

PREP

Pension &
Retirement
Education
Program



A man with dark hair and glasses is shown from the chest up, looking upwards and to the right with a thoughtful expression. His hand is resting on his chin. A large, light blue thought bubble is positioned above his head, containing the word "Retirement".

Retirement



Life Expectancy Going Forward (NYSTRS' Expectation)

Present Age	55	65	75	85	95
Female	35.5	25.5	16.3	8.7	4.0
Male	32.8	23.0	14.2	7.3	3.4



It's Never too Early...



(or too late) to PREP!



Agenda

- *NYSTRS Benefits*
- *Financial Planning*
- *Social Security*
- *The Retirement Process*



~~NEW STRS BENEFITS~~



Your Pension: A Guaranteed Benefit

*Article 5, Section 7 of the
New York State
Constitution provides:*

*"After July first, nineteen hundred forty,
membership in any pension or retirement
system of the state or of a civil division thereof
shall be a contractual relationship, the benefits
of which shall not be diminished or impaired."*



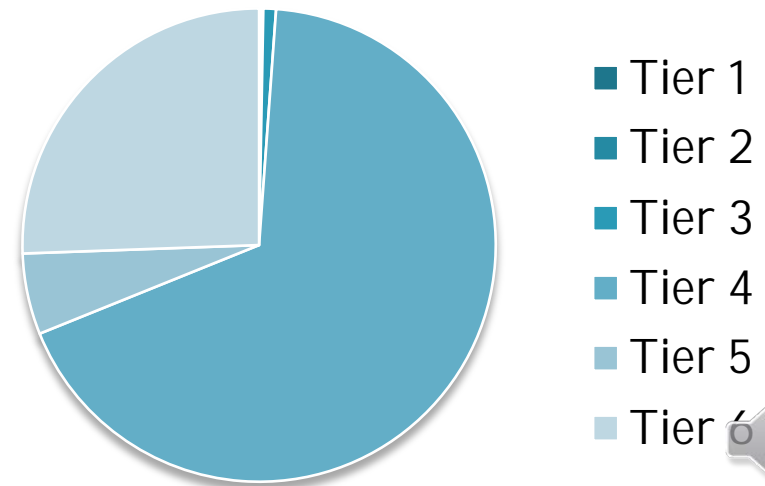
The Tiers (Page 14)

(As of 6/30/2019)

- Tier 1: Prior to July 1, 1973
- Tier 2: July 1, 1973-July 26, 1976
- Tier 3: July 27, 1976-August 31, 1983
- Tier 4: September 1, 1983-December 31, 2009
- Tier 5: January 1, 2010-March 31, 2012
- Tier 6: On or after April 1, 2012

Number of Active Members

Tier 1:	349
Tier 2:	403
Tier 3:	2,276
Tier 4:	178,516
Tier 5:	14,595
Tier 6:	67,378
Total:	263,517



BENEFITS


- ▶ Service Credit
- ▶ Service Retirement
- ▶ Death Benefits
- ▶ Disability Retirement
- ▶ Loans



Your Benefit Profile

- Most of the information you need to calculate various pension and option scenarios is contained in the *Profile*
- You should always review your *Profile* when you receive it, and correct errors or omissions as soon as you become aware of them
- In addition to the copy we mail you each year, you can view its contents on the "MyNYSTRS" area of our website NYSTRS.org

Benefit Profile for School Year Ending 6/30/2019

**New York State Teachers' Retirement System**
10 Corporate Woods Dr., Albany, NY 12211-2395
NYSTRS.org
(800) 348-7298 | M-F, 8:30-4:15
Download our Mobile App

Mary Member
1 Any Street
Anywhere, NY 00000-0000

RETIREMENT BOARD
David P. Keefe *President*
Michael J. Masse *Vice President*
Sheila Sullivan Buck
Paul J. Farfaglia
Stephen P. Feehan
Ron Gross
Dr. Phyllis S. Harrington
Daniel J. Hogarty Jr.
Dr. L. Oliver Robinson
Nicholas Smirensky
Thomas K. Lee
*Executive Director
& Chief Investment Officer*

