

THE UPDATE

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

Thomas P. DiNapoli, State Comptroller



A Message from Comptroller Thomas P. DiNapoli



As trustee of the New York State Common Retirement Fund (Fund), I'm proud to report that the Fund remains strong and well-funded. Last year, its estimated value passed \$200 billion for the first time, again making the Fund one of the best-managed and most consistently performing pension funds in the nation.

This success is a reminder of the inherent cost-efficiency and reliability of defined benefit plans like ours:

- Today's retirees may live into their 90s or beyond. You will receive your NYSLRS pension for your lifetime because a defined benefit plan can pool the longevity risks of large numbers of individuals, providing retirees with stable income that won't run out in retirement. Individuals with 401(k)-style plans must carefully manage their plans to make sure their investments will last.
- Workers with defined contribution plans have to shift to safer and lower yielding investments as they approach retirement, but we are able to maintain long-term, optimally balanced portfolios.
- Administrative fees often eat into the returns of 401(k) and similar investment plans. With fewer fees, defined benefit plans preserve significantly more money to fund member benefits.

We're also making improvements in the way we provide services and benefits to you. Over the past year, we offered expanded online services to our members, retirees and beneficiaries. I am pleased to announce that more than 100,000 of you are now using *Retirement Online*. And coming this fall, more exciting new features and tools will be made available to members. If you don't have an account, visit our website at www.osc.state.ny.us/retire to register or learn more.

I encourage you to keep up on the latest NYSLRS news through our news blog, Facebook, Twitter and YouTube. Then you'll be among the first to know about new *Retirement Online* features and other NYSLRS developments.

Sincerely,

Thomas P. DiNapoli
State Comptroller

World Trade Center Notice Deadline

Following the tragic events of September 11, 2001, thousands of courageous men and women risked their lives and health working at Ground Zero, Fresh Kills Landfill and other sites.

If you participated in rescue, recovery or cleanup efforts in the wake of the 9/11 attacks and you meet eligibility requirements, we encourage you to file a World Trade Center Notice (RS6047-N). Filing will protect your rights, and the rights of your beneficiaries, to apply for benefits in the future. But time is running out. **September 11, 2018**, is the deadline for filing a notice.

This notice is not an application for disability retirement. You can find out more, including eligibility requirements and filing instructions, on our website at www.osc.state.ny.us/retire/publications/world_trade_center/index.php.

