

# **New York State Employees Retirement System (ERS): Your Coordinated Retirement Plan For Tier 3 (Hired between 7/27/76-8/31/83) and Tier 4 Members (Hired between 9/1/83-12/31/09), and Tier 5 Members (Hired on or after 1/1/10)**

## 1.) About Your Membership

**Joining the Retirement System--If you are working in a permanent, full-time position for an employer that participates in the New York State and Local Employees' Retirement System, you must become a member of the Retirement System.**

**Under any of the following four scenarios, however, membership is optional:**

- \* You are appointed to a temporary or provisional position;
- \* You work less than 30 hours per week, or less than the standard number of hours for full-time employment as established by your employer for your position;
- \* Your job is supposed to last for less than one year, or you work on a less than 12 months per year basis;
- \* Your annual salary is less than New York State's minimum wage, multiplied by 2,000 hours.

**To join, you must complete and file a membership application with the Office of the State Comptroller through the Human Resources benefits Office.**

## 2.) Tier Status

**When you join the Retirement System, you are assigned to a tier depending on your date of membership. If you joined the Employees' Retirement System on or after July 27, 1976 but before September 1, 1983, you are a Tier 3 member; if you joined on or after September 1, 1983 but before January 1, 2010, you are in Tier 4; if you joined on or after January 1, 2010, you are in Tier 5.**

## 3.) Contributing Towards Your Retirement

- a.) **For Tier 3 and 4 members--Effective October 1, 2000, until you either accrue ten years of service credit or have been a member of the Retirement System for ten years after your date of membership, you are required to contribute 3 percent of your gross earnings toward your retirement benefits. If you are employed by more than one participating employer, once you join the Retirement System, all salary and service earned in connection with all employment must be reported to this System, even if your membership is only mandatory with one.**
- b.) **For Tier 5 members-- must contribute 3 percent of their salary for all their years of public service.**

**Under Internal Revenue Code Section 414(h) (as of July 1, 1989), your required 3 percent contributions are tax-deferred until they are distributed to you. These contributions are reportable for federal income tax only when you withdraw or retire from the Retirement System. Therefore, 3 percent contributions for Tier 3 and 4 members are:**

- \* **Not reported as wages for federal income tax;**
- \* **Reported as wages for New York State and local income taxes;**
- \* **Reported as wages for Social Security;**
- \* **Reported as wages to the New York State and Local Employees' Retirement System and used in the calculation of all benefits paid by the Retirement System; and**
- \* **Calculated on your full gross salary, before any salary reductions for any other tax deferred plan.**

#### 4.) Withdrawing Your Contributions and/or Your Membership

If you leave public employment with at least five, but less than ten, years of credited service, you may choose to:

- \* End your membership and withdraw your accumulated contributions (with interest compounded at 5 percent per year); or
- \* Leave your contributions in your account and qualify for a retirement benefit when you are 55.

To help you decide which would be more beneficial, visit the ERS website to project your pension using the "vested retirement" choice. Or, you can contact the Call Center to request a benefit projection. This is especially helpful if you have an outstanding loan balance, because you will receive a projection and the amount it would be reduced if you choose not to pay off the balance.

If you choose to withdraw, or you have less than five years of service and do not qualify for a retirement benefit, you should file the <<http://www.osc.state.ny.us/retire/forms/rs5014.pdf>> Withdrawal Application (RS5014) no earlier than 15 days after you leave public employment. If you have at least five years of credited service as a Tier 3 or 4 member, or at least 10 years as a Tier 5 member, and you do not withdraw your membership, make sure to apply for a retirement benefit when you reach 55.

Once you have ten or more years of credited service, you cannot withdraw from the Retirement System.

#### 5.) Your Service Retirement Benefit--Eligibility for Service Retirement

You will be eligible for a service retirement benefit when you reach age 55 and have five or more years of credited member service.

##### Final Average Salary

Your benefit is based on your years of credited service and your final average salary (FAS). FAS is the average of the wages you earned during any 36 consecutive months of service when your earnings were highest. This is usually the last three years of employment.

The wages in any year included in the three-year period cannot exceed the average wages of the previous two years by more than 10 percent. Any amount over the 10 percent is excluded from the computation of your FAS.

