

# Your Retirement Plan

## State Correction Officers and Security Hospital Treatment Assistants Plan

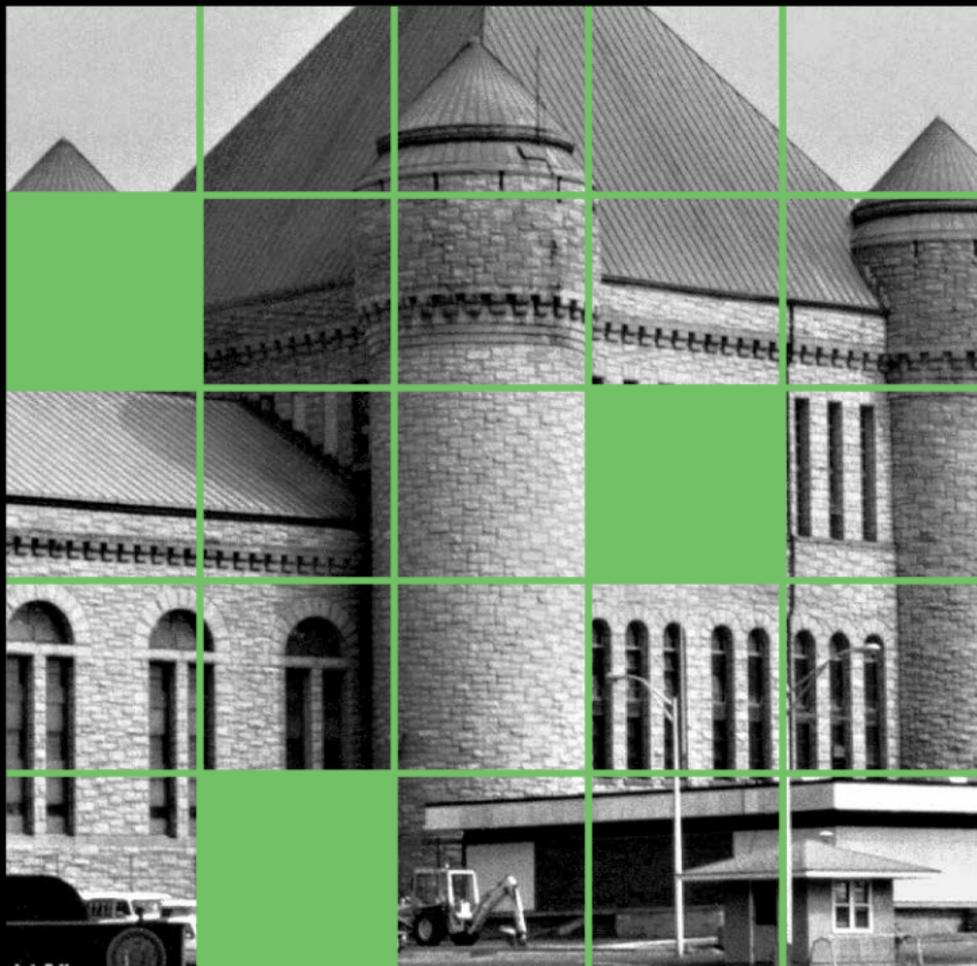
For ERS Tier 3, 5 and 6 Members  
(Article 14-CO)

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

As a member of the New York State and Local Retirement System (NYSLRS), you are covered by a plan that provides important benefits. This publication explains some of those benefits and the services available to you as a member of our system, including:



- Benefits you will receive at retirement if you meet the service and age requirements (service retirement benefits);
- Benefits you may receive if you leave public service before you meet the age requirement for a service retirement benefit (vested retirement benefits);
- Benefits you may receive if you become permanently disabled (disability retirement benefits); and
- Benefits your beneficiary may receive if you die while working for a public employer or, if eligible, after you leave public employment (death benefits).

I am joined by a staff of dedicated professionals in my commitment to helping you make informed decisions about your future. I encourage you to contact us with any questions or suggestions you might 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

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# About Your Membership

## RETIREMENT SYSTEM MEMBERSHIP

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Permanent, full-time employees of employers that participate in the New York State and Local Employees' Retirement System (ERS) must become members of the Retirement System.

Under any of the following four scenarios, however, membership is optional:

- You are appointed to a temporary or provisional position;
- You work less than 30 hours per week, or less than the standard number of hours for full-time employment as established by your employer for your position;
- Your job is supposed to last for less than one year, or you work on a less-than-12-months-per-year basis; or
- Your annual earnings are less than New York State's minimum wage, multiplied by 2,000 hours.

You are covered by the provisions of Article 14 if you:

- Are a full-time employee in the uniformed service of an institution under the jurisdiction of the New York State Department of Corrections; or
- Are a security hospital treatment assistant under the jurisdiction of the Office of Mental Health who elected this plan before January 1, 1990, or within one year of becoming employed in this title. To elect coverage under this plan, you must complete an election form and file it with us.

Superintendents in an institution under the jurisdiction of the New York State Department of Corrections may be eligible to elect coverage under the provisions of Article 15. Please check with your personnel office or contact us for details.

When you become a Retirement System member, you must complete and file a membership application with the Office of the State Comptroller.

## TIER STATUS

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When you join the Retirement System, you are assigned to a tier depending on your date of membership.

If you joined the Employees' Retirement System:

- July 27, 1976, through December 31, 2009, you are a Tier 3 member.
- January 1, 2010, through March 31, 2012, you are a Tier 5 member.
- April 1, 2012 or after, you are a Tier 6 member.

There is no Tier 4 under this retirement plan.

## CONTRIBUTING TOWARD YOUR RETIREMENT

Tier 3 and 5 members are required to contribute 3 percent of your reportable earnings toward your retirement benefits. Effective October 1, 2000, the 3 percent contributions required of Tier 3 members will be discontinued when you have accrued either ten years of service credit or have been a member of the Retirement System for ten years after your date of membership. Tier 5 members are required to contribute 3 percent of your reportable earnings toward your retirement benefits until you retire or have 30 years of service credit, whichever occurs first.

