



New York State  
Teachers'  
Retirement  
System

# Your Source

A newsletter for members of the NYS Teachers' Retirement System

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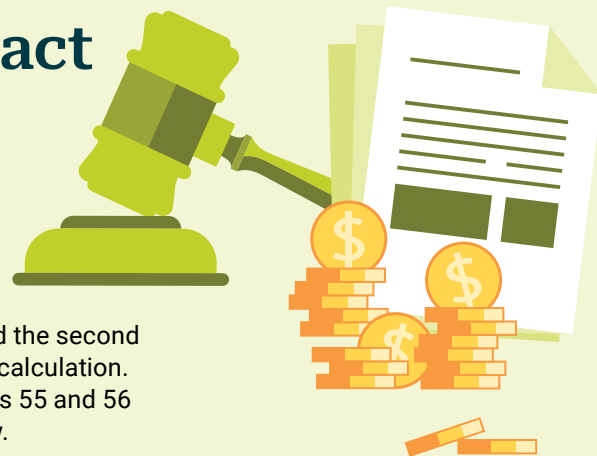
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## Two New Laws Impact Tier 6 Members

Contribution Rate on Base Pay Extended Two Years; FAS Reduced to Three Years

Two laws passed as part of the state budget affect Tier 6 members: The first extends a change to the determination of the employee contribution rate, and the second re-defines final average salary (FAS) to a three-year calculation. Details of the legislation, enacted as part of Chapters 55 and 56 of the Laws of 2024, appear in the summaries below.



### Change to Employee Contribution Rate Determination Extended for Two Years

Tier 6 members have a two-year extension, under Chapter 55 of the Laws of 2024, that permits their contribution rate to be determined using only their annual base wages for school years ending June 30, 2025 and June 30, 2026.

This new law is an extension of Chapter 56 of the Laws of 2022, which recognized many teachers had taken on additional duties because of the pandemic and helped keep teachers from being bumped into higher contribution rate categories as a result. Under this new law, any pensionable earnings in addition to annual base wages will not be included in determining the employee contribution rate, as it normally would. Keep in mind that the contribution rate will still be applied to all of the member's pensionable earnings.

As a reminder, Tier 6 members are required to contribute a variable contribution rate, which is determined by their pensionable earnings throughout their active membership. The first three years of a member's contribution rate is based on projected reportable earnings provided by the employer. Thereafter, the rate is determined by a two-year look-back using actual salary reported.

Under the new law, the rate for a Tier 6 member with four or more years of service for the school year ending June 30, 2025 would be based only on the member's base salary in the school year that ended on June 30, 2023. Likewise, a Tier 6 member's rate for the school year ended June

30, 2026 would be based only on their base salary in the school year ended June 30, 2024.

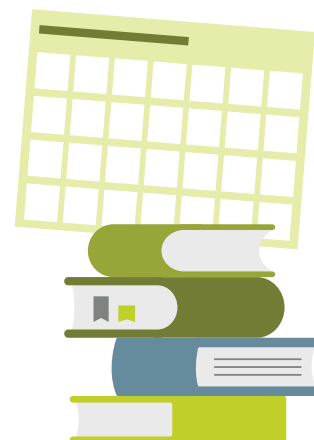
Read [Contribution Rate Information for Tier 6 Members](#) on the [Active Members/Service Credit & Contributions](#) page at [nystrs.org](#) to learn how the rate is determined.

### Final Average Salary Calculation Reduced to Three Years

Another law changed the definition of the final average salary (FAS) for Tier 6 members, which is now based on any three consecutive years that provide the highest average salary. Previously, FAS was based on the five consecutive years that provided the highest average salary.

This legislation, under Chapter 56 of the Laws of 2024, also reduced the FAS calculation look-back period to the same as Tier 4, excluding any yearly increases in salary that exceed 10% of the average of the previous two years' salaries (down from the previous four-year period). This change took effect April 20, 2024.

For additional information, visit the [Legislation/2024 Legislation](#) page at [nystrs.org](#).



## Know Your Rate!

Visit the My Retirement/Contributions page in your [MyNYSTRS](#) account to see your contribution rate.

10 Corporate Woods Drive  
Albany, NY 12211-2395  
nysters.org

**Office Hours**  
Monday-Friday: 8:30 a.m.-4:15 p.m.

**Summer Hours:**  
Monday-Thursday: 8 a.m.-4:15 p.m.  
Friday: 8 a.m.-12:30 p.m.

**Telephone:**  
800-348-7298

Beneficiary Information	Ext. 6130
Benefits Consultations	Ext. 6100
Direct Deposit	Ext. 6230
Disability	Ext. 6010
Earnings After Retirement	Ext. 6150
General Information	Ext. 6250
In-Service Death Benefit Info.	Ext. 6110
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PREP Seminars	Ext. 6180
Prior Service	Ext. 6030
Reinst./Retro. Membership	Ext. 6070
Report Fraud	Ext. 2846
Retirement Estimates	Ext. 6020
Transfer-In	Ext. 6040
Transfer-Out	Ext. 6050

**Automated Hotline**  
800-782-0289

**Fraud Complaint?**  
Email investigations@nysters.org or call the Report Fraud number listed above.

**Never Miss an Issue**  
*Your Source* is produced four times a year with a once-annual printed edition in the spring. All other issues are online only. E-subscribe in your MyNYSTRS account to receive all issues.

