

# *Active Members' Handbook*



New York State  
Teachers'  
Retirement  
System

# NYS Teachers' Retirement System

## WELCOME

This *Active Members' Handbook* is intended to help working and vested NYSTRS members better understand their retirement benefits. It's an important part of our commitment to help you make informed decisions about your future at each stage of your teaching career.

The information in this *Handbook* is subject to change. As laws are added or amended, some aspects of the benefit structure described within may be altered. The most current version of this *Handbook* can be viewed at [nystrs.org](https://nystrs.org).

In providing this Handbook, we do not intend to encompass all aspects of the New York State Teachers' Retirement System, or the laws and regulations that govern it. Rather, we seek to provide general information, and address questions about membership and benefits.

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## About NYSTRS

The New York State Teachers' Retirement System (NYSTRS or the System) was established in 1921 by an act of the state Legislature to administer a defined benefit plan. Its purpose is to manage the fund from which NYS public school teachers and administrators (excluding those in New York City) receive retirement benefits. Benefits are statutory and paid in accordance with the laws enacted by the Legislature.

The System's financial information and internal controls are subject to audit by the New York State Department of Financial Services and the Retirement System's Audit Department. An independent certified public accountant annually reviews the System's financial statements and actuarial assumptions.

### Funding

Funds to provide benefits are derived from:

- ◉ Investments — Funds are invested in equities, fixed income, real estate and other programs according to an asset allocation policy designed to maximize returns through diversification while limiting risks to the portfolio.
- ◉ Employer contributions — Each participating employer contributes a percentage of its member payroll.
- ◉ Member contributions — Tier 3 and 4 members contributed 3% of reportable salary to the pension fund until they had been members for 10 years or were credited with 10 years of service, whichever came first. Tier 5 members contribute 3.5% of reportable salary to the pension fund throughout their active membership. Tier 6 members contribute a percentage of their reportable salary throughout their active membership. (See chart on page 12.)



### Board of Trustees/Staff

A 10-member Board sets policy and oversees System operations. The make-up of the Board is prescribed by law:

- Three teacher members are elected from the membership, one each year, by delegates at an annual meeting held in the fall.
- One NYSTRS retiree is elected by a mail vote of all retired members.
- Two school administrators are appointed by the NYS Commissioner of Education.
- Two present or former school board members, experienced in the fields of finance and investment, are elected by the NYS Board of Regents from recommendations of the NYS School Boards Association. At least one of these individuals must have experience as an executive of an insurance company.
- One present or former bank executive is elected by the Board of Regents.
- The State Comptroller or designee.

Board trustees are elected/appointed to three-year terms (except the Comptroller, who serves while in office) and serve without compensation.

**Thomas K. Lee**, Executive Director & Chief Investment Officer, heads a staff of approximately 420 full-time employees responsible for the day-to-day operations of the System.

# Membership

## Rules of Membership

### Mandatory Membership

You must join NYSTRS if you are employed under all of the following conditions:

- ◉ As a teacher, teaching assistant, guidance counselor, educational administrator, or any other title covered by this System, **and**
- ◉ By a New York State (excluding New York City) public school district or BOCES, or by a charter school that has chosen to participate as an employer in NYSTRS, **and**
- ◉ Full-time every work day for the full day, as defined in the appropriate contract or job description, through the end of the school year.

### Optional Membership

You may join if:

- ◉ You are employed less than full-time in any of the positions and by any of the employers listed above, **or**
- ◉ You are employed by a New York State Community College or SUNY in a teaching position (excluding graduate assistants or teaching assistants). Alternatively, you could join the Optional Retirement Program. Contact your human resources department for additional details on your options.

If you are a member who elected the Optional Retirement Program, contact the System at 800-348-7298, ext. 6020 when you cease New York State public employment to discuss your eligibility for benefits.

If you were hired on or after July 1, 2013, with estimated annual wages of \$75,000 or more and you are not a member of a collective bargaining unit, you may voluntarily join the Optional Retirement Program instead of NYSTRS.

### Joining NYSTRS

To become a member, you must file an [Application for Membership](#) (NET-2). Once we receive a properly completed form, we will send you an acknowledgement letter. New members are encouraged to read [Your First Look at NYSTRS](#) – a pamphlet designed for new members, and for part-time or substitute teachers who have the option of joining NYSTRS. The pamphlet outlines service milestones, your eligibility for future benefits and the services we provide.



The acknowledgement letter contains your System identification number, known as your EmplID. You will be asked to provide this number on forms, when corresponding with the System, when calling or meeting with System representatives, or when registering for a personalized [MyNYSTRS](#) account on our website. Like your Social Security number, your EmplID is unique to you and will not change as long as you are a member.

### *Simultaneous Memberships and Transfer*

You can have memberships in more than one New York State public retirement system and receive benefits from more than one system. However, if you are no longer working in employment reportable to one of the systems, you may be able to transfer your membership into the other system, which in most cases is beneficial to you. Service credit, member contributions (if any) and original date of membership may be transferable. Before deciding, you should contact both systems to discuss how a transfer could affect your benefits. In addition to this System, the New York State public retirement systems where transfers of membership are possible:

- New York State and Local Employees' Retirement Systems.
- New York State and Local Police and Fire Retirement System.
- Teachers' Retirement System of the City of New York.
- New York City Board of Education Retirement System.
- New York City Employees' Retirement System.
- New York City Police Pension Fund.
- New York City Fire Department.

To request a transfer, contact the retirement system you are leaving and obtain the necessary forms and instructions.



## Tiers of Membership

Membership tiers refer to groups of members whose benefits are determined by different sections of law and regulations. Your tier is determined by your current date of membership, as noted in your *Benefit Profile* mailed to you annually and available in your online [MyNYSTRS](#) account.

Tier structure is based on these membership dates:

| Tier | Date of Membership |
|------|--------------------|
| 1    | Before 7/1/73      |
| 2    | 7/1/73 – 7/26/76   |
| 3    | 7/27/76 – 8/31/83  |
| 4    | 9/1/83 – 12/31/09  |
| 5    | 1/1/10 – 3/31/12   |
| 6    | On or after 4/1/12 |

## Reinstatement to an Earlier Date of Membership

If you are an active member of this System, and had previous membership(s) in this System or any other NYS public retirement system, you may be eligible to reinstate to the earliest date of membership. Depending on your specific situation, you could be restored to a previous tier and be entitled to that tier’s benefits. You also may be eligible to stop making your member contributions.

Although there is no deadline or window to file for reinstatement, please note if you are being reinstated from Tier 3-6 to Tier 1 or 2, your contributions, if any, will cease only after the form is filed and your eligibility is confirmed. Also, any outstanding NYSTRS loan must be repaid before you can reinstate. (If applying for reinstatement at retirement, the loan must be repaid within 30 days of your effective date of retirement.) Tier 3-6 members reinstated to Tier 1 or 2 can no longer borrow from, or receive a refund of, their member contributions.

By reinstating to Tier 1 from any other tier, you forfeit the right to a post retirement death benefit. Also, the Tier 1 active member death benefit may be less than that available under Tiers 2-6.

If you are reinstated to a Tier 1 or 2 membership, there will be no cost to you, and you will not be required to make member contributions. However, if you are reinstated to a former Tier 3-5 membership, you will be required to repay, in a lump sum with interest, the amount refunded from the previous membership.

To apply, you must file an [Election to Reinstate](#) (RIS-1) form with NYSTRS. **There are some situations where reinstatement may not be**

**to your advantage.** Since reinstatement is irrevocable, read the information accompanying the form carefully and contact the System if you have questions.

## Maintaining Membership

You can maintain your current membership if:

- ⦿ You are vested, even if you are not working. Members vest with five or more years of New York State service; **OR**,
- ⦿ You work the equivalent of 20 or more full-time days in a school year (July 1 - June 30) in a capacity reportable to NYSTRS every seven years.

## Ceasing Membership

### *Automatically*

If you have less than five years of service credit, your membership will cease if you do not receive the equivalent of 20 or more full-time days of credit in a school year for seven consecutive school years.

### *Voluntarily*

If you are a Tier 1 or 2 member, you may withdraw your contributions, if any, and cease membership if you are not teaching or are teaching part-time and your contract with a participating employer has ended. If you are a Tier 3-6 member, you may generally withdraw only if you have less than 10 years of service credit except as described below.

If you are a Tier 3-6 member with 10 or more years of service credit, you can withdraw if you meet **all** of the following three conditions:

- ⦿ You have permanently ceased teaching in all NYS public schools participating with NYSTRS.
- ⦿ You elect to withdraw from NYSTRS membership for the purpose of obtaining credit for the teaching service in a public retirement system in another state.
- ⦿ The retirement system in the other state certifies that you are an active member with at least five years of service credit in that system at the time of the withdrawal request from NYSTRS, and attests that the NYS service credit may be used in whole or in part to obtain retirement credit in that system.

Before you submit your [Application for Withdrawal from Membership](#) (REF-7A), we recommend that you contact the System to discuss the effect of withdrawal on your benefit eligibility, vested death benefit, and transfer rights. If you are eligible to purchase prior service credit, you might increase your credit beyond the five total years needed to vest and therefore be eligible to receive a pension as early as age 55 (see next page for details).

Withdrawal of membership forfeits your right to a future benefit, including the loss of any vested member death benefit. If you withdraw and later [return to New York State teaching and rejoin NYSTRS](#), you may be able to

reinstate to your original membership date and re-establish your eligibility for a benefit (see *Reinstatement to an Earlier Date of Membership* on page 8). Please contact NYSTRS at that time regarding the current laws.

## Vesting

Vested is the status that members attain with a certain amount of New York State service credit, which makes them eligible for a retirement benefit as early as age 55. Tiers 1-6 members all vest with five years of state service credit. (Prior to April 9, 2022, Tier 5 and 6 members needed to attain 10 years of state service credit to be vested.)

Generally, if you are a vested member and have not transferred or withdrawn your NYSTRS membership, you may file a retirement application at age 55 and begin to receive a benefit from the System.

