Your Retirement Plan

Special 20- and 25-Year Plans

For PFRS Tier 2, 3, 5 and 6 Members
(Sections 384, 384-d and 384-e)

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 services available to you as a member of our system, including:

- Service retirement benefits you may receive, if you meet the service and age requirements;
- Disability retirement benefits you may receive, if you become permanently disabled;
- Death benefits your beneficiary may receive, if you die while working for a public employer or, if eligible, after you leave public employment; and
- Vested retirement benefits you may receive, if you leave public service before you meet the requirements for a service retirement benefit.

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,

Thomas P. DiNapoli
State Comptroller

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Retirement System Membership

Police officers and paid firefighters working for New York State or any municipal employer in the State are mandatory members of the New York State and Local Police and Fire Retirement System (PFRS).

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

Special Plan Coverage

Your plan is listed in your Member Annual Statement, or you can contact us to verify your plan coverage.

Members who joined before July 1, 2009, and members who joined from January 9, 2010 through December 31, 2014:

You are covered by the special plans in this booklet, if:

- Your employer has adopted these benefits; and
- You elected the plan within one year of joining PFRS or of your employer adopting this plan, whichever is later (you must file your election in writing with the Office of the State Comptroller).

Members who joined between July 1, 2009 and January 8, 2010:

You are covered by one of the special plans in this booklet, if:

- Your employer has adopted these benefits;
- You elected the plan within one year of joining PFRS or of your employer adopting this plan; and
- PFRS determines that the special plan costs less than the Article 14 plan and enrolls you in the less costly plan.

Members who joined January 1, 2015, or later:

You are automatically covered by the special 20-year benefit (Section 384-d), if your employer has adopted it.

Withdrawing From a Special Plan

You may withdraw your election to participate in a special plan after one year has passed.

If your date of membership is January 1, 2015, or later, and you are covered by Section 384-d, you may withdraw at any time. However, if you wish to elect a different plan, you must withdraw from 384-d within one year of electing. To withdraw, file a Request for Withdrawal from Section 384-d (PF5466) form with the Office of the State Comptroller.

Tier Status

When you join PFRS, you are assigned a tier based on your date of membership.

You are in:	If you joined:
Tier 1	Before July 31, 1973
Tier 2	July 31, 1973, through June 30, 2009
Tier 3	July 1, 2009, through January 8, 2010*
Tier 5	January 9, 2010, through March 31, 2012
Tier 6	April 1, 2012 or after

* PFRS members, who joined July 1, 2009, through January 8, 2010, and did not elect to be covered by Article 22 (that is, did not opt into Tier 5), can be covered by either Article 11 or Article 14 benefits, depending on their retirement plan election.

This publication does not cover benefits for Tier 1 members. If you are a Tier 1 member and you have questions about your benefits, please email us at **www.emailNYSLRS.com**, or call us toll-free at 1-866-805-0990 (518-474-7736 in the Albany, NY area).

There is no Tier 4 in PFRS.

Contributing Toward Your Retirement

Tier 2 and 3 (Article 11) Members

You don't need to contribute toward your retirement. However, you can make voluntary annuity savings contributions, which will earn interest and provide an annuity above and beyond your regular pension benefit when you retire.

Tier 5 Members

You must contribute 3 percent of your reportable earnings until you retire, unless your plan limits creditable service to 20, 25 or 32 years.* In that case, you won't contribute after the maximum service credit allowed has been reached. These are mandatory contributions; they will not provide an annuity when you retire.

* There may be some exceptions. For example, PFRS members covered by a collective bargaining agreement requiring the employer to offer a non-contributory plan, that was in effect on January 9, 2010, and was still in effect on the date of employment, may not need to contribute.

Tier 6 Members

You must contribute a percentage of your reportable earnings (see chart below) until you retire, unless your plan limits creditable service to 20, 25 or 32 years.* In that case, you won't contribute after the maximum service credit allowed has been reached.

For your first three years of membership, we use the annual wage provided to us by your employer (on your membership application) to determine your contribution rate. After three years, we base your contribution rate on what you actually earned in the last *completed* State fiscal year (April 1 to March 31). Part-time employees contribute based on annualized wages. Contribution rates are set April 1 each year. These are mandatory contributions; they will not provide an annuity when you retire.

Annual Wage	Contribution Rate
$45,000 or less	3.00%
$45,000.01 to $55,000	3.50%
$55,000.01 to $75,000	4.50%
$75,000.01 to $100,000	5.75%
More than $100,000	6.00%

* There may be some exceptions. For example, PFRS members covered by a collective bargaining agreement requiring the employer to offer a non-contributory plan, that was in effect on January 9, 2010, and was still in effect on the date of employment, may not need to contribute.

Becoming Eligible for a Benefit

Once you meet the minimum service credit requirement, you are vested. This means you have earned the right to a retirement benefit, even if you leave public employment.

- Tier 2 and 3 members are vested with five years of service credit.
- Tier 5 and 6 members are vested with ten years of service credit.

Vesting is automatic; you don't need to fill out any paperwork or file an application to become vested.

