

Summary Plan Description Tier VI



Teachers' Retirement System of the City of New York

Summary Plan Description

Tier VI

INTRODUCTION.....	1
<i>MEMBER RESOURCES</i>	1
1. TRS MEMBERSHIP AND ELIGIBILITY	2
1.1. ELIGIBILITY FOR TRS MEMBERSHIP	2
1.2. ENROLLING IN TRS.....	2
1.3. TIER STATUS AND REINSTATEMENT	2
2. CONTRIBUTIONS TO THE QPP	3
2.1. CONTRIBUTIONS.....	3
2.2. WAGES.....	4
2.3. DEFICITS.....	4
3. CREDITED SERVICE.....	5
3.1. TYPES OF CREDITED SERVICE.....	5
3.2. PURCHASING CREDIT FOR OPTIONAL SERVICE	5
3.3. CREDITING EQUIVALENCIES FOR MEMBERS NOT EMPLOYED FULL TIME	6
3.4. RECEIVING CREDIT FOR MULTIPLE EMPLOYMENT	6
3.5. MILITARY SERVICE	6
4. LOANS.....	8
4.1. ELIGIBILITY.....	8
4.2. APPLYING FOR A LOAN	9
4.3. REPAYING A LOAN	9
<i>SERVICE CHARGE</i>	9
<i>INTEREST</i>	9
<i>INSURANCE</i>	9
<i>DEFAULT</i>	10
4.4. LEAVING SERVICE WITH A LOAN BALANCE.....	10
5. SEPARATING FROM SERVICE BEFORE RETIREMENT	11
5.1. MAINTAINING MEMBERSHIP RIGHTS.....	11
5.2. TRANSFERRING MEMBERSHIP.....	11
5.3. BECOMING A TRANSFERRED CONTRIBUTOR.....	11
5.4. WITHDRAWING TRS FUNDS	12

6. SERVICE RETIREMENT	13
6.1. ELIGIBILITY	13
6.2. BENEFITS	13
<i>FINAL AVERAGE SALARY</i>	13
<i>QPP ACCOUNTS</i>	13
<i>EARLY SERVICE RETIREMENT AND BENEFIT REDUCTION</i>	14
6.3. PAYMENT OPTIONS FOR A QPP RETIREMENT ALLOWANCE	14
<i>MAXIMUM PAYMENT OPTION</i>	14
<i>CONTINUING PAYMENT OPTIONS</i>	14
<i>"POP-UP" PAYMENT OPTIONS</i>	15
<i>GUARANTEED NUMBER OF PAYMENTS OPTIONS</i>	15
6.4. BENEFICIARY DESIGNATION FOR PAYMENT OPTIONS	15
6.5. ADDITIONAL BENEFITS FOR BENEFICIARIES OF RETIREES	15
6.6. DOMESTIC RELATIONS ORDERS.....	16
6.7. TDA OPTIONS UPON RETIREMENT	16
6.8. FILING FOR SERVICE RETIREMENT.....	16
7. DISABILITY RETIREMENT	17
7.1. TYPES OF DISABILITY RETIREMENT.....	17
<i>ORDINARY DISABILITY RETIREMENT</i>	17
<i>ACCIDENT DISABILITY RETIREMENT</i>	17
<i>LUMP-SUM DISABILITY RETIREMENT</i>	17
7.2. FILING REQUIREMENTS	18
7.3. DISABILITY RETIREMENT APPLICATION PROCESS	18
7.4. PROCESS FOR DENIED APPLICATIONS	18
7.5. CALCULATION OF A DISABILITY RETIREMENT ALLOWANCE	19
<i>PAYMENT OPTIONS</i>	19
7.6. CALCULATION OF A LUMP-SUM DISABILITY BENEFIT	19
8. POST-RETIREMENT	20
8.1. COST-OF-LIVING ADJUSTMENTS.....	20
8.2. TAXES ON RETIREMENT BENEFITS.....	20
8.3. RETURN TO ACTIVE SERVICE FROM RETIREMENT	20
8.4. RESTRICTIONS ON POST-RETIREMENT EARNINGS.....	21
9. DEATH BENEFITS.....	22
9.1. ORDINARY DEATH BENEFIT.....	22
9.2. VESTED DEATH BENEFIT	22
9.3. ACCIDENTAL DEATH BENEFIT.....	23
9.4. POST-RETIREMENT DEATH BENEFIT	23
9.5. INFORMATION FOR SURVIVING BENEFICIARIES	24
10. GLOSSARY	25

Tier VI Summary Plan Description

Introduction

The Teachers' Retirement System of the City of New York (TRS) was established on August 1, 1917 under Chapter 303 of the Laws of 1917. Today TRS is one of the largest municipal public employee retirement systems in the United States, with more than 200,000 in-service members, retirees, and beneficiaries.

TRS is pleased to provide this Summary Plan Description (SPD), which describes features and benefits of TRS membership for Tier VI members and participation in TRS' Qualified Pension Plan (QPP). This document covers the following topics:

- TRS Membership and Eligibility
- Pension Contributions
- Credited Service
- Loans
- Separating from Service before Retirement
- Service Retirements
- Disability Retirements
- Death Benefits

TRS members also have the option of participating in TRS' Tax-Deferred Annuity (TDA) Program, a defined-contribution retirement plan administered under Section 403(b) of the Internal Revenue Code. The TDA Program is described in another TRS publication, the [TDA Program Summary](#).

The information in this SPD is specific to TRS members in Tier VI; some aspects of TRS membership differ according to tier status. This information herein is derived from applicable laws, regulations, and/or rules, including but not limited to, the Administrative Code of the City of New York, the New York State Retirement and Social Security Law (RSSL), the New York State Education Law (EDNL), and TRS' policies. Laws and rules governing TRS and its benefits may change from time to time. When such changes occur, TRS announces them on its website. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.

Member Resources

TRS' website at www.trsnyc.org provides a wealth of information and features a secure section where members can log in to access and manage their TRS accounts. Additional assistance is available as follows:

- By phone: 1 (888) 8-NYC-TRS (1-888-869-2877)
- In person: 55 Water Street in lower Manhattan. TRS' entrance faces the Vietnam Veterans Memorial Plaza.
- By mail: TRS Correspondence Unit, 55 Water Street, New York, NY 10041

Member Services Representatives are generally available Monday through Friday, 8:30 a.m. to 5:00 p.m., except on New York City holidays.