Payment for unused sick leave at retirement, termination pay or any other payments for time not worked are not included in the FAS calculation, but the following are:

- \* Overtime, if earned in the period used in the FAS;
- \* Holiday pay;
- \* Non-compensatory overtime earned for each year in the FAS period;
- \* Longevity bonus (maximum of three) if paid in the years used in the FAS;
- \* Up to 30 days vacation if the FAS is based on the 36 months immediately preceding retirement.

#### 6.) The Service Retirement Benefit

If you retire with less than 20 years of service credit, your pension will equal 1/60th (1.66 percent) of your FAS for each year of service. With 20-30 years of service credit, your benefit will equal 1/50th (2 percent) of your FAS, multiplied by your years of credited service. For each year of credited service beyond 30 years, you will receive 3/200ths (1.5 percent) of your FAS.

Examples:

a.) At age 62, with 19 years of service and an FAS of \$35,000  
 $(19 \text{ years} \times \$35,000) \div 60 = \$11,083 \text{ per year}$

\$924 per month

b.) At age 62, with 20 years of service and an FAS of \$35,000  
 $(20 \text{ years} \times \$35,000) \div 50 = \$14,000 \text{ per year}$

\$1167 per month

c.) At age 62, with 31 years of service and an FAS of \$35,000  
 $(30 \text{ years} \times \$35,000) \div 50 = \$21,000 \text{ per year}$   
Plus  $(1 \text{ year} \times .015) \times \$35,000 = \$525 \text{ per year}$   
\$21,525 per year

\$1794 per month

7.) Retiring Before Age 62

**Tier 3 & 4 members who retire with 30 or more years of service, will not have a reduced benefit as a result of retiring before age 62.**

Tier 5 member retirement benefits of members retiring between age 55 and 62 will be reduced for early retirement — even if they have 30 years of service credit.

**With less than 30 years of credit, if you retire between 55 and 62, your benefit will be reduced by the percentages shown (these will be adjusted by your exact age at retirement). It is important to note that once you retire with a reduced benefit, the reduction is permanent and does not end once you turn 62 years old:**

Tier 3 & 4 Age at Retirement/Percentage of Reduction      Tier 5 Age at Retirement/Percentage of Reduction

55/27%	55/38.33%
56/24%	56/33.33%
57/21%	57/28.33%
58/18%	58/23.33%
59/15%	59/18.33%
60/12%	60/13.33%
61/6%	61/6.67%
62/0%	62/0%

Examples for Tier 3 & 4 members--

- a.) Retiring on your 55th birthday, with 19 years of service and an FAS of \$35,000  
(19 years × \$35,000) ÷ 60 = \$11,083 per year  
-\$2,992 (27 percent benefit reduction)  
  
\$8,091 per year
- b.) Retiring on your 55th birthday, with 20 years of service and an FAS of \$35,000  
(20 years × \$35,000) ÷ 50 = \$14,000 per year  
-\$3780 (27 percent benefit reduction)  
  
\$10,220 per year
- c.) Retiring on your 55th birthday, with 31 years of service and an FAS of \$35,000  
(30 years × \$35,000) ÷ 50 = \$21,000 per year  
Plus [(1 year × .015) × \$35,000] = \$525 per year  
  
\$21,525 per year

Examples for Tier 5 members—

- a.) Retiring on your 55th birthday, with 19 years of service and an FAS of \$35,000  
(19 years × \$35,000) ÷ 60 = \$11,083 per year  
-\$4,248 (38.33 percent benefit reduction)  
  
\$6,835 per year
- b.) Retiring on your 55th birthday, with 20 years of service and an FAS of \$35,000  
(20 years × \$35,000) ÷ 50 = \$14,000 per year  
-\$5,366 (38.33 percent benefit reduction)  
  
\$8,634 per year

8.) Filing for the Service Retirement Benefit

**Application for Service Retirement (RS 6037) must be on file with the Office of the State Comptroller at least 30 days but not more than 90 days before the date of your retirement. Please contact the Human Resources Benefits Office at ext. 4-4946 to schedule appointment at least 6-8 weeks before your projected date of retirement.**

9.) Items That May Affect Your Retirement Benefit

**a.) Cost-of-Living Adjustments (COLA)**

**Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. You will begin receiving COLA when you are:**

- \* **62 or older and retired for five or more years; or**
- \* **55 or older and retired for ten years (members in special plans that allow for retirement, regardless of age, after a specific number of years or members retiring under an incentive program); or**
- \* **Receiving a disability pension for five or more years.**

When you die, if you selected an option that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse at the time of death, he or she will be eligible to receive half of the COLA amount you would have been entitled to.

