

Summary Plan Description Tier III/Tier IV



Teachers' Retirement System of the City of New York

Summary Plan Description

Tier III/Tier IV

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Introduction

The Teachers' Retirement System of the City of New York (TRS) was established on August 1, 1917 under Chapter 303 of the Laws of 1917. Today TRS is one of the largest municipal public employee retirement systems in the United States, with more than 200,000 in-service members, retirees, and beneficiaries.

TRS is pleased to provide this Summary Plan Description (SPD), which describes features and benefits of TRS membership for Tier III and Tier IV members and participation in TRS' Qualified Pension Plan (QPP). This document covers the following topics:

- TRS Membership and Eligibility
- Pension Contributions
- Credited Service
- Loans
- Separating from Service before Retirement
- Service Retirements
- Disability Retirements
- Death Benefits

TRS members also have the option of participating in TRS' Tax-Deferred Annuity (TDA) Program, a defined-contribution retirement plan administered under Section 403(b) of the Internal Revenue Code. The TDA Program is described in another TRS publication, the [TDA Program Summary](#).

The information in this SPD is specific to TRS members in Tier III and IV; some aspects of TRS membership differ according to tier status. This information herein is derived from applicable laws, regulations, and/or rules, including but not limited to, the Administrative Code of the City of New York, the New York State Retirement and Social Security Law (RSSL), the New York State Education Law (EDNL), and TRS policies. Laws and rules governing TRS and its benefits may change from time to time. When such changes occur, TRS announces them on its website. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.

Member Resources

TRS' website at www.trsnyc.org provides a wealth of information and features a secure section where members can log in to access and manage their TRS accounts. Additional assistance is available as follows:

- By phone: 1 (888) 8-NYC-TRS (1-888-869-2877)
- In person: 55 Water Street in lower Manhattan. TRS' entrance faces the Vietnam Veterans Memorial Plaza.
- By mail: TRS Correspondence Unit, 55 Water Street, New York, NY 10041

Member Services Representatives are generally available Monday through Friday, 8:30 a.m. to 5:00 p.m., except on New York City holidays.

1. TRS MEMBERSHIP AND ELIGIBILITY

1.1. Eligibility for TRS Membership

Employment with one of the following employers may qualify for membership in TRS:

- The New York City Department of Education (DOE)
- A New York City charter school that participates with TRS for pension coverage
- The City University of New York (CUNY)

Membership is available to employees of these entities as follows:

New York City Department of Education or Participating Charter Schools

- Appointed teachers and pedagogues automatically become TRS members as of their appointment date.
- Certain paraprofessionals¹ can join TRS at any time during their employment.

City University of New York

- Full-time employees in certain educational and administrative titles² can join either TRS or the Optional Retirement Program within 30 days of their CUNY appointment. If they do not make an election within that period, they become TRS members as of their appointment date.
- Instructors (teaching and non-teaching) in adjunct or substitute employment status can join TRS

Employees whose positions do not qualify them for TRS membership may be eligible for membership in the New York City Board of Education Retirement System (BERS) or the New York City Employees' Retirement System (NYCERS).

SR³: NYC Administrative Code §13-501; RSSL §600; EDNL §182, §2854 subdivision 3(c); and §6253.

1.2. Enrolling in TRS

Members whose TRS membership is automatically established do not need to apply for membership. Their membership will begin as of their appointment date. However, those individuals for whom membership in TRS is optional must apply for membership, and their membership will begin as of their application date.

1.3. Tier Status

Tier status determines eligibility for many TRS benefits. This SPD covers two Tiers:

- Tier III members joined on or after July 27, 1976, but before September 1, 1983.
- Tier IV members joined on or after September 1, 1983, but before April 1, 2012. Tier III members may elect to retire under the provisions of either Tier III (Article 14 of the RSSL) or Tier IV (Article 15 of the RSSL).

¹ Eligible paraprofessional titles include Auxiliary Trainer, Bilingual Professional Assistant, Educational Assistant, Educational Associate, Family Assistant (A & B), Family Associate, Family Worker, Health Aide, Parent Program Assistant, and Teacher Aide.

² These are the instructional and higher educational administration series titles. Employees working solely for the CUNY Research Foundation are not eligible for TRS membership.

³ Statutory Reference; see Glossary for definition.

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Tier status in TRS may change upon reinstatement to a previous membership or upon transfer of membership from another retirement system (if the member had a different tier status during the other membership).

LR⁴: Chapter 890 of the Laws of 1976; Chapter 414 of the Laws of 1983, as amended Article 14 of the Retirement and Social Security Law

SR: RSSL §500 and §600.

1.4. Retirement Plans

Tier III/IV members participate in either the Basic Retirement Plan or one of the Age 55 Retirement Programs described below.

- Basic Retirement Plan (5-year vesting): Vested members are eligible for:
 - Unreduced retirement benefits starting as early as age 62;
 - Unreduced benefits starting between age 55 and 62, with at least 30 years of credited service; or
 - Reduced benefits starting between age 55 and 62, with less than 30 years of credited service.
- Age 55 Retirement Program: Vested Age 55 Retirement Program participants are eligible for unreduced benefits starting as early as age 55 if they meet the eligibility requirements that apply to them. Only employees of the DOE and participating Charter Schools may participate in the Program, which has the following variations:

Age/Years of Service Credit	Membership Enrollment Criteria	Vesting Requirement
55/25	Members who joined TRS before February 28, 2008 and opted into this plan	5-year vesting
55/27	Members in UFT-represented titles who joined TRS between February 28, 2008 and December 10, 2009, are mandated into this plan	5-year vesting
55/27	Members not in UFT-represented titles (other than CUNY employees) who joined TRS between February 28, 2008 and March 31, 2012, are mandated into this plan	5-year vesting
55/27	Members in UFT-represented titles who joined TRS between December 11, 2009 and March 31, 2012, are mandated into this plan	10-year vesting

Vested Age 55 Retirement Program participants who do not meet the eligibility requirements of their program may be eligible to retire under the provisions of the Basic Retirement Plan.

LR: Chapter 553 of the Laws of 2000; Chapter 96 of the Laws of 1995; Chapter 19 of the Laws of 2008; Chapter 504 of the Laws of 2009

SR: RSSL §603 subdivision i(1) and §604-I subdivision b

⁴ Legislative Reference; see Glossary for definition.

2. CONTRIBUTIONS TO THE QPP

TRS members participate in TRS' Qualified Pension Plan (QPP), a defined-benefit retirement plan administered under Section 401(a) of the Internal Revenue Code.

The QPP is funded by members and employers as follows:

2.1. Contributions

- All members make Basic Member Contributions (BMCs) of 3% of wages until they reach either 10 years of service credit or 10 years of membership in any public retirement system within New York State. However, members who joined TRS after December 10, 2009 and participate in the Age 55 Retirement Program ("55/27" provisions) make BMCs until they have 27 years of service credit.
- Age 55 Retirement Program participants make Additional Member Contributions (AMCs) of 1.85% of wages as follows:
 - "55/25" participants contribute until they have 25 years of service credit.
 - Some "55/27" participants contribute until they have 27 years of service credit. "55/27" participants who joined TRS after December 10, 2009 contribute for the duration of their active service.
- Employer contributions come from the Department of Education, participating Charter Schools, and the City University of New York.
- The Department of Education and some Charter Schools may make supplemental contributions for certain members who have reached their maximum salary schedule.⁵

Contributions are deducted from members' pay and deposited in applicable QPP accounts that accrue 5% annual interest.