If you are a vested Tier 6 member with an inactive membership – meaning you have not earned Tier service credit for seven years – your membership is considered vested-deferred. Tier 6 members who become vested-deferred before age 55 cannot retire until age 63 – unless they reactivate their membership by earning at least one month of service credit in a position reportable NYSTRS.

## Understanding Your Membership

### Website

Visiting our website at [nystrs.org](http://nystrs.org) is the best way to get the latest information on legislation and news related to your benefits. You can also find publications in our [Library](#) and print System [forms](#). With a [MyNYSTRS](#) account, you can: access your personal membership information; view your annual *Benefit Profile*; sign up for e-newsletters; apply for prior service; change your address; apply for a loan; register for the Pension & Retirement Education Program (PREP); use the Pension Estimator to project retirement benefits; and, make an appointment for a benefits consultation.

### Your Benefit Profile

This comprehensive personalized statement, provided to you each fall, gives a summary of your membership status and estimates of your benefits. It also includes detailed explanations to help you make informed decisions about retirement. The *Profile* – which can be viewed in your [MyNYSTRS](#) account on our website – includes:

- ⦿ Salary data as reported by your employer(s);
- ⦿ A summary of your service credit, including prior service;

- ⦿ A review of your member contributions and loan information;
- ⦿ Benefit eligibility and calculation;
- ⦿ Projections of your retirement benefits under various scenarios;
- ⦿ An in-service death benefit estimate; and,
- ⦿ A list of your beneficiaries.

## *Benefits Consultations*

As an important part of your retirement planning, you should meet with a NYSTRS representative who can answer your pension questions and provide you with printed benefit estimates. These individual benefit consultations are held at various locations throughout the state (either by meeting with NYSTRS staff in person or through a video conference). Consultation schedules are posted in schools and on the [\*Benefits Consultations\*](#) page of our website. You can book a consultation online through the [MyNYSTRS](#) area of our website at [nystrs.org](http://nystrs.org), or by calling NYSTRS at 800-348-7298, ext. 6100.

## *Pension & Retirement Education Program (PREP)*

No matter how far along you are in your career, our PREP seminars can be tailored to fit your needs. A variety of retirement-related topics are covered throughout the day, with members able to choose which would be of greatest benefit. Schedules are posted in schools and through the [\*Retirement Planning\*](#) page of our website. You can book a seminar online through the [MyNYSTRS](#) area of our website at [nystrs.org](http://nystrs.org), or by calling NYSTRS at 800-348-7298, ext. 6100.

## *Hotline*

Call 800-782-0289 to request System forms and publications, and to hear messages about NYSTRS benefits. This service is available 24/7.

## *Inquiries*

You can call the System during posted business hours at 800-348-7298 or email us at [communit@nystrs.org](mailto:communit@nystrs.org). (Please do not include personal information such as Social Security number or EmplID.)

## *Member Newsletters*

The newsletters [\*Your Source\*](#) (for active members) and [\*Resource\*](#) (for retirees) contain pertinent benefit and retirement information.

## *Speciality Pamphlets*

We produce a wide variety of specialty publications to help you at each stage of your career. Visit the [Library](#) section of our website for a listing.

# Contributions, Loans and Credit

## Member Contributions

### *Tiers 1 and 2 – Annuity Savings Fund (ASF)*

You may have an ASF if you joined prior to July 1, 1970, and made member contributions, transferred contributions from another NYS or NYC public retirement system **or** purchased prior service credit under Tiers 1 and 2. If you have an ASF:

- Contributions accrue 5% interest (tax deferred) annually, provided your membership remains active.
- You may borrow from it and make repayments until you retire.
- It will be paid to your beneficiary/estate if you die before retirement.
- At retirement, you have the option of withdrawing your ASF and investing the funds privately, **or** leaving it in the System to provide you or your beneficiary with an annuity return as part of your retirement benefit.

### *Tiers 3-6 – Required Contributions Fund*

**Tier 3 and 4 members:** You were required by law to contribute 3% of your salary until you had either 10 years of membership or were credited with 10 years of service, whichever occurred first.

**Tier 5 members:** You are required to contribute 3.5% of your salary throughout your active membership.

**Tier 6 members:** You are required to contribute a percentage of your salary throughout your active membership. See [Contribution Rate Information for Tier 6 Members](#) for additional details.





Required contributions help fund your pension at retirement. They do not provide you with a separate annuity or any other retirement benefit. If you have contributions in the System:

- For purposes of borrowing or withdrawal of membership only, contributions accrue 5% interest (tax deferred) annually.
- You can borrow from your contributions fund and make repayments until you retire.
- Contributions are subject to New York State income tax when made.
- The following federal tax information applies:
  - **Tiers 3 and 4:** Contributions made prior to July 1, 1989, were federally taxed at the time they were made. Those made after that date are not subject to federal income tax until they are received as part of a withdrawal, retirement benefit, death benefit or loan.
  - **Tiers 5 and 6:** Contributions are not subject to federal income tax until they are received as part of a withdrawal, retirement benefit, death benefit or loan.
- Contributions plus interest are paid to your beneficiary or estate if you die before you retire.

## Borrowing From Your Contributions

In order to borrow, Tier 3-6 members must have an active NYSTRS membership with at least one year of service credit and cannot have an existing loan more than two months delinquent or in default. The minimum loan is \$1,000. Members who joined prior to July 1, 2022 must have at least \$1,334 in required contributions to be eligible to apply for a loan; members who joined on or after July 1, 2022 must have a minimum of \$2,000. (For Tier 1 and 2 members, contributions must total at least \$400, and the minimum you can borrow is \$300.)

Members who joined the System on or after July 1, 2022 may borrow up to 50% of their total contribution balance or \$50,000, whichever is less. Members who joined the System prior to July 1, 2022 may borrow up to 75% of their total contribution balance. Members may borrow only from their own contributions, not from employer contributions.

Tier 3-6 members may borrow once per calendar year (Jan. 1-Dec. 31). Tier 1 and 2 members may borrow once between Jan. 1 and June 30, and once between July 1 and Dec. 31.

Once the loan payment is processed for disbursement (usually within 24 hours), the loan becomes final and irrevocable. Payment will be made upon processing completion. Processing could take up to five days during periods of peak volume such as January and July.

If you are a MyNYSTRS account holder, you can obtain a loan estimate online. Performing calculations online allows you to try numerous estimates. You may minimize possible tax consequences by reducing the amount of your request, increasing payment amounts, and/or condensing the payment schedule. You can also apply for a loan electronically through your MyNYSTRS account. To inquire about other loan-related information, call 800-348-7298, ext. 6080.

**Please Note:** Members with an unpaid balance on a current NYSTRS loan who wish to borrow additional funds could face severe tax consequences on a combined loan if the balance remaining on the current loan **plus** the amount of the combined loan exceeds \$10,000. Furthermore, the IRS requires you to disclose to NYSTRS if you have an existing loan with a deferred compensation (457) or tax-sheltered annuity (403(b)) plan. The System is required to consider these loan balances when calculating the taxability of a loan. Note that this may result in significant tax consequences on your loan from NYSTRS.

### *Repayment:*

- ⦿ All new loans must be repaid by payroll deduction if you are employed by a NYSTRS participating employer. (No July or August payments.)
- ⦿ Loans have a maximum five-year repayment schedule.
- ⦿ Loans are charged interest at the annual rate of 5% (Tiers 1 and 2) or 5.95% (Tiers 3-6).
- ⦿ A life insurance premium is charged at an annual rate of 0.10%, and loans are fully insured after 30 days.
- ⦿ A \$30 service charge is added to your balance for each loan given.
- ⦿ Partial payments will be applied to the outstanding loan, but will not advance your due date or excuse you from any accrued charges.
- ⦿ Fees: \$10 per delinquent payment, \$20 for each returned check.

## If a Loan is Not Repaid:

If you are unable to use payroll deduction for your loan payments and your loan is four months past due, it is considered in default status. A defaulted loan is not covered by insurance. When a loan is in default, NYSTRS will either deduct the outstanding balance from your ASF (Tiers 1 and 2) or place the outstanding balance in a non-performing status (Tiers 3-6). Interest continues to accrue until the loan is repaid. Any unpaid balance may become subject to federal tax, which may also expose you to a 10% early distribution penalty. You must pay the unpaid balance of a loan at the time of default by certified check or money order before you are eligible to borrow again.

If you have an outstanding loan, you should contact the System prior to retirement to discuss your situation. If you are a Tier 3-6 member and don't repay your loan within 30 days of your retirement date, you will have a permanent reduction to your pension and the outstanding loan may be subject to significant tax consequences.

## Service Credit

It is important to make sure you have all the service credit for which you are eligible, because it may affect when your benefits begin and how much you will receive. Here's how:

**When.** Throughout your career, the amount of service credit you have will determine your eligibility for benefits. These include loans, vesting rights, disability coverage and death benefits. In addition, with 10 years of membership or credit, Tier 4 members stop making 3% contributions toward their retirement.

**How Much.** Service credit is used to determine your *pension factor*, a primary component of the formula used to calculate your retirement benefit. Additional credit will increase the pension factor in almost every situation.

Ways to accrue service credit include:

- ⦿ Working for a NYSTRS participating employer.
- ⦿ Transferring credit from another New York State public retirement system.
- ⦿ Reinstating to an earlier date of membership.
- ⦿ Receiving credit for:
  - ⦿ Prior service
  - ⦿ Military service (as allowed by law)
  - ⦿ Benefit Enhancement/Article 19 (Tiers 1 and 2 only)

## Credit for Member Service

Days of service credit earned in a given school year (July 1-June 30) are the actual number of paid work or leave days (or parts thereof) reported to the System by NYSTRS participating employers. You can receive a maximum of one year of credit within a school year. To receive credit for part-time, partial year or substitute teaching, you must have worked the equivalent of at least 20 full days in a school year.