Tier 6 members are required to contribute a specific percentage of your reportable earnings (see chart below). During the first three years of membership, your contribution rate is based on your annual wage, as provided by your employer on your Membership Application. After this three-year period, your contribution rate will be based on what you actually earned two years prior. For part-time employees, your contribution rate is based on your annualized wage. Contribution rates are set April 1 of each year. Regardless of whether you work on a full- or part-time basis, however, the amount of your contribution is determined by applying your contribution rate to your current gross reportable earnings. New York State Correction Officers' contributions are limited to 30 years of service.

Annual Wage	Contribution Rate
\$45,000 or less	3%
\$45,000.01 to \$55,000	3.5%
\$55,000.01 to \$75,000	4.5%
\$75,000.01 to \$100,000	5.75%
More than \$100,000	6%

If you are employed by more than one participating employer, once you join the Retirement System, all earnings and service earned in connection with all employment must be reported to this System, even if your membership is only mandatory with one.

Under Internal Revenue Code Section 414(h) (as of July 1, 1989), your required contributions are tax-deferred until they are distributed to you. These contributions are reportable for federal income tax only when you withdraw or retire from the Retirement System. Therefore, your contributions are:

- Not reported as wages for federal income tax;
- Reported as wages for New York State and local income taxes;
- Reported as wages for Social Security;
- Reported as wages to the New York State and Local Employees' Retirement System, and used in the calculation of all benefits paid by the Retirement System; and
- Calculated on your full gross earnings, before any reductions for any other tax-deferred plan.

## **BECOMING ELIGIBLE FOR A BENEFIT**

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Once you have accrued the required amount of credited service, you will be vested. This means you have earned the right to receive a retirement benefit, even if you leave public employment.

- Tier 3 members must have five years of credited service.
- Tier 5 and 6 members must have ten years of credited service.

You can begin receiving your vested retirement benefit when you reach age 55.

The amount of your vested benefit is based on your service, age at retirement and your earnings when you were an active member.

Vesting is automatic — you do not have to fill out any paperwork or file an application to become vested. However, you will need to file a retirement application to begin receiving your vested benefit.

## WITHDRAWING YOUR CONTRIBUTIONS AND/OR YOUR MEMBERSHIP

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If you are a Tier 3 member and leave public employment with at least five, but less than ten, years of credited service, you may choose to:

- End your membership and withdraw your accumulated contributions (with interest compounded at 5 percent per year); or
- Leave your contributions in your account and qualify for a retirement benefit when you are 55.

To help you decide which would be more beneficial, visit our website and use our benefit calculator to project your pension using the “vested retirement” choice. You can also contact our Call Center to request a benefit projection.

If you are a Tier 5 or 6 member who leaves public employment with less than ten years of credited service, you may end your membership and withdraw your accumulated contributions (with interest compounded at 5 percent per year).

If you choose to withdraw your membership, or you do not qualify for a retirement benefit, you should file the Withdrawal Application (RS5014) no earlier than 15 days after you leave public employment.

If you qualify for a retirement benefit and you do not withdraw your membership, you may apply for a retirement benefit when you reach age 55.

Once you have ten or more years of credited service, you cannot withdraw from the Retirement System.

## ENDING YOUR MEMBERSHIP

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Once you join, there are five ways your membership can end:

- If you do not have at least five years of credited service (ten years for Tier 5 and 6 members), and seven years have elapsed since you last worked for a participating public employer;
- If you leave public employment before you have ten years of credited service and voluntarily withdraw your contributions;
- If you transfer your membership to another New York State public retirement system;
- If you retire; or
- If you die.

“Public employment” means paid service as an officer or employee with an employer that participates in the New York State and Local Retirement System.

# Service Credit

## **FULL- AND PART-TIME SERVICE CREDIT**

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### **Full-Time Employment**

If you join the Retirement System on the day you begin employment with a participating employer, we calculate your retirement service credit by subtracting your beginning date of employment from the date you actually leave paid employment, as long as:

- You work on a full-time continuous basis; and
- You earn at least the equivalent of New York State’s annual minimum wage for your full career in public service.

“Full-time” is defined by your employer, but must be at least six hours per day, for a five-day week.

### **Part-Time Employment**

Part-time employment is credited as the lesser of:

number of days worked ÷ 260 days

**or**

annual earnings reported ÷  
(State’s hourly minimum wage × 2,000)

Employers report your days worked and earnings to us.

## **LEAVES OF ABSENCE**

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Since service is usually not credited for any period of time you do not receive earnings, credit is not given for:

- Leaves of absence without pay;
- Authorized, unpaid medical leaves of absence; or
- Unpaid leave under the federal Family and Medical Leave Act.

### **Workers' Compensation**

You will usually receive up to one year of service credit per incident for time spent on Workers' Compensation leave.

## CREDITABLE SERVICE

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Creditable service under this plan includes all service performed as a uniformed employee in institutions under the jurisdiction of the New York State Department of Corrections or as a security hospital treatment assistant under the jurisdiction of the New York State Office of Mental Health.

“Uniformed employee” includes:

- Correction officer
- Prison guard
- Correction sergeant
- Correction lieutenant
- Correction captain
- Deputy assistant superintendent or warden
- Deputy warden and superintendent (for security services)
- Superintendent and warden (including first deputy)
- Director and assistant director of correction reception center
- Director and assistant director of correctional program
- Director of community correctional center
- Community correctional center assistant
- Correction hospital officer
- Correction hospital senior officer
- Correction hospital charge officer

- Correction hospital supervising officer
- Correction hospital security supervisor
- Correction hospital chief officer
- Correction youth camp officer
- Correction youth camp supervisor and assistant supervisor
- Correctional camp superintendent
- Assistant correctional camp superintendent
- Director and assistant director of crisis intervention unit.