**b.) Divorce**

The New York State Court of Appeals determined that retirement benefits are marital property and are subject to the equitable distribution\* provisions of the Domestic Relations Law. At the time of your divorce, you and your former spouse can agree on how your pension benefits will be divided, or you can have the decision made by the court. Either way, any division of your pension between yourself and your former spouse will only occur if we are served with a Domestic Relations Order (DRO) requiring payment to your former spouse. However, this decree does not result in a distribution of your pension until you actually retire, die or terminate membership.

For more information on how your pension benefits can be affected by a DRO, consult your attorney and read our publication, [http://www.osc.state.ny.us/retire/word\\_and\\_pdf\\_documents/publications/1800s](http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/1800s) Divorce, Equitable Distribution and the Retirement Systems (VO1862).

Equitable distribution is the fair division of marital assets between husband and wife after the marriage has ended.

A Domestic Relations Order is the legal document issued by a court that provides the Retirement System with specific direction on how your pension benefits should be divided between you and your ex-spouse.

**10.) Establishing Benefit Eligibility (Vesting)**

Vesting means you become eligible for a guaranteed retirement benefit once you have worked for an employer for a certain length of time.

As long as you do not withdraw your contributions, once you meet the minimum requirement of five years of credited service for Tier 3 & 4 members, and ten years of credited service for Tier 5 members, you will have earned the right to receive a pension, even if you discontinue your public employment.

**11.) Eligibility for Vesting**

As a Tier 3 or 4 member, you are eligible for a vested retirement benefit and you leave public employment before age 55 and you have five or more years of credited service. This means that when you reach 55, you will be entitled to a pension based on your service and the salary earned when you were an active member.

As a Tier 5 member, you are eligible for a vested retirement benefit and you leave public employment before age 55 and you have ten or more years of credited service. This means that when you reach 55, you will be entitled to a pension based on your service and the salary earned when you were an active member.

For Tier 3, 4, and 5 members, under Article 15, if you retire at age 55 with less than 30 years of service, you would receive a reduced pension. If you retire with at least 30 years of service, or if you are 62 or older at retirement, there is no reduction in your pension.

**12.) Your Vested Benefit**

This benefit is calculated the same way as your service retirement benefit. However, the benefit cannot be less than the value of your accumulated contributions with interest. Your pension is payable for your lifetime and you must elect one of several options to provide for the possible payment to a designated beneficiary of your choosing.

**13.) Filing for the Vested Benefit**

To receive your vested pension at the earliest possible date, file a retirement application no earlier than 90 days before your 55th birthday. If we receive your retirement application after your 55th birthday, your vested retirement is effective 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. As an active employee, you should contact the Human Resources Benefits Office at least 6-8 weeks prior to your projected date of retirement to schedule an appointment to complete all necessary documents.

14.) How Your Service is Credited

**a.) Full-Time Employment**

If you join the Retirement System on the day you begin employment with a participating employer, your retirement service credit is calculated by subtracting your beginning date of employment from the date you actually leave paid employment, as long as:

- \* You work on a full-time, continuous basis; and
- \* You earn at least the annual equivalent of New York State's annual minimum wage for your full career in public service.

Full-time is defined by your employer but must be at least six hours per day, for a five-day week.

**Leaves of Absence**

Half credit is given for sick leave at half pay. Since service is usually not credited for any period of time you do not receive a salary, credit is not given for:

- \* Leaves of absence without pay;
- \* Authorized, unpaid medical leaves of absence; or
- \* Unpaid leave under the federal Family and Medical Leave Act.

State employees will receive up to one year of service credit per incident while on Workers' Compensation leave. Non-State employees will only receive credit for this time if their employer continues to pay them at least a portion of their salary, even if it is later reimbursed by the Workers' Compensation carrier.

**Getting Credit for Previous Public Service**

You may be able to obtain credit for your previous public employment. It is very important that you claim all the service you are entitled to receive as early as possible, because records documenting your previous service may become lost or destroyed with the passage of time.

