



# *Retired Members'* **Handbook**

## WELCOME, NYSTRS RETIREE!

This *Retired Members' Handbook* is intended to assist retired New York State public educators in understanding their NYSTRS retirement benefits. It's an important part of our commitment to ensure you have all the information you need to have a secure retirement.

The information in this *Handbook* is not intended to encompass all aspects of the Retirement System, or the laws and regulations that govern it. The purpose of this publication is to provide general information and address questions you may have about NYSTRS benefits.

If you print this *Handbook* and store it for future reference, know that the information contained within is subject to change as laws are added or amended. The most current version of this *Handbook* will always be found on [NYSTRS.org](http://NYSTRS.org).

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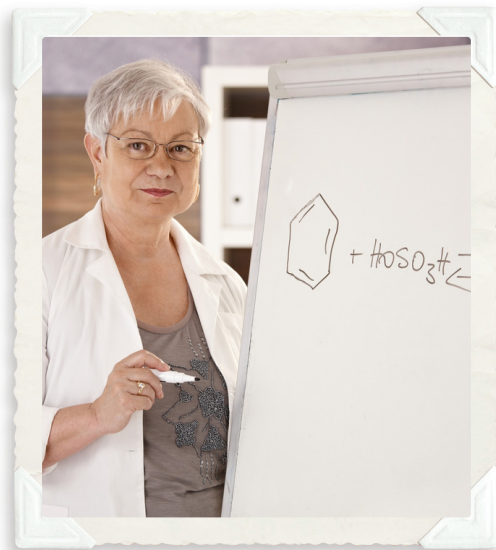


## COST-OF-LIVING ADJUSTMENT (COLA)

All eligible retired members receive a 1% to 3% COLA annually based on 50% of the increase in the Consumer Price Index between the current and previous March. The resulting percentage is multiplied by the first \$18,000 of the maximum retirement benefit to determine that year's adjustment. COLA increases begin with the September benefit payment each year.

To be eligible for a COLA, you must be one of the following:

- At least age 62 and retired at least five years.
- At least age 55 and retired at least 10 years.
- A retiree receiving a NYSTRS disability benefit for at least five years (regardless of age).
- A surviving spouse of an eligible retiree receiving a lifetime benefit. (By law, the spouse receives an increase equal to one-half the COLA the retiree would have received.)



## EMPLOYMENT EARNINGS IN RETIREMENT

Different guidelines apply to service and disability retirements. Make sure you are familiar with the requirements that apply to your situation before you begin working in retirement. If you have specific questions about your employment, call us at (800) 348-7298, Ext. 6150. If you work for a NYSTRS-participating employer, provide the employer with your EmplID, regardless of your anticipated earnings. See *Reporting Your Earnings* on page 4 of this brochure for why this is important.

The pamphlet *Working in Retirement* also explains earnings limits and their effect on your NYSTRS retirement benefit.

### **Service Retirement Earnings**

You can have unlimited earnings in the following types of employment:

- Private.
- Out-of-state.
- Federal government.
- Holding elected public office in New York State.
- Working as a consultant for a public employer if your date of membership is prior to May 31, 1973. All contracts must be reviewed by NYSTRS before employment begins.
- All employment (including NYS public employment) beginning in the calendar year you turn age 65.

### **Other NYS Public Employment**

If you do not meet any of the unlimited earnings criteria listed above, you can still work in New York State public employment, including teacher training centers, and collect your NYSTRS pension. Your choices are to work under either Section 212 or Section 211 of the Retirement and Social Security Law, or as a consultant (if approved by NYSTRS). In some instances, you may choose to suspend your NYSTRS retirement benefit.



Following is an overview of these different employment options:

### Section 212

Most of our under-65 retirees who work in public employment in retirement meet the provisions of this section of law. Under Section 212, you may return to New York State public employment and earn a designated amount per calendar year, as established by the State Legislature. The earnings limit for the 2020 calendar year and subsequent years is \$35,000. If you do not exceed the earnings limit, you do not need prior approval from NYSTRS for Section 212 employment. Likewise, your NYSTRS retirement benefit will not be reduced as long as your employment earnings are within the established limits.

