

Service Credit for Tiers III/IV Members



Your Total Service Credit is one of the factors used to determine your eligibility for a retirement allowance under the Qualified Pension Plan (QPP), as well as the amount of your benefits. In general, you earn credit toward your retirement when you make pension contributions to the QPP while you are working. In addition, you have the option to request pension credit in TRS for other service, including service that precedes your TRS membership.

YOUR TOTAL SERVICE CREDIT

You may receive a maximum of one year's service credit for a given school year (360 calendar days), regardless of the number of positions you held during that year. Service beyond 360 days in a school year is not credited, but pension contributions are required. In most cases, you can learn how much Total Service Credit you had as of the previous June 30 by referring to your most recent Annual Benefits Statement (ABS), which is available for viewing in the secure section of our website.

TYPES OF SERVICE

The following types of service are creditable and pension contributions are mandatory:

- **Membership Service:** Any credited service you performed as a TRS member. Your pension contributions are normally paid through automatic payroll deductions.

Membership service includes per session service (e.g., tutoring, coaching, or teaching in summer school). These earnings are considered "additional pensionable earnings," since they were received in addition to your regular pay.
- **Transferred Service:** Any service you transferred from an eligible retirement system (only applicable if you transferred your membership to TRS).

Note: "Additional pensionable earnings" also may include class coverage work, summer employment, Special Education Student Information System (SEIS) work, after-school professional development instruction, bonuses from your union, or retroactive earnings due under a collective bargaining agreement. Pension contributions are required for these earnings, but no service credit is granted.

For periods when pension contributions are required, but not made, a "deficit" may result; resolving any deficits is mandatory. If a deficit situation occurs, TRS will notify you of the amount due and your payment options.

You also have the option to purchase credit for the following types of service:

- **Prior Service:** Creditable service you performed with a New York City and/or New York State public employer before joining TRS that was not transferred to TRS with your membership.
- **Amann Service:** Creditable service, such as regular substitute teaching or per diem service, that you performed with a New York City or New York State public employer during a leave of absence from your TRS-eligible position or after separating from service.
- **Military Service:** Creditable U.S. military duty you performed before joining TRS or during a leave of absence from your TRS-eligible position.

Although there is a cost to obtain “optional” service credit, doing so offers the following benefits:

- Your prospective service retirement allowance will be higher.
- If you are not vested, you may more quickly attain vested rights and qualify for retirement benefits.
- You may more quickly attain the years of credited service needed to stop or reduce your pension contributions.

Note that applicable interest is generally added to the cost of both deficit payments and service credit purchases. Because the interest will continue to accrue over time, the sooner you make your payment or purchase, the less it will cost you.

CLAIMING OPTIONAL SERVICE CREDIT

If you want to request credit for your prior, Amann, and/or military service, you should notify TRS. All

FOR MORE INFORMATION

Please see the table on page 3 for a summary of service credit and deficits for Tiers III and IV members. You can also find additional information about Tiers III and IV membership by reading the FAQs on our website.

requests for service credit must be made before your effective retirement date. Additional deadlines may apply for military service credit.

- For prior service credit, you may be able to request a Cost Letter online in the secure section of our website. You may instead submit a paper “Cost Letter Request Form” (code SB64).
- For Amann service credit, submit a “Cost Letter Request Form.”
- For military service credit, submit a “Military Service Credit Request Form” (code SD68). You may need to submit specific documentation with your form; please see the form for more information.

Following verification of your service, TRS will send you a Cost Letter(s) for any optional service credit available for purchase.

SUMMARY OF SERVICE CREDIT AND DEFICITS FOR TIERS III/IV MEMBERS

Membership Service and Transferred Service are generally creditable and pension contributions are mandatory. If you incur a deficit in contributions for this service, you must make up for the missed contributions; see the **Mandatory Contribution Deficit** rows below. For other types of service, you can choose to request and/or purchase credit; see the **Optional Service Credit** rows below.