Personal Snapshot and Pension Benefit Calculation for Tier 4

Date of Membership: 09/01/1983Tier: 4Your EmplID: XXXXXXXX

Total Service Credit (as of 6/30/19): XX Year(s), X Month(s)

Pension Projection for 07/01/2020 (using the Maximum option; see pg. 2): \$XX,XXX.XX Per Year

Lump Sum In-Service or Vested Death Benefit (see pg. 3): \$XX,XXX.XX

Designated Beneficiary(ies) for Death Benefit:
Primary- XXXXXXXXX
Contingent- XXXXXXXXX

Your Maximum Annual Pension = Your Pension Factor x Age Factor (if applicable) x FAS

Pension Factor: This is determined by your service credit, which you earn per school year (7/1 – 6/30).

- If you retire with less than 20 years of service, your pension factor is 1.67% per year.
- If you retire with 20-29 years, your pension factor is 2% per year.
- For 30+ years, you receive 60% + 1.5% per year of service above 30.

Service Credit for 2018-19	Total Service Credit
1 Year	XX Year(s), X Month(s)

Age Factor: If you retire before 62 with less than 30 years credit, your pension factor is multiplied by an age factor.

Age Factor (prorated by month)	55	56	57	58	59	60	61	62+
(If < 30 Years of Service)	73%	76%	79%	82%	85%	88%	94%	No Factor

Final Average Salary (FAS): Your FAS is the average of your three highest consecutive school years of regular salary earned for instruction and supervision of students, excluding increases above 10% of the previous two years' average.

- Partial years are combined to form full-time equivalents.
- If you work part time or retire mid-school-year, earnings at a lower salary could result in a lower FAS.
- We review contracts and make needed adjustments (e.g., if your employer misreports payments as regular earnings).
- W2s report by calendar year and won't equal your school year earnings.

Regular Salary Reported	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
(For Last Five School Years)	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX



- ❑ Every fall NYSTRS sends you a comprehensive, individualized *Benefit Profile*
- ❑ This contains information about your NYSTRS membership, including:
 - Service credit
 - Salaries
 - Contribution and loan balances
 - Pension projections
 - Options for beneficiaries
 - Death benefits



Service Credit (page 14)



Service Credit (page 14)

- ❑ Membership / Subsequent Service
- ❑ Prior Service
- ❑ Military Service
- ❑ Transfer-in Credit
- ❑ Reinstatement
- ❑ Article 19 Credit
 - ❑ (Tier 1 & 2 only)

Teachers on
TEACHING



98%

AGREE THAT TEACHING IS **MORE
THAN A PROFESSION**; IT IS HOW
THEY **MAKE A DIFFERENCE**
IN THE WORLD



Benefit Profile - Page 4

Your Service Credit History

The information below is as of 6/30/2019, but may also include prior, transfer, reinstatement, or military service credited after. If you see a discrepancy, ask the applicable employer to review your records.

- “District Name Unavailable” appears if a district merged or was later renamed.
- If you worked at multiple districts in a school year, credit is combined on one line.

Employment for the 2018-19 School Year (7/1/18 – 6/30/19):

Employer	Regular Salary Reported	Days	Service Credit
Albany School District	\$XX,XXX.XX	XXX	1 Year
Schenectady School District	\$XX,XXX.XX	XXX	(Included Above)
Troy School District	\$XX,XXX.XX	XXX	(Included Above)



Service Credit Benefit Profile - Page 4

- Includes all of the service credit history the page allows
- Any service not included will be viewable on your MyNYSTRS account

Your Service Credit History

The information below is as of 6/30/2019, but may also include prior, transfer, reinstatement, or military service credited after. If you see a discrepancy, ask the applicable employer to review your records.

- "District Name Unavailable" appears if a district merged or was later renamed.
- If you worked at multiple districts in a school year, credit is combined on one line.