LR: Chapter 414 of the Laws of 1983; Chapter 19 of the Laws of 2008; Chapter 504 of the Laws of 2009; Chapter 126 of the Laws of 2000 as amended by Chapter 110 of the Laws of 2000

SR: RSSL §517 subdivision a, §613 subdivision a, §604-I subdivision e, and §911 subdivision b; EDNL §6252

2.2. Deficits

Any shortage of member contributions is known as a deficit. The following situations may cause a deficit:

- Delays in initiating contributions on payroll;
- Interruptions in deductions on payroll;
- Deductions not taken from additional pensionable earnings⁶
- Transfer-in situations where contributions are owed for a period of service associated with a membership transfer.⁷

Members must resolve deficits in their QPP accounts before retirement benefits can be determined. All deficits accrue 5% annual interest.

Deficits are recouped when possible through payment plans of deductions from pay. For BMC deficits, the duration of the default plan is equivalent to the duration of the deficit period(s). For AMC service deficits, the default plan length is a period three times the length of the deficit.

⁵ For teachers, the supplemental contribution amount is \$400 per year; for supervisors, it is \$550. Paraprofessional members are not eligible.

⁶ Additional pensionable earnings, paid separately from the contractual salary, may include pay for per-session service, class coverage work, summer employment, or a secondary position, as well as union payments such as bonuses and differentials.

⁷ Members who transfer membership to TRS and become "55/27" participants may also be required to make AMCs for the transferred service.

3. CREDITED SERVICE

3.1. Types of Credited Service

Total Service Credit is a critical factor in determining eligibility for retirement and the amount of many TRS benefits. It consists of the following types of service:

- **Membership Service:** service credit performed as a TRS member.
- **Transferred Service:** service credit transferred to TRS as part of a membership transfer from an eligible retirement system⁸.
- **Optional Service:** service available for purchase, in one of the following categories:
 - Prior Service - any creditable public service within New York State (including New York City) performed before becoming a TRS member
 - Amann Service - any creditable public service within New York State (including New York City) such as regular substitute teaching and/or per diem service performed during a leave of absence or after separating from service from a TRS-eligible position. (Credit for such service, known as “Amann service,” can be purchased only if the member returns to a TRS-eligible position or becomes a transferred contributor)
 - Military Service - eligible military service that federal and/or state law allow members to purchase for time spent in a branch of the U.S. military before and/or during TRS membership

Note: Certain non-military leaves of absence without pay may also be creditable under limited circumstances; these include leaves for public employment in a New York State or City position that is not a TRS-eligible position, as well as for service as an officer of or on the staff of a recognized collective bargaining agency.

SR: RSSL §513 and §609

3.2. Purchasing Credit for Optional Service

Members may purchase credit for the categories of optional service described above. In most cases, members must have two years of membership service in order to receive credit for purchased optional service; the cost is 3% of the salary earned when the service was performed (plus 1.85% of the salary earned for Age 55 Retirement Program participants) plus 5% annual interest, whenever applicable. Members may have several payment options:

- A lump-sum payment
- Payment plan of deductions from pay
- Transfer of funds from an external NYS- or NYC-sponsored Section 403(b) or Section 457 Plan
- Transfer of funds from their TRS TDA account

SR: RSSL §513 and §609

⁸ New York City Board of Education Retirement System, New York City Employees' Retirement System, New York State and Local Retirement System, New York State Teachers' Retirement System

3.3. Crediting Equivalencies for Members Not Employed Full Time

Members receive a maximum of one year of credited service per year. TRS adjusts the service credit for members in part-time positions to reflect the reduced amount of service performed. The most common categories of part-time service are shown below, along with the minimum amount required for service credit:

- **Substitute teaching** – Minimum: 20 days during a school year. Total service less than 170 days is prorated.
- **Paraprofessional** – Minimum: 233 hours during a school year. Total service less than 935 hours is prorated.
- **Adjunct teaching** – Minimum: 45 hours during a school year. Total service less than 360 hours is prorated.
- **Adult education teaching** – Minimum: 255 hours during a school year. Total service less than 1,020 hours is prorated.

SR: RSSL §609 (in conjunction with TRS Board Resolution Part 1003, effective January 1, 1993)

3.4. Receiving Credit for Multiple Employment

Members may attain “multiple employment membership status” if they are employed in two or more TRS-eligible positions, either full-time or part-time, during the same school year. The primary position is the one on which membership is based.

Members who concurrently hold two or more TRS-eligible positions must make member contributions based on their wages from these positions. Thus, multiple employment membership status normally increases funds in various TRS accounts and may positively affect Final Average Salary (FAS).

Members may not earn more service credit in any period of time than they could have earned during that same period in one full-time position. Therefore, if the member has a regular full-time position, having an additional part-time position will not increase service credit.

3.5. Military Service

Federal and state laws, each with different provisions, allow members to purchase service credit for time spent in the U.S. uniformed services, which include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service commissioned corps, as well as the reserve components of each of these services. Interest may apply to purchases of military service credit. Members may receive military service credit under the provisions that provide the maximum benefit, as long as they have met the service eligibility criteria and have not received credit for the service periods in any public retirement system within New York State.

In all cases, members should apply for military service credit before retirement. They must provide proof of honorable discharge from military service (*i.e.*, Form DD-214 or the equivalent). The applicable provisions of the pertinent laws are as follows:

Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

Under USERRA, members who held a New York City position at the time of their entry to military service can apply for service credit for up to five years of military duty. (Some exceptions for longer periods may be granted.)

Re-employment must begin within 90 days after termination of military duty if the military service lasted more than 180 days, or within 14 days if the military service lasted between 31 and 180 days. After re-employment, members may apply to purchase credit for the military service. The cost is based on the compensation that they would have received in the position “but for” the absence

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during the period of military service. The cost is the equivalent of the member contributions that would have been required during the absence. Payment for service credit must be made within three times the period of military service but no longer than five years from the date of re-employment.

LR: Chapter 238 of the Laws of 2008

SR: NYS Military Law §242 and §243-d

Article 20 of the New York State Retirement and Social Security Law

Under this law, members may purchase military service credit of up to three years, including military service performed before their TRS membership began. To be eligible, members must have at least five years of credited service.

Payment for service credit must be made within a time period that does not exceed the period of military service to be credited. The cost equals 3% of compensation earned (plus 1.85% of the compensation earned for Age 55 Retirement Program participants) during the 12 months of credited service immediately preceding the request, multiplied by the number of years of military service claimed. If the full cost is not paid before the member's retirement, the amount of military service credited will be proportional to the amount paid before retirement.