Withdrawing Your Contributions and/or Your Membership

If you are a Tier 5 or 6 member and you leave public employment with fewer than ten years of credited service, you may end your membership and withdraw your accumulated contributions (with 5 percent interest compounded annually). To do this, file a Withdrawal Application (RS5014) no earlier than 15 days after you leave public employment.

Once you have ten or more years of service credit, you cannot withdraw from PFRS. Any contributions you made must stay in your account. When you reach age 55 (age 63 for Tier 6 members who are off payroll), it is up to you to apply for your retirement benefit.

Ending Your Membership

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

- If you leave public employment for seven years, without being vested;
- If you leave public employment and voluntarily withdraw your membership;
- If you transfer your membership to another New York State public retirement system;
- If you retire; or
- If you die.

"Public employment" is paid service as a police officer or firefighter with an employer that participates in PFRS.

Full- and Part-Time Service Credit

Full-Time Employment

If you join PFRS on your first day working for a participating employer and you work on a full-time, continuous basis, your service credit is simply the difference between your start date and the present date or, should you leave paid employment, your date of departure.

Part-Time Employment

For Tier 2, 3, 5 and 6 members, one year of part-time employment is credited as the lesser of:

number of days reported* ÷ 260 days

or

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

* As reported by your employer.

Leaves of Absence

Service is usually not credited for time without pay.

Credit is not given for:

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

Tier 2, 3, 5 and 6 members receive half credit for sick leave at half pay.

Workers' Compensation

Tier 2, 3, 5 and 6 members may be able to receive credit for some or all workers' compensation leave. To determine your eligibility and the cost, if any, please send a request to NYSLRS for review.

Credit for Previous or Military Service

You may be able to obtain credit for previous public employment or military service. You may want to claim all the service credit you are entitled to receive as early as possible, because:

- The cost, if applicable, may be less than if you wait to purchase at a later date;
- We can process your retirement benefit more quickly, if your service credit is in order; and
- Records documenting your service will more likely be available.

To establish eligibility for a vested retirement benefit, you **must** request your credit while on the payroll of a participating employer. If you make your request, but receive your statement of cost after you leave payroll, you have 30 days to make your payment.

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

Prior Service/Service Before Your Membership

You may be able to receive credit for “prior service” — paid employment with a participating employer before that employer elected to participate in PFRS.

You may be able to receive credit for “service before your membership” — paid employment with a participating employer before you joined PFRS.

To apply for credit for prior service or service before your membership, send a written request or a Request to Purchase Service Credit (RS5042) form to our Member and Employer Services Bureau before your date of retirement. Include all the details you can about the period of employment for which you are seeking credit. We will determine your eligibility and inform you of any cost.

Military Service

You may be able to receive credit for some or all of your active military service as creditable under State or federal law. For more information, visit our Military Service Credit page at **www.osc.state.ny.us/retire/members/military-service-credit.php**.

To apply for credit for military service, send a written request to our Member and Employer Services Bureau before your effective date of retirement. Include a copy of your Certificate of Release or Discharge from Active Duty (DD-214) (it must show that you were honorably discharged). We will determine your eligibility and inform you of any cost.

Note: Certain types of credit listed above may not provide additional benefits under your special plan. Contact us to verify whether your service is creditable.

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.

You can apply for reinstatement to Tier 1 or 2, or to an earlier membership date within Tier 2. Send us an Application to Reinstate a Former Tier 1 or 2 Membership (RS5506).

We will begin your reinstatement to Tier 3 or 5, or to an earlier date within Tier 6, by sending you details about your eligibility and the cost to purchase credit for your withdrawn service.

If your previous membership was with another system, please write to our Member and Employer Services Bureau.

Additional Service Credit for Sick Leave [Section 341(j)]

Section 341(j) of the Retirement and Social Security Law (RSSL) provides an optional sick leave benefit. If your employer has chosen to offer this benefit, you may receive service credit for your unused, unpaid sick leave at retirement. To be eligible, you must retire directly from public employment or within a year after separating from service. Contact your employer to determine whether this benefit is available to you.

Your years of additional credit are determined by dividing your total unused, unpaid sick leave days (capped at 165 for most members) by 260.

You can't use credit for your unused sick leave at retirement to:

- Qualify for vesting. For example, if you need five years of service credit to be vested, and you're two months short, your sick leave credit can't make up the difference.
- Qualify for a better retirement benefit calculation. For example, if your pension will improve substantially with 20 years of service credit, but you only have 19½, your sick leave credit can't make up the difference.
- 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

Your pension is based on your years of credited service and your final average salary (FAS). For members in Tiers 2, 3 and 5, your FAS is the average of your highest three consecutive years of earnings. For Tier 6 members, your FAS is the average of your highest five consecutive years. Usually these are the years right before retirement, but they can be anytime in your career.

Your FAS can include, but is not limited to, the payments listed below. Payments must be earned in the FAS period.

- Regular earnings;*
- Overtime;**
- Compensatory overtime;
- Holiday pay; and
- Longevity pay.

* Tier 6 members: Any earned compensation that exceeds the Governor's annual salary — currently $179,000 — is excluded, as are earnings from more than two participating employers.