Employment for the 2018-19 School Year (7/1/18 – 6/30/19):

Employer	Regular Salary Reported	Days	Service Credit
Albany School District	\$XX,XXX.XX	XXX	1 Year
Schenectady School District	\$XX,XXX.XX	XXX	(Included Above)
Troy School District	\$XX,XXX.XX	XXX	(Included Above)

Service Credit History:

School Year	Employer	Service Credit
7/1/2005 - 6/30/2018	Albany School District	13 years
7/1/2004 - 6/30/2005	Guilderland School District	5 months
7/1/2001 - 6/30/2004	New York State Public Service	3 years
7/1/1998 - 6/30/2001	Albany School District	3 years
7/1/1997 - 6/30/1998	Schenectady School District	5 months
7/1/1996 - 6/30/1997	Shenendehowa School District	2 months
7/1/1995 - 6/30/1996	Saratoga School District	5 months
7/1/1994 - 6/30/1995	Guilderland School District	5 months
7/1/1993 - 6/30/1994	Saratoga School District	2 months
7/1/1992 - 6/30/1993	Shenendehowa School District	4 months
7/1/1991 - 6/30/1992	Shenendehowa School District, Albany School District	4 months
7/1/1990 - 6/30/1991	Albany School District, Schenectady School District	3 months
7/1/1989 - 6/30/1990	Schenectady School District	2 months
7/1/1988 - 6/30/1989	Schenectady School District	3 months
7/1/1984 - 6/30/1988	Albany School District	4 years
7/1/1983 - 6/30/1984	Albany School District	5 months

Overflow Text for Members with a MyNYSTRS Account:

Your combination of current school year employment and service history was too long to fit on this page. For a complete, up-to-date record, see your MyNYSTRS account on NYSTRS.org or contact us.

This data is subject to audit and recomputation, does not constitute a binding representation, and does not consider any Domestic Relations Order (DRO) on file with us directing us to pay part of a benefit to an ex-spouse (or mandating you elect a specific payment option). For those with a membership date on or after 7/1/96, Internal Revenue Code Section 401(a)(17) limits benefit calculation compensation to \$280,000 for 2019-20. For questions, call us or visit NYSTRS.org where you can read the *Active Members' Handbook*, access your MyNYSTRS account, and see our privacy policy.

Service Credit

<i>Days Per Year</i>		<i>Credit</i>	<i>Days Per Year</i>		<i>Credit</i>
Under 20 days	=	None	90-109	=	5 months
20-29	=	1 month	110-129	=	6 months
30-49	=	2 months	130-149	=	7 months
50-69	=	3 months	150-169	=	8 months
70-89	=	4 months	170+	=	9 months
			9 months	=	1 year



Prior Service

- ❑ You may be able to claim New York State public employment that you rendered before your current NYSTRS date of membership
- ❑ This service must have been creditable at the time of service in a NYS public retirement system (or would now be creditable)
- ❑ Service must equal at least 20 days in a year to be creditable



Prior Service

- ❑ You are responsible to claim, and obtain verification of, the prior service
- ❑ There is no cost for Tier 1 and 2 members
- ❑ Tier 3 members must pay 3% of the salary earned
- ❑ Tier 4 members also pay 3%, but must also pay 5% compounded interest
- ❑ Tier 5 members pay 3.5% of former salaries, plus 5% compounded interest
- ❑ Tier 6 members pay 6% of former salaries, plus 5% compounded interest



Prior Service

- ❑ The processing of your claim usually takes 4 to 6 months from date we receive documentation of service
- ❑ The granting of prior service does not affect your membership date or put you into an earlier tier
- ❑ Any prior credit granted after retirement occurs and the benefit is finalized will count retroactively to date of retirement



Military Service

Obtain copy of DD214-Discharge Papers at:

National Personnel Records Center
Military Personnel Records
1 Archives Drive
St. Louis, MO 63138

Phone: (314) 801-0800

Standard Form (SF) 180

www.archives.gov/veterans/military-service-records



Transferred Service

- ❑ Transfers merge active memberships in multiple NYS retirement systems
- ❑ You retain earliest membership
- ❑ Salary and service combine, often yielding higher benefits
- ❑ Limitations apply, and service is limited to a maximum of one year of credit per school year
- ❑ You may only transfer into the system in which you last rendered service
- ❑ **Contact both systems prior to electing to transfer to ensure a transfer is to your advantage!**



