pursuant to a DRO are not permitted to select a pension payment option that conflicts with the court's order.

Survivor's Benefit

If you were a New York State agency employee and meet certain conditions, your beneficiaries may be entitled to a survivor's benefit upon your death: \$2,000 if you retired between October 1, 1966, and March 31, 1970; \$3,000 if you retired on or after April 1, 1970. For more information, read our brochure, *Survivor's Benefit Program for Retired State Employees* (VO1860), available on our website at www.osc.state.ny.us/retire/publications/vo1860.php.

If you are a retired New York State agency employee who meets the conditions for the Survivor's Benefit Program, your Survivor's Benefit beneficiary is the same as your retirement option beneficiary.

- If the retirement option you chose allows you to change your beneficiary, changing the option beneficiary will *automatically* change your beneficiary for the Survivor's Benefit Program. You should complete the Designation of Beneficiaries form (RS4411), available at www.osc.state.ny.us/retire/forms/rs4411.pdf, to make this change.
- If you elected the Single Life Allowance at retirement, you **must** name a beneficiary for this program. We will send you a Survivor's Benefit Program Designation of Beneficiaries form (RS6361-B) shortly after retirement. With this option, you may change your Survivor's Benefit beneficiary at any time.

- If the option you chose does not allow you to change your beneficiary after retirement (Joint Allowances and Pop-Up Joint Allowances) and your beneficiary dies before you, you may name a new beneficiary for the Survivor's Benefit Program by completing the Survivor's Benefit Program Designation of Beneficiaries form (RS6361-B) and providing us with a photocopy of your beneficiary's death certificate. Please contact our Call Center for this form; it is not available on our website.

The Survivor's Benefit Program Designation of Beneficiaries form (RS6361-B) and any related attachments should be sent to:

NYSLRS
Survivor's Benefit Unit
110 State Street
Albany, NY 12244-0001.

Services We Offer

Retirement Online

The quickest way to exchange information with NYSLRS is through your *Retirement Online* account. *Retirement Online* is a secure way to view pension information, like the deductions to your latest monthly pension payment. You can also notify us of a new address or generate an income verification letter online. To access *Retirement Online*, visit our website at www.osc.state.ny.us/retire/retirement_online/customers.php.

In the future, additional features will give you access to more information and simplify the way you manage your benefits. Stay tuned for announcements about ongoing improvements. Information will be available on our website and in our *Retiree Notes* newsletter.

Call Our Automated Information Line

Our automated information line is available 24 hours a day, seven days a week at 1-866-805-0990 (518-474-7736 in the Albany, New York area). This line enables you to get information about COLA eligibility, our direct deposit program, and taxes. In addition, you can talk to a customer service representative in our Call Center during regular business hours to:

- Report a change of address (if your new address is a PO Box, you must notify us in writing);
- Notify us about a late or lost check (if you have not received it by the 8th of the month);
- Report a retiree or beneficiary's death; or
- Get answers to any other questions you may have.

Email Us from Our Website

Visit our Contact Us page at www.contactNYSLRS.com, where you can find answers to most common NYSLRS questions. You can also access the forms you need for address changes, direct deposit enrollment and more. If you cannot find what you need here, you can email us from this page as well.

Payments by Direct Deposit

Sign up for our Direct Deposit Program and have your retirement benefits deposited directly into your bank account. Direct deposit is quick and safe. In most cases, your money is available immediately on the last business day of each month — no more waiting for a check in the mail. Over 90 percent of our retired members take advantage of this safe and convenient way to receive retirement benefits.

If you would like to enroll in this program, or if you are already enrolled and want to change the bank where your retirement benefit is deposited, you can find the Direct Deposit Enrollment Application (RS6370) on our website at www.osc.state.ny.us/retire/forms/rs6370.pdf. You can also call our automated information line and request the form by mail.

Joint Bank Accounts: Your pension payment must be deposited into an account that has your name on it. If you would like to use a joint account, your joint account holder must sign Section 2 of the direct deposit form, or your form will not be processed.

Pension Verification Letters

You can create a pension verification letter yourself through *Retirement Online*. Learn more or register on our website at www.osc.state.ny.us/retire/retirement_online/customers.php.