Days of service are then converted into months of credit as follows:

| <b>Days Per Year</b> | <b>Credit</b> | <b>Days Per Year</b> | <b>Credit</b>   |
|----------------------|---------------|----------------------|-----------------|
| Under 20 days        | = None        | 90-109               | = 5 months      |
| 20-29                | = 1 month     | 110-129              | = 6 months      |
| 30-49                | = 2 months    | 130-149              | = 7 months      |
| 50-69                | = 3 months    | 150-169              | = 8 months      |
| 70-89                | = 4 months    | 170+                 | = 9 months      |
|                      |               | <b>9 months</b>      | = <b>1 year</b> |

If you plan to retire before the end of the school year, be aware your service for that final school year is limited to what is actually possible based on your date of retirement.

Service in private or parochial schools, for the federal government, or in armed forces dependent schools is not creditable in NYSTRS under any tier.

### *Credit for Prior Service*

Prior service is NYS public service completed before your current date of membership in this System. **Receiving credit for prior service does not change your date of membership or your tier, unless it is the result of a membership reinstatement or transfer** (see *Transferring Credit* on page 17 or *Reinstatement Credit* on page 18). Additional service credit can affect your eligibility for, and the calculation of, your benefits. Claiming prior service early in your career may also have financial benefits. You cannot receive credit for federal government employment or non-public school teaching except for a charter school participating in NYSTRS.

### *Service Previously Credited in a New York State Public Retirement System*

**All Tiers:** You may receive credit for prior service completed under a former membership in NYSTRS or any of the other NYS public retirement systems.

### *Prior NYS Service Not Credited to a Membership*

**All Tiers:** You may receive credit for work prior to your date of membership that would have been creditable in a New York State public retirement system. This includes partial year(s), part-time and substitute teaching.

### *Out-of-State Prior Service*

**Tier 1:** You may receive credit, to a maximum of 10 years, for teaching before your current date of membership in the public schools and colleges of another state, provided you will not receive a benefit for that service from another state or the federal government. Out-of-state service that brings your total service above 35 years is excluded from the pension calculation.

**Tier 2:** You may receive credit for out-of-state service only if it had been credited under a previous Tier 1 membership in NYSTRS.

**Tiers 3-6:** You cannot receive credit for service in another state.

### **Prior Service Cost**

**Tiers 1 and 2:** Prior service is cost-free.

**Tiers 3 and 4:** The cost is 3% of salary received during the period of service. In addition, Tier 4 members must pay interest of 5% per year, compounded annually. Tier 3 members must pay interest only on service under a former Tier 3 membership.

**Tier 5:** The cost is 3.5% of salary received during the period of service plus 5% interest, compounded annually.

**Tier 6:** The cost is 6% of salary received during the period of service plus 5% interest, compounded annually.

### **How to Apply**

MyNYSTRS account holders have the convenience of submitting and tracking their claim online. If you did not have credit for the service under an earlier membership, upon submitting the claim online you will be directed to print the applicable verification of salary and service form. Complete Part 1 of the verification form and send it to your former employer for completion. It is the employer's responsibility to submit the form to NYSTRS.

Alternatively, you can print a Prior Service Claim (PRS-2) form from our website or call our forms Hotline at 800-782-0289 to request one. If applicable, you must send your former employer the verification form as described above. After you earn two years of service credit under your present membership and make any required payment, you will receive credit for your verified prior service. Priority is given to those who are retiring and Tier 4 members who will be eligible to end mandatory contributions as a result of the additional service. Members are urged to submit their claims early.

Once a claim has been verified and fully processed, those with a MyNYSTRS account can see how much it will cost to purchase the service by selecting the Service Credit tab and then clicking on Cost Summary. In addition to seeing how much it will cost to purchase the service immediately, you'll also be able to see how delaying the purchase will impact your costs.

## Transferring Credit

If you are a member of another New York State public retirement system and no longer work in employment reportable to that system, you may be able to transfer your service and membership to NYSTRS. However, you cannot receive more than one year of credit within a school year if your service was concurrent. You should contact both systems to discuss this option. You cannot transfer to or from an out-of-state public retirement system.

## Reinstatement Credit

If you had a previous membership in this System or any other New York State public retirement system, you may be eligible to reinstate to your earliest date of membership. You will receive the service credited under that membership, provided it is not credited in another system, along with any possible advantages of an earlier membership date (and tier, if applicable). Contact NYSTRS before initiating a reinstatement.

There is no deadline or window to file for reinstatement. However, applying early in your career can have its benefits. For example, if you are reinstated from Tier 3-6 to Tier 1 or 2, your contributions (if any) will cease only after the form is filed and your eligibility is confirmed.

## Credit for Military Service

Two types of service credit are available for active duty military duty: service preceding NYSTRS membership and service interrupting NYSTRS membership. Honorable discharge documentation is required as verification of military service.

As of November 12, 2020, a new state law expanded eligibility to LGBT veterans and veterans who have a qualifying condition, such as post-traumatic stress disorder, and were released from military duty without an honorable discharge due to military rules in effect at the time of their discharge, as long as they were not given a dishonorable discharge or a discharge for bad conduct.

Following are the basic guidelines for claiming military service credit. Please refer to our publication [\*Claiming Military Service\*](#) for additional information.

### Service Preceding NYSTRS Membership

You may be eligible for military service credit if you: a) are an active member, or a member who retired on or after Dec. 21, 1998; **and** b) were in active military service prior to joining NYSTRS; **and** c) have at least five years of service credit in our system.

Total credit under this law, combined with any previously credited military service in a public retirement system in New York State, cannot exceed three years.

### **Service Interrupting NYSTRS Membership**

Generally, you may be eligible for credit if: a) you were a full-time or part-time NYSTRS member under contract when military service interrupted your membership; **and** b) you were re-employed under contract in a NYSTRS-eligible position within 90 days of your discharge or no later than the September following the date of discharge.

However, other conditions may exist that would allow you to obtain this credit. Call NYSTRS' Military Service Unit at 800-348-7298, ext. 6060 for more information.

### **Military Service Cost**

**For service preceding membership**, for each year purchased the cost for Tier 1-5 members is 3% of the salary you earned during the 12 months of credited service immediately preceding the year in which you make the claim. For Tier 6 members, the cost is 6%.

Full payment must be made to the System by June 30 of the plan year immediately following the year in which you are provided a cost by the System. If payment is not received within this time frame, a recalculation will be required.

**For service interrupting membership**, there is no cost for this service for Tier 1 or 2 members, as well as for Tier 3 or 4 members who stopped making mandatory contributions before entering military service. For all other Tier 3 and 4 members, the cost is 3% of the salary they would have received during the years in which military service credit is claimed. For Tier 5 and 6 members, the same conditions apply but the cost is 3.5% (Tier 5) and 6% (Tier 6).

The payment of member contributions required under law to obtain military service credit is waived for members called to active duty on or after Sept. 11, 2001, and prior to Jan. 1, 2006, as the result of Non-Contributory Military Service Credit legislation signed as Chapter 326 of the Laws of 2005.

### **How to Apply**

To apply for military service credit, send a letter requesting military credit along with a copy of your military discharge document to the Retirement System's Military Service Unit, 10 Corporate Woods Dr., Albany, NY 12211, for evaluation.

Your documentation must specifically list **all** the following information:

1. Date of entry or enlistment into active duty.
2. Date of discharge or terminal date of active service.
3. Character of service.
4. Years, months, and days of active duty service.

This information is often found on form DD 214. If you do not have the required documentation you may be able to obtain it by contacting:

National Personnel Records Center  
Military Personnel Records  
1 Archives Drive  
St. Louis, MO 63138

Phone: 314-801-0800

[www.archives.gov/veterans/military-service-records](http://www.archives.gov/veterans/military-service-records)

If you are a recently separated veteran, you may be able to access your documentation online through the eBenefits portal at [www.ebenefits.va.gov/ebenefits/homepage](http://www.ebenefits.va.gov/ebenefits/homepage).

### *Benefit Enhancement (Article 19)*

At retirement, eligible Tier 1 and 2 members receive one-twelfth of a year in enhancement credit for each year of their service credit at retirement, up to a maximum of two years of credit. To be eligible, you must have been in active service for at least 20 days in any one school year on or after July 1, 1992.

### *New York City Subsequent Service*

You can obtain service credit for teaching in New York City public schools at a time when you were a member of NYSTRS and were prohibited from joining a city retirement system. To be eligible, you must have taught in New York City public schools prior to July 1, 1990, and must have at least two years of NYSTRS service. You must claim this service by filing a *New York City Subsequent Service Under Chapter 352 of the Laws of 2002* (MAC-79) form, available on our website or by calling our forms Hotline at 800-782-0289. NYSTRS must verify service before crediting.

### *Service Earned in Another NYS Public Retirement System*

Chapter 675 of the Laws of 2006 allows members to obtain credit for member service in another New York State public retirement system subsequent to their NYSTRS membership, even if their membership in the other system has ceased. To claim this credit, you must have been an active NYSTRS member on or after June 30, 2006, and you must have at least two years of NYSTRS service. You may claim this service by filing a *Claim for Service Credit Under Chapter 675 of the Laws of 2006* (MAC-80) form, available on our website or by calling our forms Hotline. Once NYSTRS verifies this service, you will be advised of the cost to purchase the credit.

## Chapter Summary

- ◉ **Required member contributions help fund your pension at retirement.**
- ◉ **Member contribution rates vary by tier of membership – and in the case of Tier 6 they vary within the tier itself.**
- ◉ **Once eligible, you may borrow against the contributions you have made. However, there may be significant tax consequences associated with these loans.**
- ◉ **Make sure to claim all the credit you may have earned elsewhere. Always investigate the possibility of transferring service from another New York State retirement system, or claiming prior or military service.**
- ◉ **In some instances, you may be eligible to reinstate to an earlier date of membership, which would entitle you to an earlier tier's benefit structure.**

## Benefits

NYSTRS administers retirement, disability and death benefits for eligible members. Your tier of membership, service credit, and age are factors that determine your eligibility for benefits while you're working. These factors, along with reportable earnings during your years of active membership, determine what you will receive in retirement.

Most members will receive a service retirement benefit. However, if you become disabled and cannot continue to work, you may qualify for a disability retirement benefit.

