KNOW THE RULES BEFORE WORKING IN RETIREMENT

2018 Annual Delegates Meeting
What you need to know as a Service Retiree…

• Retirement & Social Security Law (RSSL)
  ❖ Section 212
  ❖ Section 211

• Suspending Your Pension

• Section 503.11
Under Section 212 of RSSL, you can have unlimited income from the following:

- NYS Public Employment beginning in the calendar year you turn 65.
- Private or federal employment.
- Public employment outside NYS.
- Working as a consultant for a NYS public employer if your date of membership is prior to 5/31/73 and your contract has been approved by NYSTRS.
- Work as an Elected Official.
Limited Earnings for Retirees Under Age 65

You can earn up to a legislated limit under Section 212 of RSSL, which is currently $30,000 per calendar year, in NYS public employment without it impacting your NYSTRS pension.

Note: If you work for a participating employer right after retirement, you must first resign from your employer and have a break in service of at least one business day.
What if I plan to work as a consultant for a public employer?

A consultant is an independent contractor who is not an employee of the public entity for which s/he works. Typically, a consultant is hired and/or paid by a third-party firm. **However**, because the work is being performed for a public employer, the legislated earnings limit of $30,000 remains in effect, if you joined NYSTRS on or after May 31, 1973.

- NYSTRS must review and approve all consultant agreements prior to employment. Failure to submit an agreement for approval could jeopardize your pension.

**Note:** A consultant working at a school cannot perform a function that otherwise would be performed by a teacher or administrator employed by the district.
If you work for a NYSTRS participating employer, you must provide your NYSTRS EmplID to your employer. The employer is required to submit your post-retirement earnings through monthly payrolls.
REPORTING YOUR EARNINGS

When do I need to report my post-retirement earnings to NYSTRS?

If you worked for a New York State public employer prior to the calendar year you turned age 65 and you earned more than $30,000 for the calendar year. This also includes earnings even if the public employer contracted with a private, third-party entity to hire you.
In the first quarter of each year you work, you will need to report your earnings for the previous calendar year by completing and submitting the form *Reporting Your New York State Public Employment Earnings* (RMS-64.1). The System must receive this form by March 31.

**How do I report my post-retirement earnings?**

In the first quarter of each year you work, you will need to report your earnings for the previous calendar year by completing and submitting the form *Reporting Your New York State Public Employment Earnings* (RMS-64.1). The System must receive this form by March 31.

**Note:** The information you report will be reconciled with what your employer reports.
Retirees will soon be able to report and track their earnings in retirement using their MyNYSTRS account!
NYSTRS will send you reminders about the earnings limit when you hit the 50% ($15,000) and 100% ($30,000) thresholds, provided the System receives timely earnings reports from your employer. If you exceed the $30,000 limitation in a given calendar year, NYSTRS must suspend your pension benefit for the remainder of the calendar year if you continue in public employment.
June 28, 2015
EmpID: 0999999

Mr. John O Member
10 Main St
Bldg 1111, Apt 55
Anytown NY 99999

Dear Mr. Member:

We have been notified that you are working for a New York State public employer while collecting your pension. As a result, the XXXX calendar year earnings limit for New York State public employment under Retirement and Social Security Law Section 212 is $30,000. Since the System may not receive timely earnings reports from your employer(s), be sure to keep track of your earnings so you are aware of how close you are to the limit.

Prior to approaching the $30,000 limitation, you will need to decide if you will:

1. Voluntarily suspend your pension for the rest of the calendar year by sending us a written request; or,
2. Stop working in public service prior to reaching the earnings limit; or
3. Speak with your employer about requesting a waiver (discussed below).

If you exceed the $30,000 limitation for the calendar year without suspending your retirement benefit, NYSTRS will suspend your benefit for the remainder of the calendar year if you continue NYS public employment. You will have to repay your retirement benefit for the period you exceeded the limit. Note that these earnings limitations apply even if your employer contracts with a private, third-party entity to hire you.

You may have unlimited earnings in the following capacities:

- All employment beginning in the calendar year you turn 65 (and thereafter).
- All employment if you have suspended your NYSTRS benefit.
- Private and Federal employment.
- Public employment outside of New York State.
- As a consultant for a NYS public employer if your date of membership is prior to May 31, 1973, and NYSTRS has received, reviewed, and approved the contract.

If you have any questions concerning this letter, you may write or call us at (800) 348-7291, Ext. 6150.

Sincerely,

Benefits Department
REQUESTING A WAIVER

Section 211 Waiver of RSSL

Under Section 211, your employer could obtain a waiver on your behalf from the entity with jurisdiction over the job *prior to* the start of your employment. The employer must demonstrate that there is an urgent need for your services or that there are no available, qualified non-retired persons to fill the position.

Waivers are granted by the:
- New York State Department of Education.
- Chancellor of the New York City Department of Education.
- Trustees of the City University of New York.
- SUNY or community college president.
- New York State or New York City Civil Service Commission.

*Note: Your employer must apply for the waiver. Neither NYSTRS nor any other state retirement system has the authority to grant waivers.*
Section 211 Waivers are generally not granted to retirees seeking to return to the same or similar position within one year of retirement, and waivers will be limited to one year and can only be renewed once except in extreme instances.
LIMITED WAIVER

Your earnings will be limited if you received pay from that employer in the two years prior to retirement, and if those salaries were used in your Final Average Salary (FAS).