1. TRS MEMBERSHIP AND ELIGIBILITY

1.1. Eligibility for TRS Membership

Employment with one of the following employers may qualify for membership in TRS:

- The New York City Department of Education (DOE)
- A New York City charter school that participates with TRS for pension coverage
- The City University of New York (CUNY)

Membership is available to employees of these entities as follows:

New York City Department of Education or Participating Charter Schools

- Appointed teachers and pedagogues automatically become TRS members as of their appointment date.
- Certain paraprofessionals¹ can join TRS at any time during their employment.

City University of New York

- Full-time employees in certain educational and administrative titles² can join either TRS or the Optional Retirement Program within 30 days of their CUNY appointment. If they do not make an election within that period, they become TRS members as of their appointment date.
- Instructors (teaching and non-teaching) in adjunct or substitute employment status can join TRS.

Note: Employees whose positions do not qualify them for TRS membership may be eligible for membership in the New York City Board of Education Retirement System (BERS) or the New York City Employees' Retirement System (NYCERS).

SR³: NYC Administrative Code §13-501; RSSL §600; EDNL §182, §2854 subdivision 3(c) and §6253

1.2. Enrolling in TRS

Members whose TRS membership is automatically established do not need to apply for membership. Their membership will begin as of their appointment date. However, those individuals for whom membership in TRS is optional must apply for membership, and their membership will begin as of their application date.

1.3. Tier Status and Reinstatement

Tier status determines eligibility for many TRS benefits. The New York State Retirement and Social Security Law (RSSL) was amended by Chapter 18 of the Laws of 2012, establishing Tier VI for members who joined TRS on or after April 1, 2012.

Tier VI members who previously joined a New York City or State public retirement system prior to April 1, 2012 but lost their prior membership rights may be reinstated to their previous tier (*e.g.*, Tier IV). Once a member applies for reinstatement, TRS notifies the member of his or her eligibility and any cost involved.

LR⁴: Chapter 18 of the Laws of 2012; Chapter 640 of the Laws of 1998, as amended by Chapter 646 of the Laws of 1999

SR: RSSL §645

¹ Eligible paraprofessional titles include Auxiliary Trainer, Bilingual Professional Assistant, Educational Assistant, Educational Associate, Family Assistant (A & B), Family Associate, Family Worker, Health Aide, Parent Program Assistant, and Teacher Aide.

² These are the instructional and higher educational administration series titles. Employees working solely for the CUNY Research Foundation are not eligible for TRS membership.

³ Statutory Reference; see Glossary for definition.

⁴ Legislative Reference; see Glossary for definition.

Tier VI Summary Plan Description

2. CONTRIBUTIONS TO THE QPP

TRS members participate in TRS' Qualified Pension Plan (QPP), a defined-benefit retirement plan administered under Section 401(a) of the Internal Revenue Code.

2.1. Contributions

The QPP is funded by Tier VI members and employers as follows:

- Members make Basic Member Contributions (BMCs) of 3% to 6% of annual wages during a “plan year”⁵ according to the table below.

Annual Wage	Contribution Rate
\$45,000 and less	3.00%
More than \$45,000 to \$55,000	3.50%
More than \$55,000 to \$75,000	4.50%
More than \$75,000 to \$100,000	5.75%
More than \$100,000	6.00%

- For the first three plan years of membership, TRS uses projected annual earnings provided by the employer(s) to determine the contribution rates. For the fourth plan year of membership and each plan year thereafter, TRS uses the actual wages earned two plan years prior to the current plan year, as indicated below.

Projected Wage Method (First Three Plan Years)			
	1 st Plan Year	2 nd Plan Year	3 rd Plan Year
Projected annual salary	\$70,000	\$71,000	\$72,000
Rate based on projected annual salary	4.5%	4.5%	4.5%
Actual wages earned in the plan year	\$72,000	\$72,500	\$76,000
Contributions made in the plan year	\$3,240 (4.5% of \$72,000)	\$3,263 (4.5% of \$72,500)	\$3,420 (4.5% of \$76,000)
Actual Wage Method (Fourth Plan Year and thereafter)			
	4 th Plan Year	5 th Plan Year	
Actual wages earned in the plan year	\$80,000	\$82,500	
Rate based on actual wages earned two plan years prior to current plan year	4.5% (2 nd plan year)	5.75% (3 rd plan year)	
Contributions made in the plan year	\$3,600 (4.5% of \$80,000)	\$4,744 (5.75% of \$82,500)	

- BMCs must be made until separation from service or retirement. These contributions are held in the Member Contribution Accumulation Fund (MCAF) and accrue 5% annual interest.

⁵ Chapter 510 of the NY laws of 2015 changed the definition of plan year from the period April 1 to March 31 to the Calendar Year (i.e., January 1 to December 31), effective January 1, 2017.

Tier VI Summary Plan Description

- Employer contributions are made by the Department of Education, participating Charter Schools, and the City University of New York.
- In addition, the Department of Education and some Charter Schools may make supplemental contributions for certain members who have reached their maximum salary schedule.⁶ The supplemental contributions are held in the Annuity Savings Accumulation Fund (ASAF).

LR: Chapter 414 of the Laws of 1983, as amended by Chapter 15 of the Laws of 2012, and further amended by Chapter 510 of the Laws of 2015

SR: RSSL §613 subdivisions a and c; EDNL §390 subdivision 3-a

2.2. Wages

In this SPD, the term “wages” means regular compensation earned by and paid to a member. The definition of wages excludes the following payments:

- Overtime compensation paid in any year in excess of the overtime ceiling;⁷
- Lump-sum payments for accumulated vacation/sick leave and deferred compensation;
- Any form of termination pay and any additional compensation paid in anticipation of retirement;
- Compensation from the third and each successive employer in a 12-month period; and
- Payments in excess of the salary paid to the Governor of the State of New York. The following table summarizes the current and proposed salary history.

Calendar Year	Governor’s Salary
2012-2018	\$179,000
2019	\$200,000
2020	\$225,000
2021*	\$250,000

*Conditioned on timely passage of preceding year’s budget

SR: RSSL §601 subdivision I

2.3. Deficits

Any shortage of member contributions is known as a deficit. The following situations may cause a deficit:

- Delays in initiating contributions on payroll;
- Interruptions in deductions on payroll;
- Deductions not taken from additional pensionable earnings;⁸ and
- Transfer-in situations where contributions are owed for a period of service associated with a membership transfer.

Members must resolve deficits in their QPP accounts before retirement benefits can be determined. All deficits accrue 5% annual interest.