At your request, we can also send letters to lending institutions, housing authorities, nursing homes, etc., to verify your pension income. Since this information is confidential, we need your signed written permission before we release it to a third party.

Retiree Tax Information

You can read general tax information, or print a W-4P form for changing your federal income tax withholding amount, on our Taxes and Your Pension webpage at www.osc.state.ny.us/retire/retirees/tax_services_information.php. You can call our automated information line to request a W-4P form, get a reprint of your 1099-R tax statement for the current or previous years, or verify your current withholding tax filing status.

Individual Consultations

Most of your questions about your retirement benefits can be answered by visiting our website or speaking to a Call Center agent. However, we also offer personalized customer service at consultation sites throughout the State. To make an appointment to speak to an information representative by phone or in person, please call our automated information line at 1-866-805-0990 (518-474-7736 in the Albany, New York area). A list of our consultation sites is available on our automated information line and at www.osc.state.ny.us/retire/consultation_site_offices/index.php.

Information We Provide

One of our goals is to keep you fully informed about your retirement benefits. If there is a change to your net monthly benefit, we will send you information explaining the change. In addition, each year we send you the following:

- **Retiree Annual Statement** — A summary of your total retirement benefit paid for the previous calendar year and other important information.
- **1099-R tax form** — A statement showing the total retirement benefit paid to you in a calendar year, the taxable amount of the benefit and the amount of taxes that have been withheld. It's mailed by January 31 each year for use in filing your taxes. **(If your benefit is not taxable, we will not send you a 1099-R form.)**
- **Retiree Notes** — A semiannual newsletter mailed to your home with information about your benefits.

Your *Retirement Online* account contains a newsfeed with helpful information as well. In addition, publications designed specifically for retirees are available on our Publications page at www.osc.state.ny.us/retire/publications/index.php#retirees.

Your Obligations

Notify Us of Address Changes

Whether you receive your monthly benefit payment by mail or direct deposit, we need to know if your address changes. That way, you will receive your tax information, annual statement and newsletters in a timely fashion. If you receive your monthly benefit payment by mail, it is essential to keep us informed of your current address, since the United States Postal Service usually will not forward pension checks.

Retirement Online is the convenient and secure way to update your address with NYSLRS. Register or Sign In at www.osc.state.ny.us/retire/retirement_online/customers.php, then click the *Update* link next to your address on your Account Homepage.

In most cases, you can also update your address by calling our automated information line. If your new address is a PO Box or a foreign address, however, you must notify us in writing.

Report a Lost, Late or Stolen Check

If you receive your monthly benefit payment by check and you have not received it by the eighth of the following month, please contact us so we can issue you a replacement check. You can call us during normal business hours toll-free at 1-866-805-0990 (518-474-7736 in the Albany, New York area) and follow the prompts.

Review Your Withholding Regularly

Your retirement benefit is subject to federal taxes, but not to New York State or local taxes within New York State. You may change your tax withholding status at any time by filing a W-4P form, available from our automated information line or our website at www.osc.state.ny.us/retire/forms/form_w-4p.pdf.

Although your pension is not taxed by New York State, if you move out of New York, you may have to pay state taxes on your pension. Visit the Retired Public Employees Association website (www.rpea.org/retirement-planning/pension-tax-by-state) to see which states tax pensions.

Contact Us Before You Return to Employment

If you are receiving a service retirement benefit and return to work for a public employer in New York State, your post-retirement earnings are subject to certain limitations. For more information, read our booklet, *What If I Work After Retirement?* (VO1648), available on our website at www.osc.state.ny.us/retire/publications/vo1648.php or from our Call Center. If you are a disability retiree, your earnings are restricted in both public and private employment. We encourage you to contact us to find out what restrictions may apply if you return to the workforce.

Keep Your Beneficiary Current

Keeping your beneficiary designations up to date ensures that any post-retirement death benefit will be paid according to your wishes. Marriage, divorce or the death of a loved one are among the possible reasons why you may need to revise your beneficiary designation. Please refer to pages 8 through 11 for more information about death benefits and how to change your beneficiaries.