** Tier 5 and 6 members: The total amount of overtime and compensatory overtime that can be included in your FAS calculation is limited to 15 percent of earnings.

The following payments are **not** part of your regular compensation. In most cases, they will not be included in your FAS calculation:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement; and
- Any payments made for time not worked.

Limitations

Your FAS calculation may be limited based on your tier. Earnings that exceed the limitation will not be included in your pension calculation.

Tiers 2, 3 (Article 11) and 5

If the earnings in any year included in the FAS period exceed the average of the previous two years by more than 20 percent, the amount in excess of 20 percent is excluded from your FAS.

Tier 3 (Article 14)

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 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 your FAS.

One-Year FAS

If your employer has adopted this benefit, your FAS includes eligible payments earned in the 12 months right before you retire. Your pension benefit will be calculated based on a one-year FAS unless the three-year calculation provides a higher FAS.

Note: A one-year FAS is generally not available to Tier 6 members.

The one-year FAS can include, but is not limited to, the payments listed below. Payments must be earned in the FAS period.

- Regular earnings;
- Overtime;*
- Compensatory overtime;
- Holiday pay; and
- Longevity pay.

* For Tier 5 members, the total amount of overtime and compensatory overtime that can be included in your FAS calculation is limited to 15 percent of your earnings.

The following payments are **not** part of your regular compensation. In most cases, they will not be included in your one-year FAS calculation:

- Unused sick leave;
- Unused vacation;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement; and
- Any payments made for time not worked.

The earnings used in the calculation of the one-year FAS cannot exceed the wages in the previous 12-month period by more than 20 percent. Any amount over 20 percent will be excluded from the calculation.

25-Year Benefit (Section 384)

Eligibility

You will be eligible to retire with 25 or more years of creditable service, regardless of age. "Creditable service" is:

- Service as a firefighter or police officer under a 20- or 25-year plan;
- Service as a member or officer of the New York State Police;
- Service in the Regional State Park Police;
- Service in the U.S. military, as specified by law; or
- Other prior police service, as specified by the RSSL.

Note: This benefit is not available to Tier 3 members whose employers offer a one-year FAS.

The Benefit

With at least 25 years of creditable service, your pension will be 50 percent of your FAS.

If you are age 60 or older at retirement, with less than 25 years of creditable service, you will receive a pension benefit of 2 percent of your FAS per year of creditable service, plus 1.66 percent of your FAS per year of service in titles other than police officer or firefighter. The maximum benefit cannot exceed 50 percent of your FAS.

If you made voluntary contributions to PFRS, your benefit may include an annuity purchased by your contributions (plus interest earned), or you may withdraw your contributions before retiring.

If you are age 55 or older at retirement and your regular plan would provide a greater benefit, the greater benefit will be paid.

Filing

You must file your Application for Service Retirement (RS6037) with the Office of the State Comptroller 15 – 90 days before your date of retirement.

Additional Benefits after 25 Years (Sections 384[f], [g] and [h])

Eligibility

Under these subdivisions of Section 384, you will receive additional benefits for service over 25 years if your employer adopted this coverage. In addition, you must have elected the benefit within one year of your appointment or within one year of employer adoption. By doing so, you waive the right to continue in service until age 70. You must separate from service no later than the first of the month following your 62nd birthday.

If you are over age 62 when your employer adopts this additional benefit, or if you turn 62 within one month of its adoption, you have three months from the date it is offered to retire and receive the additional benefit. Once you've opted in, you may not opt out of this benefit while enrolled in a 25-year plan.

Note: This benefit is not available to Tier 3 members whose employer offers a one-year FAS.

The Benefit

This coverage provides an additional pension benefit of 1.66 percent of your FAS for each completed year of creditable service beyond 25.

For Tier 2, 3, 5 and 6 members, the maximum benefit is 61.67 percent of your FAS (a maximum of 32 years).

If you are age 55 or older at retirement and your regular plan would provide a greater benefit, the greater benefit will be paid.

20-Year Benefit (Section 384-d)

Eligibility

You will be eligible to retire with 20 or more years of creditable service, regardless of age. “Creditable service” is:

- Service as a firefighter or police officer under the 20-year plan;
- Service as a member or officer of the New York State Police;
- Service in the U.S. military, as specified by law; or
- Other prior police service, as specified by the New York State Retirement and Social Security Law (RSSL).

You must separate from service on the last day of the month following the month in which you turn 65. If you are over age 65 when your employer adopts this benefit, you must be separated from service within three months from the date it is offered.

Note: This benefit is not available to Tier 3 members.

The Benefit

With at least 20 years of creditable service, your pension will be 50 percent of your FAS.

If you retire at age 62, with less than 20 years of creditable service, you will receive a pension benefit of 2.5 percent of your FAS per year of creditable service, plus 1.66 percent of your FAS per year of service in other allowable government titles. The maximum benefit cannot exceed 50 percent of your FAS.

If you made voluntary contributions to PFRS, your benefit will also include an annuity purchased by your contributions (plus interest earned).

If you are age 55 or older at retirement and your regular plan would provide a greater benefit, the greater benefit will be paid.

Filing

You must file your Application for Service Retirement (RS6037) with the Office of the State Comptroller 15 – 90 days before your date of retirement.