Reinstatement

- ❑ Reactivates a former ceased or withdrawn membership with any NYS public retirement system
- ❑ Receive earlier date of membership and tier status
- ❑ Receive service credit originally earned during previous membership
- ❑ There often is a cost to reinstate
- ❑ Election is irrevocable; contact NYSTRS prior to submitting application



Article 19 Service

(Tiers 1 & 2)

- Eligibility

Must be credited with at least one month of service in any school year after 7/1/92

- Credit Provided

1/12 year of credit for each year of service up to the maximum additional credit of two years



Service Retirement



Pension Formula

(pages 14-16)

- ❑ Pension Factor –

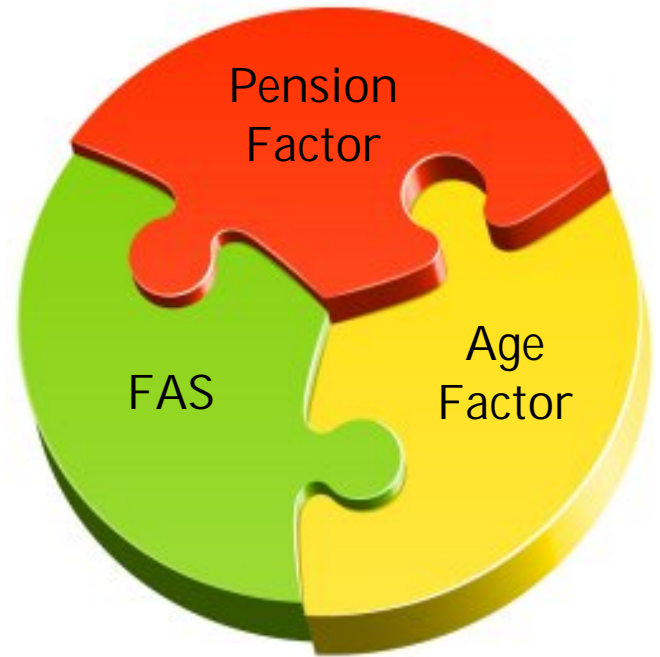
Determined by tier and number of years and months of service

- ❑ Final Average Salary (FAS) –

Calculated from district-reported income

- ❑ Age Factor (If applicable) –

Determined by tier, age and years of service at retirement



Pension Factor

Benefit Profile - Page 3

TIER	TYPE OF SERVICE	PENSION %
Tier 1	NYS service before 7/1/59	1.8% per year
	NYS service on or after 7/1/59	2% per year
	Prior out-of-state service	1% per year
Tier 2	NYS service before 7/1/59	1.8% per year
	NYS service on or after 7/1/59	2% per year
Tiers 3-4	Less than 20 years of service	1.67% per year
	From 20-30 years of service	2% per year
	Over 30 years of service	60% + 1.5% per year beyond 30



Pension Formula

(pages 14-16)

❑ Pension Factor —

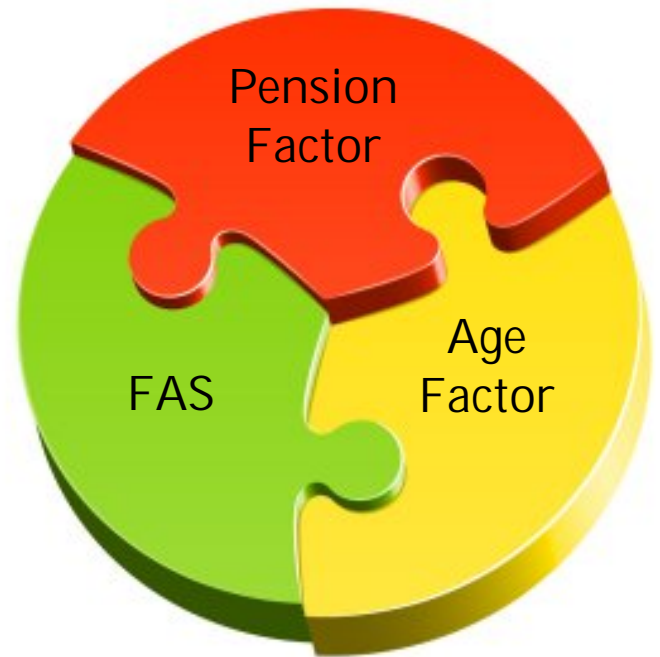
Determined by tier and number of years and months of service