“Security hospital treatment assistant” includes:

- Security hospital treatment assistant
- Security hospital treatment assistant (Spanish-speaking)
- Security hospital senior treatment assistant
- Security hospital supervising treatment assistant
- Security hospital treatment chief.

Service in the following titles is also creditable:

- Narcotic addiction control commission officer.
- Correction officer, sheriff, undersheriff or deputy sheriff in any county in which you were eligible to retire after 25 years of creditable service.
- Correction officer employed by the City of New York. To receive credit for this type of service, you must pay the full cost — employer and member, determined by the Comptroller. This amount may be paid either in installments or as a lump sum.

Department of Corrections uniformed employees working in institutions under the jurisdiction of the Department may receive up to 12 years of credit for service in the following titles while assigned to a training academy or to the central office:

- Correction officer
- Correction sergeant
- Correction lieutenant
- Correction captain
- Correctional services investigator
- Correctional services employee investigator
- Senior correctional services employee investigator
- Corrections services fire and safety coordinator
- Director and assistant director of special housing and inmate disciplinary program
- Assistant chief of investigations
- Director of Correctional Emergency Response Team (CERT) operations
- Correctional facility operations specialist
- Director of security staffing project
- Correctional security technical services specialist
- Assistant commissioner and deputy commissioner.

Credit is also available for certain military service. Service performed in titles other than those listed above may count toward your vested, disability and death benefits, but not toward your 25-year service retirement benefit.

## **CREDIT FOR PREVIOUS OR MILITARY SERVICE**

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You may be able to obtain credit for your previous public employment or military service. It is very important that you claim all the service credit you are entitled to receive as early as possible, because records documenting your previous service may be lost or destroyed with the passage of time.

Please note that certain types of credit listed below may not provide additional benefits under your special plan. Contact us to verify what service would be creditable, i.e., can be used in the calculation of your benefit.

### **Prior Service**

Prior service is any period of time you received salary or wages from a participating employer before that employer elected to participate in the Retirement System. To receive credit for this service, you must earn at least two years of credited service as a Retirement System member.

### **Service Before Your Date of Membership**

You may receive credit for working for a participating employer before you joined the Retirement System. To receive the credit, you must earn at least two years of credited service as a Retirement System member.

## **Military Service**

You may be able to receive credit for some or all of your military service. To determine your eligibility and the cost, if any, please send us a copy of your Certificate of Release or Discharge from Active Duty (DD-214).

## **Service From a Previous Membership**

If you previously were a member of this System, or another public retirement system in New York State, your service may be recredited and your date of membership and tier restored. However, an earlier tier of membership does not always result in a better benefit. Please review your options carefully before making your decision, and contact us with any questions you may have. We will initiate reinstatement to Tier 3, 5 or an earlier date within Tier 6 by sending you information about your eligibility and giving you the opportunity to purchase credit for your withdrawn service. If your previous membership was with another retirement system, please write to our Member & Employer Services Bureau.

For reinstatement to Tier 1 or Tier 2, send us a completed Application to Reinstatement a Former Tier 1 or 2 Membership (RS5506).

## **APPLYING FOR PREVIOUS OR MILITARY SERVICE CREDIT**

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To receive credit for previous or military service, send a written request (which must be received before your effective date of retirement) to our Member & Employer Services Bureau. Include as much information as you can about the period of employment for which you are seeking credit. We will determine your eligibility to receive the credit and any cost involved.

Requesting credit for your previous public employment as early in your career as possible ensures that:

- If there is a cost, it will be less expensive than if you wait to purchase it at a later date.
- Your retirement benefit will be processed more quickly if your service credit is in order.
- Records we need to verify your service will be more readily available.
- For Tier 3 members, you will stop making your 3 percent contributions sooner.

If you are requesting previous service credit to establish eligibility for a vested retirement benefit, you must request this credit while you are on the payroll of a participating employer. If you receive a statement of the cost after you leave the payroll, you must make payment within 30 days of notification.

**NOTE: If your purchased service credit brings your total credited service to ten or more years, you will no longer be eligible to withdraw your contributions and end your membership.**

## **ADDITIONAL SERVICE CREDIT FOR SICK LEAVE (SECTION 41[j])**

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Under Section 41(j) of the Retirement and Social Security Law (RSSL), you may receive service credit for your unused, unpaid sick leave days at retirement. To be eligible for this benefit, you must retire directly from public employment or within a year after separating from service. The additional credit is determined by dividing your total unused, unpaid sick leave days, which cannot exceed 200, by 260.

Credit for your unused sick leave at retirement cannot be used to:

- Qualify for vesting. For example, if you have four years and ten months of service credit and you need five years to be vested, your sick leave credit cannot be used to reach the five years.
- Qualify for a better retirement benefit calculation. For example, if you have 19½ years of service credit but your pension will improve substantially if you have 20 years, your sick leave credit cannot be used to reach the 20 years.
- Increase your pension beyond the maximum amount payable under your retirement plan.
- Meet the service credit requirement to retire under a special 20- or 25-year plan.

# Final Average Salary

## OVERVIEW

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Your pension is based on your years of credited service and your final average salary (FAS). For Tier 3 and 5 members, FAS is the average of the wages you earned during any three consecutive years of correction service or security hospital service when your earnings were highest. For Tier 6 members, FAS is the average of your highest five consecutive years of correction service or security hospital service earnings. This is usually your years of employment immediately before retirement.

The calculation of your FAS can include, but is not limited to, the following types of payments. In some cases, certain restrictions may apply.