Deficits are recouped when possible through payment plans of deductions from pay. For BMC deficits, the duration of the default plan is equivalent to the duration of the deficit period(s).

⁶ For teachers, the supplemental contribution amount is \$400 per year; for supervisors, it is \$550. Paraprofessional members are not eligible.

⁷ The overtime ceiling is \$17,067 for 2020; this amount is indexed annually according to the Consumer Price Index.

⁸ Additional earnings, paid separately from the contractual salary, may include pay for per-session service, class coverage work, summer employment, or a secondary position, as well as union payments such as bonuses, differentials and retroactive pay.

3. CREDITED SERVICE

3.1. Types of Credited Service

Total Service Credit is a critical factor in determining eligibility for retirement and the amount of many TRS benefits. It consists of the following types of service:

- **Membership Service:** Service credit performed as a TRS member.
- **Transferred Service:** Service credit transferred to TRS as part of a membership transfer from an eligible retirement system.⁹
- **Optional Service:** Service available for purchase, in one of the following categories:
 - **Prior Service** - Any creditable public service within New York State (including New York City) performed before becoming a TRS member.
 - **Amann Service** - Any creditable public service within New York State (including New York City) such as regular substitute teaching and/or per diem service performed during a leave of absence or after separating from service from a TRS-eligible position. (Credit for such service, known as “Amann service,” can be purchased only if the member returns to a TRS-eligible position or becomes a transferred contributor.)
 - **Military Service** - Eligible military service that federal and/or state law allow members to purchase for time spent in a branch of the U.S. military before and/or during TRS membership.

Note: Certain non-military leaves of absence without pay may also be creditable under limited circumstances; these include leaves for public employment in a New York State or City position that is not a TRS-eligible position, as well as for service as an officer of or on the staff of a recognized collective bargaining agency.

SR: RSSL §609

3.2. Purchasing Credit for Optional Service

Members may purchase credit for the categories of optional service described above. In most cases, members must have two years of membership service in order to receive credit for purchased optional service; the cost is 6% of the wages for the service performed plus 5% interest compounded annually, from the date of service to the date of payment. Members may have the following options for payment:

- A lump-sum payment
- Payment plan of deductions from pay
- Transfer of funds from an external NYS- or NYC-sponsored Section 403(b) or Section 457 Plan
- Transfer of funds from their TRS TDA account

SR: RSSL §609

⁹ New York City Board of Education Retirement System, New York City Employees' Retirement System, New York State and Local Retirement System, New York State Teachers' Retirement System

3.3. Crediting Equivalencies for Members Not Employed Full Time

Members receive a maximum of one year of credited service per year. TRS adjusts the service credit for members in part-time positions to reflect the reduced amount of service performed. The most common categories of part-time service are shown below, along with the minimum amount required for service credit:

- **Substitute teaching** – Minimum: 20 days during a school year. Total service less than 170 days is prorated.
- **Paraprofessional** – Minimum: 233 hours during a school year. Total service less than 935 hours is prorated.
- **Adjunct teaching** – Minimum: 45 hours during a school year. Total service less than 360 hours is prorated.
- **Adult education teaching** – Minimum: 255 hours during a school year. Total service less than 1,020 hours is prorated.

SR: RSSL §609 (in conjunction with TRS Board Resolution Part 1003, effective January 1, 1993)

3.4. Receiving Credit for Multiple Employment

Members may attain “multiple employment membership status” if they are employed in two or more TRS-eligible positions, either full-time or part-time, during the same school year. The primary position is the one on which membership is based.

Members who concurrently hold two or more TRS-eligible positions must make member contributions based on their wages¹⁰ from these positions.

Members may not earn a greater amount of service credit in any period of time than they could have earned during that same period from one full-time position. Therefore, if the member has a regular full-time position, having an additional part-time position does not increase service credit.

3.5. Military Service

Federal and state laws, each with different provisions, allow members to purchase service credit for time spent in the U.S. uniformed services, which include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health Service commissioned corps, as well as the reserve components of each of these services. Interest may apply to purchases of military service credit. Members may receive military service credit under the provisions that provide the maximum benefit, as long as they have met the service eligibility criteria and have not received credit for the service periods in any public retirement system within New York State.

In all cases, members must apply for military service credit before retirement. They must provide proof of honorable discharge from military service (*i.e.*, Form DD-214 or the equivalent). The provisions of the pertinent laws are as follows.

¹⁰ Wages earned from the third or successive employer(s) are excluded. (See Wages Section 2.2)

Tier VI Summary Plan Description

Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

Under USERRA, members who held a New York City position at the time of their entry to military service can apply for service credit for up to five years of military duty. (Some exceptions for longer periods may be granted.)

Re-employment must begin within 90 days after termination of military duty if the military service lasted more than 180 days, or within 14 days if the military service lasted between 31 and 180 days. After re-employment, members may apply to purchase credit for the military service. The cost is based on the compensation that they would have received in the position “but for” the absence during the period of military service. The cost is the equivalent of the member contributions that would have been required during the absence. Payment for service credit must be made within three times the period of military service but no longer than five years from the date of re-employment.

LR: Chapter 238 of the Laws of 2008

SR: NYS Military Law §242 and §243-d

Article 20 of the New York State Retirement and Social Security Law

Under this law, members may purchase military service credit of up to three years, including military service performed before their TRS membership began. To be eligible, members must have at least five years of credited service.

Payment for service credit must be made within a time period that does not exceed the period of military service to be credited. For Tier VI members, the cost to purchase such service credit is 6% of the member’s compensation earned during the 12 months of credited service immediately preceding the date the member made the application for the credit, multiplied by the number of years of military service claimed. If the full cost is not paid before the member’s retirement, the amount of military service credited will be proportional to the amount paid before retirement.

LR: Chapter 548 of the Laws of 2000, as amended by Chapter 41 of the Laws of 2016; Chapter 18 of the Laws of 2018

SR: RSSL §1000

Article 11 of the New York State Military Law

Members who were on a leave of absence from a TRS-eligible position while engaged in the performance of military service may apply for service credit of up to four years (five years if the military service was extended at the request of the Federal Government).

Members must apply for reinstatement to the position within 90 days after termination from military duty, or at any time during the leave, and payment for service credit must be made within five years from restoration to the position.

The cost is based on the compensation that they would have received in the position “but for” the absence during the period of military service. The cost is the equivalent of the member contributions that would have been required during the absence.