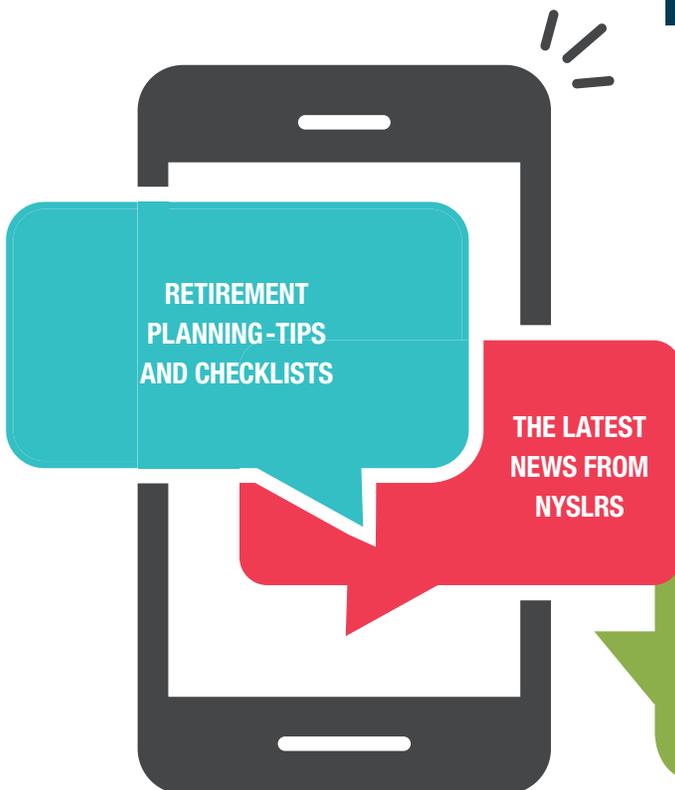
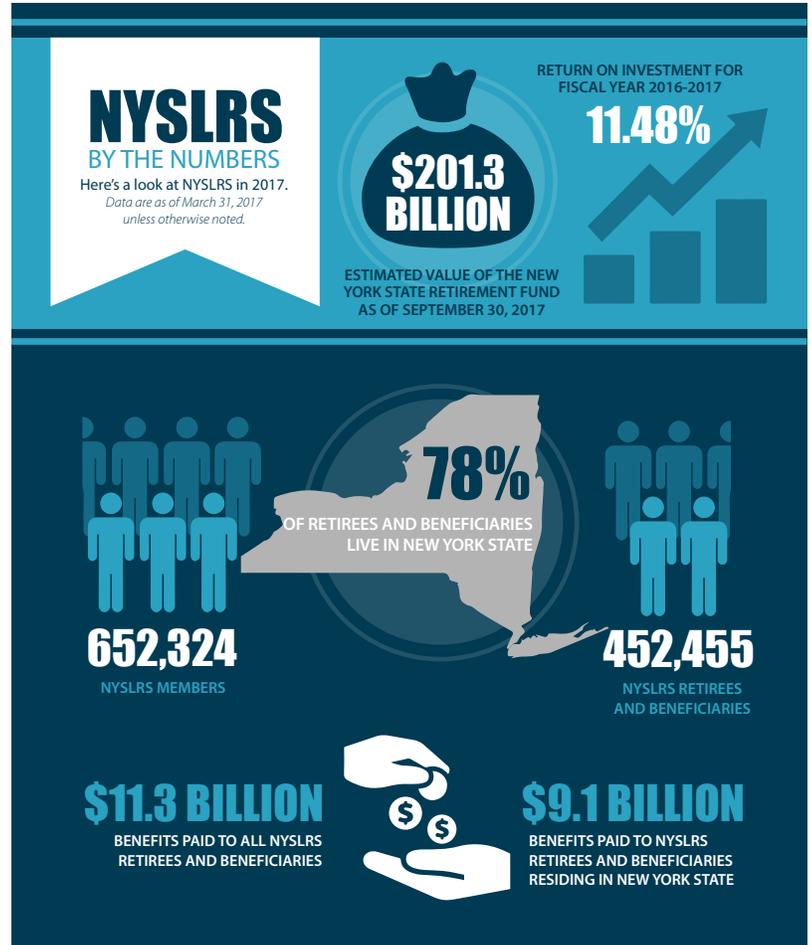


Pension Fund Passes \$200 Billion Milestone

The New York State Common Retirement Fund has, for the first time, passed the \$200 billion mark. This major milestone, reached in the second quarter of fiscal year 2017-2018, underscores the soundness of the long-term investment strategy that State Comptroller Thomas P. DiNapoli has employed.

The Fund has continued to grow since 2009, recovering steadily from the global recession of 2008-2009. “We take the long view of success, investing in ways that provide consistent returns and retirement security for our members, retirees and beneficiaries for decades to come,” Comptroller DiNapoli said.

The Fund holds and invests NYSLRS assets on behalf of more than 1.1 million members and retirees. NYSLRS is the third largest public retirement system in the United States. Several recent independent studies have confirmed that NYSLRS is one of the best-funded and best-managed pension systems in the nation. And that means NYSLRS’s 652,324 members can rest assured that the pensions they have earned will be there for them when they retire.



DID YOU KNOW?
Did you know that NYSLRS social media outlets are great ways to learn about your retirement benefits?

STAY IN THE KNOW:

- Subscribe to our news blog: NYRetirementNews.com
- Follow our feed: [Twitter.com/NYSLRS](https://twitter.com/NYSLRS)
- Like our page: [Facebook.com/NYSLRS](https://facebook.com/NYSLRS)
- Subscribe to our page: YouTube.com/NYSLRS

Age Milestones for Retirement Planning

NYSLRS retirement benefits are based on tier designations, years of service and average salary. Age is also an important factor, and not just the age at which you plan to retire. Here are some age milestones to keep in mind while planning for your retirement.