Please note that if you exceed the earnings limit, you may be required to repay NYSTRS one day of your retirement benefit for each day you work beyond the limit.

The Social Security Administration (SSA) has its own rules for earnings while collecting a Social Security payment. Contact the SSA for information about the limitations.

### Section 211

If you opt for public employment that will exceed the Section 212 earnings limit, you can work under Section 211 with approval from whichever entity has jurisdiction over your employment. Waivers are granted by the New York State Department of Education, Chancellor of the New York City Department of Education, Trustees of the City University of New York, a SUNY or community college president, and the New York State or New York City Civil Service Commission. **Please note: The approval must be initiated by your employer.**

Under Section 211, a retired public employee is prevented from working in the same or similar position for one year from the retiree's date of retirement from a New York State public retirement system. This restriction does not exist under Section 212. Approvals are generally limited to one year.

Your earnings under Section 211 are limited if you work for an employer you received pay from in the two years prior to retirement and those salaries were used in your final average salary. In this instance, assuming approval is granted, the amount of your earnings during a calendar year is limited to the difference between your final average salary (or, if greater, the salary you would now be receiving had you continued in service) and your Maximum retirement benefit. Also, you cannot renounce earnings reported to the System in order to achieve unlimited earnings in retirement.

### Employment as a Consultant

The term "consultant" is often misused and misunderstood. Before accepting a position in this capacity, please review and understand how the Retirement System defines it. Employment that does not meet the NYSTRS requirements of working as a consultant could significantly impact your retirement benefit. (See sidebar article on page 3 that defines consulting.)



## CONSULTING DEFINED

*NYSTRS defines a consultant as someone who is an independent contractor, not an employee of the district. Also, the consultant cannot perform a function that normally would be performed by a teacher or administrator in that district.*

*Consultant agreements must be reviewed and approved by NYSTRS prior to beginning this employment. If you are currently working as a consultant and the System has not yet reviewed your agreement, you must submit the contract immediately for approval. Failure to do so may eventually result in a substantial loss of your pension benefits.*

*Depending on the date you last joined NYSTRS, the earnings limit for a NYSTRS-approved consultant differs.*

- If you joined NYSTRS **before** May 31, 1973, **and** your consultant agreement is approved by NYSTRS, you may have unlimited earnings.*
- If you joined NYSTRS **on or after** May 31, 1973, you are subject to the Section 212 or 211 earnings limit even if your employer considers you a consultant.*

*If the System does not approve your consultant agreement, you may be able to work for the employer under either Section 212 or 211. However, if your earnings exceed the allowable limits under these sections of law, you will need to repay part of your NYSTRS retirement benefit.*



## REPORTING YOUR EARNINGS

If you are under 65 and working for a New York State public employer, you are required to report your earnings to NYSTRS as soon as you reach the limit within a calendar year — even if you worked under a waiver or your public employer contracted with a private, third-party entity to hire you.

If you have a MyNYSTRS account, use the Earnings After Retirement feature to report your earnings. We recommend reporting monthly, even if you do not intend to exceed the limit. Timely self-reporting helps you track your earnings and avoid having to repay a portion of your retirement benefit.

Those without an account will need to complete and submit the Reporting Your New York State Public Employment Earnings (RMS-64.1) form as soon as they reach the limit in a calendar year. The form is available on the Retiree Forms page of NYSTRS.org.

If you work for a NYSTRS-participating employer (including New York State public school districts, qualifying charter schools, the state Education Department, SUNY or state community colleges), you must provide your NYSTRS EmplID to your employer. In addition to your own reporting, NYSTRS-participating employers must report your earnings to us on a monthly basis.

