



New York State Teachers' Retirement System

10 Corporate Woods Drive
Albany, NY 12211-2395
(800) 348-7298 or (518) 447-2900
NYSTRS.org

Mandatory or Optional Membership: A Handy Guide

Transcript

NYSTRS Employer: Does this new employee need to join NYSTRS? I have no idea. How am I supposed to know the difference between mandatory and optional membership?

Hologram: Maybe I can help.

NYSTRS Employer: Who are you? Can you see me?

Hologram: I'm NYSTRS' new Helpful Hologram, and I'm here to guide you through the membership process.

NYSTRS Employer: How did you get in here? Is this going to cost me any money?

Hologram: Come with me now on an exciting journey to learn who needs to be a member of NYSTRS.

NYSTRS Employer: Are we actually leaving? I had to run an errand at lunch.

Hologram: Just watch the screen.

NYSTRS Employer: OK, OK...So what job titles are reportable to NYSTRS?

Hologram: Education Law restricts positions reportable to NYSTRS to teaching or educational positions considered professional in nature. Civil Service calls those positions "unclassified."

"Classified" titles – such as custodian or clerk -- are reportable to the New York State and Local Employees Retirement System, or NYSLERS.

For more information on which titles are reportable to which retirement system, visit www.cs.ny.gov or contact the State Education Department at nysed.gov.

NYSTRS Employer: So how do I know if membership is mandatory?

Hologram: Membership in NYSTRS is mandatory if **all** of these three conditions apply:

1. Employment is for the full school day each day of the week;
2. There is a contractual relationship between the employee and employer; and,
3. Employment is on a per annum basis, meaning it's through the end of the school year, regardless of the date the employment begins.



NYSTRS Employer: So what about optional membership?

Hologram: Membership in NYSTRS is optional if the employee is working for a NYSTRS participating employer in an unclassified position **AND** they are either employed less than full-time, or employment does not extend to the end of the school year.

If employees with the option to join choose to become NYSTRS members, they would need to fill out an *Application for Membership*, or NET-2, as we call it. They must sign it, have it notarized and submit it to you, the employer. The registration process is complete when the employer enrolls the member through the Employer Secure Area, or ESA for short, at NYSTRS.org. NYSTRS processes the enrollment and completes the process by providing the member an Employee Identification Number, or "EmplID."

NYSTRS Employer: It's not my responsibility to explain optional membership to new employees, is it?

Hologram: Actually, it is. By law, employers are required to inform, in writing, all employees who qualify for optional membership of their right to join the System. If the employee ultimately declines NYSTRS membership, we advise you to retain a copy of the declination for your files.

NYSTRS Employer: So if they have a choice, should I advise them to join NYSTRS?

Hologram: Heck yes, they should join! NYSTRS is one of the biggest and best-run pension plans in the nation. The minute they join, they start building credit toward retirement, disability and death benefits. Plus, they automatically accrue 5% interest on their required contributions. So down the line they'll either get a pension or, if they withdraw membership before vesting, they'll get their contributions back.

Also, if they leave teaching for other New York State public employment, their NYSTRS membership can be transferred to another New York State retirement system. It works the same if they begin teaching later in life or return to a teaching career.

NYSTRS Employer: OK, but how are a member's required contributions determined?

Hologram: This is also handled by the employer through ESA. The first-year contribution rate for members, which may vary according to membership tier, is set during the enrollment process. Refer to Section 1 of the NYSTRS Employer Manual for more details.

Two common mistakes to avoid:

- Do NOT report contributions for a part-time employee who has declined NYSTRS membership. If you do, NYSTRS will automatically assign the employee a membership



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number and bill you for the contributions. If you make this mistake, call us at (800) 348-7298, ext. 6190.

- Don't forget to deduct contributions for a part-time employee who *is* a member. If you fail to do so, you'll get a bill from NYSTRS for those contributions and you'll have to recoup the mandatory contributions from the member.

We **strongly recommend** you verify membership status for all new hires in ESA. It will help in cases where you don't have a member's EmplID, the teacher is unsure of membership status or the employee declined membership. Anyone with rights to ESA can log in and enter the employee's Social Security number to verify membership status.

When filling out monthly reports for NYSTRS, the employer should always remember to use "F" for full-time employees and "P" for part-time employees.

NYSTRS Employer: Normally, I take all of my membership enrollment advice from a weird ghost-thing that randomly pops up on my desk, but if he's not available, where else can I get answers to my questions?

Hologram: Read the employer manual online at NYSTRS.org. Or call Employer Reporting at (800) 348-7298, ext. 6220.

NYSTRS Employer: Thanks, NYSTRS Hologram. That was really weird, but surprisingly helpful.

Hologram: Hey, I do what I can.