



New York State Teachers' Retirement System

10 Corporate Woods Drive

Albany, NY 12211-2395

(800) 348-7298 or (518) 447-2900

NYSTRS.org

NYSTRS Benefits Pt. 2: Service Credit

Video Transcript

Hello and welcome to the second segment of our NYSTRS' Benefits series. In this video, we'll cover service credit: what it is; how to earn it; how you may be eligible for "extra" credit; and, how to ensure your service is fully credited.

Most members will receive a **service retirement benefit** when they stop teaching. Service credit is a key factor in calculating that benefit. In general, every additional month of credit you receive raises your pension.

The bulk of your service will be earned in the classroom. The days you work are reported to NYSTRS by your employer, and those days are converted into months of credit. For educators like you, nine months of service equal one year of credit.

Remember, though, that if your teaching duties earn you a full year of service during a July 1 through June 30 school year, any extra work you perform – such as teaching summer school within that school year – will **NOT** add to your credit.

You don't have to work full time to earn credit. You can receive credit for part-time and substitute teaching, provided you work at least the equivalent of 20 full days within a school year. Days worked in different school districts within the same school year can be added together when calculating credit.

Prior Service

Another way to add to your total service is to claim and purchase any prior service you may have.

Prior service is New York State public service you completed before you joined NYSTRS. Maybe you worked for your town as a teenager or maybe you worked at another state agency before you became a teacher. It's possible that service can be added to your account. Purchasing prior service early in your teaching career is almost always beneficial, so don't wait until retirement to get the ball rolling.

Before you can purchase that prior service, you must accumulate two years of NYSTRS credit. The purchase cost will depend on your membership tier and the wages you were paid at the time of your service.

Despite what you may have heard in the break room, prior service will not enable you to change your membership date or tier. We will address those topics next.

Transfers

Did you know you can have memberships in, and receive benefits from, more than one New York State public retirement system? While true, maintaining two memberships may not be best for you. If you are currently a member of NYSTRS and another New York State retirement system but the work you perform is only reportable to NYSTRS, it may be beneficial for you to transfer your other membership here.

A transfer allows you to retain your earliest membership date. An earlier date of membership may enable you to convert your NYSTRS membership to an earlier tier and gain the full benefit advantages of that tier. Transfers also mean your service credit and salary will be combined, which often yields a higher benefit than taking two separate benefits.

Before initiating a transfer, contact both systems to discuss how it would affect you.

Reinstatement

While transfers are associated with active memberships, what if you had a membership in a NYS public retirement system that is no longer active? In that case, you may be eligible for reinstatement. Much like a transfer, reinstating allows you to return to your earliest membership date, which may enable you to convert your NYSTRS membership to an earlier tier and you'll get the service credited under your former membership.

Reinstatement is irrevocable and not always beneficial, so contact NYSTRS before applying to discuss the advantages and disadvantages.

Military Service

You may also be eligible to receive service credit for active military duty, whether it preceded or interrupted your NYSTRS membership.

To apply, send NYSTRS a copy of your honorable military discharge -- Form DD214. Certain eligibility rules apply, and there will be a cost to purchase the credit in most cases. For more information, see our *Claiming Military Service* brochure.

Conclusion

As you can see, there are many ways to build your service credit. Again, because date and tier of membership and total service helps determine your eligibility for certain benefits, we encourage you to explore these possibilities early in your career. Delaying can end up being costly in more ways than one.

Remember that NYSTRS is always here to answer your questions. You'll also find a host of resources in the Library at NYSTRS.org.

Something every member should do is review their annual *Benefit Profile*. Use this personalized statement of benefits to confirm all your service and salary has been correctly reported.

Be sure to take advantage of the many self-service tools on our website. If you activate your MyNYSTRS account, you can claim prior service, run comparative benefit estimates to see the positive impact a service purchase can have, and much more.

And, of course, NYSTRS.org also offers a host of short educational videos like this one to help you understand the many benefits of your membership.

Thank you for watching.