New York State Office of the State Comptroller

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Property Tax Cap

Four Step Pension Exclusion Calculation - Example

Step 1

Determine the change in the system average actuarial contribution rate for each of the major pension systems (ERS, PFRS) or normal contribution rate (TRS). The following example is based on the rate for ERS.

16.3% (SFY 11-12) Sys. average – 18.9% (SFY 12-13) Sys. average = 2.6 Percentage **points** difference

Step 2

If the annual growth in the contribution rate is greater than 2 percentage points, the amount above 2 percentage points is the portion of the associated salary base that may be excluded.

2.6 % point diff. – 2.0 Local responsibility not excludable = .6 Excludable portion

Step 3

Multiply the excludable portion by the associated salary base (e.g. the salary base for your ERS employees in this example).

0.6% Excludable portion X Salary Base = Excludable amount

Step 4

Add excludable amount to the base levy limit.

(Note: Exclusions increase the amount of taxes you are allowed to levy)