Benefit Calculations

Based on:
• Tier
• Service Credit
• Final Average Salary (FAS)
• Plan
• Age

Benefit Calculations

Tier

Tier 4
$392,307 (66%)

Tier 1
$61,022 (10%)

Tier 2
$33,075 (6%)

Tier 3
$109,587 (18%)
Benefit Calculations

Tier

Vesting:
- You have the right to a retirement benefit with 5 years service credit
- Automatic

Benefit Calculations

Service Credit

Includes:
- Actual service
- Military Service
- Sick Leave
  - if employer provides 41j
- Article 19 benefit
  - Tiers 1 & 2 only

Benefit Calculations

Service Credit

All Tiers

Other Public Service in New York State
- NYS Government
- counties, cities, towns & villages
- public schools
- authorities
Benefit Calculations
Service Credit

Military Service Benefit
• Buy up to 3 years service credit
• Improves most benefit calculations

Benefit Calculations
Article 19

1 month service credit for each year served
• maximum 24 months
• must meet eligibility requirements

Benefit Calculations
Unused-Unpaid Sick Leave
All Tiers · Section 41-J

• Must be adopted by employer
• Max. 165 days = .63 year
• Cannot be used to improve benefit formula
Benefit Calculations
Final Average Salary
FAS
Average of highest 36 consecutive months of earnings
• limitations may apply to all tiers

Benefit Calculations
Final Average Salary
FAS
Includes:
• Overtime
• Holiday Pay
• Non-Compensatory OT
• Longevity Bonus
• Vacation Lump Sum
  • Tier 1 joined before 4/1/72
  • Tiers 3 & 4

Benefit Calculations
Final Average Salary
All Tiers
Does NOT include payments for:
• unused sick leave
• termination
• anticipation of retirement
Benefit Calculations

Laws which dictate how your pension is calculated

Benefit Calculations
Plans

Tiers 1 & 2 · 75-i
- 20 or more years
- 2% FAS for every year of service

Benefit Calculations
Plans

Tiers 1 & 2 · 75-g
- 25 or more years
- 2% FAS for each year of the first 25 years
- 1.66% FAS for each year over 25 years
Benefit Calculations
Plans
Tiers 1 & 2 • 75-e

Tier 1 & Tier 2
• 1.66% FAS for each year of service

Benefit Calculations
Plans
Article 14

Tier 3
• Can retire under Article 14 or Article 15
• Most members receive a greater benefit under Article 15

Benefit Calculations
Plans
Article 15

Tier 3 & Tier 4
• Less than 20 years
  • 1.66% FAS each year service
• 20-30 years
  • 2% FAS for each year service
• More than 30 years
  • 1.5% FAS for each year service over 30 years
Benefit Calculations
Plans
Tiers 2, 3 & 4

<table>
<thead>
<tr>
<th>Benefit Reductions</th>
<th>Age</th>
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</table>

Do not apply with 30 or more years service credit if 55 or older

Benefit Calculations
Estimates

- You are eligible within 18 months of retirement
- Only 1 per 18 months
- Maximum projection 18 months into future

Benefit Calculations
Estimates

Request in order to:
- Verify all service credit
- Assist financial planning
- Review options
Benefit Calculations
Retirement Options

• Single life
• Cash refund
• Joint & Pop-up allowances
• 5 & 10 year certains
• Alternative

Benefit Calculations
Filing Procedures

Application for service retirement must:
• Be received 30-90 days prior to retirement date
• List all public employment/military service

Benefit Calculations
Filing Procedures

Required documents:
• Proof of birth date
• Tax form w-4p
• Option form
After You Retire

Working

Section 212 • Calendar Year 2002

Public employment earnings within New York limited to $20,000

After You Retire

Working

Section 212

Unlimited earnings if working for:
• federal government
• any other state
• private industry
• self employment
• age 70
After You Retire