If You Become Incapacitated

A properly executed power of attorney (POA) document will allow a person you designate to act on your behalf, even if you become disabled. NYSLRS offers a Public Retirement System Special Power of Attorney form. The form, available at www.osc.state.ny.us/retire/forms/poa.pdf, is limited to retirement benefit transactions and does not apply to any other matters.

If you submit the NYSLRS form, your designee will be able to:

- Change your address on our records;
- Change the account or bank in which your benefit is deposited;
- Change your death benefit beneficiary;
- Change your retirement benefit beneficiary if you chose:
 - The Five or Ten Year Certain options;
 - The Cash Refund — Initial Value option (Tier 1); or
 - The Cash Refund — Contributions option (ERS and PFRS Tiers 1 & 2 and PFRS Tier 3, under Article 11).

If you choose not to submit the NYSLRS form, a Statutory Gift Rider (SGR - an attachment to the POA) needs to accompany or be made a part of the POA if you intend for your agent to have the authority to deposit money into a joint bank account or to designate or change beneficiaries, including naming him or herself as a beneficiary. These actions are defined as “gifts” under the General Obligations Law, so an SGR would be

required even if the agent is an immediate family member or domestic partner.

Power of attorney is a powerful document. Once you appoint someone, that person may act on your behalf with or without your consent. We strongly urge you to consult an attorney before you execute this document.

If you have questions, please contact us (www.contactNYSLRS.com).

Note: Effective July 7, 2008, a former spouse's rights to serve as a retiree's personal representative, executor, guardian, attorney-in-fact or in any other fiduciary role is revoked when a divorce, annulment or judicial separation becomes final.

You may revoke your power of attorney at any time by sending a notarized statement to us at:

NYSLRS
Pension Payroll Unit
110 State Street
Albany, NY 12244-0001.

Upon Your Death

When you die, a family member or friend should notify us as soon as possible, so we can begin the process to make payments to your designated beneficiaries. They may phone our Call Center, email us or notify us by mail. We will also need a certified copy of your death certificate.

Your survivors should also know that we must collect any uncashed pension checks. Similarly, if you receive your benefit by direct deposit, your loved ones should know that we are obligated to automatically reclaim any overpayment.

Stay Informed

Your retirement benefits are an important part of a solid financial plan. They can help you and your beneficiaries achieve financial security in retirement or in the event of disability or death. These tips will help you understand your benefits and stay informed.

- Register for *Retirement Online*, a convenient and secure way to review your benefits and conduct transactions in real time. In many cases, you'll be able to use *Retirement Online* instead of mailing forms or calling NYSLRS. Retirees can view benefit information, update contact information, view and update beneficiaries and generate an income verification letter. Learn more at www.osc.state.ny.us/retire/retirement_online/customers.php.
- Review your Retiree Annual Statement carefully, and notify us of any errors promptly.
- Visit our website (www.osc.state.ny.us/retire/index.php) frequently to learn about your benefits, download forms, and read informative booklets and brochures, written specifically for retirees.
- Make an appointment to visit any of our consultation sites (www.osc.state.ny.us/retire/consultation_site_offices/index.php), where you can meet with an information representative to discuss special concerns or request specific information.

- Notify us if your mailing address changes.
- Contact us (www.contactNYSLRS.com) if you have questions about your benefits.
- Subscribe to our blog, *New York Retirement News* (www.nyretirementnews.com), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on Facebook (www.facebook.com/nyslrs) and follow us on Twitter (www.twitter.com/nyslrs) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our free email newsletter (www.osc.state.ny.us/retire/e-news/sign-up/index.php), for the latest NYSLRS news.
- Read your retiree newsletter for current retirement information and updates on your benefits.

Contact Us

If you have any questions or you need more information, we're glad to help.

- **Email:** www.emailNYSLRS.com
- **Call:** 1-866-805-0990, or 518-474-7736 in the Albany, New York area; or
- **Write:**
NYSLRS
110 State Street
Albany, NY 12244-0001

This publication provides a general summary of retiree benefits, rights and responsibilities, and is not a substitute for any New York State or federal law. For specific information about your benefits, please contact us.

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