



A Message from Comptroller Thomas P. DiNapoli

As Trustee of the New York State Common Retirement Fund, my responsibilities include overseeing State pension fund investments on behalf of more than one million members, retirees and beneficiaries of the New York State and Local Retirement System. I am proud to report that the Retirement System remains among the best-funded public pension systems in the country.



The Common Retirement Fund ended the State fiscal year 2013-2014 with a value of \$176.8 billion, and prudent management is helping us nurture the Fund's growth now despite market volatility. Last year, the Retirement System paid out \$9.9 billion in pension payments to retirees and beneficiaries, the vast majority of whom continue to live in New York, where their spending contributes to State and local economies and communities.

In September, I announced another decline in employer contributions rates. The average contribution rate for the Employees' Retirement System (ERS) will decrease by about 9 percent, from 20.1 percent of payroll to 18.2 percent of payroll. The average contribution rate for the Police and Fire Retirement System (PFRS) will decrease by about 11 percent, from 27.6 percent of payroll to 24.7 percent of payroll.

I'm happy to report that we are making progress on our multiyear project to introduce a new information technology system that will increase efficiency and enable the Retirement System to serve its members and employers better. As the project is completed, the System will offer employers improved online options, including automated enrollments, and the ability to submit and track payments electronically.

The overall health of our pension system is vital to our State's economy, enhancing the quality of life for all New Yorkers. My staff and I look forward to working with you to ensure the continued success of the New York State and Local Retirement System.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Tier 6 Members — Possible Change in Contribution Rate

This year, you may notice a change in the employer Variable Contribution Rate (VCR) online application. There will be a new column for the Tier 6 members whose contribution rate is based on what they earned two years prior.

April 2015 will be the first time since Tier 6 began in April of 2012 that the "Two-Year Look Back" procedure will determine Tier 6 member contribution rates. In other words, for members who joined the Retirement System between April 1, 2012 and March 31, 2013, the contribution rate for the upcoming 2015-2016 fiscal year will be based on their earnings from April 1, 2013 through March 31, 2014. For members who joined less than three years ago, however, the contribution rate will still be based on the annual salary provided to us on their Retirement Membership Application. The legislation that created Tier 6 established this method for determining contribution rates.

Remember, you do not need to determine your Tier 6 employees' contribution rates. Through the VCR application, the Retirement System provides you with the rate for each

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of your Tier 6 employees for the upcoming fiscal year. We contact employers in March to let you know when the VCR application will be available. You can then access the VCR application by logging on to your Online Programs. Please use the Tier 6 rates we provide in the VCR application for the entire upcoming fiscal year.

For questions or for help with your employer Online Programs, please visit our VCR web page at www.osc.state.ny.us/retire/employers/vcr, or email us at RTempSer@osc.state.ny.us.



Online Services Coming This Year

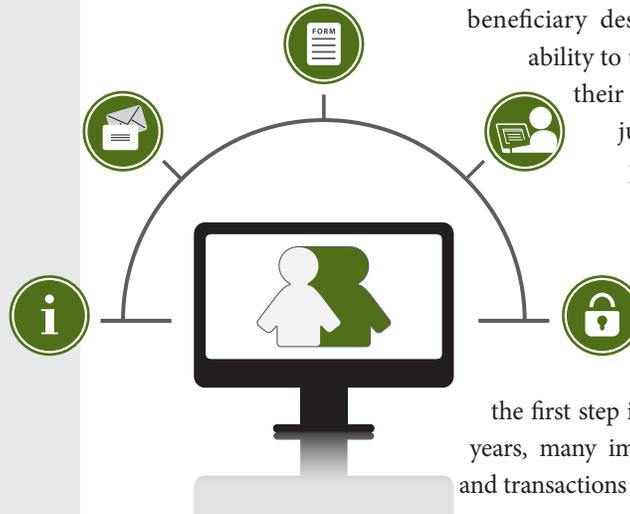
Later this year, the Retirement System will introduce new web-based applications for our employers, members and pensioners. These tools will provide greater access to information and simplify account administration.

The project will be launched in three phases, each providing new online capabilities. The first phase of the project will allow members to view their benefit information, update their address and other personal data, request a loan and manage their

beneficiary designations. Pensioners will have the ability to update their personal information and their mailing address. These capabilities are just the beginning of what we have planned, and will eventually replace our current Retirement Online services.

Employers will be able to perform simple tasks like managing their contact information and participating in training and education, but this is just

the first step in a multiyear effort. Over the next few years, many important employer reporting functions and transactions will be moved to the new system.



To help guide us in this effort, the Retirement System has brought together a group of employers from across the State to serve on the Employer Advisory Council (EAC). EAC members come from State agencies and local governments of all sizes, types and regions. They represent a broad cross-section of our participating employers. The EAC's role is to advise the Retirement System of potential impacts to employers and members throughout the life of the project.