LR: Chapter 548 of the Laws of 2000, as amended by Chapter 41 of the Laws of 2016

SR: RSSL §1000

Article 11 of the New York State Military Law

Members who were on a leave of absence from a TRS-eligible position while engaged in the performance of military service may apply for service credit of up to four years (five years if the military service was extended at the request of the Federal Government).

Members must apply for reinstatement to the position within 90 days after termination from military duty, or at any time during the leave, and payment for service credit must be made within five years from restoration to the position.

The cost is based on the compensation that they would have received in the position "but for" the absence during the period of military service. The cost is the equivalent of the member contributions that would have been required during the absence.

SR: NYS Military Law §243

3.6. Membership Reinstatement

Current members who previously lost their membership rights in TRS or another New York City or State public retirement system may apply for reinstatement of their previous membership.

Membership reinstatement normally results in a new "deemed" membership date and may result in reinstatement to a previous tier, which may offer more favorable benefit provisions. In addition, as a result of reinstatement, members may be able to stop their member contributions sooner in some cases.

After members apply for reinstatement, TRS informs members of their eligibility and any cost associated with reinstatement. The cost would include BMCs and AMCs representing the previous membership period, along with applicable interest.

LR: Chapter 646 of the Laws of 1999

SR: RSSL §645

4. LOANS

4.1. Eligibility

Members are eligible to take a loan from QPP funds if they:

- Are in active payroll status, including on an approved leave of absence;
- Have at least one year of TRS membership service, or at least one year of service transferred from another public retirement system in New York State;
- Are not currently in default on a QPP loan; and
- Are not retired.

Note: Members may also take loans against their accounts in TRS' TDA Program. For more information, refer to the [TDA Program Summary](#).

For members with no outstanding QPP loan balance, the minimum QPP loan amount is \$1,000.

For members with an outstanding QPP loan, the minimum new loan amount is \$250, and the total outstanding QPP loan balance must be at least \$1,000.

The maximum loan amount available to members depends on the balances in their QPP accounts⁹ and the amount of any outstanding loan balances. The total loan balance, including QPP loans, TDA loans, and loans taken from the New York City Deferred Compensation Plan (DCP), may not exceed \$50,000.

For members with less than five years of membership service, the maximum QPP loan amount is the least of:

- A. \$50,000, less the highest combined outstanding QPP, TDA, and DCP loan balance during the previous 12-month period;
- B. 75% of the value of the QPP accounts, less any outstanding QPP loan balance; and
- C. The greater of:
 - 50% of the combined value of the QPP, TDA, and DCP accounts, less the combined outstanding QPP, TDA, and DCP loan balances; and
 - \$10,000, less the combined outstanding QPP, TDA, and DCP loan balances.

For members with at least five years of membership service, the maximum QPP loan amount is the lesser of A. and B. above.

A new QPP loan at retirement cannot exceed 75% of the value of the QPP accounts, less any outstanding QPP loan balance.

SR: RSSL §517-b subdivision a and §613-a subdivision a; IRC §72(p)(2)

4.2. Applying for a Loan

Members may take one QPP loan within a 12-month period.

TRS generally issues loan payments each Wednesday, usually through electronic transfer to members' accounts, with the funds becoming available on Friday of the same week. The loan process, from application to fund availability, normally occurs within one or two weeks. A loan application may be delayed or canceled if TRS does not have the member's date-of-birth documentation on file.

⁹ Member Contributions Accumulation Fund, Annuity Savings Accumulation Fund (if applicable), and the employee portion of the Additional Member Contributions account (if applicable).

4.3. Repaying a Loan

Any new QPP loan is treated as a separate loan balance and is subject to a separate repayment period and plan, interest charges, and insurance premiums.

Members on active payroll normally repay loans through deductions from pay. Members not on payroll (*e.g.*, on a leave of absence) may need to make payments directly to TRS.

Members who take a leave of absence automatically qualify for a 12-month grace period during which loan payments need not be made, but interest and insurance charges continue to accrue. If the leave exceeds the 12-month grace period or the member opts not to take advantage of the grace period, the member must make monthly payments directly to TRS or repay the outstanding loan balance in a lump sum.

Service Charge

A nonrefundable service charge is added to each QPP loan to cover administrative costs. (At the time this document was published, the service charge was \$30.) An additional service charge may apply when a member request results in a recalculation of the repayment amount.

SR: RSSL §517-b subdivision d and §613-a subdivision d

Interest

The annual interest rate on a QPP loan was 6% at the time this document was published.

SR: RSSL §517-b subdivision c and §613-a subdivision c

Insurance

Full insurance coverage begins 30 days after a QPP loan is issued. Insurance premiums are included in regular loan payments as long as an outstanding balance is maintained. The costs for insurance coverage are as follows:

- The premium on QPP loans will not exceed 1% of the outstanding loan balance as of July 1 of each year. (At the time this document was published, the rate was 0.2% for loans originated on or before June 30, 2019 and 0.1% for loans originated thereafter.) Any uninsured loan balance outstanding after death is deducted from the member's account; this reduces benefits payable to beneficiaries.

SR: RSSL §613-a subdivision e

Default

With the exception of a loan taken at retirement, a QPP loan would be in default if (a) the loan balance is outstanding for five years (60 months) after the loan's issuance date; or (b) the total past-due amount is equal to or greater than the equivalent of three regular monthly payments; or (c) the member is not vested and resigns or is terminated with an outstanding QPP loan balance. TRS requests the past-due balance be paid within 30 days; if TRS does not receive payment in that time, the outstanding loan balance is deemed a distribution and the taxable portion is reported to the IRS on Form 1099-R for that tax year.

SR: RSSL §613-a subdivisions g through i

4.4. Leaving Service with a Loan Balance

At separation from service, members must repay an outstanding loan balance within 30 days of TRS notification. If TRS does not receive payment within that time period, the following rules apply:

- For members transferring membership to another public retirement system within New York State, the outstanding QPP loan balance will be transferred to the new retirement system. (Note: Loan balances that cannot be transferred to the new system must be repaid to TRS.)
- For vested members separating from service without transferring to another retirement system, any outstanding QPP loan balance continues to accumulate interest. It will be considered a distribution as of the member's retirement date and reduces the retirement allowance that a member would otherwise receive.
- For non-vested members separating from service without transferring to another retirement system, the taxable portion of an outstanding QPP loan balance is considered a distribution and the entire loan balance plus interest is deducted from available QPP funds as of the separation date.
- Members can also roll over the taxable portion of their loan balance to an eligible retirement plan within the tax year.

LR: Chapter 140 of the Laws of 2003

SR: RSSL §613-a subdivisions g and h

At Retirement

Members may apply for a loan at or near the time of retirement; such loans are not repaid. However, any outstanding loan balance at retirement results in a reduction to the retirement allowance, based on actuarial factors. In addition, the taxable portion of an outstanding loan at retirement is considered a distribution. IRS rules require TRS to withhold 20% of any taxable amount over \$200 that is not directly rolled over into an eligible retirement plan.

5. SEPARATING FROM SERVICE BEFORE RETIREMENT

Members who resign or are terminated from their TRS-eligible position(s) before retirement may:

- Maintain TRS membership rights;
- Transfer TRS membership to another eligible retirement system;
- Become a transferred contributor to TRS; or
- Withdraw TRS funds, if eligible, and terminate TRS membership.

