

retiree notes

A Message from Comptroller Thomas P. DiNapoli



As the Administrative Head and Trustee of your Pension Fund, I am committed to safeguarding your pension benefits and taking deliberate steps to grow and protect the Fund's assets.

The New York State and Local Retirement System (NYSLRS) is consistently ranked as one of the best-managed and well-funded pension systems in the country. We retain this status by looking for ways to improve the investment performance of the Fund, as well as by preserving the financial integrity of the Fund through preventing and prosecuting pension fraud and abuse.

We cannot control or predict the investment market; however, we can position ourselves to weather market storms and reap market benefits. Our management of the Fund's assets is guided by a diversified investment strategy developed to obtain the best possible returns with the least amount of risk. Although the investment markets have experienced periods of downturn, the Pension Fund has achieved positive performance in each of the past seven years. As of March 31, 2016, the Fund had net assets of \$178.6 billion.

We recognize that pension plans are not exempt from fraud attempts, so we build in measures to discourage these attempts. As an added measure to combat fraud, I have partnered with Attorney General Eric T. Schneiderman to conduct joint investigations under Operation Integrity. This effort has resulted in dozens of convictions and millions of dollars in restitution. The clear message to anyone who tries to defraud our pension system is that we will find you and you will pay.

My commitment to you and to all NYSLRS retirees, beneficiaries and members is to continue to do our very best to keep your pension safe and secure.

Sincerely,

Thomas P. DiNapoli
State Comptroller

Breaking Down COLA Payments

A cost-of-living adjustment (COLA) payment is a change, based on the cost-of-living index, which permanently increases your retirement benefit. It is designed to partially offset inflation.

To begin receiving COLA payments, you must be:

- Age 62 or older and retired for five or more years;
- Age 55 or older and retired for ten or more years (uniformed employees such as police officers, firefighters and correction officers covered by a special plan that allows for retirement, regardless of age, after a specific number of years);
- A disability retiree for five years;
- The spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement (an eligible spouse is entitled to one-half the COLA amount that would have been paid to the retiree); or
- A beneficiary receiving the accidental death benefit for five or more years on behalf of a deceased NYSLRS member.

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Read This *Before* You Return to Work

You need to be aware of the laws governing post-retirement employment if you want to work as a public employee in New York State after you retire. **Failure to follow these laws may result in a reduction or suspension of your pension.**

For most service retirees under the age of 65, Section 212 of the Retirement and Social Security Law (RSSL) limits yearly earnings from public employment to \$30,000. (Different limits apply to disability retirees.)

If a public employer wishes to hire you as a retiree, and your earnings will exceed the annual Section 212 limit, the employer may seek approval to hire you under (RSSL) Section 211. The employer must make a strong case that your employment is unique and critical to the operation of the organization, and that there are no other qualified candidates for the position. Approval from the appropriate agency — usually the New York State Department of Civil Service — must be granted **before** you return to work. You cannot return to the same or a similar position for a period of one year following retirement under Section 211.

If you earn more than the Section 212 limit and your employer does not get approval to hire you under Section 211, your benefit will be suspended if you earn over \$30,000 in the calendar year.

For more information about working after retirement, visit our website at www.osc.state.ny.us/retire/members/working_after_retirement.php.

Have Questions?

Did you know that you can find answers to many of your questions right on our website?

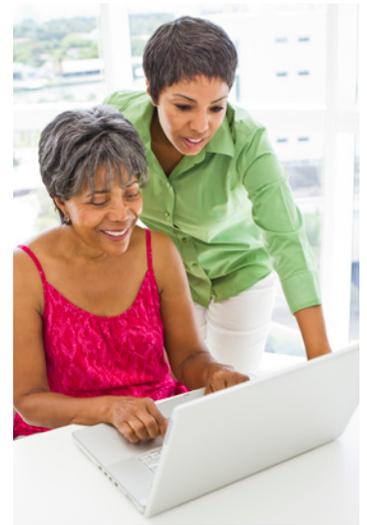
Our newly updated Contact Us page (www.contactNYSLRS.com) answers the questions retirees ask the most. For example; how do I get a pension verification letter or a copy of my 1099-R tax form? How do I sign up for direct deposit or change my bank information?

Our Retirees webpage (www.osc.state.ny.us/retire/retirees/index.php) provides links to many helpful resources, such as the Pension Payment Calendar and interactive tutorials that can help you understand your 1099-R tax form and complete a W-4P withholding form.

Click on “Publications” at the top of the page to read booklets written especially for retirees, such as *What if I Work After Retirement* (VO1648) or *Getting Your Affairs in Order and A Guide for Your Survivors* (VO1874).

You can also use our automated phone service, 24 hours a day, by calling 1-866-805-0990 (518-474-7736 in the Albany, New York area). Without waiting to speak to a representative, you can follow the automated prompts to get certain information about your personal retirement account, such as your current Cost-of-Living Adjustment (COLA) amount, when you will be eligible to receive COLA, and your current federal tax withholding amount. You can also use this service to have forms mailed to you.