SR: NYS Military Law §243

4. LOANS

4.1. Eligibility

Members are eligible to take a loan from QPP funds if they:

- Are in active payroll status, including on an approved leave of absence;
- Have at least one year of TRS membership service, or at least one year of service transferred from another public retirement system within New York State;
- Are not currently in default on a QPP loan; and
- Are not retired.

Note: Members may also take loans against their accounts in TRS' TDA Program. For more information, refer to the [TDA Program Summary](#).

For members with no outstanding QPP loan balance, the minimum QPP loan amount is \$1,000. For members with an outstanding QPP loan, the minimum new loan amount is \$250, and the total outstanding QPP loan balance must be at least \$1,000.

The maximum loan amount available to members depends on the balances in their QPP accounts¹¹ and the amount of any outstanding loan balances. The total loan balance, including QPP loans, TDA loans, and loans taken from the New York City Deferred Compensation Plan (DCP), may not exceed \$50,000.

For members with less than five years of membership service, the maximum QPP loan amount is the least of:

- A. \$50,000, less the highest combined outstanding QPP, TDA, and DCP loan balance during the previous 12-month period;
- B. 75% of the value of the QPP accounts, less any outstanding QPP loan balance; and
- C. The greater of:
 - 50% of the combined value of the QPP, TDA, and DCP accounts, less the combined outstanding QPP, TDA, and DCP loan balances; and
 - \$10,000, less the combined outstanding QPP, TDA, and DCP loan balances.

For members with at least five years of membership service, the maximum QPP loan amount is the lesser of A. and B. above.

A new QPP loan at retirement cannot exceed 75% of the value of the QPP accounts, less any outstanding QPP loan balance.

SR: RSSL §613-a subdivision a; IRC §72(p)(2)

¹¹ The QPP accounts available for loans include MCAF and ASAF accounts.

4.2. Applying for a Loan

Members may take one QPP loan within a 12-month period.

TRS generally issues loan payments each Wednesday, usually through electronic transfer to members' accounts, with the funds becoming available on Friday of the same week. The loan process, from application to fund availability, normally occurs within one or two weeks.

A loan application may be delayed or canceled if TRS does not have the member's date-of-birth documentation on file.

4.3. Repaying a Loan

Any new QPP loan is treated as a separate loan balance and is subject to a separate repayment period and plan, interest charges, and insurance premiums.

Members on active payroll normally repay loans through deductions from pay. Members not on payroll (*e.g.*, on a leave of absence) may need to make payments directly to TRS.

Members who take a leave of absence automatically qualify for a 12-month grace period during which loan payments need not be made, but interest and insurance charges continue to accrue. If the leave exceeds the 12-month grace period or the member opts not to take advantage of the grace period, the member must make monthly payments directly to TRS or repay the outstanding loan balance in a lump sum.

Service Charge

A nonrefundable service charge is added to each QPP loan to cover administrative costs. (At the time this document was published, the service charge was \$30.) An additional service charge may apply when a member request results in a recalculation of the repayment amount.

SR: RSSL §613-a subdivision d

Interest

The annual interest rate on a QPP loan was 6% at the time this document was published.

SR: RSSL §613-a subdivision c

Insurance

Full insurance coverage begins 30 days after a QPP loan is issued. Insurance premiums are included in regular loan payments as long as an outstanding balance is maintained. The costs for insurance coverage are as follows:

- The premium on QPP loans will not exceed 1% of the outstanding loan balance as of July 1 of each year. (At the time this document was published, the rate was 0.2% for loans on or before June 30, 2019 and 0.1% for loans originated thereafter.) Any uninsured loan balance outstanding after death is deducted from the member's account; this reduces benefits payable to beneficiaries.

SR: RSSL §613-a subdivision e

Tier VI Summary Plan Description

Default

With the exception of a loan taken at retirement, a QPP loan would be in danger of default if (a) the loan balance is outstanding for five years (60 months) after the loan's issuance date; or (b) the total past due amount is equal to or greater than the equivalent of three regular monthly payments; or (c) the member is not vested and resigns or is terminated with an outstanding QPP loan balance. TRS requests the past-due balance be paid within 30 days; if TRS does not receive payment in that time, the outstanding loan balance is deemed a distribution and the taxable portion is reported to the IRS on Form 1099-R for that tax year.

SR: RSSL §613-a subdivisions g through i

4.4. Leaving Service with a Loan Balance

At separation from service, members must repay an outstanding loan balance within 30 days of TRS notification. If TRS does not receive payment within that time period, the following rules apply:

- For members transferring membership to another public retirement system within New York State, the outstanding QPP loan balance will be transferred to the new retirement system. (Note: Loan balances that cannot be transferred to the new system must be repaid to TRS.)
- For vested members separating from service without transferring to another retirement system, any outstanding QPP loan balance continues to accumulate interest. It will be considered a distribution as of the member's retirement date and reduces the retirement allowance that a member would otherwise receive.
- For non-vested members separating from service without transferring to another retirement system, the taxable portion of an outstanding QPP loan balance is considered a distribution and the entire loan balance plus interest is deducted from available QPP funds as of the separation date.
- Members can also roll over the taxable portion of their loan balance to an eligible retirement plan within the tax year.

LR: Chapter 140 of the Laws of 2003

SR: RSSL §613-a subdivisions g and h

At Retirement

Members may apply for a loan at or near the time of retirement; such loans are not repaid. However, any outstanding loan balance at retirement results in a reduction to the retirement allowance, based on actuarial factors. In addition, the taxable portion of an outstanding loan at retirement is considered a distribution. IRS rules require TRS to withhold 20% of any taxable amount over \$200 that is not directly rolled over into an eligible retirement plan.

5. SEPARATING FROM SERVICE BEFORE RETIREMENT

Members who resign or are terminated from their TRS-eligible position(s) before retirement may:

- Maintain TRS membership rights;
- Transfer TRS membership to another eligible retirement system;
- Become a transferred contributor to TRS; or
- Withdraw TRS funds, if eligible, and terminate TRS membership.

5.1. Maintaining Membership Rights

After separating from service, vested¹² members can maintain their membership rights to preserve any future retirement benefits.

Non-vested members can maintain membership rights for up to seven school years from their separation date. Funds continue to accrue interest during that time. Membership rights will expire for members who do not return to service within the seven school years.