	Service	Crediting ^(a)	Base Cost	Additional Cost ^(c) (for Age 55 Retirement Program Participants Only)	Payment Options ^(e)
Mandatory Contribution Deficit	Membership Service	- Immediate	<u>Deficit payment:</u> - 3% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	<u>Deficit payment:</u> - 1.85% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	❶ ❷
	Membership Service for Additional Pensionable Earnings (e.g., per session service, class coverage work, union bonuses, retroactive earnings due under a collective bargaining agreement)	- Immediate (per session service only; no service credit for other types of earnings)	<u>Deficit payment:</u> - 3% of the gross Additional Pensionable Earnings. - Includes applicable interest.	<u>Deficit payment:</u> - 1.85% of the gross Additional Pensionable Earnings. - Includes applicable interest.	❶ ❷
	Transferred Service	- Immediate	<u>Deficit payment:</u> - The cost of this deficit, including any applicable interest, would be calculated by your previous retirement system.	<u>Deficit payment:</u> - 1.85% of your gross pensionable compensation during time service was performed. ^(d) - Includes applicable interest.	❶ ❷
Optional Service Credit	Prior Service	- After service is verified - After at least 2 years of membership service - Upon payment	- 3% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	- 1.85% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	❶ ❷ ❸ ❹ ❺
	Amann Service	- After service is verified - After at least 2 years of membership service - Must return to active service before purchase - Upon payment (if applicable) ^(b)	- 3% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	- 1.85% of your gross pensionable compensation during time service was performed. - Includes applicable interest.	❶ ❷ ❸ ❹ ❺
	Military Service: Federal (USERRA)	- After service is verified - Upon payment (if applicable) ^(b)	- QPP contributions that would have been made during time service was performed, multiplied by amount of eligible military service for which you are requesting credit.	- 1.85% AMCs that would have been made during time service was performed.	❸ ❹ ❺ ❻
	Military Service: NYS RSSL (Article 20, Section 1000)	- After service is verified - After at least 5 years of Total Service Credit - Upon payment	- 3% of your gross pensionable compensation during 12 months preceding your request, multiplied by amount of eligible military service for which you are requesting credit.	- 1.85% AMCs during 12 months preceding your claim.	❸ ❹ ❺ ❻
	Military Service: NYS Military Law (Article 11, Section 243)	- After service is verified - Upon payment (if applicable) ^(b)	- QPP contributions that would have been made during time service was performed, multiplied by amount of eligible military service for which you are requesting credit. - Includes applicable interest. - Payment may be waived depending on the period of your service.	- 1.85% AMCs that would have been made during time service was performed. - Includes applicable interest. - Payment may be waived depending on the period of your service.	❸ ❹ ❺ ❻

^(a) Credit is limited to a maximum of 360 calendar days per school year for all types of service. Additional restrictions may also apply for certain types of service (e.g., military).

^(b) Payment is generally required if pension contributions were required at the time the service was performed.

^(c) The additional cost represents Additional Member Contributions (AMCs) required under the Age 55 Retirement Program; the cost does not apply for members who are not in this Program.

^(d) AMCs may be required for all of your credited service, including any optional service credit (e.g., prior service credit) you previously received.

^(e) Payment options indicated are for mandatory deficit payments and optional service credit purchases. Depending on your service type, payment options generally may include one or more of the following:

- ❶ Online payment; ❷ Payment plan of payroll deductions; ❸ Transfer of funds from an external NYS- or NYC-sponsored Section 403(b) or Section 457 Plan; ❹ Transfer of funds from your TRS TDA account;
- ❺ Combined transfer from your TRS TDA account and online payment; ❻ Lump-sum payment by check; and ❼ Combined transfer from your TRS TDA account and lump-sum payment.

For certain deficits, you may be eligible to use your TRS TDA account funds to pay your deficit. The payment options available to you will be indicated in your Cost Letter and/or accompanying election form.

For your convenience, TRS forms and publications are available on our website.

*This publication should not be solely relied upon, as it is based on currently available information that is subject to change.
In all cases, the specific provisions of the governing laws, rules, and regulations prevail.*



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