



New York State Teachers' Retirement System

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 2019-11](#) the limit for the 2019-20 school year was \$280,000. The IRS limit for the 2020-21 school year is \$285,000.

During the 2020-21 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 \$285,000.

The IRS limit for the 2021-22 school year will be \$290,000.

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

In accordance with Retirement and Social Security Law Section 601(l), any wages earned during a school year in excess of the New York State governor's annual salary are excluded from the pension calculations of Tier 6 members (i.e., members with a date of membership on or after April 1, 2012). As of January 1, 2020, the governor's salary was \$225,000. However, pursuant to [Executive Order 202.86](#), the governor's salary will not be increased at this time. Therefore, for the school year ending 2021, the earnings limit remains at \$225,000.

Deductions of member contributions for Tier 6 members should cease once their salary reaches \$225,000 during the 2020-2021 school year.

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 member 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.