When you become eligible, your benefits are subject to automatic cost-of-living adjustments. If you die before you retire, a death benefit may be paid to your beneficiary(ies) (see *In-Service Death Benefit* on page 34).

Projections of your benefits are shown in your *Benefit Profile*, provided to you each fall. Remember, you can also access your *Profile* and other personal benefit information with an online [MyNYSTRS](#) account or use the Pension Estimator to project future benefits based on your salary and date of retirement.

### Service Retirement Benefit

#### *Eligibility*

The following describes when members are first eligible to retire. Conditions for an unreduced benefit vary by tier. If you are a Tier 3-6 member with an outstanding loan and don't repay your loan within 30 days of your retirement date, your lifetime benefit will be reduced and the outstanding loan may be subject to significant tax consequences. See specific tier examples in this section for more detail.

Tier 1-6 members may generally retire at age 55 with five or more years of New York State service credit. (For Tier 1, retirement may also occur at age 55 with less than five years of NYS service, if two years of NYS service are rendered after their current membership date and since they reached age 53.) However, vested Tier 6 members not in active service cannot retire until age 63.

#### *Pension Calculation Formula*

Your Maximum annual pension is determined by the following formula:

$$\text{Pension Factor} \times \text{Age Factor (if applicable)} \times \text{Final Average Salary} = \text{Maximum Annual Pension}$$



### *Pension Factor*

A percent based on your years and months of service credit. The percent increases with additional service in most cases (see *Pension Calculations* on page 26).

### *Age Factor*

Depending on your age and service credit at retirement, an age factor may be applied to your benefit calculation. No age reduction applies to Tier 2-4 members who retire either at: age 62 or later; or, with at least 30 years of service credit. No age reduction applies to Tier 5 members who retire either at: age 62 or later; or, at age 57 or later with at least 30 years of service credit. No age reduction applies to Tier 6 members who retire at age 63 or later.

### **Final Average Salary (FAS)**

This is the average of your highest three consecutive school years of salary earned whenever they occurred in your salary history. Typically, it is the average of your last three years. Tier 1 members are eligible for either a three-year or five-year FAS, whichever provides the better benefit. If you work part time, or work full time and plan to retire mid-school-year, note that earnings at a lower salary could produce a lower FAS than previous projections, which would result in a lower pension benefit.



### The Three-Year FAS for Tier 1-6 members can include payments for:

- ◉ Full-time teaching services (e.g., regular compensation)
- ◉ Coaching
- ◉ Tutoring
- ◉ Summer school
- ◉ Chaperoning
- ◉ Workshops
- ◉ Supervision of traditional after-school clubs

### The Three-Year FAS cannot include:

- ◉ Non-regular compensation (e.g., bonuses, taxable fringe benefits payments in lieu of health insurance).
- ◉ Employer contributions into a tax shelter account.
- ◉ Payments made outside contract terms.
- ◉ Payments made on the eve of retirement.
- ◉ Buyouts/termination pay (e.g., payments for unused leave or a local retirement incentive).
- ◉ Payments for services ordinarily performed by classified positions, consultants or independent contractors.
- ◉ Payments used to purchase health insurance through the district.
- ◉ Pay for duties not reasonably incidental to that of an administrator or full-time teacher (e.g., bus driver, district clerk, clerk of the board, school attorney).
- ◉ Compensation for computer maintenance, master teacher presenter or similar roles.

Contracts will be reviewed to ensure employers have properly reported all earnings and any necessary adjustments will be made prior to FAS calculation.

Also excluded from the three-year FAS calculation are yearly increases in regular salary exceeding the following limits:

- ◉ Tier 1: 20% of the previous year's salary.
- ◉ Tier 2: 20% of the average of the previous two years' salaries.
- ◉ Tiers 3-6: 10% of the average of the previous two years' salaries.\* Additionally, for Tier 6 members, salary greater than the NYS governor's salary will be excluded. For those with multiple employers, pensionable salaries are limited to the two highest-grossing positions per school year. See [Contribution Rate Information for Tier 6 Members \(MES-4\)](#) for additional details.

*\*The Internal Revenue Code limits the amount of annual compensation that can be used in the FAS calculation for NYSTRS members with a membership date on or after July 1, 1996. The compensation limit for the 2024-25 school year is \$345,000. The limit for the 2025-26 school year will be \$350,000.*

## The Five-Year FAS – Tier 1

This calculation:

- ⦿ Will be used automatically if it is higher than the three-year FAS. (**Please Note:** If your date of membership is on or after June 17, 1971, salary increases greater than 20% of the previous year's salary, employer payments for deferred compensation and termination pay are excluded from the five-year calculation.);
- ⦿ Cannot include payments made to secure your resignation or artificially inflate your FAS; and,
- ⦿ Cannot include payments not otherwise reportable to NYSTRS, including (but not limited to):
  - ⦿ Payments made outside the terms of a collective bargaining agreement or long-standing employment agreement.
  - ⦿ Buyouts.
    - ⦿ Payments for services ordinarily performed by persons in the classified service, or by consultants or independent contractors.
    - ⦿ Payments to a member for the purchase of health insurance through the district.
    - ⦿ Earnings from titles such as bus driver, computer maintenance worker, district clerk, clerk of the board, school attorney, legal consultant or master teacher presenter.

Additionally, if your date of membership is **prior to June 17, 1971**, the following apply to the five-year FAS:

- ⦿ You are not subject to the salary increase limits of the three-year FAS. (**Those with a date of membership of June 17, 1971, or later are subject to the limits.**)
- ⦿ You can include termination payments provided (1) they are contained in a collective bargaining agreement or a long-standing employment agreement, and (2) they are made by the end of the calendar year of retirement. Termination payments include local retirement incentives, longevity payments that are not part of your salary, and payments for unused leave.

If your date of membership is **prior to July 1, 1973**, non-regular compensation is includable in a five-year FAS calculation. Non-regular compensation includes (but is not limited to):

- ⦿ Taxable fringe benefits;
- ⦿ Bonuses; and,
- ⦿ Payments in lieu of health insurance.

## Pension Calculations

### Tiers 1 and 2

#### Step 1 – Determine the Pension Factor

##### Tier 1

| Service Credit                       | Pension Factor  |
|--------------------------------------|-----------------|
| NYS service before July 1, 1959      | = 1.8% per year |
| NYS service on or after July 1, 1959 | = 2.0% per year |
| Out-of-state service*                | = 1.0% per year |

**\*Up to 10 years of credit, but only until total service = 35 years**

Your pension factor is reduced by 5% for every year less than 20 years of NYS service, not to exceed 50%. **(The percent is prorated by month.)**

For example: For 15 years of service, you would receive 75% of the pension factor.

$$15 \text{ years} \times 2\% = 30\%$$

$$30\% \times 75\% \text{ (i.e., } 100\% - 25\%) = 22.5\%$$

By achieving 20 years, the pension factor without reduction is:

$$20 \text{ years} \times 2\% \text{ (no reduction)} = 40.0\%$$

##### Tier 2

Use the same formula as Tier 1, unless you retire prior to age 62 and have less than 30 years of service. In this case, you will receive a percentage of the Tier 1 pension factor based on your age at retirement as follows: **(The percent is prorated by month.)**

| Age | Percent | Age | Percent |
|-----|---------|-----|---------|
| 55  | 73%     | 59  | 85%     |
| 56  | 76%     | 60  | 88%     |
| 57  | 79%     | 61  | 94%     |
| 58  | 82%     | 62  | 100%    |

For example: For 29 years of service after July 1, 1959, you would receive 73% of the pension factor at age 55:

$$29 \text{ years} \times 2\% = 58\%$$

$$58\% \times 73\% \text{ (age 55 percent)} = 42.3\%$$

By achieving 30 years, the pension factor without reduction is:

$$30 \text{ years} \times 2\% \text{ (no reduction)} = 60.0\%$$

Prior to passage of Benefit Enhancement (Article 19) legislation, the maximum pension factor for Tier 1 and 2 members was typically 75%. However, Tier 1 and 2 members eligible for additional credit under Article 19 can increase their pension factor as high as 79%. Tier 1 members with a date of membership prior to July 1, 1970, who have a minimum of 43 years and six months of post-1959 service can have a pension factor that exceeds 79%.

### **Step 2 – Compute the Final Average Salary**

Use the three-year FAS, as described under *Final Average Salary* on page 23.

### **Step 3 – Calculate the Pension**

Multiply pension factor (Step 1) by FAS (Step 2). This is your Maximum annual retirement benefit, paid to you in 12 monthly payments. At retirement, you choose either the Maximum benefit or an option that could provide a payment to your beneficiary (see *Benefit Payment Choices* on page 36).

### **Annuity Savings Fund (ASF) – Tiers 1 and 2 Only**

If you have an ASF (see *Tiers 1 and 2 – Annuity Savings Fund* on page 12), you have two choices at retirement:

- 1. You can leave it in the System**, in which case it will provide you with an annuity return as part of your retirement benefit. This payment will be *in addition* to your pension. Any portion of the ASF previously taxed will be returned to you tax-free over your lifetime. The federal 1099-R form (sent to you each January), the retiree version of a W-2 form, will indicate which portion of your benefit is tax free.
- 2. You can withdraw it at retirement** and have the funds available to you immediately for private investment or other purposes. If you withdraw your ASF, your NYSTRS retirement benefit will consist only of your pension. The taxable portion of the ASF withdrawal becomes subject to federal income tax immediately, unless rolled over into an IRA or other qualified plan at retirement.

## Tiers 3 and 4, calculated under Tier 4 (Article 15)

[Tier 3 members also see *Pension Calculation – Tier 3, calculated under Tier 3 (Article 14)* on page 29.]

