



New York State
Teachers'
Retirement
System

Your Service Credit Matters

It's important to keep track of all the service credit for which you are eligible, at every stage of your career. Your total service credit affects both your eligibility for NYSTRS benefits and the amount you'll receive in retirement.

Service Credit Milestones Can Maximize Your Pension

Your service credit builds with each year you work for a NYSTRS participating employer. As you achieve certain service milestones, you become eligible for additional benefits that may affect the amount you'll receive in retirement. It's important to know about these critical service milestones – especially as you consider your retirement date.

A couple of examples:

5
YEARS

At five years of credit, your pension becomes vested, or guaranteed.

20
YEARS

At 20 years of credit, the pension factor used in the benefit calculation for Tiers 1-4 and Tier 6 increases.

25
YEARS

At 25 years of credit, the Tier 5 pension factor increases.

30
YEARS

At 30 years of credit, members may retire without an age-related reduction to their pension as follows: Tiers 2-4 at age 55, Tier 5 at age 57, and Tier 6 at age 58.

Track Your Service Credit With Your Benefit Profile

Know how much service credit you have by reviewing it at least annually.

Your *Benefit Profile*, which is always available in [MyNYSTRS](#), provides an annual overview of where your retirement stands based on your service credit, earnings and other key factors. It also includes your contact information and beneficiaries. Depending on your membership status and eligibility, your *Profile* may also include projections of service retirement benefits, disability and death benefit projections, a summary of your member contributions, and loan information (if applicable).

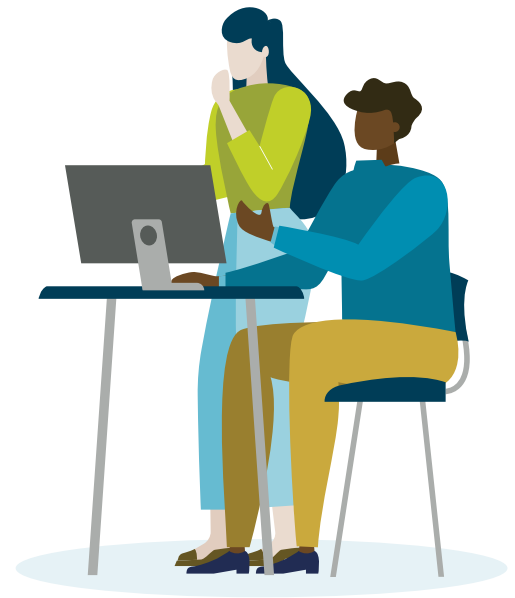
Review your *Profile* to verify your salary and service credit have been correctly reported to NYSTRS by your employer. If you notice an error, ask your employer to correct the records and to submit the revision to the System. Correcting any misinformation now will help expedite the processing of your benefits in the future.

Claim any uncredited prior service early to reduce the amount of interest due and to avoid delays in processing at retirement. Pursuing prior service early in your career is also important because some older records with your previous employer may only be available on paper, which may take time to locate.

Retire After a Service Milestone

If you're retiring near a key service milestone, be safe and work beyond the date you believe you will reach it. Miscalculating your credit or including time in your calculations that is not actually creditable could negatively impact your benefit – for life.

Take, for example, Eddie Educator. Eddie, a Tier 4 member, was ready to retire after 30 years of teaching. But before filing their retirement application, Eddie reviewed the service credit history in their *Benefit Profile* to confirm they had earned 30 years of service credit. Good thing they did – Eddie was just shy of the 30-year mark! Thanks to that review, Eddie delayed their retirement plans by a few months. As a Tier 4 member, this allowed them to avoid an age-related reduction to their benefit.



Tier 4: The Significance of One Year

29
YEARS

Age 55

Final Average Salary: \$78,000

Pension Calculation:

$29 \text{ years} \times 2\% \text{ pension factor} = 58\%$

$58\% \times .73 \text{ age factor} = 42.34$

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

Maximum Annual Pension

30
YEARS

Age 56

Final Average Salary: \$80,000

Pension Calculation:

$30 \text{ years} \times 2\% \text{ pension factor} = 60\%$

No age factor (30+ years)

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

Maximum Annual Pension

Learn more about your final average salary and pension calculation in the [Active Members' Handbook](#) at nystrs.org.

Your Retirement-Planning Assignment



Learn about the various types of service credit and milestones in our [Active Members' Handbook](#) at nystrs.org.



Know where your retirement stands. Review your annual *Benefit Profile*.



Talk to a NYSTRS representative about your specific situation before filing for retirement.