## NYSTRS Board Meeting Summaries

Read the summary of actions from the Board's April 2024 meeting on the About Us/Retirement Board/Board Meetings page at nysters.org.

## Four Fundamentals: Divorce & DRO



### ? HOW DROS WORK

When a NYSTRS member divorces, a court may determine that the member's former spouse is entitled to share in the member's NYSTRS benefits. Under New York state law, pension benefits are marital assets that are subject to equitable distribution upon the member's divorce, to the extent those benefits were acquired during the marriage.

NYSTRS requires a court-signed, certified domestic relations order (DRO) that specifies how the member's benefits will be divided between parties.

### PERSON DIVORCE DECREES AND DROS DEFINED

Whereas a judgment or decree of divorce outlines the terms and conditions of a divorce, a DRO is a separate court-signed document that specifically addresses the member's benefit entitlements from the System.

### 📄 USE NYSTRS' ONLINE DRO FORM

Visit the [Forms/Legal Forms](#) page at nysters.org to access our [Domestic Relations Order Form](#), which helps you draft a DRO form based on your specific situation. After entering the required information, a PDF of the DRO is generated, which can be saved or printed.

Using our DRO form is not required. Rather, it is a tool that uses a standard template and helps members draft a DRO consistent with our rules and regulations. More complex cases should be discussed with our Legal department.

### ✓ ALL DROS REQUIRE NYSTRS APPROVAL

Attorneys are strongly advised to submit proposed DRO language to the Retirement System for review before seeking court approval. Once the final DRO has been signed by the court, a certified copy should be promptly sent to our Legal department.

The DRO's provisions will be implemented as soon as the Legal department verifies that the DRO meets the System's requirements.

For more information, read our DRO publications by going to the [Library/Publications/Legal](#) page at nysters.org.

## Delegates Needed to Fill Midterm Vacancies

Is your district one of the many that still have delegate vacancies to fill? If so, consider becoming a delegate!

Districts with ticket openings in both the delegate and alternate positions have until Oct. 1 to hold a special midterm election. Elected delegates will serve immediately until the current two-year term ends July 31, 2025.

A delegate serves as a liaison between NYSTRS and members at their district. They are also responsible for electing teacher members of the NYSTRS Board of Trustees at the Annual Delegates Meeting, which will be held this year on Nov. 3-4 at the Saratoga Springs City Center. For more information about a delegate's important role and the election process, visit the [Delegates](#) section at nysters.org.

To see if your district has any vacancies to fill, go to the [Delegates/About Delegates](#) page at nysters.org, scroll down to "Current Delegates and Alternates" and select [Delegates: 2023-2025 Term](#). Here, you will see how many delegates your district is entitled to have and who currently represents your district.

Your district's chief school administrator (CSA) or their designee is responsible for establishing reasonable election procedures, holding elections and reporting the results to NYSTRS. If there is only one delegate and alternate ticket for a position, no formal vote is necessary. Election results must be reported to NYSTRS by Oct. 6 via the online [Employer Secure Area](#) (ESA). Newly elected delegates and alternates begin serving as soon as election results are reported.

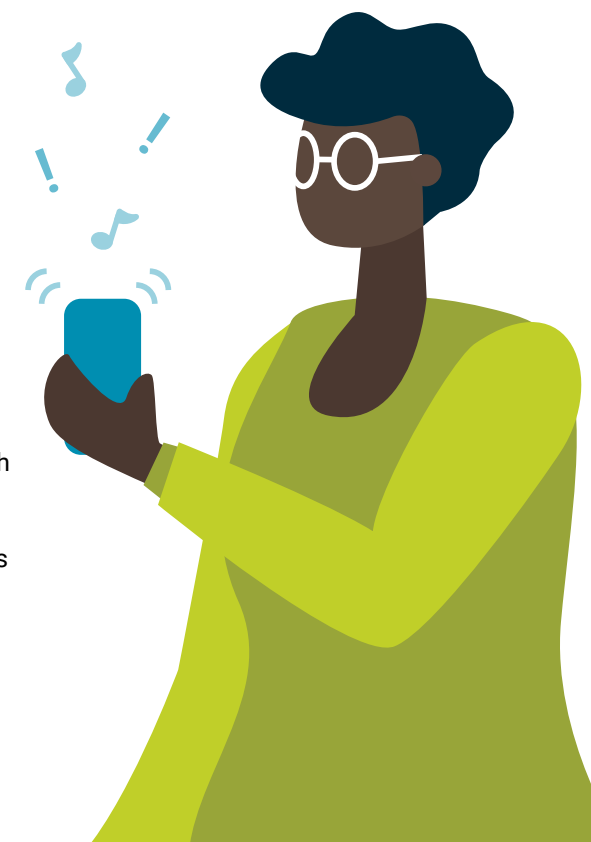
Please keep in mind that both delegates and alternates must be in-service, full-time (e.g., per-annum) employees who are NYSTRS members. Delegates and alternates are elected as a ticket and cannot be split. Therefore, an alternate for Delegate A cannot serve in place of Delegate B.