- Regular salary.
- Overtime earned in the FAS period.\*
- Holiday pay.
- Noncompensatory overtime earned in the FAS period.
- Longevity payments (maximum of one per year), if earned in the FAS period.
- For Tier 3 and 5 members, payment for up to 30 days of accumulated vacation, if the FAS is based on the 36 months immediately preceding retirement.

\* For Tier 5 members, the total amount of overtime and noncompensatory overtime is limited to \$17,389.11 for calendar year 2015. Thereafter, the maximum reportable overtime payment increases by 3 percent each calendar year. For Tier 6 members, the overtime cap for the fiscal year April 1, 2015 through March 31, 2016 is \$15,608. This cap may be increased each fiscal year, based on the Consumer Price Index on December 31 of the previous year.

The following types of payments are **not** considered regular compensation and, in most cases, will not be included in your FAS:

- Unused sick leave.
- Payments made as a result of your working during your vacation.
- Any form of termination pay.
- Payments made in anticipation of retirement.
- Lump sum payments for deferred compensation.
- Any payments made for time not worked.
- Overtime which is compensated in whole or in part by payments from private, non-governmental entities.\*

\* Service rendered to private entities is not government service and payment for such service is not regular compensation earned from a participating employer. It is not pensionable and cannot be included in the calculation of a final average salary. Please note that overtime work performed for other public employers that participate in this Retirement System, such as a school district, should be reported to the Retirement System and is includable in the calculation of final average salary, even if the primary employer is reimbursed by the other public entity.

## LIMITATIONS

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### Tiers 3 and 5

If the earnings in any year included in the FAS period exceed the average of the previous two years by more than 10 percent, the amount in excess of 10 percent is excluded from the computation of your FAS.

### Tier 6

If the earnings in any year included in the FAS period exceed the average of the previous four years by more than 10 percent, the amount in excess of 10 percent is excluded from the computation of your FAS.

The following payments are also excluded:

- Lump sum vacation pay;
- Earnings reported from more than two separate employers; and
- Any payments that cause your earnings to exceed the Governor's salary (currently, \$179,000 annually).

# Service Retirement Benefit

## OVERVIEW

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### Eligibility

To be eligible for a retirement benefit, you must have at least five years of service after July 1, 1973 (ten for Tier 5 and 6 members). With 25 years of creditable service, you may retire at any age with full benefits if you retire directly from an institution under the jurisdiction of the New York State Department of Corrections or the New York State Office of Mental Health.

Tier 3 and 5 members with less than 25 years of creditable service will be eligible to retire at age 62 with a full benefit, or between ages 55 and 62 with a reduced benefit. Tier 6 members with less than 25 years of creditable service will be eligible to retire at age 63 with a full benefit, or between ages 55 and 63 with a reduced benefit.

### The Benefit

If you retire before reaching age 55 with 25 years of creditable service in a covered title, you will receive a benefit equal to one-half (50 percent) of your FAS. However, if you retire between the ages of 55 and 62 (between 55 and 63 for Tier 6 members) with more than 25 years of service, you will receive the better benefit provided by either:

- One-half of your FAS; or
- 2 percent of your FAS for each year of service (maximum of 30 years), less a reduction for retiring before age 62 (age 63 for Tier 6 members).

Age at Retirement	Percentage of Reduction		
	Tier 3	Tier 5	Tier 6
55	30.00	38.33	52.00
56	26.67	33.33	45.50
57	23.33	28.33	39.00
58	20.00	23.33	32.50
59	16.67	18.33	26.00
60	13.33	13.33	19.50
61	6.67	6.67	13.00
62	0.0	0.0	6.5
63	0.0	0.0	0.0

Depending on your Tier, if you retire at age 62 or 63 (or older), the maximum benefit payable is 60 percent of your FAS.

**It is important to know that once you retire with a reduced benefit, the reduction is permanent — it does not end when you turn 62 or 63.**

**Filing**

Your Application for Service Retirement (RS6037) must be on file with the Office of the State Comptroller at least 15 days, but not more than 90 days, before the date on which your retirement will occur. The 15-day filing requirement is waived if you are over age 70 at retirement.

## ESCALATION

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Escalation is the annual increase or decrease of a service retirement, disability retirement, or death benefit, based on the cost-of-living index. Your benefit can be eligible for either full or partial escalation. If a benefit is eligible for full escalation, it will increase or decrease each April at a rate equal to the increase or decrease in the cost-of-living index or 3 percent, whichever is less. However, a benefit will never decrease below the original amount paid.

If you are 65 or older at retirement, your service retirement benefit will be eligible for full escalation. The full escalation date for a service retirement is the first day of the month following the date you reach age 65. If you retire between ages 62 and 65, your service retirement benefit will be eligible for partial escalation.

In addition, certain Article 14 disability retirement and death benefits are eligible for escalation. For a disability benefit, the full escalation date is the first day of the month following the date you become eligible for that benefit. For death benefit payments, it is the first day of the month following the date your beneficiary becomes eligible for an accidental or ordinary death benefit paid other than in a lump sum.

Once you become eligible for a cost-of-living adjustment (COLA), your benefit will include whichever adjustment provides the greater increase. You can receive COLAs when you are age 62 or older and retired for five or more years, age 55 or older and retired for 10 or more years, or receiving a disability retirement benefit for five or more years. To learn more about COLA, including how it is calculated, please read the *Cost-of-Living Adjustment* section on page 35.

## RETIRING WITH LESS THAN 25 YEARS OF SERVICE CREDIT

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### Tiers 3 and 5

- If you retire at age 62 or older with more than 20, but less than 25 years of service credit, the benefit is 2 percent of your FAS for each year of service.
- If you retire at age 62 or older with less than 20 years of service credit, the benefit will equal 1.66 percent of your FAS for each year of service.
- If you choose early retirement between the ages of 55 and 62 with less than 25 years of creditable service, your benefit will be reduced for early retirement.