COLA

Increases each September
• if eligible
50% of cost of living index
• Minimum increase 1%
• Maximum increase 3%
Based on first $18,000 of Single Life Allowance

After You Retire

COLA Retiree

Eligibility
• 62 or older and retired 5 years or
• 55 or older & retired 10 years or
• disability retiree for 5 years

Death Benefits
Death Benefits

All Tiers

Cash benefits paid to your beneficiary at the time of your death
  • vary by tier

Death Benefits

In-Service

Tier 1

Ordinary (less than age 55)
  • One month’s salary for each year of service

Alternative (age 55 or older)
  • Paid only when you die in active service when eligible for retirement without reduction

Death Benefits

In-Service

Tiers 2, 3 & 4

Death Benefit 2
  • One year service = salary
  • Two years service = 2×salary
  • Three or more years service = 3×salary
Death Benefits
In-Service Two
Tiers 2, 3 & 4

Death Benefit 2
Pre-retirement reductions
- reduced by 4% for each year death occurs after 60
- Maximum reduction of 40%

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<th>Age</th>
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</table>

Pre-retirement reductions are reduced by 4% for each year death occurs after 60, with a maximum reduction of 40%.

Death Benefits
Post Retirement
Tiers 2, 3 & 4

Death Benefit 2
1st year = 50% of Pre-Retirement Benefit
2nd year = 25% of Pre-Retirement Benefit
3rd year & after = 10% of 3 × salary

Death Benefits
Post Retirement
Tiers 2, 3 & 4

Wrap Up

Maximize your Service Credit
41-J Military Previous

Maximize your FAS
Vacation Overtime
Get your Estimate
Keep beneficiaries up-to-date
ENJOY YOUR RETIREMENT!

Maximize your Service Credit
41-J Military Previous
Maximize your FAS
Vacation Overtime
Get your Estimate
Keep beneficiaries up-to-date
<table>
<thead>
<tr>
<th>New York State and Local Retirement Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advance Checks</strong></td>
</tr>
<tr>
<td>• Paid 30-60 days after 1st payment due</td>
</tr>
<tr>
<td>• Expect 5-6 advances</td>
</tr>
<tr>
<td>• 90% of option chosen</td>
</tr>
<tr>
<td>• No payment without proof of birth date or DRO on file</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>New York State and Local Retirement Systems</th>
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</thead>
<tbody>
<tr>
<td><strong>Domestic Relations Order</strong></td>
</tr>
<tr>
<td>• Court-issued document</td>
</tr>
<tr>
<td>• Instructs RS on pension division</td>
</tr>
<tr>
<td>• Majauskas formula commonly used</td>
</tr>
<tr>
<td>• Equals 50% of pension earned during marriage</td>
</tr>
</tbody>
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<tr>
<th>New York State and Local Retirement Systems</th>
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</thead>
<tbody>
<tr>
<td><strong>Beneficiary Designation</strong></td>
</tr>
<tr>
<td>• Name same or different beneficiary for pension &amp; post-retirement death benefits</td>
</tr>
<tr>
<td>• Can’t change pension beneficiary when joint allowance chosen</td>
</tr>
<tr>
<td>• Can change beneficiary anytime for post-retirement death benefit</td>
</tr>
</tbody>
</table>
**New York State and Local Retirement Systems**

<table>
<thead>
<tr>
<th>Post-Retirement Employment</th>
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</thead>
<tbody>
<tr>
<td>• $20,000 for 2002</td>
</tr>
<tr>
<td>• $25,000 for 2003</td>
</tr>
<tr>
<td>• 65 or older—earn any amount anywhere</td>
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<thead>
<tr>
<th>New York State and Local Retirement Systems</th>
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<tbody>
<tr>
<td><strong>Article 19 Amendment</strong></td>
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<tr>
<td>• Most Tier 1 &amp; 2 ERS members eligible</td>
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<tr>
<td>• Up to 12-week approved LWOP no longer applies</td>
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