**Prior Service**

This is any period of time you received salary from a participating employer before that employer elected to participate in the Retirement System. To receive this credit, you must earn at least two years of credited service as a Retirement System member.

Example:

You worked at the town library while going to school and, as a part-time employee, you chose not to join the System. Now that you have graduated and taken a full-time job as a Nurse, you must join. You can choose to claim the part-time service but there is a cost.

**b.) Military Service**

You may be able to receive credit for some or all of your military service. To determine your eligibility and the cost, if any, please provide the Human Resources benefits Office with a copy of your Certificate of Release or Discharge from Active Duty (DD-214).

**c.) 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 changed. We will initiate reinstatement to Tier 3 or an earlier date within Tier 3 or 4 by sending you information about your eligibility and giving you the opportunity to purchase credit for your withdrawn service. If your previous Tier 3 or 4 membership was with another retirement system, please write to our Member & Employer Services Bureau.

For reinstatement to Tier 1 or Tier 2, you must send us a completed an application to Reinstate a Former Tier 1 or 2 Membership (RS5506).

#### **d.) Payment of Service Credit**

As a Tier 3 or 4 member, you will usually be required to pay for service currently not credited to you. There are two kinds of past service costs — mandatory and optional. Mandatory costs are required for service you earned as a member but for which you made no (or insufficient) contributions.

Optional costs are payments you choose to make to purchase credit for a period of previous or military service. Once you have made payment and have accrued two years of service credit as a member, you can receive that credit.

**Applying for Previous Service Credit-** To receive credit for any type of previous service, send a written request (which must be received before your effective date of retirement) to our Member & Employer Services Bureau. Please include as much information as you can about the period of employment for which you are seeking to receive credit. We will determine your eligibility to receive the credit and any cost involved. Please 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.

By requesting credit for your previous public employment as early in your career as possible:

- \* It will be less expensive than if you wait to purchase it at a later date;
- \* You will stop making the 3 percent contributions sooner;
- \* Your retirement benefit will be processed more quickly if your service credit is in order.

Please note, if you are requesting previous service to establish eligibility for a vested retirement benefit, you should request credit while you are on the payroll of a participating employer. If you receive a cost after you leave the payroll, you must make payment within 30 days of notification. You can request credit once you are off the payroll, but you must pay the cost (if any) and return to the payroll of a participating employer for the service to be credited and to become vested.

#### **15.) Benefit Payment Options**

##### **a.) How You Receive Your Benefit**

At retirement, you must decide how you want your retirement benefit paid. While there are several options to choose from, all of them provide you with a monthly benefit for life. For example, you may elect to have your retirement benefit paid to you as a Single Life Allowance, providing you with the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a smaller monthly benefit to provide for a possible payment to a designated beneficiary after your death.

##### **b.) Filing Your Option Election**

You must file your Option Election form (unless notified 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 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 your election is not timely, by law, we must process your retirement as if you had selected the Single Life Allowance (Option 0).

The following choices are available to you:

##### **Single Life Allowance (Option 0)**

This is the basic retirement benefit. It provides for the payment of the maximum benefit to you each month for the rest of your life. But remember, under this selection, all payments cease at your death. When you die (even if it is only one year, or sooner, after retiring), nothing will be paid to any beneficiary.

#### **Joint Allowance - Full\***

This option will provide you with a reduced monthly benefit for your lifetime and is based on your and your beneficiary's dates of birth. When you die, your beneficiary will receive the same monthly amount (without COLA) for life. If your beneficiary dies before you, all benefit payments will cease at your death.

#### **Joint Allowance - Partial\***

This option is based on your life expectancy and that of your beneficiary. It provides a reduced lifetime income (without COLA) that pays a specific percentage which you select (either 75, 50, or 25 percent of your benefit) to your beneficiary for his or her lifetime after your death. If your beneficiary dies before you, all payments stop at your death.

#### **Pop-Up/Joint Allowance - Full or Half\***

These options will provide you with a lifetime reduced monthly benefit. If you die before your beneficiary, we will continue paying the same monthly amount (without COLA) or one-half that amount, depending on which option you elect, to your beneficiary for life. However, if your beneficiary dies first, your allowance will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement and all payments will stop at your death.