**It is important to know that once you retire with a reduced benefit, the reduction is permanent — it does not end when you turn 62.**

### Tier 6

- If you retire at age 63 or older with more than 20, but less than 25 years of service credit, the benefit is 2 percent of your FAS for each year of service.
- If you retire at age 63 or older with less than 20 years of service credit, the benefit will equal 1.66 percent of your FAS for each year of service.
- If you choose early retirement between the ages of 55 and 63 with less than 25 years of creditable service, your benefit will be reduced for early retirement.

**It is important to know that once you retire with a reduced benefit, the reduction is permanent — it does not end when you turn 63.**

# Choosing a Payment Option

## RECEIVING YOUR BENEFIT

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At retirement, you must decide how you want your retirement benefit paid. You can choose from several options, all of which will provide you with a monthly benefit for life. For example, you may elect the Single Life Allowance, which provides the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a smaller monthly benefit to provide for a possible payment to a designated beneficiary after your death.

## FILING YOUR OPTION ELECTION

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You must file your Option Election form (unless notified otherwise, as in the case of disability retirement) before the first day of the month following your retirement date. You have up to 30 days after your pension benefit becomes payable to change your selection. If you are a disability retiree, you may change your option selection up to 30 days after your disability application is approved, or up to 30 days after your retirement date, whichever is later.

If your election is not timely, by law, we must process your retirement as if you had selected the Single Life Allowance (Option 0).

## AVAILABLE OPTIONS

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### **Single Life Allowance (Option 0)**

This is the basic retirement benefit. It provides the maximum benefit payment to you each month for the rest of your life. Under this selection, all payments cease upon your death. When you die (even if it is only one year, or sooner, after retiring), nothing will be paid to any beneficiary.

### **Joint Allowance — Full\***

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive the same monthly amount you were receiving (without COLA) for life. If your beneficiary dies before you, all payments will cease upon your death.

### **Joint Allowance — Partial\***

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive a specific percentage of your benefit (without COLA) which you select (75, 50, or 25 percent) for life. If your beneficiary dies before you, all payments will cease upon your death.

## **Pop-Up/Joint Allowance — Full or Half\***

These options will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, the same monthly amount, or one-half that amount depending on which option you elect, will be paid to your beneficiary for life (without COLA). If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement, and all payments will cease upon your death.

## **Five Year Certain and Ten Year Certain**

These options will provide you with a reduced monthly benefit for your lifetime, with the additional guarantee that if you live for less than five years or ten years after retirement, depending upon which option you elect, payments in the same amount you were receiving (without COLA) will be made to your beneficiary for the balance of the five- or ten-year period. You may change your beneficiary within the five- or ten-year period.

## **Alternative Options**

If the options described here do not meet your needs, we will consider written requests for other payment methods. These requests must be outlined in detail by you and then approved by us for legal and actuarial soundness.

\* If you elect this option, you must submit proof of your beneficiary's birth date. You can designate only one beneficiary and you cannot change your designation after your retirement. If your beneficiary is your spouse at the time of your death, he or she will be eligible for 50 percent of your COLA.

# Items That May Affect Your Pension

## **IRS PENSION LIMITATION**

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Internal Revenue Code Section 401(a)(17) limits the amount of earnings that qualified pension plans, including the New York State and Local Retirement System, may use in calculating benefits. It affects members who join on or after April 1, 1996, and currently excludes earnings over \$265,000 (effective April 1, 2015) in the State's fiscal year (April 1st – March 31st). The amount is set by federal law and is periodically adjusted for inflation. In addition, for Tier 6 members, reportable salary may not exceed the salary of the Governor of the State of New York, which is set by law and is currently \$179,000.

## **BORROWING AGAINST YOUR CONTRIBUTIONS**

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If you meet eligibility requirements, you may take a loan from the Retirement System. To apply, you must file a Loan Application (RS5025-A) with us.

Before you apply, you should be aware of the federal tax laws pertaining to Retirement System loans.

### **Your loan will be taxable if:**

- The loan amount exceeds federal limits.
- You have a loan with a deferred compensation (457) or tax-sheltered annuity (403-b) plan through your current employer that causes your loan to exceed the federal limits for nontaxable loans. Exceeding these limits could result in significant tax consequences for you.
- You do not make the required payments on your loan at least once every three months or do not complete payment within five years from the date the loan was issued.
- You retire or withdraw from the Retirement System and have one or more outstanding loan balances.

If your loan is taxable, or becomes taxable as described above, you must include it on your federal income tax return for the year the loan is granted or becomes taxable. If you are under 59½ at the time, you may be required to pay a 10 percent penalty tax in addition to any ordinary federal income tax you owe. Please consider consulting a tax advisor before applying for a taxable loan from the Retirement System.

If you already have an outstanding loan with us and want to take another loan, please contact our Call Center at 1-866-805-0990 (or 518-474-7736 if you live in the Albany, NY area) and connect with our automated information line to determine if refinancing your current loan or carrying multiple loans would be better for you. Once you access the loan menu, you can receive specific information relating to your account for multiple and refinanced loans or you can speak directly to a customer service representative. Although the repayment amount may be larger if you choose multiple loans, the taxable amount of a refinanced loan is always higher, unless the entire refinanced loan is nontaxable.

The following rules apply when borrowing against your contributions:

- You must be in active service and have one year of member service credit.
- Each loan must be for a minimum of \$1,000, and the total of all your loans may not be more than 75 percent of your contribution balance. Therefore, you must have an account balance of at least \$1,334.
- You repay each outstanding loan through payroll deductions in an amount sufficient to repay the loan, interest and insurance premium within five years. The minimum deduction to repay your outstanding loan balances must be at least 2 percent of your salary.
- You may borrow only once in any 12-month period.
- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.

If you retire with an outstanding balance, your retirement benefit will be **permanently reduced**.

Please note: You cannot pay off your loan once you retire. The amount of your pension reduction will be based on your age, the loan balance at retirement and type of retirement (service or disability).