- You may earn up to the difference between your FAS (or, if greater, the salary you would be receiving had you not retired) and your Maximum retirement benefit.

Note: You cannot renounce previously reported earnings to achieve unlimited earnings in retirement.
Unlimited Earnings Without a Waiver

If you choose to work in New York State public employment and you want to have unlimited earnings without obtaining a waiver, you will need to suspend your NYSTRS retirement benefit. You can do so by sending NYSTRS a signed letter requesting a benefit suspension.
Keep in Mind

• If you return to work for a NYSTRS-participating employer for one year only, you may rejoin the System as an active member. If you retired as a Tier 1-5 member, your new membership date will be the last day of your original membership tier.

• If your work for a NYSTRS-participating employer continues into a second year, membership is mandatory. You could obtain credit for prior service that would have been earned during the first year after paying the applicable cost.
Member may choose to pay the "cost of option" to keep the option coverage in effect during the period of suspension.

- NYSTRS must receive a signed letter requesting the option remain in place during the period of suspension.
- We must then receive a check for the "cost of option" payment by the first of every month. If a payment is more than 90 days in arrears, the coverage of the option is forfeited.
PROTECTION FOR A BENEFICIARY

- If the payment for the cost of option is current during the suspension, and the member dies before the original pension is reactivated, then NYSTRS will pay the beneficiary as if the member had not suspended the pension.

- If the cost of option payments have not been maintained, no optional coverage will be in effect and no payment to the beneficiary can be made.

<table>
<thead>
<tr>
<th>Maximum Pension</th>
<th>$62,000</th>
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<tbody>
<tr>
<td>- 50% Pop-up Option</td>
<td>$59,525</td>
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<tr>
<td>Cost of Option</td>
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</tbody>
</table>

$2,475/12 = $206.25 Monthly Cost
DEATH BENEFITS WHILE SUSPENDED

Death Benefit for Tiers 2-6

The Paragraph 2 death benefit (if any) would still be payable if member suspends without rejoining and passes away.
If you or someone you know is considering the possibility of suspending and rejoining as an active member of NYSTRS, please have them contact the Retired Member Services Unit at (800) 348-7298, Ext. 6150.
How Do I Suspend and Rejoin Under Section 503.11?

• You will need to send NYSTRS a signed letter requesting to Suspend and Rejoin the System under Section 503.11.

• NYSTRS must also receive a letter from the new employer verifying the first day of employment.
Once NYSTRS receives a written request from the retiree to Suspend and Rejoin under Section 503.11, NYSTRS will send the Application for Membership under 503.11 (NET-2A) to the retiree. This form cannot be effective any earlier than the date on which the suspension of retirement benefit was established.
Eligibility for Additional Benefit

Generally, by rejoining the System, you can receive an additional retirement benefit after earning two or more years of service credit. (For Tier 3 retirees, five or more years of service credit are required.)
Eligibility for Recalculation

If you rejoin and earn five years or more of additional service credit, you have the option of having your original retirement benefit recalculated instead of collecting two separate benefits.

- This would require you to repay the System the benefits you received before rejoining NYSTRS, plus interest. Repayment can be made in a lump sum or as a permanent reduction in your new retirement benefit.
Keep in Mind

• A member cannot make a repayment until re-retired.

• If you qualify for an additional benefit or a full recalculation, you will lose any service credit you may have gained through a previous state retirement incentive.
HOW DOES A MEMBER RE-RETIRE?

You will need to submit a completed Application for Retirement (RET-54) form and write "503.11" on top of the first page of the application.

This form is available on our website at nystrs.org
Tiers 2-6 Eligibility After Re-Retiring

- If receiving two separate benefits, the Paragraph 2 coverage remains in effect for the first membership, but there is no post-retirement death benefit coverage on the second membership.
- If receiving a recalculated benefit, the Paragraph 2 coverage is in effect and is recalculated based on the combined memberships.
What happens if you don’t qualify for an additional or recalculated benefit?

If you resume retirement without meeting the service credit requirements necessary for an additional benefit or a full recalculation of your benefit, your original pension will remain unchanged.
System retirees receiving disability retirement benefits are subject to a separate set of rules. If a disability retiree is considering (or is being considered for) employment, the System’s Disability Unit should be consulted regarding the impact that employment may have on the disability retiree’s retirement benefit.

Contact the Disability Unit at (800) 348-7298, Ext. 6010
NYSTRS RESOURCES AND CONTACT US

- Visit “Retirees” information at nystrs.org
- Contact Retired Member Services Unit: (800) 348-7298, Ext. 6150
- Retired Member Services fax: (518) 431-8788
- Email to: communit@nystrs.org
- Hotline for recorded news, etc.: (800) 782-0289
- Contact the Information and Communication Center for general info: (800) 348-7298, Ext. 6250
- Send a secure message through your MyNYSTRS account and the System can respond with account specifics.
The Social Security Administration (SSA) has its own rules for earnings while collecting a Social Security payment.

For information about these limitations, contact the SSA at (800) 772-1213 or visit their website at ssa.gov.