



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 2018-5](#) the limit for the 2018-19 school year was \$275,000. The IRS limit for the 2019-20 school year is \$280,000.

During the 2019-20 school year, please cease applicable mandatory contributions for all members with a date of membership on or after July 1, 1996 once their annual base pay rate exceeds \$280,000.

Members with a Date of Membership on or After April 1, 2012 – Tier 6

For Tier 6 members, in accordance with Retirement and Social Security Law Section 601(1), any wages earned during a school year in excess of the New York State governor's annual salary are excluded from pension calculations. As of January 1, 2019, the governor's salary was \$200,000. It will increase to \$225,000 on Jan. 1, 2020.

For the 2018-19 school year, for all members with a date of membership on or after April 1, 2012, deductions of employee contributions should have ceased once salary reached \$200,000. For the 2019-20 school year, cease deductions when salary reaches \$225,000.

All Members

The earnings limits described above do not impact the reporting of salary or service credit. Even if the above limits are exceeded, you must continue to report all salary paid and days worked. Any earnings and/or contributions reported in excess of the limits will be adjusted at year-end, prior to your final bill.

Because changes in the IRS limit or the governor's salary affect when deductions for employee 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.

Administrative Bulletins dating from 2005 to the present are available on our website at [NYSTRS.org](#). Select Employers and visit the Administrative Bulletins page.