❑ Final Average Salary (FAS) —

Calculated from district-reported income

❑ Age Factor (If applicable) —

Determined by tier, age and possibly years of service at retirement



Final Average Salary (3-Year FAS)

- ❑ NYSTRS will determine your three highest consecutive full school years of regular salary earned (3-year FAS)
- ❑ The 3-year FAS only includes *regular compensation*, which covers the instruction or supervision of students (coaching, chaperoning, etc.)
- ❑ The 3-year FAS cannot include any form of *non-regular compensation* (payment in lieu of health insurance, retirement bonus, unused sick leave payment, etc.)



Final Average Salary (3-Year FAS)

- ❑ There is a limitation on the amount your earnings can increase each year and still be used in your FAS:
 - ❑ Tier 1: Increases above 20% of the previous year's salary
 - ❑ Tier 2: Increases above 20% of the *average* of the previous two year's salaries
 - ❑ Tier 3-5: Increases above 10% of the *average* of the previous two year's salaries



Salary Limitations

Example

Tiers 3-5

(Cannot exceed 10% increase over average of previous two years)

School Year Ending	Salary Earned	Salary Limitation
2020	\$74,000	\$ 62,000
2019	\$72,000	\$72,000 Average
2018	\$70,000	\$122,000/2
2017	\$62,000	\$ 61,000
2016	\$60,000	x 1.10
		\$ 67,100

NOTE: Tier 6 cannot exceed 10% increase over average of previous FOUR years

Salary Limitations Example

Tiers 3-5

(Cannot exceed 10% increase over average of previous two years)

School Year Ending	Salary Earned	Salary Limitation
2020	\$74,000	\$78,100
2019	\$72,000	\$72,600
2018	\$70,000	\$67,100
2017	\$62,000	
2016	\$60,000	

\$71,033 FAS

NOTE: Tier 6 cannot exceed 10% increase over average of previous FOUR years,



Benefit Profile - Page 1

- ❑ There is a five-year salary history on page 1 of profile
- ❑ Useful for checking that salaries are reported correctly and for calculating your FAS
- ❑ Helps to check if there is any salary increase limitation

Regular Salary Reported	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
(For Last Five School Years)	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX



3-Year FAS: Retire Mid-Year

- ❑ 2020 salary = \$80,000
- ❑ You retire on February 1, and have worked 100 days and earned half of your salary (\$40,000)
- ❑ 2017 full salary (200 days) was \$74,000

19-2020	\$40,000	100 days
18-2019	\$78,000	200 days
17-2018	\$76,000	200 days
<u>16-2017</u>	<u>\$37,000</u>	<u>100 days</u>
TOTAL	\$231,000	600 days
$\frac{\$231,000}{3}$		
$\text{FAS} = \$77,000$		



3-Year FAS: Retire Mid-Year

2019-2020 Earnings

	Salary Earned	Days Credited	Daily Rate
Contract Salary	\$40,000	100	\$400
Curriculum Work	\$ 2,500	10	\$250
Coaching	\$ 3,300	15	\$220
TOTAL	\$45,800	125	\$366



3-Year FAS: Retire Mid-Year

- ❑ 2020 earnings
\$45,800
- ❑ 2017 full salary
(200 days) was
\$74,000
- ❑ FAS calculation
is \$1,150 less

19-2020	\$45,800	125 days
18-2019	\$78,000	200 days
17-2018	\$76,000	200 days
<u>16-2017</u>	<u>\$27,750</u>	<u>75 days</u>
TOTAL	\$227,550	600 days
$\frac{\$227,350}{3}$		
$\text{FAS} = \$75,850$		



