



## **Section 1: Membership**

### **Membership Eligibility**

Membership in the System is restricted to teachers as defined by Section 501-4 of the Education Law. Teachers must also be employed by one of our participating employers in the “UNCLASSIFIED SERVICE” pursuant to Section 35 of the Civil Service Law. These are educational positions, generally considered to be professional in nature.

Individuals employed as TEACHERS, SUBSTITUTE TEACHERS, SUPERINTENDENTS, BUSINESS ADMINISTRATORS, GUIDANCE COUNSELORS, NURSE TEACHERS and TEACHING ASSISTANTS are considered unclassified and are only eligible for membership in NYSTRS. Individuals employed as Business Managers, School Nurses, Teacher Aides and other non-instructional positions are considered classified and are only eligible for membership in the New York State and Local Employees’ Retirement System.

Questions pertaining to whether a position is “unclassified” or “classified” service should be directed to your local Civil Service Office. **Please Note:** Not all “unclassified” positions are reportable to NYSTRS. If questions remain after reaching out to Civil Service, contact the State Education Department for additional guidance. In cases that are not clear to either Civil Service or the Education Department, the NYSTRS Retirement Board will determine whether a person is a teacher as defined by Education Law.

Participating employers include public schools, **charter schools** and community colleges outside of New York City, components of the State University, the Education Department, the New York State School for the Blind in Batavia, the New York State School for the Deaf in Rome, and Fashion Institute of Technology.

Effective Sept. 1, 1986, employees of the State Education Department are only eligible for membership in NYSTRS if they were members of the System within a year prior to their appointment. Employees of both the School for the Blind in Batavia and the School for the Deaf in Rome engaged in instructional services are only eligible for membership in NYSTRS.

Any person receiving a retirement allowance for other than disability from a New York State public retirement system is not eligible for membership in NYSTRS. However, a person receiving a service retirement allowance from a public retirement system may join if s/he suspends her/his allowance. This prohibition also applies to SUNY and community college employees who are retirees of the Optional Retirement Program.

### **Membership Verification & Registration**

To determine if an individual is a member of this System, you can access the membership verification application through the **Employer Secure Area (ESA)**.

The next step is to register any eligible employees selecting or mandated to NYSTRS membership via the ESA. Registration instructions and information can be found in **Chapter 6** of this Manual. Once the process is complete, you will receive a new EmplID and the required contribution rate for the new member(s).



## NYSTRS Employer Manual

### Section 1: Membership

#### Membership Eligibility for SUNY and Community Colleges

Eligible staff employed by SUNY or community colleges may elect the New York State Teachers' Retirement System (NYSTRS), the New York State and Local Employees' Retirement System (ERS) or the Optional Retirement Program (ORP).

When appointed to an unclassified position under a new employer (unlike SUNY campuses, each community college is considered to be a separate and different employer), the employee must elect a retirement system within 30 days from the date of appointment. Failure of a full-time teacher to make an election within 30 days will result in:

1. Continuance in the New York State Teachers' Retirement System if currently a NYSTRS member;
2. Continuance in the New York State and Local Employees' Retirement System if currently an ERS member; or,
3. Automatic registration in the New York State Teachers' Retirement System if not previously registered.

**If the employee leaves the employer and then returns to an unclassified position with the same employer before 13 months** have elapsed, then s/he remains covered by the retirement system under which the employee was previously enrolled. The only exception is if the NYSTRS member withdraws from membership in this System; then the 30-day election (described above) is permitted.

**Employees who elect ORP coverage and simultaneously teach part time** at a New York State public school are eligible to join NYSTRS and receive credit with NYSTRS to cover their public school service. Additionally, a SUNY or community college employee participating in ORP would be mandated into membership in the System upon any subsequent employment as a **full-time** public school teacher but would receive credit in the System for their public school service only and not for their employment at a SUNY or community college.

#### Membership Application

Eligible employees joining the System must complete and have notarized an **Application for Membership (NET-2)** and return it to your business office. You, as the employer, must complete Part 2 of the application.

Your continued efforts in seeing that all parts of the application are completed accurately will help minimize follow-up questions and future problems.

We will assign and inform you of an EmplID by return correspondence as soon as possible (usually within two weeks).