LR: Chapter 389 of the Laws of 1998

SR: NYC Administrative Code §13-506

5.2. Transferring Membership

Members may transfer their TRS membership to another retirement system if they leave their TRS-eligible position(s) and obtain a position eligible for membership in one of the following systems:

- New York City Board of Education Retirement System
- New York City Employees' Retirement System
- New York State and Local Retirement System
- New York State Teachers' Retirement System

Members must apply for transfer before their TRS membership rights expire. As part of a membership transfer, TRS transfers a member's tier status, service credit, and fund balances to the extent possible. However, some TRS funds (*e.g.*, TDA accounts, ASAF accounts under the QPP) cannot be transferred to other retirement systems that do not have equivalent programs. These funds must be distributed to the member or rolled over to an IRA or other successor programs.

LR: Chapter 687 of the Laws of 1955

SR: RSSL §43

5.3. Becoming a Transferred Contributor

TRS members who resign from a TRS-eligible position and who, within 60 days, accept another position in City service, may elect to continue their membership with TRS instead of transferring membership to the other retirement system. Members must inform TRS and the other retirement system (*i.e.*, NYCERS or NYCBERS) of the decision before joining the other retirement system.

Note: Transferred contributors may not be permitted to contribute to their TRS TDA account if their new position is not eligible for TDA participation.

LR: Chapter 929 of the Laws of 1937; Chapter 907 of the Laws of 1985

SR: NYC Administrative Code §13-523

¹² Tier VI members become vested after attaining 10 years of credited service.

5.4. Withdrawing TRS Funds

Tier VI members with less than 10 years of credited service may withdraw their QPP funds after separating from service. Withdrawing QPP funds terminates TRS membership, tier rights, participation in the TDA Program, and the right to receive a QPP retirement allowance from TRS. Withdrawals are generally eligible for rollover to an IRA or other successor plans. Members withdrawing their QPP funds must also withdraw their TDA funds at the same time.

Individuals who terminate their TRS membership but are later reappointed to a TRS-eligible position are treated as new members and placed in the tier for new members. However, they may be eligible for tier reinstatement.

LR: Chapter 470 of the Laws of 1989

SR: RSSL §613 subdivision c

When a member withdraws any taxable portion of retirement funds, TRS reports the withdrawal amount to the IRS and withholds 20%. If the member is under age 59½, the IRS may impose an additional 10% early distribution penalty. Withdrawing members may also roll over or transfer the taxable portion of the funds to an eligible retirement plan.

6. SERVICE RETIREMENT

6.1. Eligibility

Members must be vested to be eligible for service retirement benefits. Tier VI members must have at least 10 years of service to be considered vested.

Normal retirement age for Tier VI members is age 63. Vested members are eligible for unreduced retirement benefits at age 63. Members may retire prior to age 63, with a reduced benefit, but no earlier than age 55. (See section [6.2 Early Service Retirement and Benefit Reduction.](#))

A member with at least 10 years of credited service, upon termination of employment, is entitled to a deferred vested benefit payable at age 63.

LR: Chapter 18 of the Laws of 2012

SR: RSSL §602, §603 and §612

6.2. Benefits

Service retirees receive monthly payments of a QPP retirement allowance for life. The retirement allowance is calculated based on a member's Total Service Credit and Final Average Salary (FAS) as the following chart shows:

Total Service Credit	Retirement Allowance
Under 20 years	1⅓% of FAS multiplied by years of service credit
20 years or more	35% of FAS for the first 20 years of service credit, plus 2% of FAS multiplied by each additional year exceeding 20 years of credited service

SR: RSSL §604 subdivision b-1

Final Average Salary

A member's final average salary (FAS) is the highest average of wages¹³ earned during any continuous period of employment for which the member receives five years of service credit. However, if the wages earned during any year included in the five-year period exceed the average of the previous four years' wages by more than 10 percent, the amount in excess of 10 percent is excluded from the computation of FAS.

SR: RSSL §608 subdivision b

QPP Accounts

Any outstanding QPP loan balance at retirement results in a reduction to retirement benefits, based on actuarial factors.

Members who have an ASAF account receive an additional annuity from that account.

SR: RSSL §613-a subdivision h

¹³ Wages include any regular compensation such as base salary, per session wages, CSA, PSC, and UFT bonuses and differentials, and Chapter 683 summer program. (See section 2.2 for exclusions.)

Tier VI Summary Plan Description

Early Service Retirement and Benefit Reduction

Tier VI members may retire as early as age 55 with at least 10 years of credited service provided that they file for service retirement while still in active payroll status. However, retirement benefits will be reduced by a permanent age-reduction factor, 6.5% for each year preceding age 63, as the following chart shows:¹⁴

Age at Retirement	% of Benefit Allowed
62	93.5%
61	87.0%
60	80.5%
59	74.0%
58	67.5%
57	61.0%
56	54.5%
55	48.0%

SR: RSSL §603 subdivision i 3-A; §612 subdivisions a and b

6.3. Payment Options for a QPP Retirement Allowance

When filing for retirement, members elect one of the following payment options for their QPP retirement allowance. Each option provides members with a lifetime benefit paid monthly, but some also provide for one or more beneficiaries.

Maximum Payment Option

This option enables members to receive the highest retirement allowance to which they are entitled, but does not provide any form of benefit payments to a beneficiary.

Continuing Payment Options

These options (also known as “joint-and-survivor” options) guarantee a lifetime monthly benefit to the member and, upon the member’s death, to one surviving designated beneficiary. By selecting one of these options, the member receives a reduced retirement allowance.

- **Option 1** - The beneficiary receives lifetime monthly payments equal to 100% of the member’s reduced retirement allowance payments.
- **Option 2** - A retiring member may choose 75%, 50%, or 25% of their retirement allowance payments. The surviving beneficiary receives payments equal to the selected percentage of the member’s reduced monthly retirement allowance.

SR: RSSL §610 subdivisions a and a-1

¹⁴ In no case shall the vested retirement allowance without optional reduction be less than the Actuarial equivalent of the total which results from the member’s contributions with interest at 5% per annum, compounded annually to the date of retirement.

Tier VI Summary Plan Description

“Pop-up” Payment Options

These options guarantee a lifetime monthly benefit to the member and, upon the member’s death, to one surviving designated beneficiary. By selecting one of these options, the member receives a reduced retirement allowance. However, if the beneficiary dies before the member, the member’s benefit “pops up” to the maximum retirement allowance to which the member is entitled.

- **Option 5-1** - The beneficiary receives lifetime monthly payments equal to the member’s reduced retirement allowance.
- **Option 5-2** - The beneficiary receives lifetime monthly payments equal to 50% of the member’s reduced retirement allowance.