Your age today:

Whether you're 22 or 52, you should be planning for retirement. And those plans should include saving money.

- 50:** The Age 50 and Over Catch-Up provision of the federal tax code allows you to start saving more pretax dollars in a retirement savings account, such as deferred compensation or an IRA, beginning in the calendar year in which you turn 50.
- 55:** The earliest age most NYSLRS members can retire. (Does not apply to members in special retirement plans or on disability retirement.) Your pension may be permanently reduced if you retire at 55.
- 59½:** The age at which you can draw money from a tax-deferred retirement savings plan, such as an IRA, without facing a potential federal tax penalty. (The penalty does not apply to New York State Deferred Compensation savings if you are retired or have left public service.)
- 62:** Full retirement age for Tiers 2, 3, 4 and 5. Sixty-two is also the earliest age you can begin collecting a Social Security pension, but the benefit would be reduced.
- 63:** Full retirement age for Tier 6.
- 65:** Age most people are eligible for Medicare benefits.
- 66:** Full Social Security retirement age if you were born from 1943 through 1954. Add two months for each year from 1955 through 1959.
- 67:** Full Social Security age if you were born in 1960 or later.
- 70:** If you do not take your Social Security benefit at full retirement age, your benefit will increase each year until you reach age 70. Delaying Social Security after 70 will not increase your benefit.
- 70½:** If you have tax-deferred retirement savings, and are no longer working, you must begin withdrawing some of this money after you reach 70½.

New Limit on Loans

For new members only

Recently, the Governor signed a law that limits the amount Tier 6 members may borrow through NYSLRS. For members who joined NYSLRS on or after January 1, 2018, the total maximum loan (including all outstanding loan balances) is either 50 percent of their contribution balances or \$50,000 (whichever is less). Borrowing limits have not changed for members who joined NYSLRS before January 1, 2018.

For more information about loans through NYSLRS, please visit our Loans: Applying and Repaying page at www.osc.state.ny.us/retire/members/loans.php.

MILESTONE
66
YEARS

MILESTONE
62
YEARS

MILESTONE
55
YEARS

MILESTONE
50
YEARS

For more
information



NYSLRS: www.osc.state.ny.us/retire

Social Security Administration: www.ssa.gov

Medicare: www.medicare.gov

New York State Deferred Compensation Plan: www.nysdcp.com

Keep up with NYSLRS

E-News is NYSLRS's monthly email newsletter. It's an easy way to get important updates and information about your benefits that can affect your retirement planning.

Sign up for *E-News* today at www.osc.state.ny.us/retire/e-news/sign-up.

Email Sign Up



Computer System Maintenance Scheduled for Spring

This spring, NYSLRS will be working on a significant computer system upgrade. The purpose of this work is to improve our customer service, and to prepare for *Retirement Online* enhancements that are planned for later this year. During the maintenance period, some of our services may be temporarily impacted. You will still be able to get information; however, some information will be as of the date maintenance began. We will process all requests that come in during this time period, but in some instances there may be a delay.

For updates on the duration and impact of the system upgrade, please visit www.contactNYSLRS.com.

If you have a *Retirement Online* account, you will not be able to sign in during the maintenance period.

The NYSLRS Call Center will be available during the system main-

tenance period. If you have any questions, you can contact our Call Center at 1-866-805-0990 (518-474-7736 in the Albany, NY area), or email us at www.emailNYSLRS.com.

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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.

Send your comments by email to:

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Or write to:

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Albany, NY 12244-0001.



Newly Enacted Law — Revision to Overtime Limits for Tier 6 Members



The amount of overtime pay that can be used toward the pension benefit for Tier 5 and Tier 6 members is limited. For Tier 6, that limit is adjusted for inflation each year. Under a new law, the Tier 6 limit will now be calculated on calendar-year basis instead of a fiscal-year basis, just like it is for Tier 5 members. The 2018 calendar-year limit on overtime pay for Tier 6 is \$16,406. For Tier 5, the limit increases by 3 percent each calendar year. The 2018 calendar-year limit for Tier 5 is \$19,001.55.