\*If you elect this option, you must submit proof of your beneficiary's birth date. You can designate only one beneficiary and you cannot change your designation after your retirement. If your beneficiary is your spouse at the time of your death, he or she will be eligible for 50 percent of your COLA.

#### **Five Year Certain and Ten Year Certain**

Though these options provide you with reduced monthly lifetime income, they are based on the guarantee that if you live for less than five years or ten years, after retirement, depending upon which option you elect, payments in the same (without COLA) amount you were receiving will be made to your beneficiary for the balance of the five or ten-year period. You may change your beneficiary within the five or ten-year period.

#### **16.) Disability Retirement Benefits**

If you become unable to perform your duties because of a permanent physical or mental incapacity, you may be eligible for a disability retirement benefit. There are a variety of disability benefits with different requirements. You may submit applications simultaneously for disability and, if you are eligible, regular service retirement benefits.

You must select an option for the payment of your disability benefit. For more information, refer to the Office of State Comptroller's booklet, " <<http://www.osc.state.ny.us/retire/publications/vo1522.htm#chapter9>> Benefit Payment Options".

#### **a.) Article 15 Disability Retirement Benefit**

##### **Eligibility for the Benefit**

To qualify for this disability retirement benefit, you need ten years of credited service, unless your disability results from an accident you sustain on the job. If your disability results from an on-the-job accident, not due to your own negligence, there is no minimum service requirement.

##### **Filing for the Article 15 Benefit**

You, your employer, or someone authorized with your power of attorney, may file your <<http://www.osc.state.ny.us/retire/forms/rs6340-i.pdf>> Article 15 Disability Retirement Application (RS6340). The power of attorney is a legal document that gives authority to another person to make financial and other legal decisions on your behalf. The application must be filed while you are on the payroll, or within:

- \* Three months of the last date you were paid on the payroll; or
- \* Twelve months after receiving notification of termination of employment, provided you were on an authorized medical leave of absence or receiving Workers' Compensation benefits.

**b.) Tier 3 - Article 14 Ordinary Disability Retirement Benefit**

If you are a Tier 3 member, you may qualify for disability retirement benefits under either Article 14 or Article 15. The Article 15 benefit is usually greater than the disability retirement benefit you would receive under Article 14, since the Article 15 benefit is not offset by your Social Security disability or Workers' Compensation benefits. However, to qualify for the Article 15 benefit, you must have at least ten years of service credit, unless you are found permanently disabled as a result of an on-the-job accident not caused by your own willful negligence.

**c.) Eligibility for the Article 14 Ordinary Disability Retirement Benefit**

You may be eligible for an ordinary disability retirement benefit if you have accrued at least five years of service credit, and have been awarded primary Social Security disability benefits.

d.) Social Security disability benefit. If a Workers' Compensation benefit is payable, the ordinary disability benefit is also reduced by the amount of this benefit.

This benefit is subject to full escalation for changes in the cost-of-living on the first day of the month following the date you become eligible for the disability benefit. Though the percentage of escalation may rise or fall each April, it is calculated on the annual gross amount of the pension you received the previous fiscal year (April 1 – March 31).

**e.) Filing for the Article 14 Ordinary Disability Benefit**

You, or someone (but not your employer) authorized with your power of attorney, may file your <http://www.osc.state.ny.us/retire/forms/rs6411.pdf> Article 14 Disability Retirement Application (RS6411) with the Office of the State Comptroller. Please note that you must submit your application for ordinary disability retirement while you are in active service. If you are no longer in active service, you may be eligible if your Social Security disability benefit is awarded retroactively to a time when you were in active service.

Active service is defined as:

- \* Service rendered while on your employer's payroll; or
- \* Periods when you are on an authorized medical leave of absence for up to two years after last being paid on the payroll; or
- \* Periods when you are receiving Workers' Compensation, or other employer-funded benefits for up to two years after last being paid on the payroll. However, you will not be considered in active service if your employment terminates, even if you are still receiving Workers' Compensation or similar employer-funded benefits.

**f.) Tier 3 - Article 14 Accidental Disability Retirement Benefit**

You may be eligible for an accidental disability retirement benefit if you are awarded primary Social Security disability benefits for a disability sustained as the natural and proximate result of an accident sustained in the performance of your duties, not caused by your own willful negligence.

