

**New York State Teachers' Retirement System**

To: Chief School Administrators  
College and University Presidents  
District Contacts  
Employer Secure Area Contacts

**Administrative Bulletin***Issue No. 2021-10**November 2021***Revised Bulletin: Limits on Reportable Compensation  
Used in Benefit Calculations**

In February 2021 we issued Administrative Bulletin 2021-1 on this topic. Please note this important revised Bulletin, which reflects updated information regarding the limit on reportable compensation for Tier 6 members.

**Members with a Date of Membership on or After July 1, 1996 – Tiers 4 and 5**

Section 401(a)(17) of the Internal Revenue Code limits the amount of annual compensation used in computing benefits for System members with a membership date on or after July 1, 1996. As advised in [Administrative Bulletin 2021-1](#) the limit for the 2021-22 school year is \$290,000.

During the 2021-22 school year, please cease applicable mandatory contributions for all members with a date of membership from July 1, 1996 to March 31, 2012 once their annual base pay rate exceeds \$290,000.

The IRS limit for the 2022-2023 school year will be \$305,000.

**Members with a Date of Membership on or After April 1, 2012 – Tier 6**

In accordance with Retirement and Social Security Law Section 601(l), any wages earned during a school year in excess of the New York State governor's annual salary are excluded from the pension calculations of Tier 6 members (i.e., members with a date of membership on or after April 1, 2012). As of January 1, 2020 and following [Executive Order 202.86](#), the governor's salary was \$225,000.

**UPDATE:** Effective with the appointment of the new governor, the salary is \$250,000 retroactive to January 1, 2021. As this change went into effect after the end of the 2020-2021 school year, employers will be retroactively billed for any applicable employer and member contributions on their employees' earnings between \$225,000 and \$250,000 for the 2020-2021 school year. For the 2021-22 school year, you should cease deductions for Tier 6 members when their salary reaches \$250,000.

**All Members**

The earnings limits described above do not impact the reporting of salary or service credit. Even if the above limits are exceeded, you must continue to report all salary paid and days worked. Any earnings and/or contributions reported in excess of the limits will be adjusted at year-end, prior to your final bill.

Because changes in the IRS limit or the governor's salary affect when deductions for member contributions cease, we will continue to notify you when adjustments are made.

Please call our Employer Reporting Unit at (800) 348-7298, Ext. 6220 with notifications or if you have any questions on this topic.

*Administrative Bulletins dating from 2005 to the present are available on our website at  
[NYSTRS.org](#). Select Employers and visit the Administrative Bulletins page.*