Pension Formula

(pages 14-16)

❑ Pension Factor —

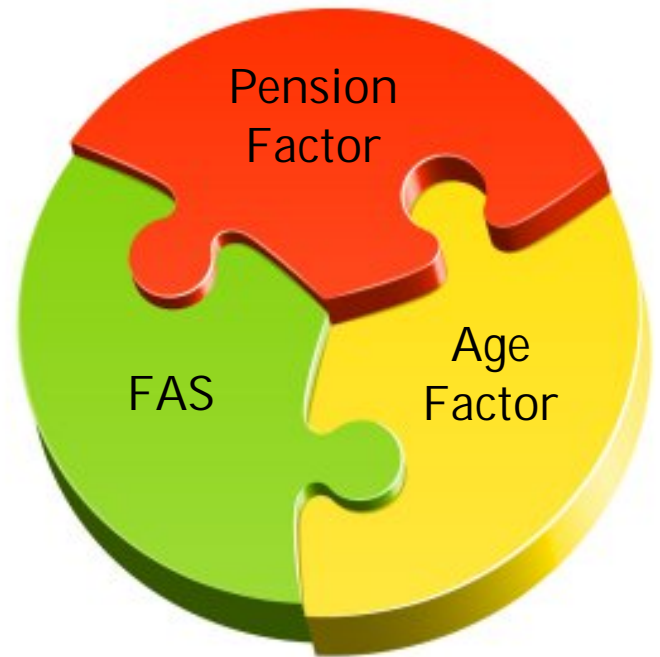
Determined by tier and number of years and months of service

❑ Final Average Salary (FAS) —

Calculated from district-reported income

❑ Age Factor (If applicable) —

Determined by tier, age and possibly years of service at retirement



Age Factor – Page 15

Tier 2 and 4 Age Factor (Less than 30 Years service)



Retirement Age	% of Pension Factor	Impact on Pension Factor
62	100%	-0%
61	94%	-6%
60	88%	-12%
59	85%	-15%
58	82%	-18%
57	79%	-21%
56	76%	-24%
55	73%	-27%



Age Factor – Page 15

Tier 2 and 4 Age Factor (Less than 30 Years service)

A member retiring 3 months
after turning 60 years old

(60 years 3 Months)  -10.5%

The impact on the pension
factor is prorated by month

Retirement Age	% of Pension Factor	Impact on Pension Factor
62	100%	-0%
61	94%	-6%
60	88%	-12%
59	85%	-15%
58	82%	-18%
57	79%	-21%
56	76%	-24%
55	73%	-27%



Impact of the Age Factor

Example

29
Years

Tier 2-4

Age 55

Calculation

29 years X 2% = 58%

Age Factor = 73%

$58\% \times .73 = 42.34\%$

30
Years

Tier 2-4

Age 56

Calculation

30 years X 2% = 60%

No age factor
(30+ years)

30 years x 2% = 60%



Impact of the Age Factor

Example

29
Years

Final Average Salary

\$78,000

Calculation

29 years X 2% = 58%

58% x .73 = 42.34%

$\$78,000 \times .4234 = \$33,025$

30
Years

Final Average Salary

\$80,000

Calculation

30 years X 2% = 60%

No Age Factor at 30 years

$\$80,000 \times .6000 = \$48,000$



Age Factor – Page 15

Tier 5 Age Factor (Less than 30 Years service)



Retirement Age	% of Pension Factor	Impact on Pension Factor
62	100%	-0%
61	93.33%	-6.67%
60	86.67%	-13.33%
59	81.67%	-18.33%
58	76.67%	-23.33%
57	71.67%	-28.33%
56	66.67%*	-33.33%
55	61.67%*	-38.33%

*Applies even with 30 years



Age Factor – Page 15

Tier 6 Age Factor (Collecting before age 63)