5.1. Maintaining Membership Rights

After separating from service, vested members can maintain their membership rights to preserve any future retirement benefits.

Non-vested members can maintain membership rights for up to seven school years from their separation date. Their funds in TRS continue to accrue interest during that time. Membership rights will expire for members who do not return to service within seven school years.

Note: For non-vested members who separated from service before July 17, 1993, TRS membership rights expired after five years.

LR: Chapter 389 of the Laws of 1998, Chapter 687 of the Laws of 1955, as amended by Chapter 774 of the Laws of 1986

5.2. Transferring Membership

Members may transfer their TRS membership to another retirement system if they leave their TRS-eligible position(s) and obtain a position eligible for membership in one of the following systems:

- New York City Board of Education Retirement System
- New York City Employees' Retirement System
- New York State and Local Retirement System
- New York State Teachers' Retirement System

Members must apply for transfer before their TRS membership rights expire. As part of a membership transfer, TRS transfers a member's tier status, service credit, and fund balances to the extent possible. However, some TRS funds (*e.g.*, TDA accounts, ASAF and AMC accounts under the QPP) cannot be transferred to other retirement systems that do not have equivalent programs. These funds must be distributed to the member or rolled over to an IRA or other successor programs.

LR: Chapter 687 of the Laws of 1955

SR: RSSL §43

5.3. Becoming a Transferred Contributor

TRS members who resign from a TRS-eligible position and who, within 60 days, accept another position in City service may elect to continue their membership with TRS instead of transferring membership to the other retirement system. Members must inform TRS and the other retirement system (*i.e.*, NYCERS or NYCBERS) of the decision before joining the other retirement system.

Note: Transferred contributors may not be permitted to contribute to their TRS TDA account if their new position is not eligible for TDA participation.

LR: Chapter 929 of the Laws of 1937; Chapter 907 of the Laws of 1985

SR: NYC Administrative Code §13-523

5.4. Withdrawing TRS Funds

Non-vested members who separate from service may withdraw their funds in the QPP; this generally means funds in the MCAF and ASAF accounts, but not the employee portion of the AMC account.

Vested members with less than 10 years of credited service may withdraw eligible QPP funds.

Withdrawing QPP funds terminates TRS membership, tier rights, participation in the TDA Program, and the right to receive a QPP retirement allowance from TRS. Withdrawals are generally eligible for rollover to an IRA or other successor plans. Members should apply to remove their QPP funds and TDA funds from TRS at the same time.

Individuals who terminate their TRS membership but are later reappointed to a TRS-eligible position are treated as new members and placed in the tier for new members (Tier VI at the time this document was published). However, they may be eligible for membership reinstatement.

LR: Chapter 470 of the Laws of 1989

SR: RSSL §613 subdivision c

When a member withdraws any taxable portion of retirement funds, TRS reports the withdrawal amount to the IRS and withholds 20%. If the member is under age 59½, the IRS may impose an additional 10% early distribution penalty. Withdrawing members may also roll over or transfer the taxable portion of the funds to an eligible retirement plan.

6. SERVICE RETIREMENT

6.1. Eligibility

Members must be vested to qualify for service retirement benefits. Generally, Tier III and Tier IV members must have 5 years of credited service to be considered vested. Members who serve in titles represented by the United Federation of Teachers and joined TRS after December 10, 2009 must have 10 years of credited service to be vested.

Normal service retirement age is 62; however, vested members can retire as early as age 55.

LR: Chapter 890 of the Laws of 1976, Chapter 414 of the Laws of 1983, as amended by Chapter 504 of the Laws of 2009

SR: RSSL §503 and §612

6.2. Benefits

Service retirees receive monthly payments of a QPP retirement allowance for life.

The retirement allowance under each tier is calculated based on a member's Total Service Credit and Final Average Salary (FAS) as shown below. QPP account balances at retirement may also impact the retirement allowance amount.

Total Service Credit	Tier III Service Retirement Allowance	Tier IV Service Retirement Allowance
Under 20 years	1⅓% of FAS multiplied by years of credited service	1⅓% of FAS multiplied by years of credited service
20-29 years	2% of FAS multiplied by years of credited service	2% of FAS multiplied by years of credited service
30 years or more	60% of FAS	60% of FAS for first 30 years of credited service plus 1½% of FAS multiplied by years of credited service exceeding 30 years

Note: Tier III members may elect to receive either Tier III or Tier IV benefits when filing for retirement; however, they may not combine the provisions of the two plans. This election is irrevocable. Tier III retirement benefit payments are reduced by 50% of the Social Security benefit accrued in public employment within New York State. This reduction takes effect when retirement allowance payments begin or when the member reaches age 62, whichever is later.

LR: Chapter 266 of the Laws of 1998; Chapter 890 of the Laws of 1976, as amended by the Chapter 389 of the Laws of 1998

SR: RSSL §604 and §516 subdivision b

Tier III/Tier IV Summary Plan Description

Final Average Salary

A member's Final Average Salary is the highest average of wages¹⁰ earned during any continuous period of employment for which the member receives three years of service credit. However, if the wages earned during any year included in the three-year period exceed the average of the previous two years' wages by more than 10%, the amount exceeding 10% is excluded from the computation of the Final Average Salary.

LR: Chapter 414 of the Laws of 1983; Chapter 286 of the Laws of 2010

SR: RSSL §512 and §608

QPP Accounts

Any outstanding QPP loan balance at retirement results in a reduction to retirement benefits, based on actuarial factors.

Members who have an ASAF account receive an additional annuity from that account.

Age 55 Retirement Program participants who retire from active service at age 62 or older may be entitled to a refund of half of their AMC contributions.

LR: Chapter 19 of the Laws of 2008

SR: RSSL §604-i

Benefit Reduction

Unreduced retirement benefits are payable to members who:

- have at least 30 years of credited service; or
- meet the eligibility requirements of their Age 55 Retirement Program.

Otherwise, a permanent age reduction factor is applied to the benefits of members who retire before age 62. The following table shows the result of the benefit reduction.

Age at retirement	% of benefit allowed for Tier III Service Retirement	% of benefit allowed for Tier IV Service Retirement
61	93.3%	94.0%
60	86.7%	88.0%
59	83.3%	85.0%
58	80.0%	82.0%
57	76.7%	79.0%
56	73.3%	76.0%
55	70.0%	73.0%

LR: Chapter 553 of Laws of 2000

SR: RSSL §603

¹⁰ Wages include any regular compensation such as base salary, Chapter 683 earnings, and additional pensionable earnings such as per-session pay, but exclude any form of termination pay or lump-sum payment for unused leave.

6.3. Payment Options for a QPP Retirement Allowance

When filing for retirement, members elect one of the following payment options for their QPP retirement allowance. Each option provides members with a lifetime benefit paid monthly, but some also provide for one or more beneficiaries.

Maximum Payment Option

This option enables members to receive the highest retirement allowance to which they are entitled, but does not provide any form of benefit payments to a beneficiary.