LR: Chapter 414 of the Laws of 1983; 592 of the Laws of 1992, as amended by Chapter 446 of the Laws of 2004

SR: RSSL §610 subdivisions a and f

Guaranteed Number of Payments Options

These options guarantee a specific number of retirement allowance payments to be made to the member and/or designated beneficiaries. If the member receives the guaranteed number of payments before death, the retirement allowance payments continue until the member’s death, but no benefits are payable to the beneficiaries. If the member receives fewer than the guaranteed number of payments before death, the remaining guaranteed payments are made to the beneficiaries. If primary and contingent beneficiaries die before the guaranteed number of payments have been made, the remaining guaranteed payments are made to the member’s estate. By selecting one of these options, the member receives a reduced retirement allowance.

- **Option 3** ("5-Year Certain") – This option guarantees a total of 60 monthly retirement allowance payments.
- **Option 4** ("10-Year Certain") - This option guarantees a total of 120 monthly retirement allowance payments.

SR: RSSL §610 subdivision a

6.4. Beneficiary Designation for Payment Options

The member’s beneficiary designation for Continuing or “Pop-up” Payment Options is irrevocable (unless changed within 30 days after the retirement date). Thus, if the beneficiary dies before the member, the member cannot designate another beneficiary. Proof of the beneficiary’s date of birth is required for these options.

For the Guaranteed Number of Payments Options, the member can designate primary and contingent beneficiaries, and may change beneficiary designations at any time within the 5- or 10-year period as applicable.

6.5. Additional Benefits for Beneficiaries of Retirees

Retiring members can designate beneficiaries for a “fractional” payment and a post-retirement death benefit.

Beneficiaries for the “fractional” payment receive a prorated portion of the regular monthly benefit for the month of the member’s death. If the member dies on the last day of the month, no fractional payment is due.

Tier VI Summary Plan Description

Beneficiaries for the post-retirement death benefit receive a lump-sum payment as described in section [9 Death Benefits](#).

Members may change beneficiary designations for these benefits at any time after retirement.

6.6. Domestic Relations Orders

Under New York State law, retirement benefits are considered marital assets and subject to equitable distribution in a divorce. If a court has issued a domestic relations order (DRO) in conjunction with a divorce, the former spouse may be entitled to a designated portion of the member's TRS benefits. A DRO may affect a member's right to take withdrawals or loans from TRS funds and may also affect retirement benefits.

If the member is divorced and the former spouse is named an "alternate payee" by a court-issued DRO, (s)he may be entitled to a portion of the retirement benefits. Any beneficiary designation made by the member must comply with court orders.

6.7. TDA Options upon Retirement

Members who participate in TRS' TDA Program may choose from the following options at retirement:

- Maintain their TDA account past retirement (also known as electing TDA Deferral status); TDA funds remain invested, and members may take loans, withdrawals, and change their TDA investment elections.
- Withdraw and/or roll over some or all of the TDA account.
- Annuitize the TDA account to receive lifetime monthly payments.

For more information, refer to the [TDA Program Summary](#).

6.8. Filing for Service Retirement

TRS must receive a member's retirement application at least one business day, but no more than 90 days, before the member's retirement date.

Members may withdraw the retirement application no later than one day before the retirement date. Members may make changes to their application up to 30 days after their retirement date.

Calculating and processing a retirement benefit may take several months depending on the availability and completeness of service and earnings information. In the interim, TRS issues advance payments, which are a conservative approximation of the final retirement allowance and continue until regular retirement allowance payments begin.

LR: Chapter 651 of the Laws of 2004

SR: RSSL §610 subdivision f

7. DISABILITY RETIREMENT

7.1. Types of Disability Retirement

TRS members who become physically or mentally incapacitated and unable to perform their duties may be eligible for one of the following disability retirement benefits:

Ordinary Disability Retirement

To be eligible for ordinary disability retirement, members must have at least 10 years of credited service, and they must be found physically or mentally incapacitated for the performance of gainful employment and found to have been so incapacitated at the time they ceased performance of their duties.

LR: Chapter 601 of the Laws of 1997

SR: RSSL §605 subdivisions b(1) and c

Accident Disability Retirement

To be eligible for accident disability retirement, members must be found to be physically or mentally incapacitated for the performance of gainful employment and found to have been disabled as the natural and proximate result of an accident¹⁵ sustained in the performance of duties in active service and not caused by the member's own willful negligence.

LR: Chapter 414 of the Laws of 1983

SR: RSSL §605 subdivision b(3)

Lump-Sum Disability Retirement

To be eligible for lump-sum disability retirement, the member must have been diagnosed with (i) a terminal illness and have a life expectancy of one year or less, or (ii) a medical condition of a long, continued, and indefinite duration requiring extraordinary care and treatment, regardless of life expectancy.

Note: A member who meets the service credit requirement for an ordinary disability retirement may file for both ordinary disability retirement and the lump-sum disability benefit. The lump-sum disability benefit is irrevocable. No retirement allowance is payable, and no death benefit is payable to the survivors.

LR: Chapter 616 of the Laws of 1998; Chapter 70 of the Laws 1999

SR: NYC Administrative Code §13-550 subdivisions c and d.

Note: For information about benefits and filing deadlines under the World Trade Center Presumptive Disability and Death Benefits Laws, please refer to the "WTC Info Sheet 2022," which is available on the TRS website.

¹⁵ The term "accident" is defined by the courts as a sudden, fortuitous mischance, unexpected, out of the ordinary, and injurious in impact.

7.2. Filing Requirements

Application for disability retirement benefits may be made by the member, an authorized representative on the member's behalf, or the head of the department where the member is employed.

To qualify for a disability benefit, TRS members must file an application within three months of the last date of being paid on the payroll. However, members who were terminated after being placed on a leave of absence without pay for medical reasons must file no later than 12 months after the date they receive notice of termination.

SR: RSSL §605 subdivisions a and b

7.3. Disability Retirement Application Process

The following steps generally occur for any application for disability retirement benefits:

- The member must submit all supporting medical documentation. If applying for accident disability retirement, the member must supply the accident report provided by the employer.
- TRS reviews the application and the member's service credit and then notifies the member of any membership service deficit, any outstanding loan balance, and/or optional service eligible for credit.
- TRS contacts the member to schedule a medical examination with the TRS Medical Board. All examinations occur at 55 Water Street, unless accommodation is granted.
- After the medical examination, the Medical Board determines if the member is eligible for the disability benefits being sought.
- The member is notified of the Medical Board's decision.
- The Teachers' Retirement Board certifies that the Medical Board followed proper administrative procedures in considering the application.
- If the application is approved, the disability retirement benefit takes effect the later of:
 - The date that the application for disability retirement is filed with TRS;
 - The day after the last day the member was paid on the employer's payroll; or
 - A date selected by the member, within 30 days of the date the Medical Board approved the application.
- The Medical Board may request an annual re-examination of a disability retiree under age 65. After re-examination, the Medical Board may grant or deny continuation of the disability retirement. (See section [8.3 Return to Active Service from Retirement](#).) If a member refuses to submit to a re-examination, the disability retirement will be discontinued until the member withdraws the refusal and submits to the re-examination.