**Please Note:** If you are subject to an earnings limit and exceed the limit at any time during a calendar year, NYSTRS will suspend your pension for the remainder of the calendar year if you continue working in New York State public employment. You also will be required to repay NYSTRS either for each day you exceeded the limit (applicable to those who worked without a waiver) or the dollar amount you earned in excess of the waiver limit (applicable to those who had a waiver with a specified earnings limit).



### Third-Party Employment

If you are hired and paid by a private agency to fill a position on an interim basis with a New York State public school or other New York State public employer, you will be subject to the earnings provisions of Section 212 and 211 of the Retirement and Social Security law.

### Suspending Your Retirement Benefit

If you choose to work in full-time, contractual New York State public employment and you want to have unlimited earnings, you will need to suspend your NYSTRS retirement benefit. If you work for a NYSTRS-participating employer, you can rejoin the System as an active member under your original membership tier. In this scenario, your date of membership will be the last day of that tier, not your original date of membership.

In general, you can receive an additional benefit after two extra years of service credit. (If you retired under Tier 3, you would become eligible after five extra years of service credit.) If you receive an additional benefit, you will lose any state retirement incentive service previously credited.

To be eligible for a recalculated benefit based on your service credit both before and after restoring your active status, you would need to **a)** complete five years of service credit after restoration, and **b)** repay the System the benefits you received before restoration, plus interest.

Repayment can be made in a lump sum or as a reduction in your retirement benefit based on the actuarial equivalent of the lump sum. If you choose the latter, the reduction continues throughout your retirement.

If you resume retirement without meeting the service credit requirements necessary for an additional benefit or a full recalculation, your benefit will remain unchanged.

### Disability Retirement Earnings

#### Tier 1 and 2 Members

Once each year the System will request a report of your gross earnings from all employment.

While on disability retirement, you may engage in gainful employment.





## UPDATING BENEFICIARY INFORMATION

*Whether you can change your beneficiary designation in retirement depends on what option you selected. You can change your beneficiary only if (1) you are a Tier 2-6 member with a Paragraph 2 in-service death benefit that was in effect at retirement, or (2) you selected a lump sum or guarantee period option, providing the coverage is still in effect.*

*To change your beneficiary(ies) for your Paragraph 2 death benefit and/or your pension (if applicable), use the Beneficiaries tab under My Retirement in your secure MyNYSTRS account. Alternatively, you may file a properly completed and notarized paper form with the System. For the Paragraph 2 death benefit, use the form Designation of Beneficiary for In-Service or Post-Retirement Paragraph 2 Death Benefit (NET-11.4). For a pension beneficiary, use Designation of Beneficiary for Retirees Electing a Guarantee Option (RMS-5.3) or Designation of Beneficiary for Retirees Electing a Lump Sum Option (RMS-5) depending on which option you chose at retirement. The forms are available on the Retiree Forms page at NYSTRS.org or by calling the NYSTRS Hotline at (800) 782-0289.*

*New beneficiaries filed will supersede any previous designation. If you want to add a new beneficiary, you must file a new designation that includes all beneficiaries you wish to designate. Members with a Domestic Relations Order (DRO) on file cannot change their beneficiaries using MyNYSTRS at this time.*

*If you selected the Maximum at retirement, there is no payment to a beneficiary. If you selected a survivor or pop-up option, which provides a lifetime payment to one beneficiary only, you cannot change your beneficiary.*

*Remember: Notify NYSTRS if you selected a pop-up option and your beneficiary predeceases you so we can adjust your monthly benefit to the Maximum.*

However, the amount of earnings during a calendar year is limited to the difference between your final average salary (or if greater, the salary you would now be receiving had you continued in service) and your retirement benefit. This calculation considers income from all forms of employment, but does not include returns on investments (stocks, bonds, etc.) or other disability benefits you are receiving. If you earn more than the limit, your disability benefit will be reduced to reflect the excess earnings.