Continuing Payment Options

These options (also known as “joint-and-survivor” options) guarantee a lifetime monthly benefit to the member and, upon the member’s death, to one surviving designated beneficiary. By selecting one of these options, the member receives a reduced retirement allowance.

- **Option 1** - The beneficiary receives lifetime monthly payments equal to 100% of the member’s reduced retirement allowance payments.
- **Option 2** - The beneficiary receives lifetime monthly payments equal to a percentage of the member’s reduced retirement allowance payments. The percentage is chosen by the member at retirement. Under Tier III, the percentage may be any multiple of 10 (10% to 90%); under Tier IV, the percentage may be 75%, 50%, or 25%. The surviving beneficiary receives payments equal to the selected percentage of the member’s reduced monthly retirement allowance.

SR: RSSL §610 subdivisions a and a-1

“Pop-up” Payment Options

These options guarantee a lifetime monthly benefit to the member and, upon the member’s death, to one surviving designated beneficiary. By selecting one of these options, the member receives a reduced retirement allowance. However, if the beneficiary dies before the member, the member’s benefit “pops up” to the maximum retirement allowance to which the member is entitled.

- **Option 5-1** - The beneficiary receives lifetime monthly payments equal to the member’s reduced retirement allowance.
- **Option 5-2** - The beneficiary receives lifetime monthly payments equal to 50% of the member’s reduced retirement allowance.

LR: Chapter 414 of the Laws of 1983; 592 of the Laws of 1992, as amended by Chapter 446 of the Laws of 2004

SR: RSSL §610 subdivisions a and f

Tier III/Tier IV Summary Plan Description

Guaranteed Number of Payments Options

These options guarantee a specific number of retirement allowance payments to be made to the member and/or designated beneficiaries. If the member receives the guaranteed number of payments before death, the retirement allowance payments continue until the member's death, but no benefits are payable to the beneficiaries. If the member receives fewer than the guaranteed number of payments before death, the remaining guaranteed payments are made to the beneficiaries. If primary and contingent beneficiaries die before the guaranteed number of payments have been made, the remaining guaranteed payments are made to the member's estate. By selecting one of these options, the member receives a reduced retirement allowance.

- **Option 3** ("5-Year Certain") - This option guarantees a total of 60 monthly retirement allowance payments.
- **Option 4** ("10-Year Certain") - This option guarantees a total of 120 monthly retirement allowance payments.

SR: RSSL §514 subdivision a and §610 subdivision a

6.4. Beneficiary Designation for Payment Options

The member's beneficiary designation for Continuing or "Pop-up" Payment Options is irrevocable (unless changed within 30 days after the retirement date). Thus, if the beneficiary dies before the member, the member cannot designate another beneficiary. Proof of the beneficiary's date of birth is required for these options.

For the Guaranteed Number of Payments Options, the member can designate primary and contingent beneficiaries, and may change beneficiary designations at any time within the 5- or 10-year period as applicable.

6.5. Additional Benefits for Beneficiaries of Retirees

Retiring members can designate beneficiaries for a "fractional" payment and a post-retirement death benefit.

Beneficiaries for the "fractional" payment receive a prorated portion of the regular monthly benefit for the month of the member's death. If the member dies on the last day of the month, no fractional payment is due.

Beneficiaries for the post-retirement death benefit receive a lump-sum payment as described in section [9 Death Benefits](#).

Members may change beneficiary designations for these benefits at any time after retirement.

6.6. Domestic Relations Orders

Under New York State law, retirement benefits are considered marital assets and subject to equitable distribution in a divorce. If a court has issued a domestic relations order (DRO) in conjunction with a divorce, the former spouse may be entitled to a designated portion of the member's TRS benefits. A DRO may affect a member's right to take withdrawals or loans from TRS funds and may also affect retirement benefits.

If the member is divorced and the former spouse is named an "alternate payee" by a court-issued DRO, (s)he may be entitled to a portion of the retirement benefits. Any beneficiary designation made by the member must comply with court orders.

6.7. TDA Options upon Retirement

Members who participate in TRS' TDA Program may choose from the following options at retirement:

- Maintain their TDA account past retirement (also known as electing TDA Deferral status); TDA funds remain invested, and members may take loans, withdrawals, and change their TDA investment elections
- Withdraw and/or roll over some or all of the TDA account
- Annuitize the TDA account to receive lifetime monthly payments

For more information, refer to the [TDA Program Summary](#).

6.8. Filing for Service Retirement

TRS must receive a member's retirement application at least one business day, but no more than 90 days, before the member's retirement date.

Members may withdraw the retirement application no later than one day before the retirement date. Members may make changes to their application up to 30 days after their retirement date.

Calculating and processing a retirement benefit may take several months depending on the availability and completeness of service and earnings information. In the interim, TRS issues advance payments, which are a conservative approximation of the final retirement allowance and continue until regular retirement allowance payments begin.

LR: Chapter 651 of the Laws of 2004

SR: RSSL §514 subdivision d and §610 subdivision f

7. DISABILITY RETIREMENT

7.1. Types of Disability Retirement

TRS members who become physically or mentally incapacitated and unable to perform their duties may be eligible for one of the following disability retirement benefits:

Ordinary Disability Retirement

To be eligible for ordinary disability retirement, members must have at least 10 years¹¹ of credited service, and they must be found physically or mentally incapacitated for the performance of gainful employment and found to have been so incapacitated at the time they ceased performance of their duties.

LR: Chapter 414 of the Laws of 1983; Chapter 601 of the Laws of 1997

SR: RSSL §506 and §605 subdivisions b(1) and c

Accident Disability Retirement

To be eligible for accident disability retirement, members must be found to be physically or mentally incapacitated for the performance of gainful employment and found to have been disabled as the natural and proximate result of an accident¹² sustained in the performance of duties in active service and not caused by the member's own willful negligence.

LR: Chapter 414 of the Laws of 1983

SR: RSSL §507 and §605 subdivision b(3)

Lump-Sum Disability Retirement

To be eligible for lump-sum disability retirement, the member must have been diagnosed with (i) a terminal illness and have a life expectancy of one year or less, or (ii) a medical condition of a long, continued, and indefinite duration requiring extraordinary care and treatment, regardless of life expectancy.

Note: A member who meets the service credit requirement for an ordinary disability retirement may file for both ordinary disability retirement and the lump-sum disability benefit. The lump-sum disability benefit is irrevocable. No retirement allowance is payable, and no death benefit is payable to the survivors.

LR: Chapter 616 of the Laws of 1998; Chapter 70 of the Laws 1999

SR: NYC Administrative Code §13-550 subdivisions c and d

7.2. Filing Requirements

Application for disability retirement benefits may be made by the member, an authorized representative on the member's behalf, or the head of the department where the member is employed.

To qualify for a disability benefit, TRS members must file an application within three months of the last date of being paid on the payroll. However, members who were terminated after being placed on a leave of absence without pay for medical reasons must file no later than 12 months after the date they receive notice of termination.

¹¹ At least five years for members applying for Tier III ordinary disability retirement.

¹² The term "accident" is defined by the courts as a sudden, fortuitous mischance, unexpected, out of the ordinary, and injurious in impact.