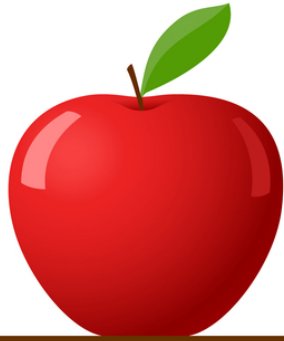


Retirement Age	% of Pension Factor	Impact on Pension Factor
63	100%	0%
62	93.5%	-6.5%
61	87%	-13%
60	80.5%	-19.5%
59	74%	-26%
58	67.5%	-32.5%
57	61%	-39%
56	54.5%	-45.5%
55	48%	-52%



Key Service Thresholds

(page 18)



5 years: Vested (*Tiers 1-4*)

10 years: Vested (*Tiers 5-6*)

20 years: Higher pension calculation
(*Tiers 1-4 & 6*)

25 years: Higher pension calculation
(*Tier 5*)

30 years: No age factor at age 55+
(*Tiers 2-4*) or age 57+ (*Tier 5*)

Note: If under 30 years of service, no age factor applies at age 62+ (Tiers 2-5)



Death Benefits

(page 16)

WHAT
YOU
NEED
TO
KNOW



- All members with a minimum amount of service are covered under an in-service death benefit
- If you pass away before retirement, your beneficiary(ies) will receive a lump-sum payment from NYSTRS
- The payment could be substantial, depending on your salary and other factors



Paragraph 2 Death Benefit

For Tiers 2-6

- ❑ Benefit = Year of pay for each year credited, up to 3 years (See page 2 of *Benefit Profile*)
- ❑ If a Tier 3-6 member dies in service, member contributions and interest are also paid to beneficiary
- ❑ In most cases there is a post-retirement death benefit which diminishes to 10% of original, pre-retirement benefit after retired for 3 years
- ❑ There is also an accidental death benefit for Tiers 3-6 if member dies from an on-job accident. It pays certain beneficiaries an income of 50% of your last year of salary



Disability Retirement (page 16)

If You Are No Longer
Able to Work



*A Guide for Making
Disability Retirement Decisions*

- ❑ Must be physically/mentally incapacitated
- ❑ Must have 10 years of service; this requirement can be waived if on-the-job accident causes disability
- ❑ The benefit generally equals 33% of Final Average Salary
- ❑ Disability must be approved by NYSTRS Medical Board
- ❑ Tier 1 and 2 disability retirees may work while on disability; earnings are restricted
- ❑ Tier 3-6 disability retirees are prohibited from working while collecting disability pension
- ❑ Filing "For Protection Only"



Filing “For Protection Only”

REF: 54.1 (6/19)

“For Protection Only”

NEW YORK STATE TEACHERS’ RETIREMENT SYSTEM
10 Corporate Woods Drive, Albany, NY 12211-2395
Fax: (518) 431-8795

APPLICATION FOR DISABILITY RETIREMENT

EmpID: OR Social Security Number:

Instructions: Write your EmpID or Social Security number in one of the boxes above. Print clearly in ink or type the requested information in the spaces provided. Please do not make any stray marks, but if you do, please initial any changes you make. On page 2, sign this application and have it notarized. Review the information and the checklist on page 6 before sending your application to the System. Submission of this application initiates a claim for any uncredited prior/military service and/or membership reinstatement. If you are filing for Tier 3-6 disability benefits, you must file an application no later than 12 months after the date that your employment status was terminated. You must have at least 10 years of NYS service credit to apply.

Member Name:

Mailing Address:

City: State: Zip Code:

Date of Birth: Phone Number: Email Address: Gender:

Month: Day: Year:

I AM APPLYING FOR DISABILITY RETIREMENT DUE TO THE FOLLOWING ILLNESS OR CONDITION (briefly describe):

If you are critically ill and wish to provide the largest lump-sum payment to your beneficiary, you should elect the Largest Non-Declining Lump Sum Payment to a beneficiary (All Tiers except Tier 3 members retiring under Article 14) or the Declining Reserve 4% (Tier 1 members only) in the Retirement Benefit election section on the next page.

