

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 committed to protecting the assets of NYSLRS, and properly funding and administering pension benefits. This is how we guarantee you receive your hard-earned benefit when you retire.

I am pleased to report that the Fund ended the State fiscal year 2014-2015 with a value of \$184.5 billion. Despite challenging market conditions, the Fund performed well. 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.

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.

You can also 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 member 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 made 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.

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Project Your Benefit Online

Did you know you can project your NYSLRS pension benefit on our website? Our Benefit Projector Calculator will provide most Tier 1 and 2 members with a projection based on information you enter into the calculator.* All you need is your birthday, anticipated date of retirement (or age at retirement), and estimated salary and service credit information (provided to you in your Member Annual Statement).

Your benefit will be based on your Final Average Salary (FAS) and your service credit. FAS is the average of your highest three consecutive years of earnings. If you have an idea of what your FAS might be, you can use that amount, or enter your earnings during the past year and let the calculator project periodic salary advances into your FAS. If you choose to enter a beneficiary's date of birth into the calculator, it will estimate benefit amounts for options that would pay a continuing monthly benefit to your beneficiary upon your death.

The calculator is a great tool if you are in the early stages of retirement planning. You can enter different dates of retirement, FAS amounts and service credit totals to see how they could affect your pension benefit. For example, if you are considering whether to take a Partial Lump Sum payment at retirement, the calculator can show you what the difference in your pension benefit would be. To use our Benefit Projector Calculator, go to www.osc.state.ny.us/retire/members/projecting-your-pension.php.

* The calculator is not currently capable of projecting benefits for Tier 3, 5 or 6 members, or members in certain special plans.

Sign Up to Receive Retirement System News by Email

E-News is a great way to learn about your NYSLRS retirement benefits no matter where you are on the path to retirement. In addition to providing updates on current events, *E-News* will keep you informed

whenever new laws that affect you are enacted. Your monthly *E-News* includes Hot Topics, tips for members who are Close to Retirement and links to resources and our social media sites. *E-News* is an important way to stay informed. Sign up today at www.osc.state.ny.us/retire/e-news/sign-up/index.php.



Do you have friends or co-workers who might like *E-News*? Visit our referral page at www.osc.state.ny.us/retire/e-news/sign-up/referral.php, complete the form, and we'll send them an invitation to sign up, too.

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NYSLRS

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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.

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Follow our feed: Twitter.com/NYSLRS
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How Special Plans Work

Did you know that nearly 98 percent of all Police and Fire Retirement System (PFRS) members are covered by a special retirement plan? Under a special plan, retirement eligibility is based on your employment title and the completion of a specified number of years of service credit, without a benefit reduction for early retirement.

The Retirement System offers a variety of special retirement plans. Approximately 80 percent of PFRS members are enrolled under Section 384-d (Special 20-Year Plan) or Section 384-e (Special 20-Year Plan with Additional Benefits). Here are some of the key aspects of the two plans:

- With 20 years of creditable service (please see your plan booklet for details), you are eligible to retire at any age.
- Your retirement benefit with 20 years of service will equal 50 percent of your Final Average Salary (FAS).
- If your employer has adopted Section 384-e, you will receive an additional benefit equal to 1.66 percent of your FAS for each year of special plan service over 20 years.
- For Tier 2, 5 and 6 members retiring under Section 384-e, your maximum benefit is 70 percent of your FAS (with 32 years of service credit). For Tier 1 members, the maximum benefit is 75 percent of your FAS (with 35 years of service credit).
- If you are 55 or older at the time of your retirement and an alternative regular plan would provide a greater benefit, you will receive the greater benefit.

If you're not sure what plan and/or tier you are enrolled in, check your latest Member Annual Statement. How your FAS is determined and vesting requirements can vary, depending on your tier. Be sure to read your plan booklet, available on our website at www.osc.state.ny.us/retire/publications/index.php, for more detailed information.

ATTENTION New PFRS Members!

Police and Fire Retirement System members who join on or after January 1, 2015, are automatically covered by the Special 20-Year Retirement Plan (Section 384-d), if their employer has adopted it. Prior to January 1, 2015, members had to either elect coverage within one year of joining or within one year of their employer's adoption, whichever occurred first.

For more detailed information, read our booklet *Special 20- and 25-Year Plans For PFRS Tier 1, 2, 3, 5 and 6 Members (Sections 384, 384-d and 384-e) (VO1517)*, available on our website.



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 forms and information you need, it is not always necessary to call us.

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 beneficiary designations and applying for previous service credit.