7.4. Process for Denied Applications

If a disability application is denied, the member may reapply as follows:

- If an application for accident disability retirement is denied, the member may apply for ordinary disability retirement if all eligibility requirements are met.
- The Medical Board may determine that a member does not qualify for accident disability retirement, but does qualify for ordinary disability retirement. The member can then file an application for ordinary disability retirement.
- If any disability benefit application is denied, the member may reapply; however, the member must meet all eligibility requirements and provide new evidence.
- If the lump-sum disability benefit application is denied, the member has 30 days from the date of TRS' denial notice to submit additional evidence.

Tier VI Summary Plan Description

If a disability application is denied, the member may exercise one of the following appeal options:

- Request that a Special Medical Committee¹⁶ review the conclusions and recommendations of the Medical Board within 30 days of the date of TRS' denial notice. As a condition of this review, the member is required to waive any and all rights to pursue the application for disability retirement in any other forum, including judicial or administrative, and is responsible for paying half of the Special Medical Committee's examination fees.
- Initiate an Article 78 Proceeding to challenge the Medical Board determination.

SR: NYC Administrative Code §13-552.

7.5. Calculation of a Disability Retirement Allowance

If the member is granted an Ordinary or Accident Disability Retirement, the benefit is paid for life or until the member returns to active service or, if applicable, refuses the re-examination. The benefit is calculated as follows:

- An Ordinary Disability Retirement allowance equals the greater of 1/3 of the FAS or 1/60 of the FAS multiplied by the years of service credit.
- Accident Disability benefits equal 2/3 of the FAS.
- Members may also receive an annuity based on their ASAF balance.

LR: Chapter 601 of the Laws of 1997; Chapter 215 of the Laws of 2002

SR: RSSL §605 subdivisions d(3) and f

If the member is eligible for a service retirement benefit, and the service retirement allowance is greater than the disability retirement allowance, then the service retirement allowance amount is payable.

LR: Chapter 651 of the Laws of 2004

SR: RSSL §610 subdivision f

Payment Options

Payment options for disability retirement are the same as those listed for service retirement in section [6.3 Payment Options for a QPP Retirement Allowance](#). Disability retirees may change their retirement payment options up to 30 days after their disability retirement is approved or 30 days from their retirement date, whichever is later.

7.6. Calculation of a Lump-Sum Disability Benefit

The Lump-Sum Disability benefit equals the death benefit amount payable had the member died on the last day of active service. Members with at least one year of service receive a benefit equal to the MCAF balance plus the death benefit¹⁷ amount. (See section [9 Death Benefits](#).)

The member may elect to have the payment directly rolled over to an eligible successor plan. If the member dies before receiving the Lump-Sum Disability benefit, the benefit is paid to member's estate.

LR: Chapter 907 of the Laws of 1985, as amended by Chapter 409 of the Laws of 1999

SR: RSSL §606; NYC Administrative Code §13-550 subdivision b

¹⁶ The Special Medical Committee consists of three independent physicians selected by the New York City Department of Health and Mental Hygiene.

¹⁷ Also known as Death Benefit #2.

8. POST-RETIREMENT

8.1. Cost-of-Living Adjustments

The Cost-of-Living Adjustment (COLA) is an annual increase to retirement allowance payments, based on half of the Consumer Price Index (CPI) increase for the year ending March 31. The COLA cannot be less than 1% or greater than 3%. This percentage is applied to the lesser of \$18,000 and a retiree's fixed maximum retirement allowance (*i.e.*, before reduction due to the member's selected payment option).

To be eligible for the COLA, a member must:

- Be at least 62 and retired for 5 or more years;
- Be at least 55 and retired for 10 or more years; or
- Have been on disability retirement for at least 5 years

Surviving spouses who are designated joint-and-survivor beneficiaries of deceased members and who receive continuing payments for life will receive 50% of the COLA amount that would have been payable to the member.

LR: Chapter 125 of the Laws of 2000

8.2. Taxes on Retirement Benefits

Retirement allowances are subject to federal taxes (except for contributions that were previously taxed). For federal tax withholdings, retired members may file an IRS Form W-4P or online equivalent, indicating marital status and the number of dependents. Otherwise, TRS is required to compute withholding based on a default status of married with three dependents. Retirees can change their withholding election at any time.

Retirement allowances are exempt from New York State and New York City income taxes. However, allowances may be subject to taxation in another state or city based on residency.

Each January, TRS sends members an IRS Form 1099-R showing the total amount of retirement allowance payments that TRS distributed for the previous year, as well as the federal taxes withheld.

8.3. Return to Active Service from Retirement

Retired members who return to employment in a TRS-eligible position can be restored from retirement status to active membership status, either on a voluntary or mandatory basis, depending on the new position. Those who are not restored to active service may be subject to earnings limitations. (See section [8.4 Restrictions on Post-Retirement Earnings](#).)

Retired members may apply to TRS for restoration to active service and must provide TRS with a "Notice of Appointment" form from their employer. Upon restoration, TRS will suspend a member's QPP retirement allowance payments, but any TDA annuity payments continue.

If members complete at least five years of service following restoration, their Final Average Salary will be recalculated for their subsequent retirement allowance. Members who complete less than five years of service following restoration will receive credit for their service, but their retirement allowance would be based on their previous FAS.

Tier VI Summary Plan Description

Disability retirees can be restored to active service voluntarily or by a decision of the TRS Medical Board as follows:

- If the Medical Board certifies that the member is no longer disabled, the member must notify the former employer within 60 days of the determination. If this ruling occurs within 10 years of the disability retirement date, the former employer must restore the member to active employment. If more than 10 years have passed, restoration is at the former employer's discretion. Failure to notify the former employer of the Medical Board's ruling results in the termination of the QPP retirement allowance (and TDA annuity, if applicable).
- A disability retiree seeking return to active service must file a letter with the employer requesting re-employment in a TRS-eligible position and must apply for restoration to active service with TRS. Restoration to active service requires an examination by the Medical Board and approval of the Medical Board and the Teachers' Retirement Board.

