

retiree notes

A Message from Comptroller Thomas P. DiNapoli



As head of the New York State and Local Retirement System (NYSLRS) and Trustee of the New York State Common Retirement Fund (Fund), I am pleased to report that the Fund ended the State fiscal year 2014-2015 with a value of \$184.5 billion. The Fund is the third largest public pension fund in the country and NYSLRS remains among the nation's best-funded and best-managed public pension plans.

During the past fiscal year, we paid \$10.3 billion in pension payments to 430,308 retirees and beneficiaries, the vast majority of whom (78 percent) continue to live in New York, and continue to contribute to State and local economies and communities. Your pension is a sound investment in New York's future. In addition to helping you achieve financial security it pays dividends to local businesses and helps create jobs.

I'm also happy to report that NYSLRS' new self-service portal, *Retirement Online*, will be available soon. The new portal will enable you to access and manage your account information and provide you with web-based tools that will make it easier and more convenient to do business with us. It is part of a multiyear project to modernize our computer system, which will streamline our processes and improve our service to you. You'll find more information about the portal on page 4, and you should watch for more information about it in upcoming NYSLRS publications.

As always, feel free to contact my office with retirement-related questions or comments you might have. In addition, you can stay informed about NYSLRS on Twitter at www.twitter.com/nyslrs, Facebook at www.facebook.com/nyslrs and our blog at www.nyretirementnews.com.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Defined Benefit Plans Work

As a retiree of the New York State and Local Retirement System (NYSLRS), you are fortunate to have a defined benefit (DB) pension plan. With a DB plan, your pension benefits are guaranteed for your life and determined by a preset formula, which includes your service credit and final average salary. However, many employees in the United States, particularly in the private sector, are enrolled in 401(k)-style plans. The ultimate value of these plans is based on the contributions to the plan and investment returns. While 401(k) plans and other individual retirement accounts can be a great way to supplement your pension and Social Security payments, they do not provide the same level of security as DB plans. Unlike your pension, these plans do not guarantee a lifetime benefit.

According to Comptroller Thomas P. DiNapoli, "Dollar for dollar, defined benefit plans are more cost effective and certainly do a better job of providing retirement security. 401(k)-style plans come with a greater cost and there are greater risks involved." In fact, a recent report from the National Institute on Retirement Security states that DB plans are 48 percent less costly than 401(k)-style plans.

continued on page 3

Need to Change Your Bank Account?

We are pleased to report that 91 percent of pensioners are now taking advantage of our direct deposit service and having their monthly benefit deposited directly into the bank account of their choice.

To enroll in direct deposit, or if you are already enrolled but wish to switch your deposit to a different bank, you'll need to submit a completed Direct Deposit Enrollment Application (RS6370), available on our website or from our Call Center. Be sure to either attach a voided check or have a bank representative complete Section 3.

If you want to change your current direct deposit information within the same bank, either complete a new Direct Deposit Enrollment Application, or have the bank fax the following information to us on their letterhead:

- Your name
- Retirement or registration number
- Old and new routing and account numbers
- Signature of a bank representative.

Direct deposit is faster and more secure than mail. Your money is automatically deposited in your account, even if you are away from home, and it's easy to enroll. Should you need to cancel direct deposit and have your check mailed, please notify us by sending your request to:

New York State and
Local Retirement System
Attn: Direct Deposit
110 State Street
Albany, NY 12244-0001.

Include your name, address, retirement number and signature. We cannot accept an emailed request, but your letter can be faxed to 518-473-5323.

Should You File a Power of Attorney?

Many retirees choose to have a trusted friend or family member named as a Power of Attorney (POA) in case of emergency, hospitalization or unexpected admission to a nursing home. A POA is a document, generally notarized or prepared by an attorney, which gives a person you name the authority to act on your behalf. Sometimes, a retiree asks a family member to call us for clarification of a letter we sent or for guidance on benefits. Unfortunately, we cannot release benefit information to that family member without the retiree's permission, unless the caller is named on a POA.

You should be aware that the person you name on your POA (your agent) would be able to make address changes, change your tax withholding, request Retirement System information on your behalf and make changes to bank account information if proper authority is granted. A Statutory Gift Rider (an attachment to the POA) needs to accompany or be made a part of the POA if you intend for your agent to have the authority to deposit money into a joint bank account or to designate or change beneficiaries. Please note that we cannot deposit money into an account that does not have your name on it.

In lieu of using a New York State Statutory POA and Gift Rider, you can use the Retirement System's own combined POA form which meets New York State's legal requirements. This form is limited to retirement benefit transactions and does not apply to any other matters. You can find the Retirement System form at www.osc.state.ny.us/retire/forms/poa.pdf.