Additional Benefits after 20 Years (Sections 384-e and 384-e [b])

Eligibility

Under this plan, you will receive additional benefits for service over 20 years if your employer adopted coverage under Section 384-e and/or 384-e (b) of the RSSL.

If your employer adopts either of these benefits, you are automatically covered. If your employer chooses to adopt the benefits for a limited period of time, and you enter employment after the expiration date, you would not be eligible for them.

Note: This benefit is not available to Tier 3 members.

The Section 384-e Benefit

This provides an additional benefit of 1.66 percent of your FAS for each year of creditable service beyond 20 years. If you are age 55 at retirement and your regular plan would provide a greater benefit, the greater benefit will be paid.

The Section 384-e (b) Benefit

This provides an additional benefit of 1.66 percent of your FAS for each year of service earned with a public employer before your work as a police officer or firefighter.

Maximum Benefit

For Tier 2, 5 and 6 members, your total maximum benefit is 70 percent of your FAS (a maximum of 32 years).

Vested Retirement Benefit

Eligibility

If you leave public employment before retirement age, but have met the minimum service requirement, you will be eligible for a vested retirement benefit when you do reach retirement age. Your benefit will be based on your service and your earnings as an active member.

- Tier 2 and 3 members must have five years of service credit.
- Tier 5 and 6 members must have ten years of service credit.

The date you are eligible to collect a vested retirement benefit depends on your tier.

- Tiers 2 and 3 — the first of the month following your 55th birthday.
- Tier 5 — your 55th birthday.
- Tier 6 — your 63rd birthday.

The Benefit

Your vested retirement benefit is 1.66 percent of your FAS for each year of service credit. The benefit is payable for life, and you may elect one of several pension payment options to provide a continuing payment to a beneficiary of your choosing after you die.

Filing

To receive your vested retirement benefit as soon as possible, file a retirement application as early as 90 days before you are eligible. If we receive your application after you become eligible, your vested retirement will be effective on 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.

Receiving Your Benefit and Filing Your Option Election

Receiving Your Benefit

At retirement, you must choose a pension payment option. You can choose from several options, all of which will provide a monthly benefit for life. Some options offer a reduced monthly benefit to provide a possible payment to your designated beneficiary after you die.

Filing Your Option Election

You must file your Option Election form (unless we tell you 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 we don't receive your option election on time, we must process your retirement as if you had selected Cash Refund — Contributions (Option ½), with your estate named as beneficiary.

Available Options

Single Life Allowance (Option 0)

This option provides the maximum benefit for the rest of your life, but all payments stop when you die.

Cash Refund — Contributions (Option ½) (Members with annuity savings contributions on deposit only)

This option provides a reduced monthly benefit for your lifetime. When you die, your beneficiary or estate will receive the remaining balance of your voluntary annuity savings. If your accumulated annuity savings contributions have been paid out, all payments will stop when you die. Mandatory contributions made by Tier 5 and 6 members are not annuity savings contributions.

Joint Allowance — Full*

This option provides a reduced benefit for your lifetime that is based on your birth date and that of your beneficiary. When you die, we will pay the same monthly benefit amount you were receiving — without cost-of-living adjustment (COLA) — to your beneficiary for life. If your beneficiary dies before you, all payments will stop when you die.

Joint Allowance — Half*

This option provides a reduced benefit for your lifetime that is based on your birth date and that of your beneficiary. When you die, we will pay one-half of the benefit amount you were receiving — without COLA — to your beneficiary for life. If your beneficiary dies before you, all payments will stop when you die.

Pop-Up/Joint Allowance — Full or Half*

These options provide a reduced benefit for your lifetime. When you die, we will pay your normal benefit amount (without COLA) — or half of that amount, depending on which option you elect — to your beneficiary for life. If your beneficiary dies before you, your monthly payments will "pop up" to the maximum payable under the Single Life Allowance option, and all payments will stop when you die.

Five Year Certain and Ten Year Certain

These options provide a reduced benefit for your lifetime. If you die within five years of retirement — or ten years, depending upon which option you elect — we will pay your normal benefit amount (without COLA) to your beneficiary for the remainder of the five- or ten-year period. You can change your beneficiary within the five- or ten-year period.

Alternative Options

We will consider written requests for customized payment options. You must outline your request, and we will review it for legal and actuarial soundness.

* If you choose this option, you must submit proof of your beneficiary's birth date. You can only designate one beneficiary, and you cannot change your designation after your retirement. If your beneficiary is your spouse when you die, he or she will be eligible for 50 percent of your COLA. Learn more about COLA on our Cost-of-Living Adjustment page **www.osc.state.ny.us/retire/retirees/cost_of_living_adjustment.php**.

Partial Lump Sum Payment

Eligible PFRS members can choose a reduced monthly retirement benefit in exchange for a one-time lump sum payment. The lump sum payment is made when your retirement benefit is finalized.