Interested in serving? Talk to your superintendent and/or your local bargaining unit about becoming a delegate and ask about plans for an election.

## Never Miss a Call From NYSTRS!

Some phones may mistake our calls as spam because our call center software uses an auto-dial feature to make calls. To prevent this from happening, add our main number to your known callers or contact list: 800-348-7298. That way, you'll always know it's us.

You can always contact us 24/7 through Secure Messaging in your [MyNYSTRS account](#). Secure Messaging allows the System to generally accept and process any item through secure messaging that we would accept through a signed message from the member. Secure Messaging can be found on the top menu of MyNYSTRS. *We will generally respond within three business days.*



## Former Teachers Entitled to Unclaimed Funds

We have a list of more than 15,000 former teachers who have not withdrawn their contributions, and we want to get those funds into their hands.

When a teacher leaves public school employment and ceases their membership in NYSTRS, they become eligible for a refund of their retirement contributions.

We've used every known avenue to locate these former members, their beneficiaries or their estates and come up empty.

Can you help us find your former co-workers and friends?

Go to nysters.org and click the [Unclaimed Funds](#) link on the bottom menu to view the abandoned accounts and unclaimed accounts lists. If you find someone you know, please contact them or their families and encourage them to call us at 800-348-7298, ext. 6090. There is no time limit for claiming an abandoned or unclaimed account.

# Planning for Retirement Pays Off

Retirees Who Plan Have More Wealth and Confidence

If you want to make sure you're happy, wealthy and wise in retirement, planning ahead helps. That's the takeaway from results of a recent survey from T. Rowe Price, which found that those with retirement plans reported more money and happiness entering retirement.

The global investment firm's annual Retirement Savings and Spending Study surveyed a nationally representative group of 401(k) participants and retirees. In addition to reporting two to four times more wealth compared to those without plans, respondents with formal plans reported feeling 62.5% happier, confident, and more excited about their financial future in retirement.

The study's findings also highlight the importance of financial literacy. Of the pre-retirees surveyed, 35% to 56% reported that their understanding of annuity investments was not very good or not good at all, and 65% were unaware how much they would be able to safely withdraw from their retirement savings.

As a NYSTRS member, you will have the financial security of your defined pension. You will receive your pension payment on time and in full every month in retirement. That said, it is always wise to think of your financial needs beyond your pension payment—and to plan before you reach retirement.

Planning for retirement is like building a house, with a NYSTRS pension laying the foundation. On top of that foundation includes educating yourself regarding decisions around Social Security and Medicare, tax and legacy planning, and additional personal investments such as 401(k) and 403(b) plans. While we encourage you to use a reputable financial planner to aid you in retirement planning, you should get pension advice directly from the source: NYSTRS.

*Members often tell us they wish they started planning for retirement earlier.*

*Don't let that happen to you!*

Members often tell us they wish they started planning for retirement earlier. Don't let that happen to you! NYSTRS offers a vast array of retirement planning resources to help guide members through each stage of their career.

Read the full T. Rowe Price study [online](#).

## Make a Plan With NYSTRS

The T. Rowe Price study underscores what we say to our members: no matter what stage of your career you're in, it's



always the right time to use NYSTRS' vast array of free tools and services. Visit [nystrs.org](https://nystrs.org) to learn more.

- Start by attending one of our [Pension & Retirement Education Program \(PREP\)](#) seminars.
- Review your annual *Benefit Profile*, which includes benefit estimates, and find additional resources in your [MyNYSTRS](#) account and by consulting the [Active Members' Handbook](#).
- Go to our [Ready to Retire](#) page, which includes everything you need to know about the NYSTRS retirement process.
- Schedule a [benefit consultation](#) with one of our information representatives. This should be a critical piece of the retirement process for you in the last two years before retiring.

## NYSTRS Pop Quiz!

*How many years of service does a Tier 3-6 member need to attain for their pension to become vested?*

[Click to answer our NYSTRS Pop Quiz question](#) and enter for a chance to win our giveaway!



## Calendar of Events

### July 2024:

- Summer PREP Seminars Begin

### August 2024:

- Summer PREP Seminars Continue

### September 2024:

- Sept. 2 – System Holiday
- Fall PREP Schedule Released