



## New York State Teachers' Retirement System

10 Corporate Woods Drive  
Albany, New York 12211-2395

(800) 356-3128 or 447-2666 (Albany-area calls)

Web Site: [www.nystrs.org](http://www.nystrs.org)

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**George M. Philip, Executive Director**

# DELEGATE NEWS

**SUBJECT:** *Compensation Limit for Benefit Calculation*

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For your information, we are providing a copy of the most-recent Administrative Bulletin sent to all Chief School Administrators, College and University Presidents and School Principals.

### Compensation Limit for Benefit Calculation

Section 401(a)(17) of the Internal Revenue Code limits the amount of annual compensation that can be used in the final average salary calculation for members who joined NYSTRS on or after July 1, 1996. The limit for the 2005-2006 school year is \$210,000.

To help avoid unnecessary adjustments later, we ask you to notify us now of any NYSTRS member who meets both of the following criteria:

- Date of membership on or after July 1, 1996; *and*,
- Annual base pay rate and/or salary earned expected to exceed \$210,000 for the 2005-2006 school year.

Please call Mary Bodestab at **(800) 356-3128, Ext. 2857** with notifications or if you have any questions on this topic. *Please note that these members should continue to be reported to NYSTRS as part of your monthly reports.*

The IRC 401(a)(17) limit will increase to \$220,000 for the 2006-2007 school year. We will continue to notify you as the IRS adjusts future limits according to increases in the cost-of-living index.