



## New York State Teachers' Retirement System

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NYSTRS.org

## Contribution Rate Information for Tier 6 Members

### *Members who joined NYSTRS on or after April 1, 2012*

Tier 6 features a variable member contribution rate wherein a member's contribution rate is determined by that member's reportable earnings. This fact sheet will help Tier 6 members understand how their level of compensation determines the contribution rate. We encourage you to review the *Active Members' Handbook* at NYSTRS.org to learn more about your membership and benefit eligibility.

### How to Determine the Contribution Rate

#### From the Start Through the Third Year

Projected reportable earnings provided by the member's employer are used to calculate the contribution rate for the first three years of membership. Thereafter a look-back provision is used, which is discussed in more detail on the next page. Member contribution rates will be determined based on reportable salary in accordance with the following schedule.

TIER 6 CONTRIBUTION CHART	
Salary	Contribution Rate
\$45,000 and less	3.0%
More than \$45,000 to \$55,000	3.5%
More than \$55,000 to \$75,000	4.5%
More than \$75,000 to \$100,000	5.75%
More than \$100,000 to maximum of NYS Governor's salary ( <i>see chart below</i> )	6.0%

**Note:** Tier 6 members are required to make member contributions to NYSTRS throughout their active membership.

#### Pensionable Salary

A Tier 6 member's pensionable earnings may not exceed the salary of the New York State governor, which is set by law (see chart below). If the governor's salary changes, the pensionable salary limit would change accordingly.

Governor's Salary	
Effective Date	Amount
April 1, 2012	\$179,000
January 1, 2019	\$200,000
January 1, 2020	\$225,000

Once the pensionable salary limit is reached, contribution deductions from any wages paid in excess of the salary limit will stop. In other words, member contributions taken on salary in excess of the earnings limit will be refunded. Any wages reported exceeding this limit will not be included in a member's salary base for district billing purposes or in any benefit calculation.

(continued)

### Beginning in the 4th School Year of Membership and Continuing Forward

The member contribution rate in any given school year will be based on actual salary reported in the second preceding school year. It is NYSTRS' responsibility to determine the applicable member contribution rate for each Tier 6 member and provide the information to the member's employer. Given the effective date of variable member contribution rates for Tier 6 members, the following table is being provided to assist with understanding the employer projection and the two-year look-back provisions.

Example: Contribution Rate Determination for a Member with a Date of Membership in the 2017-18 School Year

School Year	Members' Contribution Rate Determined By	Year
July 1, 2017—June 30, 2018	Employer Projection	1
July 1, 2018—June 30, 2019	Employer Projection	2
July 1, 2019—June 30, 2020	Employer Projection	3
July 1, 2020—June 30, 2021	NYSTRS: Based on actual wages for 2018-19*	4

*\*The pensionable earnings posted to your account as of the date the report is generated.*

### Members With Service at Multiple Districts

**Contributions:** Members with multiple employers will have their contribution rate established using the projected salary provided by the employer who reports to NYSTRS first.

**Salary and Service:** The statute limits the amount of salary (and consequently service) usable in a Tier 6 member's benefit calculation. NYSTRS will collect and process the information for each school year from all employers before making any necessary adjustments. The determination of reportable salary for each school year will incorporate the following guidelines:

- Members with less than 200 days of service with a single employer will have all salary and service credited to their records.
- Members who exceed 200 days of service with a single employer and have rendered service with more than two employers will have any reported salary and service in excess of two employers during a school year removed. The pensionable salary and service will be determined by using the **two highest earnings within that school year**, regardless of the employer.
- In all cases, members receive no more than one year of service credit for each school year (July 1 – June 30) of service.

*Note:* District superintendents receive their salary from the State Education Department and their respective BOCES. Consequently, due to statutory restrictions regarding multiple employers, any part-time employment beyond the district superintendent's regular full-time employment will not be reportable to NYSTRS. The salary for that additional part-time work will not be subject to employer or member contributions, nor will the salary be used in benefit calculations.