These are examples of how your service retirement benefit will be permanently reduced by an outstanding loan balance at retirement. The approximate reductions are for calendar year 2015. The amount of the reduction changes annually.

Age at Retirement	Outstanding Loan Balance	Annual Pension Reduction
55	\$5,000	\$266
	\$10,000	\$532
60	\$5,000	\$297
	\$10,000	\$593
65	\$5,000	\$338
	\$10,000	\$676

## COST-OF-LIVING ADJUSTMENT

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Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. This adjustment, subject to pension caps and limitations, is 50 percent of the previous year's annual rate of inflation, but never less than 1 percent or more than 3 percent of your benefit. The adjustment percentage is applied only to the first \$18,000 of your Single Life Allowance, even if you selected a different option at retirement.

You will begin receiving cost-of-living adjustments (COLAs) when you are:

- Age 62 or older and retired for five or more years;
- Age 55 or older and retired for ten or more years (generally applies to members in special plans that allow for retirement after a specific number of years regardless of age); or
- Receiving a disability pension for five or more years.

When you die, if you selected an option that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

## DIVORCE

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If you divorce, your retirement benefits could be affected. The New York State Court of Appeals has determined that retirement benefits are considered marital property and can be divided between you and your ex-spouse when the marriage ends.

- Your ex-spouse may be entitled to a portion of your pension;
- You may be required to name your ex-spouse as beneficiary of any pre-retirement death benefit payable;
- You may be required to elect a retirement option that provides a continuing benefit to your ex-spouse in the event of your death; and
- Your ex-spouse may be entitled to a portion of your cost-of-living adjustment.

Any division of your benefits must be stated in the form of a Domestic Relations Order (DRO) — a legal document that gives us specific instructions on how your benefits should be divided. However, it does not allow for a distribution of your pension until you actually retire, die or terminate membership.

The Retirement System offers an easy to complete online DRO template. The template is not required, but all submissions using the DRO template will be given priority review. We will also need a certified copy of your divorce decree.

If you are divorced, it is especially important to review your beneficiary designations to ensure your benefits will be distributed according to your wishes. Effective July 7, 2008, beneficiary designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final. An exception applies if the terms of a DRO specify otherwise. Beneficiary designations may be revoked for the Ordinary Death Benefit, Cash Refund Initial Value option (Tier 1), Cash Refund Contributions option (Tiers 1 and 2) and Five and Ten Year Certain options. The Survivor Benefit beneficiary designations made by retirees who chose the Single Life Allowance option or certain alternative options may also be revoked.

For more information about our fillable DRO template and how divorce may affect retirement benefits, please visit our Divorce and Your Benefits page at [www.osc.state.ny.us/retire/members/divorce/index.php](http://www.osc.state.ny.us/retire/members/divorce/index.php). If you have any questions, you or your legal representative should email our Matrimonial Bureau at [dro@osc.state.ny.us](mailto:dro@osc.state.ny.us).

# Vested Retirement Benefit

## ELIGIBILITY

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You are eligible for a vested retirement benefit if you leave public employment before age 55 and you have met the minimum service requirement. Tier 3 members must have five years of credited member service. Tier 5 and 6 members must have ten years of credit. When you reach age 55, you will be entitled to a retirement benefit based on your age, service and your earnings when you were an active member.

Tier 3 and 5 members may receive your full vested benefit at age 62, or may choose early retirement between ages 55 and 62 and receive a reduced benefit. Tier 6 members may receive your full vested benefit at age 63, or may choose early retirement between ages 55 and 63 and receive a reduced benefit.

## YOUR VESTED BENEFIT

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Your vested retirement benefit would be calculated in the same way as the service retirement benefit. For an explanation of the benefit, please refer to the *Service Retirement Benefit* section.

The vested retirement benefit is payable for your lifetime. You must elect one of the available payment options, some of which provide, after your death, for a continuing payment to a designated beneficiary of your choosing.

## FILING

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To receive your vested retirement benefit at the earliest possible date, file a retirement application within 90 days before your 55th birthday. If we receive your retirement application after your 55th birthday, your vested retirement will be effective the date the application is received.

**Remember, it is up to you to file a retirement application when you become eligible and wish to receive your benefit.**

# Disability Retirement Benefit

## DISABILITY RETIREMENT BENEFIT (SECTION 507-a)

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### Eligibility

To qualify for this disability retirement benefit, you must have at least ten years of credited service, unless your disability results from an accident you sustain on the job. If your disability results from an on-the-job accident, not due to your own willful negligence, there is no minimum service requirement.

### The Benefit

This is a benefit equal to the greater of:

- 1.66 percent of your FAS for each year of credited service; or
- 1.66 percent of your FAS for each year of credited service, plus 1.66 percent of your FAS for each year of service you might have earned if you worked to age 60, but not more than one-third of your FAS.

This benefit is subject to 100 percent escalation for changes in the cost of living. However, once you become eligible for COLA, your benefit will include whichever adjustment provides the greater increase.

If you are 60 or older at the effective date of your disability retirement, your ordinary disability benefit would be equal to the benefit that would be payable to you as a service retirement without any reduction for early retirement.

You must select an option for the payment of your disability benefit.

## Filing

You, your employer or someone authorized with your power of attorney may file your application for disability retirement benefits. After filing an application, you may be asked to undergo one or more medical examinations. The application for disability retirement must be filed while in active service, or:

- Within three months of the last date you were paid on the payroll; or
- Within 12 months of the last date you were paid on the payroll if you were terminated from employment while on an authorized medical leave of absence or while receiving Workers' Compensation benefits at the time of your termination.