Tier III/Tier IV Summary Plan Description

Tier III members may apply for a disability retirement under Tier IV. If they apply for a Tier III disability retirement, they must a) waive the benefits of any statutory presumption related to the cause of disability or eligibility for disability benefits, and b) if under age 65, have been found eligible to receive primary Social Security disability benefits.

SR: RSSL §605 subdivisions a and b, §506 and §507

7.3. World Trade Center Presumptive Disability and Death Benefits Laws

Under this law, members may qualify for disability retirement if they worked in the World Trade Center rescue, recovery, or cleanup operations between September 11, 2001 and September 12, 2002, filed a Notice of Participation with TRS (on or before the legislative deadline), and became incapacitated as the result of a qualifying condition, as determined by the TRS Medical Board. Members approved for disability retirement under this law receive a benefit equal to the amount payable under the applicable disability section of law.

If a member filed a Notice of Participation, met the qualifying criteria, and subsequently died from a qualifying condition, eligible beneficiaries of these members and retirees may apply for an accidental death benefit. (See section [9.3 Accidental Death Benefit](#))

LR: Chapter 93 of the Laws of 2005

SR: §605 subdivision h

7.4. Disability Retirement Application Process

The following steps generally occur for any application for disability retirement benefits:

- The member must submit all supporting medical documentation. If applying for accident disability retirement, the member must supply the accident report provided by the employer.
- TRS reviews the application and the member's service credit and then notifies the member of any membership service deficit, any outstanding loan balance, and/or optional service eligible for credit.
- TRS contacts the member to schedule a medical examination with the TRS Medical Board. All examinations occur at 55 Water Street, unless accommodation is granted.
- After the medical examination, the Medical Board determines if the member is eligible for the disability benefits being sought.
- The member is notified of the Medical Board's decision.
- The Teachers' Retirement Board certifies that the Medical Board followed proper administrative procedures in considering the application.
- If the application is approved, the disability retirement benefit takes effect on one of the following dates:
 - For Tier IV disability retirement, the effective date is the latest of:
 - The date that the disability retirement application was filed with TRS;
 - The day after the last day the member was paid on the employer's payroll; and
 - A date selected by the member, within 30 days of the date the Medical Board approved the application.
 - For Tier III members, the effective date of disability retirement is the date that primary Social Security benefits begin, unless otherwise provided by law.
- The Medical Board may request an annual re-examination of a disability retiree under age 65. After re-examination, the Medical Board may grant or deny continuation of the disability retirement. (See section [8.3 Return to Active Service from Retirement](#).) If a member refuses to submit to a re-examination, the disability retirement will be discontinued until the member withdraws the refusal and submits to the re-examination.

7.5. Process for Denied Applications

If a disability application is denied, the member may reapply as follows:

- If an application for accident disability retirement is denied, the member may apply for ordinary disability retirement if all eligibility requirements are met.
- The Medical Board may determine that a member does not qualify for accident disability retirement, but does qualify for ordinary disability retirement. The member can then file an application for ordinary disability retirement.
- If any disability benefit application is denied, the member may reapply; however, the member must meet all eligibility requirements and provide new evidence.
- If the lump-sum disability benefit application is denied, the member has 30 days from the date of TRS' denial notice to submit additional evidence.

If a disability application is denied, the member may exercise one of the following appeal options:

- Request that a Special Medical Committee¹³ review the conclusions and recommendations of the Medical Board within 30 days of the date of TRS' denial notice. As a condition of this review, the member is required to waive any and all rights to pursue the application for disability retirement in any other forum, including judicial or administrative, and is responsible for paying half of the Special Medical Committee's examination fees.
- Initiate an Article 78 Proceeding to challenge the Medical Board determination.

SR: NYC Administrative Code §13-552.2

7.6. Calculation of a Disability Retirement Allowance

If the member is granted an ordinary or accident disability retirement, the benefit is paid for life or until the member returns to active service or, if applicable, refuses the re-examination. The benefit is calculated as follows:

Tier III Benefits

- If the member has at least five years of credited service and has been found to be eligible for primary social security disability benefits, the benefit is the greater of (i) 2% of the FAS multiplied by the number of years of service credit (not exceeding 30 years), or (ii) 33 1/3% of the FAS.
- If the member is granted an Accident Disability Retirement, the annual disability retirement allowance is equal to 60% of the FAS.
- The disability benefit is reduced by 50% of any primary Social Security Benefit and 100% of any Workers' Compensation payments.

LR: Chapter 601 of the Laws of 1997, as amended by Chapter 298 of the Laws of 2016

SR: RSSL §506 subdivisions b and c-1; RSSL §507 subdivision c(2)

¹³ The Special Medical Committee consists of three independent physicians selected by the New York City Department of Health and Mental Hygiene.

Tier III/Tier IV Summary Plan Description

Tier IV Benefits

- An ordinary disability retirement allowance equals the greater of 1/3 of the FAS or 1/60 of the FAS multiplied by the years of service credit.
- An accident disability retirement benefits equal 2/3 of the FAS, plus an annuity from the ASAF account, if applicable.

LR: Chapter 601 of the Laws of 1997; Chapter 215 of the Laws of 2002

SR: RSSL §605 subdivisions d(3) and f

If the member is eligible for a service retirement benefit, and the service retirement allowance is greater than the disability retirement allowance, then the service retirement allowance amount is payable.

LR: Chapter 651 of the Laws of 2004

SR: RSSL §514 subdivision d and §610 subdivision f

Payment Options

Payment options for disability retirement are the same as those listed for service retirement in section [6.3 Payment Options for a QPP Retirement Allowance](#). Disability retirees may change their retirement payment options up to 30 days after their disability retirement is approved or 30 days from their retirement date, whichever is later.

7.7. Calculation of a Lump-Sum Disability Benefit

The lump-sum disability benefit equals the death benefit amount payable had the member died on the last day of active service. Members with at least one year of service receive a benefit equal to the MCAF balance plus the greater of Death Benefit #1 or Death Benefit #2, as applicable. (Members who joined TRS on or after January 1, 2001 receive Death Benefit #2. See section [9 Death Benefits](#).)

The member may elect to have the payment directly rolled over to an eligible successor plan. If the member dies before receiving the lump-sum disability benefit, the benefit is paid to member's estate.

LR: Chapter 907 of the Laws of 1985, as amended by Chapter 409 of the Laws of 1999

SR: RSSL §606; NYC Administrative Code §13-550 subdivision b

8. POST-RETIREMENT

8.1. Cost-of-Living Adjustments

The Cost-of-Living Adjustment (COLA) is an annual increase to retirement allowance payments, based on half of the Consumer Price Index (CPI) increase for the year ending March 31. The COLA cannot be less than 1% or greater than 3%. This percentage is applied to the lesser of \$18,000 and a retiree's fixed maximum retirement allowance (*i.e.*, before reduction due to the member's selected payment option).