Eligibility

To be eligible to choose a partial lump sum payment (PLS), you must:

- Retire under a special 20- or 25-year plan;
- Have been eligible to retire with a service retirement benefit for at least one year before your date of retirement; and
- Retire with a service retirement benefit (not a disability benefit).*

* If you receive a PLS payment under a service retirement benefit and are later approved for a disability retirement benefit, you must repay the PLS payment, plus interest, if you convert to the disability benefit. Severe tax consequences may apply in some situations.

Choosing a Lump Sum Payment

When we receive your retirement application, we will send you a special Option Election form if you are eligible for a PLS payment, so you can choose a PLS payment along with the standard pension payment option.

Lump Sum Payment Amounts

The amount of the PLS payment available to you is a percentage of the total actuarial value of your retirement benefit at the time you retire. The available precentages are based on the number of years you have been eligible to retire. The chart below outlines when various percentages become available. Your Single Life Allowance will be reduced by the same percentage as the PLS option you have chosen. If you choose a different payment option, we will calculate it based on your reduced Single Life Allowance.

Years You've Been Eligible to Retire	Available PLS Payment Options*
1	5%
2	5 or 10%
3	5, 10 or 15%
4	5, 10, 15 or 20%
5 or more	5, 10, 15, 20 or 25%

*A percentage of the value of your retirement benefit.

For More Information

For more information, including the taxability of a PLS payment, please refer to our publication, *Partial Lump Sum Payment at Retirement* (VO1750) at **www.osc.state.ny.us/retire/publications/vo1750.php**.

IRS Pension Limitation

Internal Revenue Code Section 401(a)(17) limits the amount of earnings that qualified pension plans, including PFRS, may use to calculate benefits. It affects members who first join on or after April 1, 1996, and currently excludes earnings over $270,000 (effective April 1, 2017) in the State's fiscal year (April 1 – March 31). The amount is set by federal law, and is periodically adjusted for inflation.

Divorce

Divorce can affect your retirement benefits. The New York State Court of Appeals has determined that retirement benefits are marital property and can be divided between you and your ex-spouse when the marriage ends. This means that:

- 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 pension payment option that provides a continuing benefit to your ex-spouse when you die.
- Your ex-spouse may be entitled to a portion of your COLA.

Any such division of your benefits must be stated in the form of a domestic relations order (DRO), which is a legal document that gives us specific instructions on how your retirement benefits should be divided when you retire, die or terminate your membership. We will also need a certified copy of your divorce decree.

NYSLRS offers an easy-to-complete, online DRO template. You don't have to use the template, but because the review process is simplified for submissions using the DRO template, we can complete our review faster if you use it.

If you are divorced, it is especially important to review your beneficiary designations to ensure your benefits will be distributed according to your wishes. As of July 7, 2008, beneficiary designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final, unless the terms of a DRO specify otherwise. Beneficiary designations may be revoked for the ordinary death benefit, the Cash Refund — Contributions option (Tiers 2 and 3), 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 how divorce may affect your retirement benefits and for our form-fillable DRO template, please visit our Divorce and Your Benefits page at **www.osc.state.ny.us/retire/members/divorce/index.php**. If you have questions, you or your legal representative should email our Matrimonial Bureau at dro@osc.state.ny.us.

Borrowing Against Your Contributions

If you meet eligibility requirements, you may take a loan from NYSLRS.

Tier 2 Members

The following rules apply when borrowing against your contributions:

- You must be in active service and have at least one year of member service credit.
- You must repay each outstanding loan in an amount sufficient to repay the loan and interest within five years. Loans are repaid through payroll deductions.
- You may borrow only once in any 90-day period.
- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.

Note: If you retire with an outstanding loan, the **annuity portion** of your retirement benefit will be **permanently reduced**. You cannot pay off your loan once you retire. The amount of your annuity reduction will be based on your age, your loan balance at retirement and the type of retirement (service or disability). The loan application and *Retirement Online* provide examples of how much your reduction would be.

How Much You Can Borrow

The minimum loan is $25.

The maximum loan is 75 percent of your annuity savings contribution balance, minus any outstanding loan balance, so you must have an annuity savings balance of at least $33.35. Annuity savings contributions are those you make voluntarily.

Tier 3 (Article 14), 5 and 6 Members

The following rules apply when borrowing against your contributions:

- You must be in active service and have at least one year of member service credit.
- You must repay each outstanding loan 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 earnings. Loans are repaid through payroll deductions.
- 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.

Note: If you retire with an outstanding loan, your retirement benefit will be **permanently reduced**. You cannot pay off your loan once you retire. The amount of your pension reduction will be based on your age, your loan balance at retirement, and the type of retirement (service or disability).

How Much You Can Borrow

The minimum is $1,000.

If you joined NYSLRS before January 1, 2018, the maximum loan is 75 percent of your contribution balance, minus any outstanding loan balance, so you must have an account balance of at least $1,334.

If you joined on or after January 1, 2018, the total maximum loan (including all of your outstanding loan balances) is either 50 percent of your contribution balance or $50,000 (whichever is less), so you must have an account balance of at least $2,000.

Benefit Reduction Examples

Here are examples of how your service retirement benefit would be permanently reduced by an outstanding loan balance at retirement. The approximate reductions are for calendar year 2017. The amount of the reduction changes annually.