## PERFORMANCE OF DUTY DISABILITY (SECTION 507-b)

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### Eligibility

You may be entitled to this benefit if you are permanently physically or mentally disabled for the performance of the duties of your position because you:

- Are injured while performing your job by, or as a result of, an act of any inmate or person confined in an institution under the jurisdiction of the New York State Department of Corrections or Office of Mental Health; or
- Contract HIV (where there may have been exposure to bodily fluids of an inmate that may have involved transmission of this disease), tuberculosis or hepatitis as a result of performing your job; or
- Contract heart disease and, on entry into service, you passed a physical examination that failed to reveal any evidence of heart disease. It is presumed that the heart disease was contracted in the performance of duty unless disproved by competent evidence to the contrary. If you apply for disability benefits under the heart disease presumption, you must be employed on the date you file.

## The Benefit

If approved, the performance of duty disability retirement benefit is a lifetime pension equal to three-quarters (75 percent) of your FAS.

You must apply for Workers' Compensation if you are eligible. The benefit is reduced by the total amount of Workers' Compensation benefits that you receive or are entitled to receive.

You must also select an option for the payment of your disability benefits.

## Filing

You, your employer or someone authorized with your power of attorney may file your application for performance of duty disability retirement.

The application must be filed while you are still in service or within two years of your discontinuance from service. When filing for this benefit, "in service" is defined as while you are:

- Being paid on the payroll;
- On an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- Receiving Workers' Compensation or other similar employer-funded benefits for up to two years since last being paid on the payroll, as long as you have not resigned or been terminated from employment while receiving these benefits.

If you are eligible, applications for ordinary disability, performance of duty disability, accidental disability, and regular service retirement benefits may be filed simultaneously.

## **OTHER DISABILITY RETIREMENT BENEFITS (SECTIONS 506 & 507)**

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You may be eligible to apply for disability benefits under Section 506 or 507 of the RSSL if you:

- Joined the Retirement System before September 1, 1983; and
- Are awarded primary Social Security disability benefits.

For more information about these benefits and the eligibility and filing requirements for them, please contact us.

# Death Benefit

## ORDINARY DEATH BENEFIT

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Your beneficiary may be entitled to an ordinary death benefit in lieu of a monthly pension if you meet the eligibility requirements and your death is not attributable to an on-the-job accident. The beneficiaries of active (not retired) members generally are not entitled to a monthly pension benefit. The first \$50,000 of this benefit is paid in the form of group term life insurance, which is currently exempt from federal income tax. Your accumulated contributions are also payable to your beneficiary.

### Eligibility

An ordinary death benefit may be payable to your designated beneficiary if you have completed at least 90 days of service since last joining the Retirement System and your death occurs:

- While you are on the payroll in public service;
- While on an authorized medical leave of absence without pay;
- While receiving Workers' Compensation, or other employer-funded benefits, for up to two years (which may be extended for an additional two years) following the last date you were paid on the payroll, provided your employment has not been terminated by resignation, employer action, retirement, or any other means while receiving those benefits; or
- Within 12 months of the last date you were receiving salary, on an authorized medical leave of absence or receiving Workers' Compensation or other employer-funded benefits, provided you were not otherwise gainfully employed or retired during that period.

## **The Benefit**

This benefit would equal three times your earnings, raised to the next highest multiple of \$1,000. The earnings are limited by Section 130 of the Civil Service Law.

## **Out-of-Service Death Benefit**

If you are a vested member with at least ten years of credited service, have not retired and you die more than one year after leaving public employment, 50 percent of the death benefit may still be payable. This benefit is also payable if you die within one year of leaving covered service but were gainfully employed during that time.

## **Filing**

Your family or employer should notify us of your death as soon as possible so we can send the appropriate forms to your beneficiary.

## ACCIDENTAL DEATH BENEFIT

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### Eligibility

Regardless of your years of service credit, if you should die as the direct result of an on-the-job accident not due to your own willful negligence, an accidental death benefit may be payable on your behalf.

### The Benefit

The accidental death benefit is a pension equal to one-half (50 percent) of your FAS. The benefit is subject to 100 percent escalation for changes in the cost-of-living. It is paid to the following family beneficiaries,\* in this order:

- First, to your surviving spouse who has not renounced survivorship rights in a separation agreement, until remarriage; or
- Second, where there is no surviving spouse or in the event of his or her death or remarriage, to your surviving children until age 25; or
- Third, where there is no surviving spouse or children, to your dependent parent or parents, as determined under regulations established by the Comptroller; or
- Finally, where there is no surviving spouse, children or dependent parent, to any other person who qualified as a dependent on your final federal income tax return or the return filed in the year immediately preceding the year of your death, until this person reaches age 21.

\* All beneficiaries would be eligible for annual COLAs after receiving the accidental death benefit for five years.

If all the beneficiaries listed become ineligible for benefit payments, and the payments made to that time do not equal or exceed the amount of the ordinary death benefit that would have been payable at the time of death, we will pay the difference to your designated beneficiary or to your estate. If you have no beneficiaries as listed above, we will not pay the accidental death benefit but will pay the applicable ordinary death benefit to your last designated beneficiary or your estate.

## **Filing**

Your family or employer should notify us of your death as soon as possible so we can forward the appropriate forms to your beneficiary. The application for the accidental death benefit must be filed within two years of your date of death.

## World Trade Center Presumption

If you participated in the World Trade Center rescue, recovery or cleanup efforts, and you were a member of the Retirement System at that time, you should be aware of the benefits provided by the World Trade Center Presumption law.

- You may be eligible for an accidental disability retirement benefit if you become permanently disabled and unable to perform your job due to a qualifying condition.
- You may be eligible to reclassify your service or disability retirement benefit to an accidental disability retirement benefit if you develop a qualifying condition after you retire.
- Certain family beneficiaries may be eligible to receive an accidental death benefit if you die from a qualifying condition.

There are specific eligibility requirements and filing deadlines that must be met for these benefits. For more information, visit our World Trade Center Presumption page at [www.osc.state.ny.us/retire/publications/world\\_trade\\_center/index.php](http://www.osc.state.ny.us/retire/publications/world_trade_center/index.php).