## NYSTRS Employer Manual

### Section 1: Membership

#### Mandatory Membership

Under certain conditions, membership in our System is mandatory as required by Section 503-1 of the Education Law. Membership is mandatory if an employee meets conditions 1, 2 and 3:

1. Employment for the FULL DAY, every day school is in session;
2. CONTRACTUAL RELATIONSHIP between employee and employer; and,
3. Employment on a PER ANNUM BASIS (i.e. through the end of school year) regardless of the date employment commences.

**NOTE:** In the case of SUNY and Community College employees, membership in this System is mandatory if the employee meets conditions 1, 2, and 3, **and** did not elect membership in the Optional Retirement Program or the New York State and Local Employees' Retirement System within the first 30 days of employment.

**Tier 6:** Certain employees hired on or after July 1, 2013 have the option of joining either NYSTRS or the Voluntary Defined Contribution Plan (VDC) administered by the State University of New York (SUNY) Optional Retirement Program.

To be eligible to join the VDC instead of NYSTRS, **all** of the following criteria must apply:

1. Hired on or after July 1, 2013; **and**,
2. Employed in a non-unionized position; **and**,
3. Hired at a salary where anticipated earnings exceed \$75,000.

Additional information regarding the VDC can be found at <http://definedcontribution.ny.gov>. Eligible Tier 6 members wishing to join the VDC must enroll online through this website.

If an eligible Tier 6 employee fails to elect the VDC within the first 30 days of employment, that employee will automatically become a member of NYSTRS, provided the duties being performed are those that would normally be eligible for a NYSTRS membership.

Additional important factors to consider:

1. New York State public employment after joining the VDC with said employer is **not** eligible for credit in NYSTRS.
2. NYSTRS and VDC memberships may **not** be combined at a later date.

New staff whose employment mandates membership in NYSTRS should complete an **Application for Membership (NET-2)** as soon as possible. Although not specifically required for membership to begin, the completed application will ensure the beneficiary selection of the member's choice.

The DATE OF MEMBERSHIP for an individual whose membership is mandatory is the first day the conditions noted previously are satisfied. This is also the date you should begin the mandatory EMPLOYEE PENSION DEDUCTION.

Questions regarding membership in the System should be directed to our Membership Unit at (800) 348-7298, Ext. 6190 (447-2900 if calling from the Albany area).



### **Optional Membership**

Individuals employed less than full time, contractual, or not on a per annum basis are not required to join the System. However, they may elect to establish a membership by completing an **Application for Membership (NET-2)**, signing it in the presence of a notary and forwarding it to your Business Office for completion of Part 2. Optional memberships are assigned the earlier of the first day of the month in which: both service was rendered and the application was notarized; or, member contributions were taken (service can be rendered after the month of notarization). (See chart below.)

**Chapter 636 of the Laws of 1985 requires you to inform, in writing, all optional membership employees of their right to join the System.** If they decide not to join, you should secure and retain a written acknowledgement from each person stating that s/he has been advised of the right to membership. A suggested acknowledgement form follows.

Eligible employees who opt not to join the System should be included on your Employer Report. You will be billed only on salaries of NYSTRS members.

If you wish to know if an individual is a member of NYSTRS, please access the member verification page via the Employer Secure Area. For questions regarding optional/ mandatory membership, call the Membership Unit at (800) 348-7298, Ext. 6190 (447-2900 if calling from the Albany area).

#### **Suggested form for meeting the requirements of CHAPTER 636 of the Laws of 1985:**

I hereby acknowledge that I have been informed by,

(Employer)

my employer, that as a “teacher” not currently a member of the New York State Teachers’ Retirement System who is or will be rendering less than full-time service for the (year) school year, I may, as a matter of right, join the New York State Teachers’ Retirement System. I further acknowledge that I understand under present law if I elect to join the New York State Teachers’ Retirement System, I must complete a Retirement System membership application which must be filed with the Retirement System in order to be effective. As a result of joining the Retirement System, I will be required to contribute, pursuant to Article 15 of the RSSL, 3-6% of my salary to the Retirement System, based on my annual wages.

If I join the System, my beneficiary will be protected by a death benefit should I die in service after I have been credited by the System with one year of service. Upon meeting eligibility requirements, I will be entitled to a lifetime pension or a disability pension if I become permanently and totally disabled from gainful employment.