Age at Retirement	Outstanding Loan Balance	Annual Pension Reduction
45	$5,000	$219
	$10,000	$439
55	$5,000	$255
	$10,000	$510
65	$5,000	$319
	$10,000	$637

All Tiers — Your Loan May Be Federally Taxable

Before you apply, you should be aware of the federal tax laws pertaining to NYSLRS loans. **Your loan will be taxable if**:

- The loan amount exceeds federal limits (federal tax information is available on the loan application).
- You have a loan with a deferred compensation (457) or tax-sheltered annuity (403-b) plan through your current employer that causes your loans in total 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 NYSLRS 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 age 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 NYSLRS.

To Apply

Online: Sign in to *Retirement Online*, our self-service tool that gives you secure access to your retirement account information. It is the fastest, most convenient way to apply for a loan. You can also see how much you are eligible to borrow, what the repayment amount would be and if your loan will be taxable. Visit our NYSLRS home page (**www.osc.state.ny.us/retire/index.php**) to sign in or register for *Retirement Online*.

By Mail: Print a loan application from our Forms page (**www.osc.state.ny.us/forms/index.php**) and mail your completed and notarized application to NYSLRS. Applying by mail adds processing time to your loan.

If you already have an outstanding loan with NYSLRS and want to take another loan: Sign in to your *Retirement Online* account to see if your loan will be taxable and to help you determine if refinancing your current loan or carrying multiple loans would be better for you.

With **multiple loans**, each loan has a separate five-year due date and minimum payment. These minimum payments are added together for a total minimum payment. This combined repayment amount for multiple loans is higher than the single amount for a refinanced loan, but with multiple loans, as each loan is paid off, the total minimum payment goes down.

With a **refinanced loan**, you add the new loan amount to your existing balance and refinance the entire amount as one new loan. The minimum repayment amount for a refinanced loan is lower because repayment of the total amount is spread out over another five years. The taxable amount of a refinanced loan is always higher (unless the entire loan is nontaxable), **so federal withholding can significantly reduce the loan amount payable to you**.

You can also contact our Call Center at 1-866-805-0990 (518-474-7736 in the Albany, NY area) and connect with our automated information line. 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.

Cost-of-Living Adjustment

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

You will begin receiving an annual COLA 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; or
- Any age and have received a disability pension for five or more years.

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

Disability Retirement Benefits

Ordinary Disability (Section 362)

Eligibility

If you are unable to perform your duties because of a permanent physical or mental incapacity, and if you have ten or more years of service credit, you may be eligible for an ordinary disability retirement benefit.

The Benefit

If approved, your benefit will be the greater of:

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

If you made voluntary contributions, your benefit will also include an annuity based on contributions you have made (plus interest earned). Mandatory contributions made by Tier 5 and 6 members are not annuity savings contributions, and Tier 5 and 6 members do not receive annuities based on those contributions.

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

You must select a pension payment option for the payment of your disability benefits.

Filing

You can file a disability retirement application yourself, or your employer may file or someone may be authorized to file on your behalf. For example, your attorney, a power of attorney (POA), or a court-appointed guardian who has been granted authority by the court may file. However, employers may not file applications for members receiving benefits under General Municipal Law Section 207-a or 207-c.

If you are eligible, applications for ordinary disability, accidental disability, performance of duty disability and regular service retirement benefits may be submitted simultaneously. However, your application for ordinary disability retirement must be submitted while you are in service or within 90 days from the date you:

- Are last paid on the payroll;
- Are last on an authorized medical leave of absence for up to two years (which may be extended for an additional two years); or
- Last receive workers' compensation or other similar employer-funded benefits as long as you have not resigned or been terminated from employment while receiving those benefits.

Performance of Duty Disability

Eligibility

If you are deemed permanently disabled as a result of the performance of your duties, you may be eligible for this benefit regardless of the amount of service credit you have.

Notice of Occurrence

You must file an application for a performance of duty disability retirement benefit within one year of the alleged incident or occurrence. Otherwise, you must have filed a written notice of the incident or occurrence with:

- The Retirement System, within 90 days of the incident or occurrence; or
- Your employer, within 30 days of the incident or occurrence.

The written notice must detail the time and place of the incident or occurrence, the particulars thereof, the nature and extent of your injuries and the alleged incapacity.

The Benefit

If approved, your benefit will be 50 percent of your FAS, plus an annuity based on any voluntary contributions you may have made and the interest they earned. Mandatory contributions made by Tier 5 and 6 members are not annuity savings contributions, and Tier 5 and 6 members do not receive annuities based on those contributions. The performance of duty disability benefit is not reduced by any workers' compensation benefit you may be eligible to receive.

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

Filing

You can file a performance of duty disability retirement application yourself, or your employer may file or someone may be authorized to file on your behalf. For example, your attorney, a power of attorney (POA), or a court-appointed guardian who has been granted authority by the court may file.

If you are eligible, applications for ordinary disability, accidental disability, performance of duty disability and regular service retirement benefits may be submitted simultaneously. However, your application for performance of duty disability must be submitted while you are in service or within two years of your discontinuance from service. The law defines "in service" as:

- 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 those benefits.

