

Your Retirement Plan

State Police Plan

For PFRS Tier 2, 5 and 6 Members
(Section 381-b)



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,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

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About Your Membership

RETIREMENT SYSTEM MEMBERSHIP

Police officers and paid firefighters working for New York State and any municipal employer are required to join the New York State Police and Fire Retirement System (PFRS). Your employer will register you as a PFRS member.

This plan (Section 381-b of New York State Retirement and Social Security Law) covers every member and officer of the New York State Division of State Police in the executive department.

TIER STATUS

When you join PFRS, you are assigned a tier depending 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 covered by the State Police retirement plan, who joined from July 1, 2009, through January 8, 2010, are covered by Article 14 benefits and should refer to the publication describing those benefits on our website.

As of March 31, 2015, there are no active Tier 1 members remaining in this plan. If you are a Tier 1 member and you have questions about your retirement benefits, please email us through our secure contact form at www.emailNYSLRS.com, or call us toll-free at 1-866-805-0990 (518-474-7736 in the Albany, New York area).

There is no Tier 4 in PFRS.

CONTRIBUTING TOWARD YOUR RETIREMENT

Tier 2 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 or have 32 years of service credit, whichever comes first. These are mandatory contributions; they will not provide an annuity when you retire.

Tier 6 Members

You must contribute a percentage of your reportable earnings (see chart below) until you retire or have 32 years of service credit, whichever comes first.

For your first three years of membership, we use the annual wage provided to us by your employer 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 of 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%

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 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 the 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 mandatory 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 an officer or employee with an employer that participates in NYSLRS.

Service Credit

FULL- AND PART-TIME SERVICE CREDIT

Full-Time Employment

If you work on a full-time, continuous basis beginning on your first day working for a participating PFRS employer, your service credit is 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, 5 and 6 members, one year of part-time employment is credited as the lesser of:

$$\begin{aligned} & \text{number of days reported}^* \div 260 \text{ days} \\ & \quad \mathbf{or} \\ & \text{annual earnings reported} \div \\ & (\text{State's hourly minimum wage} \times 2,000) \end{aligned}$$

* 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, 5 and 6 members receive half credit for sick leave at half pay.

Workers' Compensation

You will usually receive up to one year of service credit for time spent on workers' compensation leave per incident.

CREDITABLE SERVICE

Under this special plan, service as an officer of the New York State Division of State Police is creditable. You may also receive credit for service as a:

- Police officer in the New York State Department of Environmental Conservation;
- Police officer or member of a police force or department of a State park authority or commission;
- Police officer for the State University of New York (maximum of five years), if you completed 20 years of service and successfully completed a course of law enforcement training within one year of the date of your appointment;
- Member of the New York State Office of General Services Capital Police force; or
- Police officer or member of a police force or department of an organized police force or department of a county, city, town, village, police district or authority.
- Police service transferred from the Metropolitan Transportation Authority Police Pension Fund.

The following service would **not** be creditable:

- Sheriff, undersheriff, and deputy sheriff service;
- Detective investigator service in the office of a district attorney;
- Service as uniformed personnel in institutions under the jurisdiction of the Department of Corrections and Community Supervision; or
- Service as a paid firefighter for an employer that participates in PFRS.

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:

- If there is a cost, it is generally less expensive 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;
- Records documenting your service will more likely be available; and
- If your tier allows you to stop making contributions after a certain period of time, you will stop paying contributions sooner.

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.

Please note that certain types of service credit may not provide additional benefits under your special plan. Contact us (www.contactNYSLRS.com) to verify whether your service would be creditable, i.e., can be used in the calculation of your benefit.

Prior Service

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

Service Before Your Date of Membership

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

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, please visit our Military Service Credit webpage at **www.osc.state.ny.us/retire/members/military-service-credit.php**.

APPLYING FOR PREVIOUS OR MILITARY SERVICE CREDIT

To apply, submit a Request to Purchase Service Credit (Including any Military Service) (RS5042) form to NYSLRS before your date of retirement. You can also submit an email or a letter. 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.

For military service requests, attach/include a copy of your Certificate of Release or Discharge from Active Duty (DD-214). (It must show that you were honorably discharged.)