A durable power of attorney is a powerful document. Once you appoint someone as your power of attorney, that person may act on your behalf with or without your consent. We strongly urge you to consult an attorney before you execute this document. Should you choose to send us a POA, photocopies are acceptable.

STAY CONNECTED WITH
 NYSLRS

LIKE. FOLLOW. SHARE.

Following our NYSLRS news blog and connecting with us on Facebook, Twitter and YouTube can help you keep up to date on all the Retirement news that's important to you.

Subscribe to our news blog: NYRetirementNews.com

Like our page: Facebook.com/NYSLRS

Follow our feed: Twitter.com/NYSLRS

Subscribe to our page: YouTube.com/NYSLRS



What Happens if I Divorce After Retirement?

Will divorce affect my monthly retirement payment?

We will not recalculate your pension benefit due to a divorce after you are retired; however, if we receive an income execution order from a court instructing us to pay alimony, we will deduct the court-ordered amount from your retirement benefit to pay your ex-spouse.

When I retired, I elected an option that would leave a lifetime benefit payment to my spouse upon my death. Now that we are divorced, can I remove my ex-spouse from my option or change my option?

A retirement option becomes irrevocable 30 days after the date the retirement benefit is payable. For options that provide a lifetime payment to a beneficiary (the Joint Allowance options), the beneficiary designation is also irrevocable after the 30-day period.



I elected an option that allows me to change my beneficiary at any time. I also named beneficiaries for a post-retirement death benefit. Would a divorce, annulment or judicial separation affect those designations?

Effective July 7, 2008, the designation of your spouse as beneficiary of certain benefits is revoked if you get a divorce, annulment or judicial separation and we receive written notice, unless a Domestic Relations Order (DRO) specifies otherwise. If you wish to keep your ex-spouse as beneficiary, you must re-designate him or her after the date of the divorce, annulment, or judicial separation.

For more information about how divorce may affect your retirement benefits, please visit our Divorce and Your Benefits web page at www.osc.state.ny.us/retire/members/divorce/index.php.

Skip the Phone Call

Let's face it: understanding the ins and outs of the Retirement System can be a little tricky. And, while our Call Center is extremely helpful in answering your questions and directing you to the appropriate forms you need, it is not always necessary to call us. We have simplified the steps you need to take by giving you direct access to information and forms.

Did you know that you can find answers to most of your basic retirement questions right on our website? You can also access the forms you need for important things like address changes and direct deposit enrollment.

Visit us at www.osc.state.ny.us/retire/contact_us/index.php and look in the Commonly Asked Questions section. You will find that this helpful link could save you a phone call and some time.

Defined Benefit Plans Work

Continued from page 1

Your defined benefit plan works because:

- By pooling the longevity risks of over one million members and retirees, NYSLRS is able to provide you with the security of a lifetime pension benefit without the risk of you outliving your savings — a possibility under a 401(k)-style plan.
- NYSLRS can maintain an optimally balanced investment portfolio. To lower risk, participants in 401(k)-style plans generally reduce their investments in the stock market the closer they get to retirement.
- As an institutional investor, NYSLRS generally pays lower fees and achieves higher returns on investments compared to individual investors in a 401(k)-style plan.

The New York State Common Retirement Fund is strong and secure, and our defined benefit pension system has served New York State and local employees well for over 90 years.



New York State & Local Retirement System

110 State Street, Albany New York 12244-0001



Retiree Notes is a semiannual newsletter for retirees of the New York State and Local Retirement System.

State Comptroller: Thomas P. DiNapoli

Deputy Comptroller: Thomas Nitido

Assistant Comptroller: Melanie Whinnery

Editor: June Hughes

Writers: Tracy Teschka and Linda Viola

Graphic Artist: Sonja Tzambourakis

Send your comments by email to:
nysretnews@osc.state.ny.us

or write to:
NYSLRS
Retirement Communications
110 State Street
Albany, NY 12244-0001.

Retirement Online

Coming in 2016

Some of our retirees spend part of the year at one home and part at another. For them, this can make it complicated to receive mail at the correct address.

Starting next year, the Retirement System will introduce new web-based tools that will make changing your address a snap — it's our new *Retirement Online* system. And here's something really convenient — you'll not only be able to change your address, but you can also set the date that the address change takes effect.

That's just one online tool that will make your benefit information more accessible. Instead of making a phone call, mailing in forms or sending a fax, our new online services will give you instant access to certain account features.

We understand that doing business online is not for everyone. So, using the online system is completely optional, and you will still be able to contact us and conduct Retirement System transactions the same ways that you do now.

Watch for more information about opening a new online account in upcoming Retirement System publications and on our website, the *New York Retirement News* blog and our Facebook and Twitter pages.