Accidental Disability

Eligibility

If you become permanently incapacitated (physically or mentally) and unable to perform your job as the natural and proximate result of an on-the-job accident not due to your own willful negligence, you may be eligible for this benefit regardless of the amount of service you have.

You may also be eligible if you are permanently disabled because you contracted HIV (where there may have been exposure to bodily fluids that may have involved the transmission of this disease), tuberculosis or hepatitis after contact with members of the public.

Notice of Accident

You must have filed a written notice of the accident with:

- The Retirement System, within 90 days of the accident; or
- Your employer, within 30 days of the accident.

This notice must include the time and place of the accident, the details of what happened, the nature and extent of your injuries and the alleged incapacity.

Even without such notice of accident, you may still be eligible for this benefit, if you file an application for an accidental disability retirement benefit within one year of the alleged accident.

The Benefit

If approved, the accidental disability retirement benefit is a lifetime pension. The benefit is equal to three-quarters (75 percent) of your FAS, plus an annuity based on any voluntary contributions you may have made and the interest they earned. Mandatory contributions made by Tier 5 and 6 members are not annuity savings contributions, and Tier 5 and 6 members do not receive annuities based on those contributions.

You must apply for workers' compensation benefits if you are eligible. Regardless of tier, the accidental disability benefit will be reduced by the total workers' compensation benefit that you receive or may be eligible to receive.

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

Filing

You can file an accidental disability retirement application yourself, or your employer may file or someone may be authorized to file on your behalf. For example, your attorney, a power of attorney (POA), or a court-appointed guardian who has been granted authority by the court may file.

If you are eligible, applications for ordinary disability, performance of duty disability, accidental disability and regular service retirement benefits may be submitted simultaneously. However, your application for accidental disability retirement must be submitted while you are in service or within two years of your discontinuance from service. The law defines "in service" as:

- Being paid on the payroll; or
- 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 those benefits.

Special Disability Benefits

Firefighters and police officers may be eligible for an accidental disability retirement benefit if you are permanently disabled because you contracted HIV (where there may have been exposure to bodily fluids that may have involved the transmission of this disease), tuberculosis or hepatitis after contact with members of the public.

Firefighters who are permanently disabled by heart disease, certain types of cancer or lung disease, but who passed a physical examination upon entry to firefighting service that did not reveal evidence of the disabling condition, may be eligible for an accidental or performance of duty disability retirement benefit. To claim heart disease, you must file your application while in service.

Police officers who are permanently disabled by heart disease, but who passed a physical examination upon entry to police service that did not reveal any evidence of disease or other impairment of the heart, may be eligible for a performance-of-duty retirement benefit. To claim heart disease, you must file your application while in service.

Death Benefits

Ordinary Death Benefit

If you meet the eligibility requirements and your death is not attributable to an on-the-job accident, your beneficiary may be entitled to an ordinary death benefit instead of a monthly pension. Generally, the beneficiaries of active (not retired) members 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 beneficiary will also receive any accumulated contributions.

Eligibility

An ordinary death benefit may be payable to your designated beneficiary if you are a Tier 2, 3, 5 or 6 member, with at least 90 days of service since last joining PFRS, and your death occurs:

- While you are on the payroll;
- While you are on an authorized medical leave of absence (with or without pay);
- While you are receiving workers' compensation or other employer-funded benefits (up to two years, with a possible extension for two additional 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 earnings, 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 is equal to three times your last year's earnings rounded up to the next highest multiple of $1,000, as limited by Section 130 of the Civil Service Law.

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.

Alternative and Out-of-Service Death Benefits

Alternative Death Benefit

If you die in service after you are eligible to retire, an alternative death benefit may be payable. This benefit would equal the pension reserve that would have been established under the plan (Section 384-d, Section 384 or Section 384-e) had you retired on your date of death.

Out-of-Service Death Benefit

If you are a vested member with at least ten years of credited service, but you have not yet retired, and you die more than one year after leaving public employment, your beneficiary may be entitled to 50 percent of the ordinary death benefit. This vested 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

Eligibility

If you die as the natural and proximate result of an on-the-job accident not due to your own willful negligence, an accidental death benefit may be payable on your behalf, regardless of your years of service credit.

The Benefit

The accidental death benefit is a lifetime pension if paid to a surviving spouse or dependent parent. The benefit is equal to 50 percent of your FAS (less any workers' compensation benefit paid or payable because of your death).

Any accumulated contributions will also be refunded to your beneficiary, or to your estate.

The following family beneficiaries can receive the benefit, in this order:

- To your surviving spouse, for life;
- Where there is no surviving spouse or should he or she die, to minor children until age 18 (age 23, if they are students); and
- Where there is no surviving spouse or minor children, to a dependent parent for life.

If all the beneficiaries listed above become ineligible for benefit payments, and if the payments made up to that time do not equal or exceed the amount of the ordinary death benefit that would have been paid at your 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; instead we 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 send the appropriate forms to your beneficiary. The application for the accidental death benefit must be filed within two years of your date of death.

Special Accidental Death Benefit

Eligibility

If you die under circumstances that permit payment of the accidental death benefit, your surviving spouse will also receive a special accidental death benefit for life. If your surviving spouse dies, this benefit will be paid to your children until age 18 (age 23, if they are students).