# Receiving Your Benefit

## APPLYING FOR BENEFITS

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To apply for all Retirement System benefits, you must file the appropriate application form with the Office of the State Comptroller in a timely manner. Forms are available from our website, our Call Center or your employer. Specific filing instructions are detailed in each benefit description. If you need help, you can call or write us, or make an appointment to speak with an Information Representative at one of our consultation sites located throughout New York State.

### Filing With the Office of the State Comptroller

For a form to be considered as “filed with the Comptroller,” it must be received by our Albany office, one of our consultation sites, or another office of the State Comptroller. **Giving your employer the form does not mean that you have “filed with the Comptroller.”**

## Important Filing Deadlines

Many retirement benefit applications and other documents are required by law to be filed with the Office of the State Comptroller within specific time limits (such as the 15-day filing requirement for your retirement application or the deadline to submit your option election form). As an alternative to visiting our offices to file these time-sensitive documents personally, you can fulfill the filing requirements by submitting the documents to us by mail.

If you are concerned about meeting a filing deadline, you may choose to submit your documents by certified mail or by fax:

- **Certified Mail** — If you mail a document “Certified Mail — Return Receipt Requested,” we will consider it as having been filed on the same date it was mailed once it is delivered to us by the Post Office.
- **Fax** — To send the document to us by fax, please include your name, retirement registration number, phone number and the person or department you wish to reach. Although we will consider the form as filed on the date the fax is received, you must still mail us the original document to continue the process and properly complete the filing requirement.

**Service retirement documents** (Retirement Application, Option Form, proof of your date of birth) can be faxed to our Benefit Calculation and Disbursements Bureau at 518-402-2498.

**Disability retirement documents** can be faxed to the Disability Services Bureau. For applications in-process or to apply for a disability retirement benefit, documents can be faxed to Disability Processing at 518-474-3091. Documents for approved disability retirement applications (Option Form, proof of your date of birth) can be faxed to Disability Calculations at 518-408-3766.

**Member documents** (Designation of Beneficiary Forms) can be faxed to our Member and Employer Services Bureau at 518-474-9438.

### **Filing Multiple Applications**

Should you become ill or disabled and unable to perform your duties, depending on the circumstances, you may be eligible to file applications “without prejudice” for disability and regular service retirement benefits simultaneously. “Filed without prejudice” means we will process all filed applications and, if more than one benefit is approved, you will be given the opportunity to choose your pension from the approved benefits.

## CHALLENGING A DETERMINATION

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We can pay only those benefits authorized by law, and cannot pay you any benefits if you do not meet all the eligibility requirements established by law. If you believe that your benefit has been incorrectly denied or improperly calculated, you may request a hearing and redetermination to be held before an independent hearing officer.

Your request must be in writing and filed with the Hearing Administration Bureau within four months of the determination. As an alternative, you can email your request for a hearing and redetermination to our Hearing Administration Bureau at [Hearings@osc.state.ny.us](mailto:Hearings@osc.state.ny.us). We will send you an acknowledgment letter with an explanation of the hearing process when we receive your written request. If you have questions regarding the hearing process, please review our Administrative Hearing FAQs at [www.osc.state.ny.us/retire/members/hearing\\_faq.php](http://www.osc.state.ny.us/retire/members/hearing_faq.php), email the Hearing Administration Bureau or call us at 1-866-805-0990 or 518-474-7736 in the Albany, New York area.

# How to 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. Use these tips to help you understand your benefits and stay informed.

- Connect with us on social media.
  - Subscribe to our blog, *New York Retirement News* ([www.nyretirementnews.com](http://www.nyretirementnews.com)), where you'll find tools to help you understand your benefits, as well as important Retirement System news.
  - You can also like us on Facebook ([www.facebook.com/nyslrs](http://www.facebook.com/nyslrs)) and follow us on Twitter ([www.twitter.com/nyslrs](http://www.twitter.com/nyslrs)) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our free email newsletter, for the latest retirement news. It includes a special section dedicated to pre-retirement planning.
- Read the member newsletters we publish for current retirement information and updates on your benefits.
- Review your Member Annual Statement carefully and correct any errors quickly.
- Visit our website frequently to learn about your benefits, download forms, read informative booklets and brochures, and get tips on preparing for retirement.

- Attend a pre-retirement presentation to learn about the retirement process, find out what you can expect and discuss post-retirement issues. At your employer's request, we offer these presentations designed for members within five years of retirement eligibility.
- Make an appointment to visit any of our consultation sites where you can meet with an Information Representative to discuss special concerns or request specific information.
- Notify us if your mailing address changes, so you can stay up-to-date about benefits. This is especially important if you leave public employment before you are eligible to retire.
- Contact us with any questions you have about your benefits.

**Email:** Visit our website at [www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php) and click on "Contact Us"

**Phone:** 1-866-805-0990 or 518-474-7736 if you live in the Albany, New York area

**Mail:** New York State and  
Local Retirement System  
110 State Street  
Albany, NY 12244-0001

## About This Publication

This retirement plan summary describes the benefits available to Tier 3, 5 and 6 Employees' Retirement System members covered by the State Correction Officers and Security Hospital Treatment Assistants Plan (Article 14-CO). These benefits are provided by Article 2, Section 89, and Article 14 of the New York State Retirement and Social Security Law (RSSL) as enacted by the New York State Legislature.

Throughout this publication, you will find references to "Sections" and "Articles" that refer to the RSSL. The New York State and Local Retirement System, headed by the Comptroller of the State of New York, administers this plan. Our main office is in Albany, New York.

This publication is a general summary of membership 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.

**VO1526**

Printed: 1/16

Content Last Revised: 6/15

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Employees' Retirement System

Printed on recycled paper

