New York State Teachers' Retirement System

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

Administrative Bulletin

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Limits on Reportable Compensation
Used in Benefit Calculations

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 2023-2 the limit for the 2023-24 school year is $330,000.

The IRS limit for the 2024-25 school year will be $345,000.

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). The governor's salary is currently $250,000.

Additional billing information

The earnings limits described above do not impact the reporting of salary or service credit. You must continue to report all salary paid and days worked, even after the existing earnings limit has been reached. Any pensionable earnings and/or contributions reported in excess of the limits will be adjusted at year-end. You will not be billed on excessive salary and/or contributions. All excess contributions should be refunded directly to the member.

For members covered by these earnings limits, employers may cease withholding mandatory member contributions once the applicable pensionable earnings limit is reached. 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.