A disability retiree may be required at any time to undergo a medical examination by a physician designated by the System. If the NYSTRS Medical Board determines that you are no longer disabled, or if you return to teaching at a salary greater than your final average salary, your disability benefit will be discontinued and you will be restored to active membership.

### Tier 3-6 Members

You must be totally and permanently disabled from all employment to qualify for, and continue to receive, a benefit. Employment of any type may jeopardize your disability retirement.

## TAXES ON YOUR BENEFIT

Your retirement benefit is subject to federal income tax (except for previously taxed contributions). The federal tax tables can help you determine how much NYSTRS would withhold from your benefit payment under various scenarios.

You can have your taxes withheld from your monthly payments or you can make quarterly estimated tax payments. If you do not file a W-4P Withholding Election and Certificate form, federal taxes will be withheld automatically at the rate for “married with three exemptions.” To elect a new withholding amount, you must submit a W-4P form with the System. You can change your tax withholding at any time and, generally, a change received by the 12th of a month will be reflected in that month’s payment. MyNYSTRS account holders have the convenience of updating their W-4P withholding election online.

Each January you will receive a 1099-R form listing the gross amount of your benefit, the taxable amount, and any federal income tax withheld for the previous calendar year.

Remember: If you become a resident of another state, your benefit will be subject to that state’s tax rules. You can find information about other states’ tax laws at [www.rpea.org](http://www.rpea.org).





## REPORTING A RETIREE'S DEATH

*The death of a retired member or beneficiary should be reported to the System by calling (800) 348-7298, Ext. 6140.*

*The following information is needed:*

- *Member/beneficiary name.*
- *Member/beneficiary EmplID or Social Security number.*
- *Date of death.*
- *Name, address and relationship of the survivor to contact.*
- *Name, address and telephone number of the person handling the estate.*

*Once this information is received, we will contact the appropriate person(s) as necessary. In most cases, it will be necessary to provide NYSTRS with a death certificate.*



## DEATH BENEFIT UNDER TIERS 2-6

Tier 2-6 members who meet eligibility requirements may have a death benefit in retirement. If the death benefit was in effect when you retired, the payment at death is as follows:

- |                             |                                                                   |
|-----------------------------|-------------------------------------------------------------------|
| <b>1st year:</b>            | 50% of the death benefit in effect at retirement.                 |
| <b>2nd year:</b>            | 25% of the death benefit in effect at retirement.                 |
| <b>3rd year and beyond:</b> | 10% of the death benefit at age 60 or at retirement (if earlier). |

You may designate a beneficiary(ies) or name your estate as beneficiary for this death benefit. Changes may be made at any time.

## POWER OF ATTORNEY

With a power of attorney, you name an agent to act on your behalf in a broad range of personal, legal, financial and other affairs, including NYSTRS matters. Under a durable power of attorney, the agent can act for you even if you become legally incapacitated.

Although a durable power of attorney is revocable before someone becomes incapacitated, banks or other third parties that are not notified when a power of attorney is revoked are generally entitled to rely on their good-faith belief as to the power's continued validity. In any event, a durable power of attorney ends upon death unless revoked earlier.

A durable power of attorney may make it possible to avoid the expense and formality of a court-ordered guardianship should you subsequently become incompetent. A guardianship, however, affords a stricter accountability and more stringent controls on conflicts of interest.

The use of a durable power of attorney is a personal decision that should be based upon your particular needs and objectives. Due to the high degree of control vested in the person named to act on your behalf by the durable power of attorney, only a trusted person



should be named. In any case, because it is a powerful document, the System strongly recommends that you consult with an attorney before executing a durable power of attorney.

The Special Durable Power of Attorney Form is available on the Legal Publications page of our Library, or by calling our Hotline at (800) 782-0289.