Form: www.osc.state.ny.us/retire/forms/rs5042.pdf

Email: www.emailNYSLRS.com

Mail: NYSLRS
110 State Street
Albany, NY 12244-0001

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.

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 initiate your reinstatement to Tier 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 retirement system, please write to our Member and Employer Services Bureau.

ADDITIONAL SERVICE CREDIT FOR SICK LEAVE (SECTION 341 [j])

Under Section 341(j) of the Retirement and Social Security Law (RSSL), 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.

Your additional credit is determined by dividing your total unused, unpaid sick leave days (capped at 165 days for most members and 200 days for some police officers employed by New York State) 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 be used to reach the five years.
- Qualify for a better retirement benefit calculation. For example, if your pension calculation will improve substantially with 20 years of service credit, but you only have 19½, your sick leave credit can't be used to reach the 20 years.
- 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 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. In some cases, certain restrictions may apply.

- Regular salary;*
- Overtime earned in the period used in the FAS;**
- Compensatory overtime;
- Holiday pay;
- Longevity payments (maximum of one per FAS year) if earned in the years used in the FAS; and
- Pay for sick leave beyond 165 days.

* Tier 6 members: Earned compensation which exceeds the Governor's annual salary, currently \$179,000, is excluded, as well as salary paid by 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 your salary.

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

- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump-sum payments for deferred compensation;
- Payments for accumulated vacation; and
- Overtime which is compensated in whole or in part by payments from private, non-governmental entities.*

* Work for private entities is not government service, and the pay for such work is not considered regular compensation from a participating employer. It can't be included in the calculation of FAS. Note: Overtime work by police officers for other participating public employers — for example, a school district — can be included in the calculation of FAS, even if the employer is reimbursed by the other public entity.

LIMITATIONS

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

Tier 2

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 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 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.

Service Retirement Benefits

20-YEAR SERVICE RETIREMENT BENEFIT (SECTION 381-b)

Eligibility

You will be eligible to retire with full benefits at any age after completing 20 full years of creditable service.

State Police officers must retire by the last day of the year in which their 60th birthday occurs.

You must file an Application for Service Retirement to receive benefits even if you are required to retire due to age.

The Benefit

With at least 20 years of *creditable* service (see page 12 for a list of all creditable service), your pension will be:

- 50 percent of your FAS; **plus**
- 1.66 percent of your FAS for each year of creditable service beyond 20 years.

The benefit for Tier 2, 5 and 6 members can't exceed 70 percent of your FAS.

If you reach mandatory retirement age before completing 20 years of service, your pension will be:

- 2.5 percent of your FAS for each year of creditable service; plus
- 1.66 percent of your FAS for each year of non-State Police service.

Your total benefit may not exceed 50 percent of your FAS.

You are also eligible for this calculation if you were employed by the Division of State Police prior to August 15, 2007, and you retire at age 57 before completing 20 years of service.

Filing

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

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 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:

- Tier 2 — 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 payment options to provide for a continuing payment to a beneficiary of your choosing after you die.

If you are vested and leave public employment, you may wish to contact us (www.contactNYSLRS.com) to request an estimate of your pension benefits.

FILING

To receive your vested retirement benefit at the earliest possible date, file a retirement application within 90 days before you become eligible. If we receive your retirement 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.

Choosing a Payment Option

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 for 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 monthly 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 monthly 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 monthly benefit for your lifetime. When you die, we will pay the same monthly benefit amount you were receiving (without COLA) — or one-half 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 monthly benefit for your lifetime. If you die within five years of retirement — or ten years, depending upon which option you elect — we will pay the same monthly benefit amount you were receiving (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 can’t change your designation after you retire. 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 (PLS)

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 PLS payment, 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).*

CHOOSING A LUMP SUM PAYMENT

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

* 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.

LUMP SUM PAYMENT AMOUNTS

The amount of the PLS payment available to you is a percentage of the actuarial value of your retirement benefit at the time you retire. The available percentages 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 percentage of the PLS option you have chosen. If you choose a different payment option, it will be calculated 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.