If you don't find the answers you need on our website or through our automated phone service, you can speak to a customer service representative during regular business hours, or visit our Contact Us page to email or write to us.



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 NYSLRS

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Retiree Survey Results

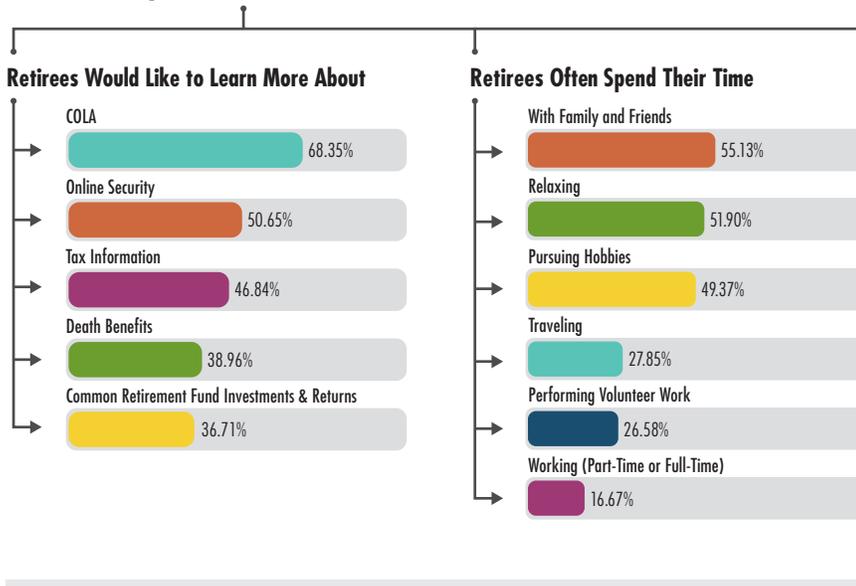
Your responses to our recent survey showed that NYSLRS retirees are more interested in reading about cost-of-living adjustments (COLA) than any other retirement-related subject.

The online survey, which was published in *News & Notes* this past February, found that 68 percent of respondents want to read more about COLA payments.

Online security finished second. Tax information, Common Retirement Fund investments and death benefit stories were all runner ups.

Besides “What retirement-related topics would you like to learn more about?”, we also asked how you spend your time.

What’s Important to NYSLRS Retirees?



A Fresh Look for NYSLRS

We are pleased to officially introduce you to our new logo.

Why the change? Our previous logo had represented the New York State & Local Retirement System (NYSLRS) for more than three decades and had become a bit dated. We needed a logo that reflected where we are today and where we are heading. It was time for a fresh, new look.

You may have noticed that our new logo is already on our website and is being incorporated in other places, like this newsletter. When we’re finished, you’ll see the new NYSLRS logo on letters, forms and publications, online and in print. And when you see it, you’ll know the information can be trusted because it’s from your retirement system.



Taxes and Your Pension

Your pension benefit isn’t subject to New York State or local taxes, but it is subject to federal income tax.

You can change your withholding status or deductions at any time by submitting a new W-4P form, available at www.osc.state.ny.us/retire/forms/form_w-4p.pdf. If you need help deciding how much you want withheld based on your marital status and number of exemptions, you can use our online Federal Tax Withholding Calculator (www.osc.state.ny.us/retire/retirees/tax_services_information.php) to see how much, if any, would be deducted from your retirement benefit based on federal withholding tables.

You may want to consult with a tax professional for help determining the amount that should be withheld from your monthly benefit, especially if you have multiple sources of taxable income.

Breaking Down COLA Payments

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Your first COLA payment will be included in your pension benefit the month after you become eligible for a COLA. This payment will include the prorated portion due for the month in which you became eligible, plus the COLA for the month you receive the payment. Once you become eligible and receive your first COLA payment, subsequent COLA adjustments will continue automatically each September.

The COLA received by NYSLRS retirees is different from any COLA Social Security may provide. The September 2016 COLA increase for eligible NYSLRS retirees was 1 percent.

To learn more about COLA, read our publication *Permanent COLA: An Explanation of Cost-of-Living-Adjustments for Retirees of NYSLRS* (VO1863), available on our website at www.osc.state.ny.us/retire/publications/vo1863.php.



New York State & Local Retirement System

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

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Retirement Online

A New Way to Do Business

If you prefer doing business online, we have good news for you. In early 2017, we'll be introducing the new *Retirement Online* portal, which offers internet services you can use to manage your account with the Retirement System.

The new *Retirement Online* will let you change your address or view your benefit information. In the coming years, we'll introduce other convenient features. Instead of making a phone call, mailing in forms or sending a fax, our new online services will allow you to view and update your account information.

The system will be safeguarded by security features to protect the privacy of your personal information. These will be similar to the measures you're accustomed to using with online banking and with other financial institutions.

Doing business online is not for everyone. That's why using the new online system is completely optional. You will still be able to contact the Retirement System and conduct transactions in the same ways that you do now.

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