## DIRECT DEPOSIT

If you are like most NYSTRS retirees, your monthly benefit payment is deposited directly into your bank account. If you switch banks or accounts in retirement, if possible, try to establish the new account with NYSTRS before closing out the existing account. This will help avoid the bank's possible rejection of your benefit payment. There are two options for changing your direct deposit:

### Option 1

Submit the change online with a MyNYSTRS account. Visit the Tools > Direct Deposit Authorization Agreement page to update your information.

### Option 2

Complete and submit to NYSTRS a new *Direct Deposit Authorization Agreement* (GRE-54), available on the Retiree Forms page of our website or by calling (800) 348-7298, Ext. 6230.

If you use a brokerage firm that clears payments through a bank, please call that firm to get the proper direct deposit ACH (Automated Clearing House) instructions, and provide us with the institution's name, your account number and the routing (ABA) number to which direct deposit payments should be sent.

Be sure to sign all correspondence sent to the System on this matter. Unless there is a power of attorney or court-appointed guardian on file with NYSTRS, no one else may sign for you.

Changes must be received at the System by our payroll processing deadline (on or about the 10th of the month) to ensure the change takes effect for that month's payment. For more information about direct deposit and the authorization process, please call us at (800) 348-7298, Ext. 6230.



## CHANGE OF ADDRESS

*So that we can provide you with the annual Retired Member Profile, your year-end tax information, and the retiree newsletter Resource, it is important that we have your current address on file. You must report any address change in writing with your signature. You can use the Member Name/Address Change (GRE-50) form. Return the form to NYSTRS by mail or fax to (518) 447-4749. MyNYSTRS account holders have the convenience of changing their address online.*



## CONTACT US

**Phone:** (800) 348-7298  
**Albany Area Calls:** (518) 447-2900

**General:** Ext. 6150  
**Direct Deposit:** Ext. 6230  
**Earnings After Retirement:** Ext. 6150  
**Legislation:** Ext. 6200  
**Lost Checks:** Ext. 6160  
**Report a Retiree's Death:** Ext. 6140  
**Taxes and Withholding:** Ext. 6120

**Email:** [communit@nystrs.org](mailto:communit@nystrs.org)

**Visit:** 10 Corporate Woods Drive  
Albany, NY 12211

**Web:** [NYSTRS.org](http://NYSTRS.org)



## BENEFIT PAYMENT DATES

Retirement benefit check and direct deposit dates are the last business day of each month. A current calendar can be found on the Retirees page of NYSTRS.org.

## FOR MORE INFORMATION

### HOTLINE

Call (800) 782-0289 to request System forms and publications and to hear recorded messages about benefit news, such as when the 1099-R forms will be mailed. This service is available 24 hours a day, seven days a week.

### WEBSITE

Our website at NYSTRS.org is an excellent resource for NYSTRS and retirement-related information. If you want a quick answer to a general benefit or retirement question, you'll find it here. You can also access the latest news, read NYSTRS publications, learn about System services, print forms, and discover other online resources for retirees.

In addition, you can access your specific NYSTRS benefit information at any time by registering for a MyNYSTRS account. To register, you will need to enter your Social Security number, date of birth and NYSTRS EmplID.

### RETIRED MEMBER PROFILE

The *Retired Member Profile* is intended to help our retired members keep track of their NYSTRS benefits. It includes:

- Your date of retirement.
- The benefit choice you selected at retirement (either the Maximum or an option).
- Your designated beneficiaries, if applicable.
- Death benefit information, if applicable.
- A snapshot of your gross monthly income, including any cost-of-living adjustments (COLAs) or deductions.
- A net monthly payment amount.

The *Retired Member Profile* is provided as a service to you and should not be used for income tax reporting. For tax purposes, you will continue to receive a 1099-R form each January.

### RESOURCE NEWSLETTER

The retiree newsletter *Resource*, published three times annually, keeps you informed of the latest benefit information and other retirement-related topics. To request an audio version of *Resource*, please contact us at (800) 348-7298, Ext. 4785 or [convd@nystrs.org](mailto:convd@nystrs.org).