### Step 1 – Determine the Pension Factor

| Service Credit     | Pension Factor  |
|--------------------|---|
| Less than 20 years | = 1⅓% per year  |
| 20 to 30 years     | = 2% per year for all service                         |
| 30 or more years   | = 60% plus 1½% for each additional year over 30 years |

If you retire prior to age 62 and have less than 30 years of service, you will receive a percentage of the pension factor based on your age at retirement as follows: (*The percent is prorated by month.*)

| Age | Percent | Age | Percent |
|-----|---------|-----|---------|
| 55  | 73%     | 59  | 85%     |
| 56  | 76%     | 60  | 88%     |
| 57  | 79%     | 61  | 94%     |
| 58  | 82%     | 62  | 100%    |

The following examples show how working one more year and attaining 20 years of service (when all years are at 2%) and 30 years of service (when there is no age reduction) will significantly increase your pension factor:

#### Attaining 20 Years

|                                   |         |
|-----------------------------------|---------|
| At age 55: 19 years x 1⅓% = 31.6% |         |
| 31.6% x 73% (percent at age 55)   | = 23.1% |
| At age 56: 20 years x 2% = 40%    |         |
| 40% x 76% (percent at age 56)     | = 30.4% |

#### Attaining 30 Years

|                                   |         |
|-----------------------------------|---------|
| At age 55: 29 years x 2% = 58%    |         |
| 58% x 73% (percent at age 55)     | = 42.3% |
| At age 55 or older: 30 years x 2% |         |
| (no age reduction)                | = 60.0% |

### Step 2 – Compute the Final Average Salary

Use the three-year FAS, as described in the *Final Average Salary* section on page 23.

### Step 3 – Calculate the Pension

Multiply pension factor (Step 1) by FAS (Step 2). This is your Maximum annual retirement benefit paid to you in 12 monthly payments. At retirement, you choose either the Maximum benefit or an option that could provide payment to your beneficiary (see *Benefit Payment Choices* on page 36).

### *Tier 3, calculated under Tier 3 (Article 14)*

*Because of the improvements in Tier 4, to which all Tier 3 members are entitled, the Tier 3 (Article 14) benefit calculation described below would be to a Tier 3 member's advantage only in a small number of cases. Where one calculation is obviously better, you will automatically receive that benefit. Otherwise, the System will provide you with the information to help you make your decision.*

### Step 1— Determine the Pension Factor

| Service Credit     | Pension Factor                |
|--------------------|-------------------------------|
| Less than 20 years | = 1⅓% per year                |
| 20 to 30 years     | = 2% per year for all service |
| 30 or more years   | = 60% maximum pension factor  |

If you retire prior to age 62 and have less than 30 years of service, you will receive a percentage of the pension factor based on your age at retirement as follows: (*The percent is prorated by days.*)

| Age | Percent | Age | Percent |
|-----|---------|-----|---------|
| 55  | 70.0%   | 59  | 83.3%   |
| 56  | 73.3%   | 60  | 86.7%   |
| 57  | 76.7%   | 61  | 93.3%   |
| 58  | 80.0%   | 62  | 100.0%  |

- ⦿ Your benefit is reduced at age 62 (or immediately if you retire after age 62) by half of the Social Security benefit you accrued while in New York State public service.
- ⦿ If you retire after age 62 and 1 month, your benefit is subject to automatic escalation each year. If you retire before 65, adjustments are applied on a prorated basis.
- ⦿ These provisions do not apply to Tier 4 members or to Tier 3 members who retire under Tier 4 (Article 15).

Steps 2 and 3 are the same as the Tier 4 calculation.

**Tier 5****Step 1 – Determine the Pension Factor**

| Service Credit     | Pension Factor  |
|--------------------|---|
| Less than 25 years | = 1⅓% per year  |
| 25 to 30 years     | = 2% per year for all service                         |
| 30 or more years   | = 60% plus 1½% for each additional year over 30 years |

If you retire prior to age 57 (regardless of your total service), or if you retire between ages 57-62 and have less than 30 years of service, you will receive a percentage of the pension factor based on your age at retirement as follows: *(The percent is prorated by month.)*

| Age | Percent | Age | Percent |
|-----|---------|-----|---------|
| 55  | 61.67%  | 59  | 81.67%  |
| 56  | 66.67%  | 60  | 86.67%  |
| 57  | 71.67%  | 61  | 93.33%  |
| 58  | 76.67%  | 62  | 100.00% |

The following examples show how working one more year and attaining 25 years of service (when all years are at 2%) and 30 years of service (when there is no age reduction) will significantly increase your pension factor:

**Attaining 25 Years**

At age 57: 24 years x 1⅓% = 40%

40% x 71.67% (percent at age 57) = 28.67%

At age 58: 25 years x 2% = 50%

50% x 76.67% (percent at age 58) = 38.34%

**Attaining 30 Years**

At age 57: 29 years x 2% = 58%

58% x 71.67% (percent at age 57) = 41.57%

At age 58: 30 years x 2%

(no age reduction) = 60.00%

**Step 2 – Compute the Final Average Salary**

Use the three-year FAS, as described in the *Final Average Salary* section on page 23.

### Step 3 – Calculate the Pension

Multiply pension factor (Step 1) by FAS (Step 2). This is your Maximum annual retirement benefit paid to you in 12 monthly payments. At retirement, you choose either the Maximum benefit or an option that could provide payment to your beneficiary (see *Benefit Payment Choices* on page 36).

## Tier 6

### Step 1 – Determine the Pension Factor

| Service Credit     | Pension Factor                                    |
|--------------------|---|
| Less than 20 years | = 1.67% per year                                  |
| 20 years           | = 1.75% per year for all service                  |
| More than 20 years | = 35% plus 2% per year beyond 20 years of service |

If you retire prior to age 63 (regardless of your total service), you will receive a percentage of the pension factor based on your age at retirement as follows: (*The percent is prorated by month.*)

| Age | Percent | Age | Percent |
|-----|---------|-----|---------|
| 55  | 48.0%   | 60  | 80.5%   |
| 56  | 54.5%   | 61  | 87.0%   |
| 57  | 61.0%   | 62  | 93.5%   |
| 58  | 67.5%   | 63  | 100.0%  |
| 59  | 74.0%   |     |         |

### Step 2 – Compute the Final Average Salary

Use the three-year FAS, as described in the *Final Average Salary* section on page 23.

### Step 3 – Calculate the Pension

Multiply pension factor (Step 1) by FAS (Step 2). This is your Maximum annual retirement benefit paid to you in 12 monthly payments. At retirement, you choose either the Maximum benefit or an option that could provide payment to your beneficiary (see *Benefit Payment Choices* on page 36).



## Disability Retirement Benefit

If you are no longer able to work because of a serious illness or injury, contact the System as soon as possible at 800-348-7298, ext. 6010. (You can find additional information in the NYSTRS pamphlet *If You Are No Longer Able to Work: A Guideline for Making Decisions About Disability Retirement*, which is also available on our website.) We will provide you with information and instructions on how to file for disability retirement, as well as estimates of your benefits. If you are critically ill, you should file for disability retirement immediately.

### *Eligibility*

#### **Tiers 1 and 2**

- ⦿ You must have an active membership and at least 10 years of New York State service credit (Tier 2 members must have at least five of the 10 years of service since last becoming a member); **and**,
- ⦿ Be totally and permanently incapacitated from further teaching service; **and**,
- ⦿ Cease teaching because of the disability.

#### **Tiers 3-6 (Article 15)**

- ⦿ You must have an active membership and at least 10 years of New York State service credit (the 10-year requirement is waived if the disability resulted from an accident sustained in the performance of your teaching duties); **and**,
- ⦿ Cease teaching because of the disability; **and**,
- ⦿ Be totally and permanently incapacitated from all further *gainful employment*; **and**,
- ⦿ File a disability application with NYSTRS within 12 months of the last date you were on the payroll. If you are placed on leave of absence without pay for medical reasons, you may file a disability application no later than 12 months after the date you receive notice that your employment status has been terminated.

## Disability Retirement Benefit Calculation

### For All Tiers

The disability retirement benefit is generally one-third of your final average salary. However, the benefit may be more or less depending on your age and service credit. For an estimate of your disability retirement benefit, please refer to your most-recent *Benefit Profile*, or contact the System.

**Please Note:** Before you can receive a disability benefit, the NYSTRS Medical and Retirement boards must review and approve your retirement.

### Filing for Disability Protection

If you have been diagnosed with a life-threatening medical condition, or are having surgery or treatment for a medical condition, consider filing a disability retirement application. Doing so provides an important safety net for you and your beneficiaries.

To file for protection, you may use the online disability retirement application in your secure MyNYSTRS account under the My Retirement tab. The online option does not have to be notarized and is the fastest way to submit your application.

Alternatively, you may complete the *Application for Disability Retirement* (RET-54.1) and *Medical Information Summary* (RET-54.1B) from the [Disability Retirement Application Package](#), available on the [Retirement-Related Forms](#) page at NYSTRS.org. If you use these paper forms, you should:

- Indicate on the application or in a cover letter that you are filing for protection only.
- Indicate the medical condition necessitating the retirement.
- Select either the Declining Reserve Option (Tier 1 only) or Largest Lump Sum Option (Tiers 2–6).

The paper forms, which require notarization, must be received by NYSTRS prior to death. Forms mailed to NYSTRS will be considered filed on the day they are mailed if they are mailed by registered or certified mail via the U.S. Postal Service, or by an equivalent delivery service that provides mail tracking and is approved for use by the System. Please see the [Contact Us > Get in Touch](#) page at NYSTRS.org for a list of delivery services currently approved by the System. Forms sent by regular mail are considered filed on the date of delivery to NYSTRS.

If your condition improves and the protection is no longer needed, you can withdraw the application and return to active service. Or, if you decide to retire for disability, you will have 30 days to change your option following approval by NYSTRS' Medical Board or your ceased teaching date, whichever is later.

## In-Service Death Benefit

In addition to receiving your member contributions balance, your designated beneficiary may receive a death benefit if you die before retiring.