The Benefit

This benefit is a pension equal to your earnings, reduced by:

- The accidental death benefit without reductions; and
- Your Social Security benefit.

The earnings used to compute this benefit will be at least:

- The full wage you would have earned in the highest grade-step of your position; or
- The wage that would have been payable to a police superior officer or a fire officer, if you were in the highest grade-step of a supervisory position.

World Trade Center Presumption

If you participated in the World Trade Center rescue, recovery or clean-up efforts, and you were a member of the Retirement System at that time, you may be eligible for benefits provided by the World Trade Center Presumption law:

- An accidental disability retirement benefit, if you become permanently disabled and unable to perform your job due to a qualifying condition;
- Reclassification of your service or disability retirement benefit to an accidental disability retirement benefit, if you develop a qualifying condition after you retire; or
- An accidental death benefit for certain family beneficiaries, if you die from a qualifying condition.

There are specific eligibility requirements and filing deadlines to meet 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**.

Applying for Benefits

To receive any NYSLRS benefits, you must file the appropriate application with the Office of the State Comptroller in a timely manner. Print the forms from our Forms page (**www.osc.state.ny.us/retire/forms/index.php**), contact our Call Center, or ask your employer. Specific filing instructions are provided on our forms. If you need help, call or write us, or make an appointment to speak with an information representative at one of our consultation sites throughout the State.

Filing With the Office of the State Comptroller

A form is "filed with the Comptroller," when our Albany office, one of our consultation sites or another one of the State Comptroller's offices receives it. **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 or NYSLRS ID, 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 518-474-3510. If you also have a disability retirement application in process, your retirement documents can be faxed to Disability Calculations at 518-408-3766.

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 518-474-3091 or 518-408-3587. Documents for approved disability retirement applications (Option Form, proof of your date of birth) can be faxed to 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

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

Challenging a Determination

Benefits can only be paid if they are authorized by law. If you do not meet all the eligibility requirements established by law, you will not receive a benefit. 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 initial determination. You may also email your request for a hearing and redetermination to our Hearing Administration Bureau at hearings@osc.state.ny.us. We will send you an acknowledgment letter with an explanation of the hearing process. If you have questions about the hearing process, please visit our Administrative Hearing FAQs page at **www.osc.state.ny.us/retire/members/hearing_faq.php**, send an email to hearings@osc.state.ny.us, or call us at 1-866-805-0990 (518-474-7736 in the Albany, New York area).

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.

- Register for *Retirement Online*, a convenient and secure way to review your benefits and conduct transactions in real time. In many cases, you'll be able to use *Retirement Online* instead of mailing forms or calling NYSLRS. Members can view benefit information, update contact information, view and update beneficiaries, and apply for a loan. Learn more at **www.osc.state.ny.us/retire/retirement_online/customers.php**.
- Review your Member Annual Statement carefully and notify us of any errors promptly.
- Visit our website (**www.osc.state.ny.us/retire/index.php**) 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 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 (**www.osc.state.ny.us/retire/consultation_site_offices/index.php**), where you can meet with an information representative to discuss special concerns or request specific information.

- Notify us if your mailing address changes. This is especially important if you leave public employment before you are eligible to retire.
- Subscribe to our blog, *New York Retirement News* (**www.nyretirementnews.com**), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on Facebook (**www.facebook.com/nyslrs**) and follow us on Twitter (**www.twitter.com/nyslrs**) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our email newsletter (**www.osc.state.ny.us/retire/e-news/sign-up/index.php**), for the latest NYSLRS news and information dedicated to pre-retirement planning.
- Read your member newsletter, *The Sentinel*, for current retirement information and updates on your benefits.
- Contact us (**www.contactNYSLRS.com**) with any questions you have about your benefits.

Email: **www.emailNYSLRS.com**

Call: 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 Retirement Plan

This retirement plan summary describes the benefits available to Tier 2, 3 (Article 11), 5 and 6 members of the Police and Fire Retirement System covered by the special 20- and 25-year retirement plans. (There is no Tier 4 in the Police and Fire Retirement System.) These benefits are provided by Sections 384, 384-d and 384-e 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 (NYSLRS), headed by the New York State Comptroller, administers these plans. Our main office is in Albany, New York.

If you joined PFRS July 1, 2009, through January 8, 2010, you may not be covered by the benefits described in this publication, even if your employer has adopted and you have elected one of these special plans. The Retirement System is required to compare the employer's special plan cost to the cost of the Article 14 plan and assign you to the less costly plan. Based on our analysis, we believe that:

- If your employer offers a special 25-year plan and the one-year FAS or a special 20-year plan (regardless of FAS), and if you choose the special 20- or 25-year plan, you will be covered under Article 14. The benefit information in this summary does **not** apply to you.

- If your employer offers a special 25-year plan but not a one-year FAS, and if you choose the special 25-year plan, you will be covered by that special 25-year plan. The benefit information in this summary does apply to you.
- PFRS members employed by the City of Yonkers, who joined July 1, 2009, through January 8, 2010, are covered under Article 14. The information in this summary does **not** apply to you.

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.

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