You, or someone authorized with your power of attorney (but not your employer), may file your application for accidental disability retirement with the Office of the State Comptroller. The application should be filed while you are still in active service. Active service is defined as:

- \* Service rendered while on your employer's payroll; or
- \* Periods when you are on an authorized medical leave of absence.

Although the award of this benefit is dependent on your being approved for the primary Social Security disability benefit, to ensure timely filing, send us your Article 14 application without delay. If you have not filed for the primary Social Security disability benefit when we receive your application, we will hold it pending the Social Security Administration's decision. If you are no longer in active service, you may be eligible if your Social Security disability benefit is awarded retroactively to a time when you were in active service.

#### **g.) Ordinary Death Benefit**

If you have at least one year of credited service in the Retirement System, your beneficiary may be entitled to an ordinary death benefit if your death is not attributable to an on-the-job accident. The first \$50,000 of this benefit is paid in the form of group term life insurance that, under present rules, is exempt from Federal income tax. Your accumulated contributions are also payable to your beneficiary.

#### **17.) Life Changes - Why Should I Designate a Beneficiary?**

As a Retirement System member, your beneficiary(ies) may be entitled to substantial benefits upon your death. Since payment is made to the last beneficiary(ies) you designate, it is vitally important that you periodically review your retirement information to make sure your beneficiary designations reflect your desires.

#### **a.) The Importance of Designating Your Beneficiary**

You may designate any person(s) or organization(s) to receive your ordinary death benefit - it does not have to be a family member.

It is important to designate a beneficiary because he or she may be eligible to receive:

- \* An ordinary death benefit, or
- \* A New York State survivor's benefit (for beneficiaries of New York State employees).

b.) You may designate any person(s) or organization(s) to receive your ordinary death benefit - it does not have to be a family member.

It is important to designate a beneficiary because he or she may be eligible to receive:

- \* An ordinary death benefit, or
- \* A New York State survivor's benefit (for beneficiary(ies) of New York State employees).

c.) You can designate two types of beneficiaries - primary and contingent.

A primary beneficiary is the person who receives your death benefit. If you name more than one primary beneficiary, each will equally share the benefit, unless you indicate specific percentages are to be paid totaling 100 percent (e.g., John Doe, 50 percent; Jane Doe, 25 percent; and Mary Doe, 25 percent).

A contingent beneficiary will receive your death benefit only if all the primary beneficiary(ies) die before you. Multiple contingent beneficiary(ies) will equally share the benefit, unless you indicate specific percentages are to be paid.

Please note that your beneficiary designation does not affect your accidental death benefit, since the distribution of this benefit is mandated by law.

#### **d.) Changing Your Beneficiary**

You can change your death benefit beneficiary designation at any time. Every year, you will receive a Member Annual Statement listing your current beneficiaries - review this information carefully. Marriage, divorce, birth or adoption of a child, or the death of a loved one are reasons why you may need to revise your beneficiary designation.

Members who wish to change, add or delete beneficiaries must complete a <<http://www.osc.state.ny.us/retire/forms/rs5127-i.pdf>> Designation of Beneficiary form (RS5127). This form is available with the Human Resources Benefits Office, or through the ERS Call Center, or at the website at <<http://www.osc.state.ny.us/retire/index.htm>> [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

Please read the instructions on the form before entering the data. Include the names, addresses and birth dates of all the beneficiary(ies) you wish to designate. After entering all required data, be sure to sign and date the form and have your signature notarized. The notary must include his or her date of notary expiration and should not be an interested party (e.g., a person designated as your beneficiary). Any alterations, including erasures or the use of correction fluid, will void the form. Also, note that changes become effective when we receive and approve your form.

You can name up to four primary and four contingent beneficiary(ies) on a Designation of Beneficiary form. To designate more beneficiary(ies) than the form can accommodate, please contact the ERS for instructions. They cannot accept attachments to the form.