### Eligibility

You are covered by an in-service death benefit if you have been credited with at least three months (Tier 1) or one year (Tiers 2-6) of service since last becoming a member, and at the time of death:

- ⦿ You were in service being paid for employment reportable to this System; **or**,
- ⦿ If you are a Tier 1 member, you had been in service within the previous year **and** had not otherwise been gainfully employed (other than in service reportable to NYSTRS) since leaving teaching; **or**,
- ⦿ If you are a Tier 2-6 member, you had been in service within the previous year **and** had at least one year of continuous employment since last entering your employer's service **and** had not otherwise been gainfully employed (other than in service reportable to NYSTRS) since leaving teaching; **or**,
- ⦿ You had left the payroll because of a disability and had remained disabled until death (Tier 1) or died while on an approved medical leave (Tiers 2-6).

### Tier 1 Calculation – Paragraph 1

The greater of the following:

- ⦿ One-twelfth of your last 12 months of regular compensation for each year of service, to a maximum of three times your earnings; **or**,
- ⦿ The Death Gamble Benefit. Please contact us at 800-348-7298, ext. 6110 for more information. (Note: To be eligible for this increased benefit, you must be eligible to retire without any service credit-related reductions in your pension.)

### Tiers 2-6 Calculation – Paragraph 2

Under legislation enacted in 2000, all Tier 2-6 members will be covered by the Paragraph 2 Death Benefit, unless they selected Paragraph 1 (see *Tier 1 Calculation* above) and it is greater than Paragraph 2. All members joining on or after Jan. 1, 2001, will be covered by the Paragraph 2 Death Benefit.

The benefit equals the last 12 months of pensionable earnings\* multiplied by years of service, increasing to a maximum of three years of service. For example, the benefit equals the last 12 months of pensionable earnings if you die after one year of service, two times the last 12 months of earnings after two years of service, and a maximum of three times the last 12 months of earnings after three or more years of service.

Beginning at age 62 for Tier 2-5 members, and age 63 for Tier 6 members, the benefit is reduced by 4% per year, up to a maximum reduction of 40%. (Age is not rounded and the reduction is not prorated.)

Under Paragraph 2, if the in-service death benefit is in effect when you retire, coverage may continue after retirement. The benefit would be:

- **1st year:** 50% of the death benefit in effect at retirement.
- **2nd year:** 25% of the benefit at retirement.
- **3rd year and beyond:** 10% of the benefit in effect at retirement, or age 60 if higher.

To be eligible for the continued coverage in retirement, you must retire within one year of leaving the payroll and not be employed (other than NYSTRS service) between your cease-teaching date and retirement date.

*\*The law limits the amount of salary that can be used in the calculation of the Paragraph 2 Death Benefit. Please see your latest Benefit Profile for this amount.*

## Naming Beneficiaries

Any number of primary and contingent beneficiaries may be named, but you must designate at least one primary beneficiary. The same person or persons cannot be designated as both primary and contingent beneficiaries. We can make payment to a contingent beneficiary(ies) only if all primary beneficiaries die before the contingent beneficiary(ies) and you have not changed your designation to provide for a new primary beneficiary(ies). To designate a tertiary beneficiary, please contact the System for additional instructions. If you survive all of the beneficiaries named, we would pay your estate.

You may change your beneficiary designation(s) prior to retirement by using the Beneficiaries tab under My Retirement in your secure MyNYSTRS account or by filing a notarized paper form [Designation of Beneficiary for In-Service or Post-Retirement Paragraph 2 Death Benefit](#) (NET-11.4). The form is available on the Active Member Forms pages at NYSTRS.org or by calling 800-782-0289.

## Other Death Benefits

### Tiers 3-6 Accidental Death Benefit

If you die as the result of an accident sustained in the performance of your duties, certain surviving family members may be entitled to receive an accidental death benefit in lieu of an in-service death benefit. The annual payment to your beneficiary would be 50% of the regular salary earned during your last year of service.

## *Vested Death Benefit*

You are covered by this benefit if you have at least 10 years of service credit, are not covered by the in-service death benefit, and die before retirement. It would equal one-half of the in-service death benefit that would have been paid if you had died on the last day of creditable service.

## *Accelerated Death Benefit*

You may elect to receive a one-time only payment while living if you qualify for a disability retirement benefit (the 10 years service credit requirement is waived) and have either a terminal illness resulting in a life expectancy of no more than 12 months or a medical condition requiring extraordinary care or treatment. The benefit is paid in lieu of both a monthly retirement benefit and a death benefit paid to a beneficiary. The payment is equal to the death benefit to which you would be entitled if you had died on your last day of reportable service.

## *COVID-19 Accidental Death Benefit*

If you die as a result of contracting COVID, you may be covered by the COVID-19 accidental death benefit. The annual payment to your statutory beneficiary would be a lifetime annuity of 50% of your most-recent year's salary and is in lieu of the in-service death benefit. For more information regarding eligibility and claiming this benefit, please refer to our [COVID-19 Accidental Death Benefit Fact Sheet](#) on our website.

## **Benefit Payment Choices**

At retirement you will choose either the Maximum benefit or an option. There are many factors you should consider, including your needs and goals and those of your beneficiary(ies); other sources of income; your health and age at retirement; and, the need for flexibility of coverage. You should begin planning early and carefully analyze the choices before you make your final decision.

The **Maximum** benefit provides the largest monthly payments to you for life, but provides no payment to a beneficiary.

An **option** is designed to provide a payment to a beneficiary at your death. However, selecting an option means a lower monthly benefit for you. Much like life insurance, the greater the protection an option provides your beneficiary, the greater the cost of the option to you. The cost of the option is calculated using actuarial factors, and your monthly benefit will reflect that cost.

No matter which choice you make, there are a few certainties:

- ⦿ Your payments continue until your death, without exception.
- ⦿ You **cannot** change your benefit payment choice more than 30 days after your retirement date. This holds true even if your circumstances change.

## *Lump Sum Options*

### **Declining Annuity Reserve (Tier 1 and 2 members with contributions):**

The balance of your Annuity Savings Fund will be paid to your beneficiary(ies) if you die before you receive it all yourself.

**Declining Reserve (Tier 1 Members only):** The balance of your total reserve (the pension reserve and your annuity reserve, if any) will be paid to your beneficiary(ies) if you die before you receive it all yourself. If you have a life-threatening illness, consider choosing this option as it provides the largest payment to your beneficiary if you die early in retirement.

**Largest Non-Declining Lump Sum:** This option enables members to provide the largest possible fixed payment to a beneficiary. It is not available to Tier 3 members retiring under Article 14 (Tier 3).

By selecting a Lump Sum Option, you may name multiple primary and/or contingent beneficiary(ies) who may be changed at any time.

## *Guarantee Period Options*

If you die during the first five or 10 years in retirement, depending on which option you select, your beneficiary receives your benefit for the balance of the five- or 10-year period. Beyond those periods, there is no beneficiary payment.

Under these options, you may name one primary beneficiary and multiple contingent beneficiary(ies) who may be changed at any time.

## *Survivor Options (Without the Pop-up Feature)*

If you select one of these options:

- ⦿ You name only one beneficiary.
- ⦿ When you die, your beneficiary receives a percentage of your benefit for life.\* Your benefit will not change if you survive your beneficiary.
- ⦿ Your beneficiary must be named no later than 30 days after your date of retirement and can never be changed.

Under these options, a surviving spouse is eligible for 50% of the Cost-of-Living Adjustment (COLA) the retiree would have received.

## *Pop-Up Survivor Options*

The same as the Survivor Options,\* except that if your beneficiary predeceases you, your future monthly payments increase to the Maximum after NYSTRS is informed of your beneficiary's death.

## *Alternative Option*

This allows you to modify existing options to meet your specific needs. An Alternative Option must be approved by the Retirement Board.

\* The percentage of a member benefit available to a beneficiary under this option may be limited when the beneficiary named is not the member's spouse and the beneficiary is more than 10 years younger than the member.

# The Retirement Process

## Review Your Benefit Profile

Review your *Benefit Profile* carefully when you receive it each fall. This is your opportunity to verify the accuracy of information reported to this System (i.e., salaries, days of service) and confirm your beneficiary designation. Your eligibility for current and future benefits, as well as the calculation of those benefits, will depend on this information. The benefit projections, including death and disability benefits, can help you make important financial decisions at each stage of your career. Remember, you can also access your *Profile* and other personal benefit information online with a [MyNYSTRS](#) account.

## Attend a PREP Seminar

Even if you have done so earlier in your career, in the years prior to retirement you should attend our Pension & Retirement Education Program (PREP). This seminar will allow you to focus on the eligibility and calculation rules for a pension, the death benefit coverage that could continue into retirement, the retirement process, the choice of taking a benefit payment option or purchasing life insurance, the rules for working while receiving a pension, the challenges of adjusting to retirement, Social Security and estate planning. Schedules are posted in schools and on the [Retirement Planning](#) page of our website. You can book a seminar online through the [MyNYSTRS](#) area of our website, or by calling NYSTRS at 800-348-7298, ext. 6100.

## Request a Benefit Estimate

In addition to the projections of your retirement benefits shown on your Benefit Profile, you may request a personalized estimate at an in-person or video [benefits consultation](#), by written request, through our [website](#), or by calling us at 800-348-7298, ext. 6020. The more accurate the salary information you provide, the more accurate your estimate will be. Please be advised that a benefit estimate is merely an estimate – not a representation of entitlement. A retiree's actual benefit compensation is based on verified salary and documentation obtained during retirement processing.



You should provide the following information:

- Retirement date(s). You can request estimates for different dates and see how much your benefit will increase if you continue to work. This is particularly important if your benefit would no longer be reduced after you reach certain service and age milestones.
- Date(s) you will stop working, especially if you plan to stop before you are old enough to collect a benefit.
- Current and future salaries, including extra income earned from summer school, coaching, adult education or other extracurricular activities. (For members employed on a 12-month basis, we will use only your contract salaries to determine a three-year FAS for a benefit estimate. Other payments may be used for a five-year FAS.) If you do not know your salaries, we will assume 2% increases per school year using the last known salary in estimating your final average salary (FAS).
- If your date of membership is prior to June 17, 1971, the amount of any payments for unused sick or vacation leave, or a local retirement bonus or incentive. Payments made by the end of the calendar year of retirement can be included in the calculation of a five-year FAS.
- If you request estimates of the survivor options guaranteeing a lifetime income for a beneficiary, the date of birth and gender of your beneficiary. (Note: Per the Internal Revenue Code, the percentage of a member benefit available to a beneficiary under certain options may be limited when the beneficiary named is not the member's spouse and the beneficiary is more than 10 years younger than the member.)