To be eligible for the COLA, a member must:

- Be at least 62 and retired for 5 or more years;
- Be at least 55 and retired for 10 or more years; or
- Have been on disability retirement for at least 5 years

Surviving spouses who are designated joint-and-survivor beneficiaries of deceased members and who receive continuing payments for life will receive 50% of the COLA amount that would have been payable to the member.

LR: Chapter 125 of the Laws of 2000

Tier III - Escalation

Members who retire under Tier III and whose retirement date is after their 62nd birthday but before they become eligible for the COLA, receive an annual increase or decrease in their retirement allowance payments based on changes in the CPI. The following conditions apply

- If the retirement date occurs after the member's 65th birthday, retirement payments are adjusted by 3% or the change in the CPI, whichever is less. If the change in CPI is lower than 0%, the escalated retirement benefit is decreased by that percentage. In any case, the benefit is not reduced below the amount of the initial payment at retirement.
- If the retirement date occurs on or after the member's 62nd birthday, but before the 65th birthday, the full escalation rate would be reduced by 1/36 for each month that the effective date of retirement precedes the member's 65th birthday.
- If the member stops working, but defers commencement of retirement allowance payments beyond the date of eligibility to receive payments, the benefits are subject to the full escalation (or de-escalation) rate for the period until the date the retirement payments commence. This escalation is applied to the retirement allowance once the retirement payments begin.
- Upon becoming eligible for the COLA, the member is entitled to the greater of the COLA or the Tier III escalation.

LR: Chapter 890 of the Laws of 1976, as amended by Chapter 298 of the Laws 2016

SR: RSSL §510

8.2. Taxes on Retirement Benefits

Retirement allowances are subject to federal taxes (except for contributions made before July 1, 1989 and contributions for optional service purchase that were previously taxed). For federal tax withholdings, retired members may file an IRS Form W-4P or online equivalent, indicating marital status and the number of dependents. Otherwise, TRS is required to compute withholding based on a default status of married with three dependents. Retirees can change their withholding election at any time.

Retirement allowances are exempt from New York State and New York City income taxes. However, allowances may be subject to taxation in another state or city based on residency.

Each January, TRS sends members an IRS Form 1099-R showing the total amount of retirement allowance payments that TRS distributed for the previous year, as well as the federal taxes withheld.

8.3. Return to Active Service from Retirement

Retired members who return to employment in a TRS-eligible position can be restored from retirement to active service either on a voluntary or mandatory basis, depending on the new position. Those who are not restored to active service may be subject to earnings limitations. (See section [8.4 Restrictions on Post-Retirement Earnings.](#))

Retired members may apply to TRS for restoration to active service and must provide TRS with a "Notice of Appointment" form from their employer. Upon restoration, TRS will suspend a member's QPP retirement allowance payments, but any TDA annuity payments continue.

If members complete at least five years of service following restoration, their Final Average Salary will be recalculated for their subsequent retirement allowance. Members who complete less than five years of service following restoration will receive credit for their service, but their retirement allowance would be based on their previous FAS.

Disability retirees can be restored to active service voluntarily or by a decision of the TRS Medical Board as follows:

- If the Medical Board certifies that the member is no longer disabled, the member must notify the former employer within 60 days of the examination. If this ruling occurs within 10 years of the disability retirement date, the former employer must restore the member to active employment. If more than 10 years have passed, restoration is at the former employer's discretion. Failure to notify the former employer of the Medical Board's ruling results in the termination of the QPP retirement allowance (and TDA annuity, if applicable).
- A disability retiree seeking return to active service must file a letter with the employer requesting re-employment in a TRS-eligible position and must apply for restoration to active service with TRS. Restoration to active service requires an examination by the Medical Board and approval of the Medical Board and the Teachers' Retirement Board.

Note: If a member who received a lump-sum disability benefit is restored to active service, no death benefit is payable. In addition, unless the member performs at least five years of service following restoration, any retirement benefit that the member may become entitled to receive is reduced by the actuarial value of the lump-sum disability benefit paid, less the actuarial value of any applicable post-retirement death benefit that would have been available.

SR: RSSL §210; NYC Administrative Code §13-550 and §13-501 subdivision 18-b

8.4. Restrictions on Post-Retirement Earnings

Section 212 of the RSSL limits the amount that service retirees may earn in public employment with New York State or any of its political subdivisions each calendar year without jeopardizing their retirement allowance. (At the time this document was published, this amount was \$35,000.) To comply with the provisions of this section, retirees must file a Section 212 Waiver with TRS. Failure to do so may result in the suspension of the retirement allowance or forfeiture of the public employment earnings.

Retirees who anticipate that their earnings will exceed the Section 212 limit can authorize TRS to suspend their retirement allowance. Alternatively, they can file a Section 211 Waiver with their employer (not with TRS), which may allow them to earn more than the Section 212 limit, provided that the employer obtains the necessary approval.

Post-retirement earnings limitations do not apply in the following cases:

- Earnings on or after January 1 of the year in which the retiree reaches age 65;
- Work in private employment, in public service outside New York State, or in a position with a nonprofit organization;
- Any of the following positions: jury duty, an elective public office, a position as a poll or ballot clerk under the Election Law, a position in the office of the Inspector of Elections, or a position as a notary public or commissioner of deeds.

LR: Chapter 729 of the Laws of 1996; Chapter 640 of the Laws of 2008; Chapter 74 of the Laws of 2006

SR: RSSL §212 and §211

9. DEATH BENEFITS

Members (including retirees) may designate primary and contingent beneficiaries to receive death benefits. TRS uses the most recent duly executed and filed designation-of-beneficiary information when determining the death benefit payable. If there are no eligible beneficiaries for a benefit, it becomes payable to the member's estate.

TRS offers several types of death benefits, summarized below:

9.1. Ordinary Death Benefit

Beneficiaries would be entitled to an Ordinary Death Benefit if the member had at least one year of credited service and died while being paid on payroll, or while on a leave of absence without pay but was being paid within the last 12 months before death.

The Ordinary Death Benefit equals the balance in the MCAF, ASAF, and half of AMC account balances (as applicable), plus the amount of either Death Benefit #1 or Death Benefit #2. (For members who joined TRS before January 1, 2001, the amount is the greater of Death Benefit #1 or Death Benefit #2. Members joined TRS on or after January 1, 2001 are automatically enrolled in Death Benefit #2.)

- Death Benefit #1 is 1/12 of the last year's salary for each full year of credit service, up to a maximum of three times the annual salary upon completion of 36 full years of service. If the member is eligible to retire without benefit reduction, the beneficiary receives the greater of Death Benefit #1 or the pension reserve for a retirement benefit payable to the member.
- Death Benefit #2 is one year's salary after one year of credited service, twice the last year's salary after two years of credited service, and three times the last year's salary after three or more years of credited service. However, if the member remains in service to age 61, the benefit is reduced to 95% of the benefit payable at age 60. Each year the member remains in service beyond age 61, the benefit is reduced by an additional 5%, until age 70 (and after) when the benefit equals 50% of the benefit payable at age 60.

Note: If a member has less than one year of credited service, the benefit is only the balance in the MCAF, ASAF, and half of AMC account balances (as applicable).