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

Defined Benefit Plans Work

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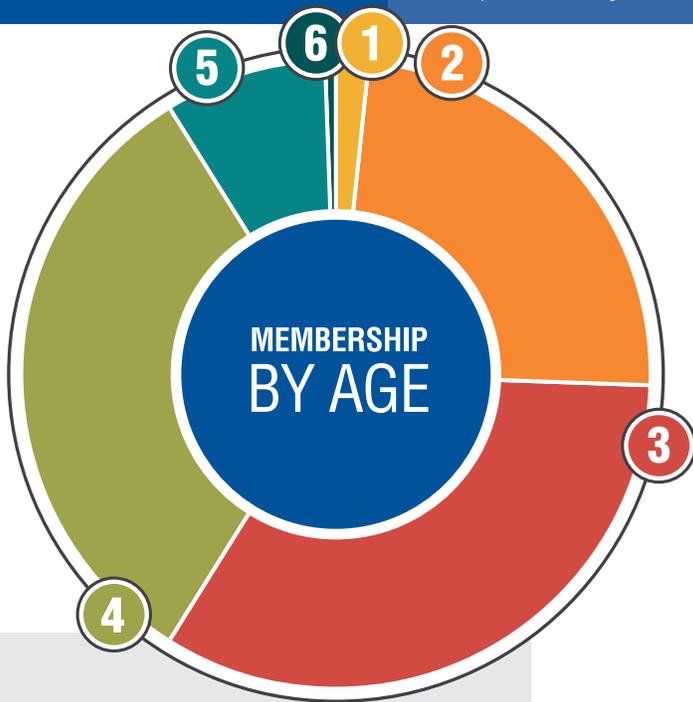
Your defined benefit plan works because:

- 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 and throughout their retirement years.
- As an institutional investor, NYSLRS generally achieves higher returns with lower fees on investments compared to individual investors in a 401(k)-style plan.

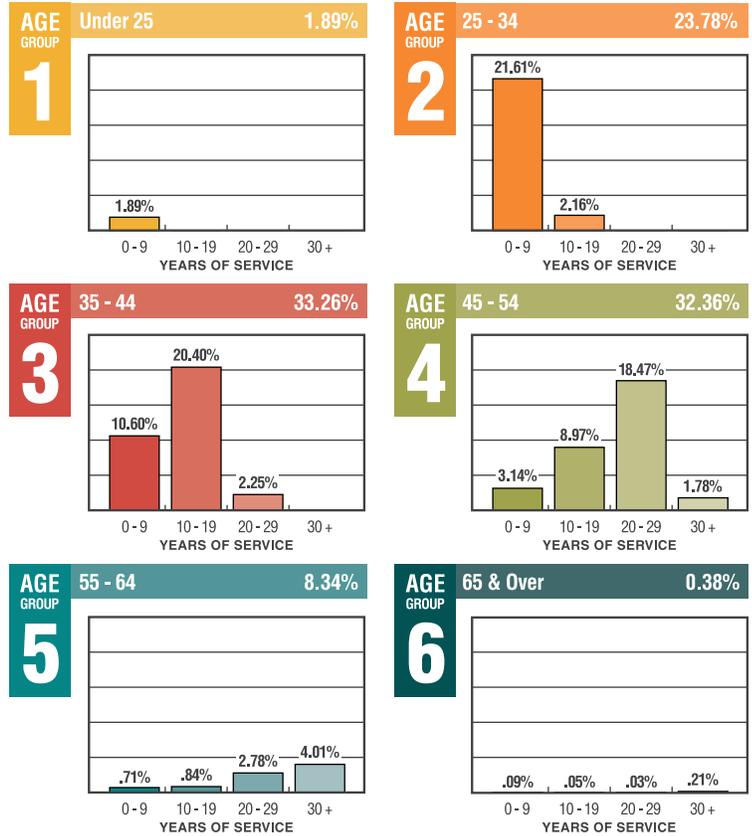
The New York State Common Retirement Fund is strong and secure, and our defined benefit pension system has served New York State well for over 90 years.

PFRS MEMBERSHIP

The pie chart below shows the break down of PFRS membership by age. The bar graphs to the right show the break down of PFRS membership by years of service (categorized by age group). Please note: some numbers may not add up due to rounding.



MEMBERSHIP BY YEARS OF SERVICE



The *Sentinel* is a semiannual newsletter published by the New York State and Local Retirement System for active members of the New York State and Local Police and Fire Retirement System.

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Retirement Online

Coming in 2016

You'll soon be able to go online to view your benefit information, update your address, request a loan and manage beneficiary designations for your death benefit, all with the new and improved *Retirement Online*.

Retirement Online provides an easy and convenient way to review your benefits and conduct routine transactions. In many cases, you'll be able to use *Retirement Online* instead of sending forms through the mail or calling the Retirement System. Over time, we will introduce additional features that will allow you to obtain estimates of your projected pension benefit, purchase service credit and more.

Some of you may be registered users of our current online retirement services. In that case, you will be notified when you need to create a new account to use the new *Retirement Online*. We apologize for the inconvenience, but we're sure you'll be pleased with the improvements we are making. Using the new *Retirement Online* service is completely optional. You will still be able to conduct Retirement System transactions through the mail or by contacting our Call Center.

Watch for more information about opening a new online account in upcoming Retirement System publications, on the *New York Retirement News* blog and on our Facebook and Twitter pages. You can also get monthly updates by subscribing to *E-News*.