You can also use the [Benefit Estimator](#) on our website to get a quick projection of your Maximum retirement benefit.



## Apply for Retirement

To begin receiving a benefit payment, you must file an application for retirement with the System. Your effective date of retirement can be the same day you file but you cannot apply any sooner than 90 days prior to your retirement date. You can complete your retirement application online in [MyNYSTRS](#) (age 55+) or submit a [paper application](#) (RET-54). You can obtain a paper application:

- From the [Forms](#) page of our website.
- By calling our forms Hotline at 800-782-0289.
- At a NYSTRS benefits consultation.

On the application you must:

- Indicate your choice of the Maximum benefit or an option, as well as any beneficiary(ies) if applicable.
- Indicate if you wish to withdraw the balance of your Annuity Savings Fund if you are a Tier 1 or 2 member.
- Complete the [Direct Deposit Authorization Agreement](#) (GRE-54) for deposit of your monthly retirement payment in your savings or checking account.
- Complete the [W-4P Withholding Certificate for Periodic Pension or Annuity Payments](#) (FIN-149.1) indicating how much federal income tax, if any, you want withheld from your payments.
- Sign the application in the presence of a notary (if using the paper application).

If you file for service retirement, you may withdraw your retirement application or change your retirement date by notifying NYSTRS with a signed request within 14 days after your effective date of retirement. If you file for disability retirement, you may withdraw your retirement application by filing a signed request any time before the latter of a) the date the Retirement Board acts upon the application, or b) the date the retirement becomes effective.

Your employer's policy for withdrawing a resignation or changing a date of retirement may differ from NYSTRS'. Some employers, for example, may consider a letter of resignation or retirement irrevocable. You should consult with your employer's Human Resources or Business office, or with a representative of your bargaining unit, to determine the local policy on filing for retirement.

Additionally, the date of resignation you provide your employer differs from the date of retirement from NYSTRS. For NYSTRS' purposes, the effective date of retirement that you enter on your retirement application must be at least one day after the last date you earned salary under contract. For

example, if you last earn salary under contract on June 30, the earliest effective date of retirement you could select with NYSTRS is July 1.

If necessary, you may change the benefit payment choice you make on your retirement application up to 30 days after your retirement date on the Election of Retirement Benefit page in your MyNYSTRS account or by filing a notarized *Election of Retirement Benefit* (RET-54.6) paper form. The form must be received by NYSTRS within 30 days after your retirement date. Forms mailed to NYSTRS will be considered filed on the day they are mailed if they are mailed by registered or certified mail via the U.S. Postal Service, or by an equivalent delivery service that provides mail tracking and is approved for use by the System. Please see the *Contact Us > Get in Touch* page at [nystrs.org](http://nystrs.org) for a list of delivery services currently approved by the System. After the 30-day deadline, your benefit payment selection is irrevocable.

## Chapter Summary

- ⦿ **The Benefit Profile you receive each fall contains various benefit projections to help you make important financial decisions. Review it annually to ensure the salary and service reported by employers is correct, and that your beneficiary designation is up-to-date.**
- ⦿ **Attend at least one Pension & Education Program (PREP) seminar prior to filing for retirement.**
- ⦿ **Take advantage of one-on-one benefit consultations with System representatives prior to making any important retirement decisions. In-person and video consultations are held across the state year-round.**
- ⦿ **Request updated benefit estimates under various scenarios and review them carefully before making decisions related to your retirement.**
- ⦿ **Retiring from your employer and filing for a NYSTRS retirement benefit are two separate and distinct actions. You will not receive a retirement benefit until you file an application for retirement with NYSTRS.**

# Transition to Retirement

## Your First Payment

Due to the volume of retirement applications and the need to verify your service and salary, it may take nine to 12 months or more to complete the processing of your retirement application. During this period, you will receive a monthly payment that typically represents 95% or more of what your final benefit will be based on a three-year FAS (five-year FAS for Tier 6 members). As a result, a final benefit could be substantially larger than initial payments for Tier 1 members eligible for a higher five-year FAS, and Tier 2-6 members who pass a key service milestone in their final year. When your application is fully processed, an adjustment will be made to your monthly benefit, and any retroactive money owed you from your date of retirement will be paid. At that time, you will receive a detailed letter explaining your benefits.

### *Direct Deposit*

Your retirement benefit is paid by direct deposit. On the last business day of each month your payment is automatically deposited into your savings or checking account. The dates of deposit are listed in [Resource](#), our retiree newsletter, and on the [Retirees](#) page of our website

## Taxes and Your Retirement Benefit

Your NYSTRS retirement benefit is exempt from New York State income tax. However, it is subject to federal income tax. You may have taxes withheld from your monthly payments or you may make quarterly estimated tax payments. You can change your withholding at any time by filing a new W-4P form. Each January, you will be notified which portion of your retirement benefit must be reported for federal income tax purposes.

If you move to another state in retirement, your benefit will be subject to that state's tax laws.

## Earnings in Retirement

Different guidelines apply to service and disability retirements. Make sure you are familiar with the requirements that apply to your situation before you begin working in retirement. If you have specific questions about your employment, call us at 800-348-7298, ext. 6150. If you work for a NYSTRS participating employer, provide the employer with your EmplID, regardless



of your anticipated earnings. You are required to report your annual public employment earnings to NYSTRS. See the pamphlet [Working in Retirement](#) for details on reporting, earnings limits and the effects on your NYSTRS retirement benefit.

## Service Retirement

If you receive a service retirement benefit, you can have unlimited earnings in retirement without it impacting your public pension under the following scenarios:

- ⦿ All employment (including public employment) beginning in the calendar year you turn 65.
- ⦿ Private sector employment that does NOT include services to any NYS public employer. (*Employment for a business providing services to a NYS public employer is considered public employment. These earnings must be reported to NYSTRS and earnings limits may apply.*)
- ⦿ Federal employment.
- ⦿ Public employment in another state.
- ⦿ Work as an elected official, inspector of elections, poll or ballot clerk, commissioner of deeds, juror, or notary public – provided you were elected or appointed to an elected position you did not hold prior to retirement.
- ⦿ Consultant work for a NYS public employer only if your NYSTRS date of membership is prior to May 31, 1973 AND the consultant agreement has been reviewed and approved by NYSTRS.

*Your earnings may be limited if you return to work for a New York State public employer. You will be subject to the rules of either Section 211 or 212 of the Retirement and Social Security Law.*

- ⦿ **Section 212** – You can earn a designated amount, as established by the state Legislature, each calendar year in public employment. Most of our under-65 retirees who work in public employment in retirement meet the provisions of this section of law. Visit the [Retirees](#) page of our website for the most-current earnings limit.
- ⦿ **Section 211** – You can exceed the Section 212 limit if your employer obtains approval from the agency that has jurisdiction over the employment (e.g., the NYS Department of Education for NYS public school teaching). Under Section 211, a retired public employee is prevented from working in

the same or similar position for one year from the retiree's date of retirement.

If you receive a 211 waiver, your earnings will be limited if you received pay from that employer in the two years prior to retirement and those salaries were used in your final average salary. Also, you cannot re-nounce earnings reported to the System in order to achieve unlimited earnings in retirement.

Exceeding the Section 212 or 211 earnings limit in public employment could result in the loss or suspension of your NYSTRS benefit.

If you joined the System on or after May 31, 1973 and you work either (1) as an independent consultant or (2) for a private firm to fill a position with a NYS public school or other NYS public employer, you will be subject to the earnings provisions of Section 212 and 211 of the Retirement and Social Security Law.

### *Suspending Your Service Retirement*

If you have the opportunity in retirement to return to work full time for a participating employer in this System, you may suspend your retirement benefit and rejoin the System. You will be restored to active status and your date of membership will be the last day of your original tier. In general, you can receive an additional benefit or recalculated benefit after two extra years of service credit. If you receive an additional benefit or recalculated benefit, you will lose any state retirement incentive service previously credited.

To be eligible for a recalculated benefit based on your service credit both before and after restoring your active status, you would need to **a)** complete at least two years of service credit after restoration, and **b)** repay the System the benefits you received before restoration, plus interest.

Any Tier 3 retiree would become eligible for a full recalculation after five extra years of service credit.

If you retire again without earning the minimum necessary additional service, your pension will resume at the original amount.

## **Disability Retirement**

**Tiers 1 and 2:** You may earn in a calendar year the difference between your final average salary (or if greater, the salary you would have received if you had continued to teach) and your retirement benefit.

**Tiers 3-6:** You must be totally and permanently disabled from all employment to qualify for and continue to receive a benefit. Employment of any type may jeopardize your disability retirement.

## Cost-of-Living Adjustment (COLA)

Your retirement benefit will be subject to automatic cost-of-living adjustments (COLAs) when you meet the eligibility requirements. Eligible retirees receive an annual COLA that can be a minimum of 1% to a maximum of 3% on the first \$18,000 of their retirement benefit. The percentage is 50% of the Consumer Price Index (CPI) increase from one March to the next, rounded up to the next higher one-tenth of 1%.

A surviving spouse with a lifetime survivor option will receive one-half the COLA the retired member would have received.

To be eligible for a COLA, you must be one of the following:

- ⦿ At least age 62 and retired for at least five years.
- ⦿ At least age 55 and retired at least 10 years.
- ⦿ A retiree receiving a NYSTRS disability benefit for at least five years (regardless of age).
- ⦿ A surviving spouse of an eligible retiree receiving a lifetime benefit. (As noted above, one-half the COLA the retiree would have received.)

## Social Security and NYSTRS Benefits

For most of our retirees, NYSTRS benefits are not affected by Social Security benefits. Also, there is no Social Security tax on your System retirement benefit.