LR: Chapter 617 of the Laws of 1986; Chapter 601 of the Laws of 1997, as amended by Chapter 554 of the Laws of 2000

SR: RSSL §508 and §606

9.2. Vested Death Benefit

If a vested member dies before his/her retirement date and the eligibility requirements of an Ordinary Death Benefit are not met, a death benefit is payable to the member's beneficiaries as follows:

- If the member had at least 10 years of credited service, the death benefit amount would be 50% of the amount of Death Benefit #2 that would be payable if the member had died on the last day of active service, plus the member's MCAF, ASAF, and half of AMC account balances (as applicable).
- If the member had less than 10 years of credited service, the benefit amount would be only the member's MCAF, ASAF, and half of AMC account balances (as applicable).

LR: Chapter 388 of the Laws of 1998

SR: RSSL §606-a

9.3. Accidental Death Benefit

An Accidental Death Benefit, in lieu of an Ordinary Death Benefit, is available if the member dies in service as the natural and proximate result of an accident in the performance of duty, and the death was not caused by the member’s own willful negligence, as determined by the TRS Medical Board.

An Accidental Death Benefit is equal to 50% of the wages earned during the last year of service and is paid to the member’s survivors in the following order:

1. Spouse who has not renounced survivorship rights in a separation agreement, until death or remarriage; or
2. Children, in equal shares until they reach age 25; or
3. Dependent parents; or
4. Any other person who qualified as a dependent on the member’s final federal income tax return, until that person reaches age 21.

If the total of all the Accidental Death Benefit payments does not exceed the amount of the Ordinary Death Benefit, the difference will be payable to the last eligible beneficiaries.

Beneficiaries or other representatives of Tier IV members must apply for this benefit within 60 days of the member’s death. Beneficiaries or other representatives of Tier III members have two years after the member’s death to apply.

Additional death benefit payment options, called Survivor Annuity Coverage, may be available to beneficiaries of Tier III members. For information about World Trade Center Death Benefits, see section [7.3](#).

LR: Chapter 414 of the Laws of 1983, as amended by Chapter 408 of the Laws of 2000

SR: RSSL §607 and §601 subdivision d; RSSL §514 subdivision b

9.4. Post-Retirement Death Benefit

If a member has Death Benefit #2 coverage and dies after retirement, a lump-sum benefit is payable to beneficiaries. The benefit amount depends on the period between retirement and death, as well as the maximum Death Benefit #2 amount that was in force, as described below:

Death occurs	Amount of Death Benefit #2
During the first year of retirement	50% of the active death benefit
During the second year of retirement	25% of the active death benefit
During or after the third year of retirement	10% of the active death benefit (if member retires before age 60) or 10% of the active death benefit payable at age 60 (if the member retired after age 60)

Note: If the member joined TRS before July 1, 1986 and the death benefit calculated under the previously enacted provisions of Article 14 or 15 of the RSSL is greater than the death benefit calculated above, the death benefit is paid under the previous provisions of Article 14 or 15.

LR: Chapter 617 of the Laws of 1986

SR: RSSL §606 subdivision a(2)

9.5. Information for Surviving Beneficiaries

TRS must be notified in the event of a member's death. The individual contacting TRS should provide the member's name, date of death, and TRS membership or retirement number, along with his or her own name address and telephone number.

Upon notification of a member's death, TRS contacts all beneficiaries individually with an estimate of benefits payable to them and instructions for claiming the benefits.

However, in all cases, TRS must receive an original death certificate or certified copy before processing any death benefit claim. In addition, all payments to the member received after the date of death—uncashed or cashed, deposited, or credited payments—must be returned to TRS before benefits can be paid; examples include loans, withdrawals, monthly retirement allowance payments, and TDA distributions.

Under New York State Law, spouses of a TRS member or beneficiary may elect to exercise a statutory right of election even if they were not named as beneficiaries.

10. GLOSSARY

Note: Definitions are specific to Tier III and Tier IV members and may be different for members in other tiers.

Actuarial - Relating to the mathematical science of life expectancy and risk probabilities. In this document, it refers to the application of these principles to TRS retirement benefits.

Additional Member Contributions (AMC) - Pension contributions equaling 1.85% of pay required of members who participate in an Age 55 Retirement Program for a specified period (*i.e.*, until reaching 25 or 27 years of total service credit, or for the entirety of their service). Contributions are placed in an AMC account that receives 5% interest. Half of this account is considered the "Employee Portion," which a member can access under limited conditions; the other half is considered the "Employer Portion," which the member cannot access. The AMC account is part of the Contingent Reserve of the employer.

Annuity Savings Accumulation Fund (ASAF) - An account for monthly supplemental contributions that the Department of Education and some Charter Schools provide to certain members who reach the maximum of their salary schedule. At retirement, ASAF funds are paid as an additional annuity portion of a member's retirement allowance.

Basic Member Contributions (BMC) - Pension contributions equaling 3% of pay required of all Tier III and Tier IV members for a specified period (based on membership date).

Direct Rollover - A distribution in which payment of pre-tax funds is made directly by TRS to an IRS-qualified Individual Retirement Arrangement (IRA) or other eligible successor program.

Legislative References (LR) - The chapter that created a new law or amended an existing law for a particular benefit.

Member Contributions Accumulation Fund (MCAF) - The account that contains a member's Basic Member Contributions (BMC). Contributions in this account earn 5% interest compounded annually.

Public Service - The service of the state or a political division, including a special district, district corporation, school district, board of cooperative educational services or county vocational education and extension board, or the service of a public benefit corporation or public authority created by or pursuant to laws of the State of New York, or the service of any agency or organization which contributes as a participating employer in a retirement system or pension plan administered by the state or any of its political subdivisions.

Qualified Pension Plan (QPP) - The defined-benefit plan, administered under Section 401(a) of the Internal Revenue Code, that provides TRS members with a monthly retirement allowance upon meeting certain eligibility requirements.

Required Minimum Distribution (RMD) - The minimum amount that TRS members must receive each year, in accordance with the Internal Revenue Code regulations.

Retirement Date - The date on which a member meets all the criteria to receive retirement payments and elects to retire. However, if a resigned or terminated Tier III or IV member files for service retirement after reaching age 62, the retirement date is either the 62nd birthday or the day after the last day of employment, whichever is later.

Tier III/Tier IV Summary Plan Description

Statutory References (SR) - The section of the Administrative Code, Retirement and Social Security Law, or other section of Law for the relevant benefit.

Survivor Annuity Coverage - A monthly lifetime death benefit for beneficiaries of Tier III members who die between the ages of 55 and 62, while in service or after separating from service, without receiving retirement benefits.

Tier - A New York State classification that determines the pension benefits for which a particular member may be eligible. There are five tiers of membership in TRS: Tiers I, II, III, IV, and VI. Tier membership usually depends on when a person became a TRS member.

Vested - The status of members who have enough Total Service Credit to qualify for a retirement allowance even if they separate from service prior to reaching retirement age.

The information provided in this publication is based on currently available information, which may be subject to change, and, as such, should not be solely relied upon. In all cases, the specific provisions of the governing laws, rules, and regulations will prevail.

Teachers' Retirement System of the City of New York

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