Items That May Affect Your Pension

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 \$275,000 (effective April 1, 2018) 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 considered 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 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 all 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 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 any 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 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 loan 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 2018. The amount of the reduction changes annually.

At Age	Outstanding Loan Balance	Annual Pension Reduction
45	\$5,000	\$208
	\$10,000	\$416
55	\$5,000	\$244
	\$10,000	\$488
60	\$5,000	\$271
	\$10,000	\$542

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 your *Retirement Online* account or 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 loan 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 repayment 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 non-taxable), **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, New York 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 amount, 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

STATE POLICE DISABILITY (SECTION 363-b)

Eligibility

You may be entitled to this benefit if, at the time of filing, you are:

- Under age 60;
- Permanently incapacitated (physically or mentally) and unable to perform your duties as the natural and proximate result of a disability sustained in service, not caused by your own willful negligence, regardless of your years of service; and
- In the service upon which your membership is based. If you are discontinued from this service, voluntarily or involuntarily, and the disability is work-related, you may apply within two years of the discontinuance. If the disability is not work-related, you must apply within 90 days of the discontinuance.

For a disability not sustained in service, you must have at least five years of service credit earned in the Division of State Police.

For this benefit, “service” is when you are:

- On the payroll;
- On an authorized medical leave of absence (with or without pay); or
- Receiving workers’ compensation or similar employer-funded benefits, as long as you have not resigned or been terminated while receiving those benefits.

The Benefit

If approved, your benefit will be 50 percent of your FAS, plus an annuity based on any annuity savings contributions you have made. 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 State Police disability benefit is paid in addition to any workers' compensation payments or Social Security disability benefits.

The sum of a State Police disability benefit, workers' compensation benefit and Social Security disability benefit cannot exceed your final salary. The law defines "final salary" as the maximum salary or compensation you would have received in the next higher position from which you retired. The portion of your pension which exceeds your final salary will be suspended until your combined benefits are less than or equal to your final salary.

If you have 20 years or more of service and are eligible for service retirement, your disability benefit will equal your service retirement benefit.

If the application is approved, you will receive benefits from the filing date of the application or from the day after the date you were last paid, whichever is later.

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

Filing

You or the Superintendent of State Police (or the Superintendent's designee) can file a disability retirement application, 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 State Police disability, State Police accidental disability and regular service retirement benefits may be submitted simultaneously.

STATE POLICE ACCIDENTAL DISABILITY (SECTION 363-bb)

Eligibility

You may be entitled to this benefit if, at the time of filing, you are:

- Permanently incapacitated (physically or mentally) and unable to perform your duties as the natural and proximate result of an accident sustained in service that was not caused by your own willful negligence; and
- In the service upon which your membership is based. If you are discontinued from this service, voluntarily or involuntarily, subsequent to the accident, your application must be filed within two years after your discontinuance from service.

“Accident” has a specific meaning with NYSLRS disability benefits. We determine whether an incident is an “accident” on a case-by-case basis, using court decisions for guidance.

After filing an application for this benefit, you will have to undergo one or more medical examinations.

Notice of Accident

You must file an application for an accidental disability benefit within one year of the alleged accident. Otherwise, you must have filed a written notice of the accident with:

- NYSLRS within 90 days of the accident; or
- Your employer within 30 days of the date 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.

The Benefit

If approved, your benefit will be a lifetime pension equal to 75 percent of your FAS, plus an annuity based on any annuity savings contributions you have made. 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 select an option for the payment of your disability benefits.

Filing

You or the Superintendent of State Police (or the Superintendent's designee) can file a disability retirement application, 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 the State Police disability, the State Police accidental disability and service retirement benefits may be submitted simultaneously.

Death Benefits

ORDINARY DEATH BENEFIT

Your beneficiary may be entitled to an ordinary death benefit, instead of a monthly pension, if your death is not attributable to an on-the-job accident. This is a one-time, lump sum payment. Your beneficiaries will not receive a monthly pension benefit.

The first \$50,000 of the ordinary death benefit is paid in the form of group-term life insurance, which is currently exempt from federal income tax. Your beneficiaries will also receive any accumulated contributions.