At retirement, you will be given the opportunity to designate a beneficiary for your pension benefit. Depending on your plan and tier, you may also be eligible for a post-retirement death benefit. You may name the same or different individual(s) for each benefit, if applicable. For information about designating or changing beneficiaries after retirement, retirees should consult the ERS publication, <[http://www.osc.state.ny.us/retire/word\\_and\\_pdf\\_documents/publications/1700s](http://www.osc.state.ny.us/retire/word_and_pdf_documents/publications/1700s) *A Guide for Retirees*, available from the ERS Call Center or website at <<http://www.osc.state.ny.us/retire/index.htm>>[www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

#### e.) Special Designations

**\*Minor Children:** If your designated beneficiary is a minor (under age 18) at the time of your death, your benefit will be paid to the child's court-appointed guardian. Alternatively, you may designate a custodian to receive the benefit on behalf of the minor under the Uniform Transfers to Minors Act (UTMA). Please contact us for more information and the appropriate form before making this type of designation.

**\*Trust:** You may name your trust as the primary beneficiary or as the contingent beneficiary of your death benefit if you have executed a trust agreement or provided for a trust in your will. Contact your attorney for more information on trust agreements. To name a trust, use the special <<http://www.osc.state.ny.us/retire/forms/rs5127-t.pdf>> Trust with Contingent Beneficiaries form (RS5127-T), available on the ERS website at <<http://www.osc.state.ny.us/retire/index.htm>> [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire). Be sure to include the trustee's address.

With this type of beneficiary designation, the trust is the beneficiary, not the individual(s) for whom the trust was established. If you revoke the trust or it expires, its designation as beneficiary is no longer valid. In that case, complete and send us a new form to keep your beneficiary designation current.

**\*Estate:** You may name your estate as the primary beneficiary or as the contingent beneficiary of your death benefit. If you name your estate as your primary beneficiary, do not name a contingent beneficiary. Should a benefit become payable, it will be given to the executor of your estate to be distributed according to the terms of your will.

**\*Entity:** You may name any charitable, civic, religious, educational or health-related organization as your primary beneficiary or as your contingent beneficiary. Include the organization's full name and address on the form.

**Keep in Mind--**Because the Designation of Beneficiary form is a legal document, it is essential that the form be completed legibly and accurately. Here are some guidelines to keep in mind when entering your data:

- \* Do submit the original form to us.
- \* Do sign the form and have your signature notarized. (The notary's expiration date must be included.)
- \* Do keep us informed of any address changes for yourself and your beneficiary(ies).
- \* Do contact us if you need to designate more beneficiary(ies) than the form can accommodate.
- \* Do name only living persons as beneficiary(ies) unless naming a trust or estate.
- \* Do not name the same person as both primary and contingent beneficiary.
- \* Do not use the word "or" when designating multiple beneficiary(ies).
- \* Do not impose a condition on payment that cannot be administered by the ERS.
- \* Do not write in the margins of the form.

- \* Do not make any alterations to the form.
- \* Do not name yourself as your beneficiary.

**Power of Attorney--**If you are unable to complete a form changing your beneficiary, the ERS will accept the form if it is completed by someone who has your power of attorney. It is important to note that the individual who has your power of attorney can only name themselves as beneficiary if you have specifically granted that authority to them in the power of attorney, or if they are one of the following relations: spouse, child, grandchild, parent, brother or sister. The Designation of Beneficiary form changing your beneficiary must be accompanied by your power of attorney, containing a raised seal (or a certified copy).

You may revoke your power of attorney at any time by sending us a signed, notarized statement.

#### 18. Eligibility for the Benefit

An ordinary death benefit may be payable to your designated beneficiary if you have completed at least one year of service since last joining the Retirement System and your death occurs:

- \* While in public service; or
- \* While on an authorized medical leave without pay; or
- \* While receiving Workers' Compensation, or other employer-funded benefits, for up to two years following the last date you were paid on the payroll, provided your employment has not been terminated by resignation, employer action or any other means; or
- \* Within 12 months of the last date you were receiving salary, provided you were not otherwise gainfully employed during that period.

#### a.) The Ordinary Death Benefits

Most Tier 3 and Tier 4 members, especially if you joined before July 26, 1986 or on or after January 1, 2001, are covered by death benefit two. Death benefit two is equal to your salary multiplied by your years of service, not to exceed three years of salary. That means that after one year of service, your beneficiary will receive one times your salary; after two years of service, two times your salary. After three or more years, the benefit is three times your salary.