• Were you on a leave of absence at less than full pay during the last seven years? Yes ☐ No ☐

• Are you being paid Workers’ Compensation or Long-Term Disability? Yes ☐ No ☐

If YES, are the payments being made directly through your employer’s payroll? Yes ☐ No ☐

If you are receiving Workers’ Compensation or Long-Term Disability paid through your employer’s payroll, your date of retirement will be the date of your approval or your requested Date of Retirement, whichever is later.

If you would like to request a future date of retirement, please indicate the date: _____

It is not necessary to request a date of retirement as your effective date of retirement can be as early as the date this application is received. If you are still earning regular salary with your employer, your retirement will take effect the day following the last day salary was earned.

• Are you a member of, or retired from, any other New York State public retirement system? Yes ☐ No ☐

If YES, name the retirement system: _____

Annually Savings Fund (ASF) Withdrawal (Tier 1 & 2 Members Only)

☐ Please check this box if you have an Annually Savings Fund and wish to withdraw it. We will send you additional information and any necessary forms.

Do you have any uncredited service that has not been reflected on your Benefit Profile? If so, please provide school year(s) and employer(s). It is necessary for you to provide verification of this service. Verification forms are available on our website (NYSERS.org).

- 1 -

- If you are facing a potentially life-threatening illness or surgery, consider filing a disability application “For Protection Only”
- In most cases, the lump-sum payment a beneficiary would receive would be significantly more than the in-service death benefit
- A member filing for protection must complete the forms *Application for Disability Retirement RET-54.1* and *Medical Information Summary*



Filing “For Protection Only”

The member would need to:

- Clearly write "For Protection Only" on the application
- Indicate the medical condition necessitating the retirement
- Leave the requested date of retirement blank
- Select either the Declining Reserve Option (Tier 1 only) or Largest Lump Sum Option (Tiers 2-6)
- Have signature notarized prior to mailing
- Complete the *Medical Information Summary*

RET-SF-18 (6/12)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
10 Corporate Woods Drive, Albany New York 12211-2395

MEDICAL INFORMATION SUMMARY
COMPLETE AND RETURN WITH YOUR RETIREMENT APPLICATION

AUTHORIZATION

EmplID: _____

I hereby authorize and direct any physician, hospital, medical records facility or any other party to disclose to the New York State Teachers' Retirement System all information which they may possess including, but not limited to, diagnosis, treatments rendered, x-rays and copies of all hospital and medical records which are in their possession, and further, I waive any claim of privilege in respect thereto. A photocopy of this authorization shall be considered as effective and valid as the original.

Print Name: _____

Signature of Applicant: _____

IMPORTANT: The authorization above must be signed

A. Please list the names, addresses and telephone numbers of the physicians consulted in connection with your illness from whom we should expect a report*:

Names and Addresses	Phone and FAX Numbers

**It is your responsibility to give a medical report form to each of the physicians named*

B. Briefly describe your illness and symptoms (If more room is needed, please use reverse side)

C. On what date did you become incapacitated? _____

D. What was the last date you rendered service? _____

E. What subject area and grade level was your last teaching position? _____

F. Do you work in any other capacity? ☐ No ☐ Yes
If yes, please explain: _____

- 7 -



Loans (page 16)

Tiers 3-6

- ❑ May borrow up to 75% of your contributions fund once each calendar year
- ❑ Some loans may be federally taxable at issuance if above certain thresholds
- ❑ Loans are repayable until you retire
- ❑ There may be significant negative consequences tax-wise and with your pension if you default on a loan at retirement



Loans-Default (page 17)

Tiers 3-6

For example, on a loan default at retirement of \$10,000, a 58-year-old member would see an annual decrease of \$524.00 in his/her pension:

Factor = \$52.40/thousand at age 58

Loan default = \$10,000

$10 \times \$52.40 = \524.00 yearly pension reduction

Age at Service Retirement with an Outstanding Loan	55	58	62	65
Annual Pension Reduction Per \$1,000 of Loan Owed	\$49.37	\$52.40	\$57.46	\$62.30