I also understand if I do not elect to join, I may be unable to obtain credit at a later date for service rendered during the period I was not a member.

Signature  
Date



## NYSTRS Employer Manual

### Section 1: Membership

#### Teaching Assistants

Membership was extended to school district Teaching Assistants beginning Feb. 1, 1971. Subsequent to that date, they are only eligible for membership in NYSTRS.

Membership is MANDATORY for this group if they are employed under a PER ANNUM CONTRACT for the lesser of: (a) the regular teacher workday; or, (b) the teaching assistant workday, as long as the regular teacher workday is at least six hours and the teaching assistant workday is at least six hours.

Teacher Aides are only eligible for membership in ERS. Those who are reclassified to Teaching Assistants MUST join NYSTRS if their position mandates membership. If their position does not mandate membership, it is optional. However, under no conditions should you report salaries to the ERS for Teaching Assistants. Once membership exists in both retirement systems, Teacher Aides who are reclassified may elect to transfer their memberships to NYSTRS. (Please review **Section 13: Transfers** for further information on transfers.)

Transfers of their other New York State public retirement system membership to NYSTRS should be done immediately. They will be assigned their earliest date of membership and tier status. During the transfer process, the district may deduct member contributions. If so, the members will be refunded these contributions when the transfer is complete, if appropriate. To be eligible for a refund of all contributions, the member must apply for their transfer in the same school year of their NYSTRS' membership. (In the case of Tier 3 and 4 members, this assumes that the members had 10 years of membership or service credit prior to initiating the transfer.)

Please note: SUNY Teaching Assistants, Graduate Assistants, and Clinical Assistant Instructors are eligible for membership in **ERS only**, not NYSTRS.



**NYSTRS Employer Manual**  
Section 1: Membership

**Tiers of Membership**

The Teachers' Retirement System is divided into six tiers, which are distinguished by dates of membership. Tier 1 members may continue to make voluntary contributions to their Annuity Savings Fund through payroll deduction only if they have continually been contributing. Tier 2 members are not permitted to contribute to the System. The law requires Tiers 3 and 4 members to contribute 3% of their salary toward retirement, Tier 5 members must contribute 3.5% of their salary, and Tier 6 must contribute from 3-6% of their salary, based on annual wages. (See chart under Mandatory Contribution Rates.)

**Membership Tiers by Date**

Tier	Date of Membership
1	Prior to 7/01/73
2	7/01/73 - 7/26/76
3	7/27/76 - 8/31/83
4	9/01/83 - 12/31/09
5	1/1/10 - 3/31/12
6	On or after 4/1/12

**Please note:** If contributions are reported to NYSTRS for any employee, we will automatically make them a member of NYSTRS. New members should be encouraged to submit a **Membership Application (NET-2)**.

**Mandatory Contribution Rates**

Tier 6 members will contribute 3.5% from April 1, 2012 through March 31, 2013, and 3% from April 1, 2013 through June 30, 2013.

Beginning July 1, 2013, during any Tier 6 member's first 3 school years of membership, the Tier 6 member will contribute a percentage based on a *projection*, by the employer, of annual wages during those school years in accordance with the schedule below.

Tier 6 Contribution Chart	
Salaries	Contribution Rate
\$45,000 and less	3.0%
More than \$45,000 to \$55,000	3.5%
More than \$55,000 to \$75,000	4.5%
More than \$75,000 to \$100,000	5.75%
More than \$100,000 to \$179,000 (new member cap)	6.0%

Following the first 3 years of membership, a Tier 6 member's contribution rate in any given year is based on regular compensation received two years prior. So, beginning in year 4 of membership and continuing from that point forward, it is NYSTRS' responsibility to determine the applicable employee contribution rate for each Tier 6 member. The rate applicable to the next school year will be provided to districts in May of the current school year.