Visit [ssa.gov/mystatement](http://ssa.gov/mystatement) to make sure your records are accurate so you will get all the benefits you are entitled to when you retire.

## Retiree Publications

You will receive our newsletter [Resource](#), published three times a year, and an annual *Retired Member Profile*. The *Profile* provides a snapshot of your (or your surviving beneficiary's) retirement benefit and includes COLA information, gross and net payments, and deductions.

Also available on our website for retirees:

- ⦿ [Retired Members' Handbook](#)
- ⦿ [The Path to Retirement: Understanding the Retirement Process](#)
- ⦿ [Working in Retirement](#)
- ⦿ [Discovering Retirement](#)

# General Information

## Changing Your Address

It is important to keep your address current with NYSTRS throughout your career. It is your responsibility to report address changes to us. You may do so online with a MyNYSTRS account, by submitting a [Name/Address Change](#) (GRE-50) form, or by sending us a letter that includes your EmplID or Social Security number and your signature. You cannot change your address by phone or email.

## Filing Documents

Whenever a law requires documents to be filed with the System within a prescribed period of time or by a special date in order for you to be eligible for service credit or a benefit, the documents shall be deemed filed on the day they are mailed if they are mailed by registered or certified mail via the U.S. Postal Service, or by an equivalent delivery service that provides mail tracking and is approved for use by the System. Please see the [Contact Us > Get in Touch](#) page at NYSTRS.org for a list of delivery services currently approved by the System. Documents (as well as all payments) sent by regular mail are considered filed on the date of delivery to NYSTRS.

## Naming Your Beneficiary

You'll find your latest beneficiary designation listed in your annual *Benefit Profile*. Make sure your designation is up to date so your wishes will be carried out. To designate or change your beneficiary, use the Beneficiaries tab under My Retirement in your secure MyNYSTRS account or file a notarized paper form [Designation of Beneficiary for In-Service or Post-Retirement Paragraph 2 Death Benefit](#) (NET-11.4). The form is available on the [Active Member Forms](#) pages at NYSTRS.org or by calling (800) 782-0289. New beneficiaries filed will supersede any previous designation. If you want to add a new beneficiary, such as a new child, you must file a new designation that includes all beneficiaries you wish to designate. However, we cannot make death benefit payments directly to minor children. You may want to consult with an attorney to find out how best to carry out your wishes and provide for children.

Members with a Domestic Relations Order (DRO) on file cannot change their beneficiaries using MyNYSTRS at this time.



## Power of Attorney

With a power of attorney, you name an agent to act on your behalf in a broad range of personal, legal, financial and other affairs, including NYSTRS matters. Under a durable power of attorney, the agent can act for you even if you become legally incapacitated.

Although a durable power of attorney is revocable before someone becomes incapacitated, banks or other third parties that are not notified when a power of attorney is revoked are generally entitled to rely on their good-faith belief as to the power's continued validity. In any event, a durable power of attorney ends upon death unless revoked earlier.

A durable power of attorney may make it possible to avoid the expense and formality of a court-ordered guardianship should you subsequently become incompetent. A guardianship, however, affords a stricter accountability and more stringent controls on conflicts of interest.

The use of a durable power of attorney is a personal decision that should be based upon your particular needs and objectives. Due to the high degree of control vested in the person named to act on your behalf by the durable power of attorney, only a trusted person should be named. In any case, because it is a powerful document, the System strongly recommends that you consult with an attorney before executing a durable power of attorney.

The *Special Durable Power of Attorney Form* is available on the Legal Publications page of our Library, or by calling our Hotline at (800) 782-0289.

## Limitations on Benefits

401(a)(17) of the Internal Revenue Code limits the amount of annual compensation that can be used in the FAS calculation for NYSTRS members with a membership date on or after July 1, 1996. The compensation limit for the 2024-25 school year is \$345,000. The limit for the 2025-26 school year will be \$350,000. Your *Benefit Profile* will always have the latest limit, which can also be found on our website.



For Tier 6 members, the limit for all years is equal to the New York State governor's salary. For those with multiple employers, pensionable salaries are limited to the two highest-grossing positions per school year.

Additionally, there is a cap on salary used to calculate a Paragraph 2 death benefit. See your *Benefit Profile* for the current cap.

### Health Insurance Coverage

NYSTRS does not provide health insurance. Any questions regarding your health insurance coverage in retirement should be directed to your employer. The System acts only as an authorized deduction agent for the New York State Health Insurance Program with the New York State Department of Civil Service Health Insurance Unit.

## Common Questions & Answers

### Q. What does vesting mean?

A. Vested is the status that members attain with a certain amount of New York State service credit that generally makes them eligible for a retirement benefit as early as age 55, even if they leave New York State teaching, as long as they have not transferred or withdrawn from this System. Tier 1-6 members all vest with five years of state service credit. (Prior to April 9, 2022, Tier 5 and 6 members needed to attain 10 years of state service credit to be vested.)

### Q. If I earn extra salary during the school year or for teaching summer school, do I earn more service credit?

A. If you earn a full year of credit for your regular employment, you will not increase your credit. One year of credit is the most you can receive in a school year. However, the extra salary earned in your FAS years could increase your retirement benefit. If you are employed less than full time, summer employment may be used to help build service credit.

### Q. Does retirement begin automatically?

A. No. You must file a retirement application with the System. Your effective date of retirement can be the same day you file, but you can not apply any sooner than 90 days prior to your retirement date.

**Q. Can I get a NYSTRS loan if I have never made contributions?**

**A.** No. You must have made member contributions in the System to be eligible to borrow.

**Q. Can I receive credit for private school teaching, working for the federal government, or while on maternity leave?**

**A.** No. There is no provision in the law to allow you to get such credit.

**Q. Does a local retirement incentive payment or payment for unused leave affect my retirement benefit?**

**A.** Only if your date of membership is prior to June 17, 1971. In that case, you are eligible for a five-year FAS that can include such payments and will increase your benefit, if higher than your three-year FAS.

**Q. I was eligible to collect my retirement benefit three years ago. If I file now, will I receive retroactive payments?**

**A.** No. Retirement benefits are not retroactive. If you are not working in NYS public employment, you may collect your benefit even if you are in private, out-of-state or federal employment.

**Q. How is my retirement benefit paid?**

**A.** Your retirement benefit is paid in 12 monthly payments, directly deposited into your checking or savings account on the last business day of each month.

**Q. Does the final average salary used in the calculation of a retirement benefit have to be the average of the member's last three years (Tiers 2-6)?**

**A.** No. Although in most cases this will be true, it will be the average of the highest three consecutive years whenever they occurred in the salary history. (Note: Tier 1 members are eligible for either a three-year or five-year FAS, whichever provides the better benefit.)

- Q. What if laws or NYSTRS' rules change after I retire or my membership rights cease? Am I able to benefit from these changes?**
- A.** If you retire on or after July 1, you would be eligible for enhancements that become NYS law later that calendar year, unless otherwise indicated in the legislation. Otherwise, you are subject to the rules in effect at the time of your active membership. Generally, benefit improvements and changes are prospective in nature, meaning they only impact current (and, potentially, future) members.
- Q. Does claiming prior service credit entitle me to the benefits of an earlier tier?**
- A.** No. While credit for prior service typically improves your benefit calculation, only a membership reinstatement or transfer can change your date of membership or tier. Once you pay for prior service and it is credited by the System, if you had a previous membership in another New York State public retirement system you may request a review of your file to determine eligibility for an earlier date of membership.
- Q. Can I return to work immediately after retiring from NYSTRS?**
- A.** If you plan to return to work for a NYSTRS participating employer immediately following your anticipated date of retirement you **MUST** have a break in service before working in retirement. (Weekends and holidays do not constitute a break in service.) If you work in private or federal employment in retirement, or you meet certain other criteria, no break in service is required. See the NYSTRS publication *Working in Retirement* for details.
- Q. Can I change the type of benefit payment I selected at retirement if I get divorced after I retired?**
- A.** No. Once 30 days have elapsed from your official date of retirement the form of payment you elected at retirement cannot be changed. Distribution of your benefit could be addressed as part of a domestic relations order (DRO).

# Contact Us

**NYS Teachers' Retirement System**  
**10 Corporate Woods Drive**  
**Albany, NY 12211-2395**

When calling, please have your NYSTRS EmplID available.

**800-348-7298**

|  |           |
|--|-----------|
| General Information .....  | ext. 6250 |
| Disability Retirement .....                                      | ext. 6010 |
| Retirement Estimates .....                                       | ext. 6020 |
| Prior Service .....  | ext. 6030 |
| Transfer-In .....  | ext. 6040 |
| Transfer-Out .....   | ext. 6050 |
| Military Service .....   | ext. 6060 |
| Reinstated/Retroactive Membership .....                          | ext. 6070 |
| Member Service Credit .....                                      | ext. 6075 |
| Loans .....  | ext. 6080 |
| Membership Withdrawals .....                                     | ext. 6090 |
| Benefits Consultations .....                                     | ext. 6100 |
| In-service Death Benefit Information .....                       | ext. 6110 |
| Income Tax Information .....                                     | ext. 6120 |
| Beneficiary Information .....                                    | ext. 6130 |
| Pension & Retirement Education Program (PREP) Reservations ..... | ext. 6180 |
| Legislation .....  | ext. 6200 |
| Earnings After Retirement .....                                  | ext. 6150 |

**Hotline: 800-782-0289**

Form & Publication Requests | Recorded Messages | Latest News 24/7

### Online

[nystrs.org](http://nystrs.org)

[communit@nystrs.org](mailto:communit@nystrs.org)

**MyNYSTRS:** Keep track of your personal Retirement System benefit information and plan for retirement with a [MyNYSTRS](#) account.

Notes

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# New York State Teachers' Retirement System

10 Corporate Woods Drive  
Albany, NY 12211-2395  
[nystrs.org](https://nystrs.org)



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Some information in this publication may have changed since its publication. The most current edition is always available at [nystrs.org](https://nystrs.org).