#### Example: Death Benefit Two

\$30,000 earned in last year (assuming your salary stays the same)

- After 1 year of service = \$30,000
- After 2 years of service = \$60,000
- After 3 or more years of service = \$90,000

For members working beyond age 60, the death benefit that would have been payable if you died at age 60 will be reduced by 4 percent each year that you stay in public employment, for a maximum of a 40 percent reduction. For example, if a member at age 60 was eligible for a \$90,000 death benefit, and he or she dies while still employed, his or her beneficiary would receive a benefit as follows:

Age 60  
 Maximum Percent Payable 100%  
 Death Benefit Payable \$90,000

Age 61  
 Maximum 96%  
 Death Benefit payable \$86,400

**b.) Post-Retirement Death Benefit**

Death Benefit two also provides a post retirement death benefit if you:

- \* Retire directly from service; or
- \* Are a vested member and file for retirement within one year of leaving public employment in New York State.

The post-retirement death benefit is calculated at your retirement. During your first year of retirement, the benefit is 50 percent of the ordinary death benefit payable at retirement; during your second year of retirement, the benefit is 25 percent. During your third year and thereafter, the benefit will be 10 percent of the ordinary death benefit that would have been payable at age 60, if any, or at retirement, whichever was earlier.

**c.) Out of Service Death Benefit**

If you are a vested member with at least ten years of credited service 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 time.

**d.) Filing for the Ordinary Death Benefit**

Your family or employer should notify us of your death as soon as possible and we will send the appropriate forms to your beneficiary.

**e.) Accidental Death Benefit**

**Eligibility for the Accidental Death Benefit**

Regardless of your years of service credit, should you die as the direct result of an on-the job accident, not due to your own willful negligence, an accidental death benefit would be paid on your behalf.

**The Tier 3 - Article 14 Accidental Death Benefit**

This is a pension equal to one-half (50 percent) of your FAS. Each April, the benefit may change depending on the amount of the increase or decrease in the Consumer Price Index, or by 3 percent, whichever is less. The benefit will never be reduced below the amount initially paid. It is paid to your beneficiaries, in this order:

- \* To your surviving spouse providing he/she has not renounced survivorship rights in a separation agreement, until remarriage; or
- \* To your surviving children until they reach age 25; or
- \* To your dependent parent or parents, as determined under regulations established by the Comptroller; or
- \* To any other person who qualified as a dependent on your final Federal income tax return or the return filed in the year immediately preceding the year of your death, until this person reaches age 21.

If the total of all the accidental death benefit payments is not more than the amount of the ordinary death benefit, the difference will be paid to the last eligible beneficiary or beneficiaries. If none exist, it will be paid to the executors of your will, or the persons who would be the executors if you die without making a will. The application for the accidental death benefit must be filed within two years of your date of death.

**The Tier 4 - Article 15 Accidental Death Benefit**

This is a pension equal to one-half (50 percent) of your wages during the last year of active service and is paid to your beneficiaries, in this order:

- \* To your surviving spouse provided he/she has not renounced survivorship rights in a separation agreement, until remarriage; or
- \* To your surviving children until age 25; or
- \* To your dependent parent or parents, as determined under regulations established by the Comptroller; or

- \* To any other person who qualified as a dependent on your final Federal income tax return for the year preceding death, until that person reaches age 21.

The benefit will be divided equally among the beneficiaries in any one category if you have more than one child, parent or other dependent.

If the total of all the accidental death benefit payments is not more than the amount of the ordinary death benefit, the difference will be paid to the last eligible beneficiary or beneficiaries. If none exist, the benefit will be paid to the executors of your will, or the persons who would be the executors if you die without making a will. The application for the accidental death benefit must be filed within 60 days of your date of death. The head of the Retirement System may accept an application after 60 days, but only if an ordinary death benefit has not been paid.

#### f.) Filing for the Benefit

**Your family or employer should notify us when you die and we will forward the appropriate forms to your beneficiary.**

For More Information

If you have any questions, please contact the Human Resources Benefits office at 464-4946, or visit The Office of State Comptroller at <<http://www.osc.state.ny.us/retire/index.htm>> [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire), Call Center toll-free at 1-866-805-0990, fax at 518-402-4433 or write:

New York State and Local Retirement System  
110 State Street  
Albany, NY 12244-0001