



## New York State Teachers' Retirement System

To: Chief School Administrators  
College and University Presidents  
District Contacts  
Employer Secure Area Contacts

## Administrative Bulletin

Issue No. 2024-7

May 2024

### New Legislation Impacts NYSTRS Members

Three pieces of legislation impacting NYSTRS members were recently enacted as part of the state budget. The first piece of legislation extends the suspension of the earnings limit for NYSTRS retirees who return to work at a public school district or BOCES. The second and third affect the benefits of Tier 6 members: a two-year extension of the change to the employee contribution rate for Tier 6 members to be determined based solely on base wages for the 2025 and 2026 fiscal years; and a change to the definition of final average salary (FAS) for Tier 6 members to determine retirement benefits.

The legislation was enacted as part of Chapters 55 and 56 of the Laws of 2024. See details in the summaries below and refer to the [Legislation/2024 Legislation](#) page at nystrs.org for additional information.

Please note these changes will not impact the employer contribution rate (ECR) applicable to fiscal year 2024-25 member salaries that was recently provided in [Administrative Bulletin 2024-6](#). The cost due to these changes will first be reflected beginning with the following year's ECR, the ECR that will apply to fiscal year 2025-26 salaries. The estimated annual cost of these changes is 0.13% of pay, or \$24.4 million.

#### Earnings After Retirement Limit for School District & BOCES Work Suspended Through June 30, 2025

Part GG of Chapter 55 of the Laws of 2024 is a one-year extension of Chapter 55 of the Laws of 2023 (Part V), which was due to expire June 30, 2024. This provision amends section 211 of the Retirement and Social Security Law to waive the Sec. 211 and 212 earnings limitation and allow a NYSTRS retiree under age 65 to be employed at a school district or board of cooperative educational services (BOCES) without suspension or diminution of their retirement allowance. Earnings received from April 9, 2022 through June 30, 2025 will not be subject to the standard Section 212 earnings after retirement limit of \$35,000 in New York State public employment per calendar year. Post-retirement employment with a charter school, community college, SUNY, or any other public employment is not covered by this law and is still subject to the \$35,000 calendar year earnings limit. Retirees age 65 and older are not subject to an earnings limitation.

Different rules apply to disability retirees. All retirees are encouraged to learn more about the rules and reporting requirements for earnings after retirement by reading our brochure [Working in Retirement](#).

#### Two-Year Extension of Employee Contribution Rate Change for Tier 6 Members

Part KK of Chapter 55 of the Laws of 2024 is a two-year extension of Chapter 56 of the Laws of 2022 (Part SS), which was due to expire on June 30, 2024. This provision amended the Retirement and Social Security Law to permit the employee contribution rate for Tier 6 members (i.e., members with a date of membership on or after April 1, 2012) to be determined using only a member's annual base wages for contributions to be made during the fiscal years ending June 30, 2025 and June 30, 2026.

Visit the [Employers/Administrative Bulletins](#) page at nystrs.org for archived issues.

Compensation earned for extracurricular programs or any other pensionable earnings paid in addition to annual base wages will not be included in the employee contribution rate determination, as it normally would.

Although the employee contribution percentage rate for those years will be determined only on base wages, Tier 6 members must pay the applicable employee contribution rate on all their pensionable earnings in those years.

As a reminder, the Tier 6 employee contribution rate for a member's first three years of membership are based on projected reportable earnings provided by the employer. Thereafter, their employee contribution rate is determined by a two-year look-back using actual salary reported. Under the new law, then, using the example of a Tier 6 member in the fourth school year of membership and beyond, the employee contribution rate for the school year ended June 30, 2025 would be based only on the member's base salary in the school year that ended on June 30, 2023. Likewise, their employee contribution rate for the school year ended June 30, 2026 would be based only on that member's base salary in the school year ended on June 30, 2024.

### **Change to Calculation of Final Average Salary for Tier 6 Members**

Part QQ of Chapter 56 of the Laws of 2024 amends the Retirement and Social Security Law to change the definition of final average salary (FAS) for Tier 6 members. Specifically, FAS is now to be based on the wages earned during any three consecutive years that provide the highest average salary. Previously, FAS was determined based on the five consecutive years that provided the highest average salary. This legislation also reduced the FAS calculation lookback period to the same as that of Tier 4; namely, the FAS calculation will exclude any yearly increases in salary that exceed 10% of the average of the previous two years' salaries (as opposed to four years). This change was effective April 20, 2024.