The EAC will give the Retirement System feedback on employer business needs. This will help us do a better job of developing training, planning for deployment and preparing you to transition to using the new system.

Before any new features are released, you will receive the information and support you need to make the transition to using these new tools smooth and successful.

Later this year, you will receive information about establishing your new Retirement System online account. We look forward to working with you as we take these first steps toward moving into the future.

The deadline to file a World Trade Center Notice (RS6047-N) has been extended to September 11, 2015. If your employees participated in the World Trade Center rescue, recovery or cleanup efforts and meet certain eligibility requirements, we encourage them to file a notice. For more information, visit our World Trade Center Presumption page at www.osc.state.ny.us/retire/publications/world_trade_center/index.php.

Tier 5 & 6 Overtime Limits

The limits on the amount of overtime to include on your monthly report for Tier 5 and 6 members can be confusing. These statutory reporting limits differ between tiers and retirement systems, and, for Employees' Retirement System (ERS) members, change annually based on either a calendar or a fiscal year:

	Employees' Retirement System	Police and Fire Retirement System
Tier 5	Changes each calendar year and increases 3 percent per year. Cap for calendar year 2015: \$17,389.11; for 2016: \$17,910.78	For both Tier 5 and 6 members, PFRS overtime is limited to 15 percent of salary, and this percentage does not vary.
Tier 6	Changes each fiscal year based on the consumer price index as of December 31 of the previous year. Cap for fiscal year 2015-2016: \$15,608.00	

For all Tier 5 and 6 members, once the cap has been reached, you should not report any additional overtime paid to that member. For ERS members, you would begin reporting overtime again at the beginning of the new calendar year for Tier 5, and the new fiscal year for Tier 6.

If you have reported overtime payments above the limit, you must submit an adjustment report to adjust out the overtime reported over the cap. Any excess overtime payments not corrected by March 31 will be included as salary when determining your annual invoice amount.

Overtime limits and more information about reporting overtime can be found on page 5-36 and 5-37 of the *Employer's Guide* (VO1700), which is available on our publications webpage at www.osc.state.ny.us/retire/publications.

Online GASB Help On the Way

We understand that you may be concerned about the new Governmental Accounting Standards Board (GASB) accounting and financial reporting standards. That's why we are building a new online application that will provide you with information you need to comply with the new standards.

Issued by GASB in June 2012, the standards require employers to report on their financial statements their proportionate share of the collective net pension liability to the extent that total plan pension liability exceeds plan net assets. However, employers will not have to determine this amount. NYSLRS will calculate the net pension liability, pension expense and deferred inflows/outflows annually based on current actuarial and financial information. We will also assist with the related disclosures.

All of this information will be available to you in the online application, which we expect will be available by July 2015. You will be able to access the application via our employer web portal — the same portal you use to obtain your Annual Invoice, Estimate and Projection, and to access other online programs.

As with all the online programs we offer, this new application will be a secure site. You must have a username and password to enter. If you use the online Salary Listing, you will have access to the GASB application and can use your Salary Listing username and password to log on.

We know complying with these new standards is complex. We will make every effort to simplify the reporting process for you. Should you have any questions, please email us at NYSLRS_GASB@osc.state.ny.us.

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News Blog

Lump Sum Payments for Certain ERS Members

New York State county governments may now offer a Partial Lump Sum (PLS) payment option to their sheriffs, undersheriffs, deputy sheriffs and correction officers by adopting a resolution. This new benefit was established by Chapter 135, Laws of 2014, and became effective July 22, 2014.

Previously available only to certain PFRS members, a PLS distribution is a single payment equal to a percentage of the initial value of a member's pension benefit and is paid when we finalize the retirement calculation. The percentages available (5, 10, 15, 20 or 25 percent) depend on the number of years a member has been eligible to retire under a special 20- or 25-year plan, regardless of age.

If a member chooses to receive a PLS payment, his or her lifetime monthly benefit will be permanently reduced and future cost-of-living adjustments will be based on the amount of the reduced annual service retirement benefit. Members can choose to have the PLS payment made directly to them or paid by a direct rollover to an Individual Retirement Account (IRA) (traditional or Roth) or other eligible plan that accepts rollovers. Payments made directly to members or rolled into a Roth IRA are subject to federal income tax.

If you are a county interested in adopting this new benefit, please call our Member & Employer Services Bureau at 518-474-0167 so we can ensure you have the correct resolution needed to elect the PLS option.



The *Employer Forum* is a semiannual newsletter published by the New York State and Local Retirement System for participating employers.

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IMPORTANT DATES & DEADLINES

APRIL

Variable Contribution Rate Available Online

MAY

Member Annual Statement Mailing Begins

JUNE

Prior Years' Adjustment & Salary Listings Available Online

AUGUST

2016 Estimates Available Online

SEPTEMBER

2017 Projections Available Online
2017 Rates Issued