Eligibility

An ordinary death benefit may be payable to your designated beneficiary, if you've earned at least 90 days of service credit since last joining NYSLRS, and your death occurs:

- While you are on the payroll;
- While you are on an authorized medical leave of absence 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

The benefit will be three times the compensation earned during your last 12 months of service, rounded to the next higher \$1,000.

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 after you are eligible to retire, an alternative death benefit, which would be greater than the Ordinary Death Benefit, may be payable. This alternative benefit is only paid if it is larger than other death benefits.

Out-of-Service Death Benefit

If you are a vested member with at least ten years of credited service, but you have not retired, and you die more than one year after leaving public employment, 50 percent of the death benefit may still be payable. This benefit is also payable if you die within one year of leaving covered service, but were gainfully employed during that year.

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 service credit.

“Accident” has a specific meaning with NYSLRS disability benefits. We determine whether an incident is an “accident” on a case-by-case basis, using court decisions for guidance.

The Benefit

The accidental death benefit is a lifetime pension, if paid to a surviving spouse or dependent parent, equal to 50 percent of your FAS (less any workers’ compensation benefit paid or payable because of your death). Any accumulated contributions will be refunded to your designated beneficiary or to your estate.

The benefit can only be paid to the following family beneficiaries, in this order:

- First, to your surviving spouse, for life;
- Second, where there is no surviving spouse, or in the event of his or her death, minor children, until they reach age 18, or if students, until age 23;
- Finally, where there is no surviving spouse or minor children, to a dependent parent, for life.

If all the family beneficiaries 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, the difference will be paid to your designated beneficiary or to your estate. If you have no beneficiaries as listed above, the accidental death benefit will not be paid but the applicable ordinary death benefit will be paid 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 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 receiving the special accidental death benefit dies, this benefit will be paid to your children until age 18 (age 23, if they are students).

The Benefit

The special accidental death benefit is a pension equal to your salary at the time of your death reduced by:

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

The earnings used to compute the special accidental death benefit will not be less than:

- 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, 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 cleanup efforts in 2001, **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 that must be met for you or your beneficiaries to receive 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.

Receiving Your Benefits

APPLYING FOR BENEFITS

To apply for NYSLRS benefits, you must file the appropriate application form 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 Requirements

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 may fulfill the filing requirements by submitting the documents to us by mail.

If you are concerned about meeting a filing deadline, you may 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 filed on the date it was mailed.
- 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 we receive the fax, you must still mail us the original document to continue the process and 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

Should you become ill or disabled and 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. “Filed without prejudice” means we will process all filed applications. If more than one benefit is approved, you will have 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 or you can request a hearing through your *Retirement Online* account (go to our NYSLRS home page at www.osc.state.ny.us/retire to register or learn more).

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 stay informed about your benefits.

- 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) to find forms (www.osc.state.ny.us/retire/forms/index.php), publications (www.osc.state.ny.us/retire/publications/index.php), and tips on preparing for retirement, including our 5-Step Plan for Retirement (www.osc.state.ny.us/retire/planning/index.php) and Retirement Planning Checklist (www.osc.state.ny.us/retire/preparing_for_retirement/index.php).
- 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.
- 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

Phone: 1-866-805-0990 (518-474-7736 in the Albany, New York area)

Mail: NYSLRS
110 State Street
Albany, NY 12244-0001

About This Publication

This retirement plan summary describes the benefits available to Tier 2, 5 and 6 members covered by the State Police Retirement Plan. (There is no Tier 4 in the Police and Fire Retirement System.) These benefits are provided by Section 381-b of the New York State Retirement and Social Security Law (RSSL) as enacted by the New York State Legislature.

This publication applies only to members who joined the New York State and Local Police and Fire Retirement System from July 31, 1973 through June 30, 2009, or after January 8, 2010. Members covered by the State Police retirement plan who joined July 1, 2009 through January 8, 2010 are covered by Article 14 benefits and should refer to the publication describing these benefits on our website.

Throughout this publication, you will find references to “Sections” and “Articles” that refer to the RSSL. The New York State and Local Retirement System, headed by the Comptroller of the State of New York, administers this plan. Our main office is in Albany, New York.

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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