**NYSTRS Employer Manual**  
Section 1: Membership

For example:

<b>PROJECTED WAGE METHOD (FIRST 3 SCHOOL YEARS ONLY)</b>			
	<b>1<sup>st</sup> School Year</b>	<b>2<sup>nd</sup> School Year</b>	<b>3<sup>rd</sup> School Year</b>
Projected Annual Salary	\$43,000	\$45,000	\$48,000
Contribution Rate Based on Projected Annual Salary	3.5% (7/1/12 - 3/31/13) 3.0% (4/1/13 - 6/30/13)	3.0%	3.5%
Actual Wages Earned in School Year	\$43,000	\$49,000	\$51,000
Contributions Made in School Year	\$1,440.50 (3.5% (7/1/12 - 3/31/13); 3.0% (4/1/13 - 6/30/13) of \$43,000)	\$1,470 (3.0% of \$49,000)	\$1,785 (3.5% of \$51,000)

<b>ACTUAL WAGE METHOD (4<sup>TH</sup> SCHOOL YEAR AND THEREAFTER)</b>		
	<b>4<sup>TH</sup> School Year</b>	<b>5<sup>TH</sup> School Year</b>
Actual Wages Earned in School Year	\$50,000	\$53,000
Contribution Rate Based on Actual Wages Earned Two School Years Prior to Current School Year <i>(See Tier 6 Contribution Chart Above)</i>	3.5% <i>(See Year 2 Wages)</i>	3.5% <i>(See Year 3 Wages)</i>
Contributions Made in School Year	\$1,750 (3.5% of \$50,000)	\$1,855 (3.5% of \$53,000)

**Article 19 – Elimination of 3% Contributions**

Article 19 of the Retirement and Social Security Law eliminates the required 3% contributions for current Tier 3 and 4 members of this System when they have 10 years of credited service or have been a member for 10 years.

Members can also become eligible to have contributions ceased under Article 19 as a result of the purchase of prior service, or as a result of transfer of service from another public retirement system.

NYSTRS will annually report to districts any change in contribution status for Tier 4 members.





## NYSTRS Employer Manual

### Section 1: Membership

#### Change of Beneficiary

Members may change their designation of beneficiary at any time by completing the ***Designation of Beneficiary For In-Service or Post-Retirement Paragraph 2 Death Benefit (NET-11.4)*** form.

The form must be signed in the presence of a notary and received by the System in order to effect a change. Both primary and contingent beneficiaries can be designated on the same form; however, at least one primary beneficiary must be designated.

#### Cessation of Membership

Membership in the New York State Teachers' Retirement System will cease if a member has been out of service for seven consecutive school years, has less than 10 years of service and is not eligible for a retirement allowance. A teacher is considered to be in service if s/he renders at least 20 full days of service in a school year with one or more of our participating employers. Once a membership has ceased, the member's contributions no longer earn interest and should be withdrawn. In addition, the former member forfeits all pension and death benefit rights associated with that membership. **Section 17: Refunds** will provide additional information on withdrawal from membership.

Should the former member rejoin the System at a later date, it is possible for the earlier membership to be reinstated. Following is the information regarding membership reinstatement.

#### Membership Reinstatement

Section 645 of the Retirement and Social Security Law allows current and future active members of this System, who held a former membership in any other NYS public retirement system, to be reinstated to their former date of membership.

**There is no deadline or window to file for reinstatement.** This election can be made by completing an ***Election to Reinstatement (RIS-1)*** form with the System or by checking **Yes** to Question #3 on the ***Application for Membership (NET-2)*** to initiate the process.

- All Tier 3-6 members who are eligible for reinstatement to a former Tier 1 or 2 date of membership must fully repay and satisfy any outstanding loan before they will be allowed to request reinstatement.
- Tier 3 and 4 members being reinstated to Tier 1 or 2 will have their mandatory 3% contributions ceased only after the election is filed and their eligibility confirmed. Required Tier 3 and 4 member contributions are not refundable under this statute. You will be notified in writing by the Retirement System if and when the contributions should stop.
- Tier 5 and 6 members being reinstated to Tier 1 or 2 will have their mandatory contributions ceased only after the election is filed and their eligibility confirmed. Required member contributions are not refundable under this statute. You will be notified in writing by the Retirement System if and when the contributions should stop.
- Current members reinstated to a former Tier 3, 4 or 5 membership are required to repay, in a lump sum with interest, the amount refunded from the previous membership. There is no cost to be reinstated to a former Tier 1 or 2 membership.





## **NYSTRS Employer Manual**

### **Section 1: Membership**

There are some situations where reinstatement may not be to a member's advantage. Any questions regarding Membership Reinstatement may be directed to the System at (800) 348-7298, Ext. 6070 (447-2900 if calling from the Albany area).