Note: If a member who received a lump-sum disability benefit is restored to active service, no death benefit is payable. In addition, unless the member performs at least five years of service following restoration, any retirement benefit that the member may become entitled to receive is reduced by the actuarial value of the lump-sum disability benefit paid, less the actuarial value of any applicable post-retirement death benefit that would have been available.

SR: RSSL §210 and §441 subdivision c; NYC Administrative Code §13-550 and §13-501 subdivision 18-b

8.4. Restrictions on Post-Retirement Earnings

Section 212 of the RSSL limits the amount that service retirees may earn in public employment with New York State or any of its political subdivisions each calendar year without jeopardizing their retirement allowance. (At the time this document was published, this amount was \$35,000.) To comply with the provisions of this section, retirees must file a Section 212 Waiver with TRS. Failure to do so may result in the suspension of the retirement allowance or forfeiture of the public employment earnings.

Retirees who anticipate that their earnings will exceed the Section 212 limit can authorize TRS to suspend their retirement allowance. Alternatively, they can file a Section 211 Waiver with their employer (not with TRS), which may allow them to earn more than the Section 212 limit, provided the employer obtains the necessary approval.

Post-retirement earnings limitations do not apply in the following cases:

- Earnings on or after January 1 of the year in which the retiree reaches age 65;
- Work in private employment, in public service outside New York State, or in a position with a nonprofit organization;
- Any of the following positions: jury duty, an elective public office, a position as a poll or ballot clerk under the Election Law, a position in the office of the Inspector of Elections, or a position as a notary public or commissioner of deeds.

LR: Chapter 729 of the Laws of 1996; Chapter 640 of the Laws of 2008; Chapter 74 of the Laws of 2006

SR: RSSL §212 and §211

9. DEATH BENEFITS

Members (including retirees) may designate primary and contingent beneficiaries to receive death benefits. TRS uses the most recent duly executed and filed designation-of-beneficiary information when determining the death benefit payable. If there are no eligible beneficiaries for a benefit, it becomes payable to the member's estate.

TRS offers several types of death benefits, summarized below.

9.1. Ordinary Death Benefit

Beneficiaries would be entitled to an Ordinary Death Benefit if the member had at least one year of credited service and died while being paid on payroll, or while on a leave of absence without pay but was being paid within the last 12 months before death.

The Ordinary Death Benefit equals the balance in the MCAF and ASAF accounts (as applicable), plus the amount of the death benefit, which is also known as Death Benefit #2.

Death Benefit #2 is one year's salary after one year of credited service, twice the last year's salary after two years of credited service, and three times the last year's salary after three or more years of credited service. However, if the member remains in service to age 61, the benefit is reduced to 95% of the benefit payable at age 60. Each year the member remains in service beyond age 61, the benefit is reduced by an additional 5%, until age 70 (and after) when the benefit equals 50% of the benefit payable at age 60.

Note: If a member has less than one year of credited service, the member's beneficiaries receive the balance in the MCAF and ASAF accounts.

LR: Chapter 617 of the Laws of 1986; Chapter 601 of the Laws of 1997, as amended by Chapter 554 of the Laws of 2000

SR: RSSL §606

9.2. Vested Death Benefit

If a vested member dies before his/her retirement date and the eligibility requirements of an Ordinary Death Benefit are not met, a death benefit is payable to the member's beneficiaries as follows:

- If the member had at least 10 years of credited service, the death benefit amount would be 50% of the amount of the death benefit (also known as Death Benefit #2) that would be payable if the member had died on the last day of active service, plus the member's QPP account balance(s) (as applicable).
- If the member had less than 10 years of credited service, the benefit amount would be only the member's QPP account balances (as applicable).

LR: Chapter 388 of the Laws of 1998

SR: RSSL §606-a

Tier VI Summary Plan Description

9.3. Accidental Death Benefit

An Accidental Death Benefit, in lieu of an Ordinary Death Benefit, is available if the member dies in service as the natural and proximate result of an accident in the performance of duty and the death was not caused by their own willful negligence, as determined by the Medical Board.

An Accidental Death Benefit is equal to 50% of the wages earned during the last year of service and is paid to the member's survivors in the following order:

1. Spouse who has not renounced survivorship rights in a separation agreement, until death or remarriage; or
2. Children in equal shares until they reach age 25; or
3. Dependent parents; or
4. Any other person who qualified as a dependent on the member's final federal income tax return, until that person reaches age 21.

If the total of all the Accidental Death Benefit payments does not exceed the amount of the Ordinary Death Benefit, the difference will be paid to the last eligible beneficiary(ies).

Beneficiaries or other representatives of Tier VI members must apply for this benefit within 60 days of the member's death.

LR: Chapter 414 of the Laws of 1983, as amended by Chapter 408 of the Laws of 2000

SR: RSSL §607 and §601 subdivision d

9.4. Post-Retirement Death Benefit

If a member dies after retirement, beneficiary(ies) receive a lump-sum benefit. The lump-sum benefit amount depends on the period between retirement and death, as well as the maximum Death Benefit amount that was in force as indicated below:

Death Occurs	Amount of Death Benefit
During the first year of retirement	50% of the active death benefit
During the second year of retirement	25% of the active death benefit
During or after the third year of retirement	10% of the active death benefit (if member retires before age 60) or 10% of the active death benefit payable at age 60 (if the member retired after age 60)

LR:Chapter 617 of the Laws of 1986

SR: RSSL §606 subdivision a(2)

9.5. Information for Surviving Beneficiaries

TRS must be notified in the event of a member's death. The individual contacting TRS should provide the member's name, date of death, and TRS membership or retirement number, along with his or her own name, address and telephone number.

Upon notification of a member's death, TRS contacts all beneficiaries individually with an estimate of benefits payable to them and instructions for claiming the benefits. However, in all cases, TRS must receive an original death certificate or certified copy before processing any death benefit claim. In addition, all payments to the member received after the date of death—uncashed or cashed, deposited, or credited payments—must be returned to TRS before benefits can be paid; examples include loans, withdrawals, monthly retirement allowance payments, and TDA distributions.

Under New York State Law, spouses of a TRS member or beneficiary may elect to exercise a statutory right of election even if they were not named as beneficiaries.

10. GLOSSARY

Actuarial – Relating to the mathematical science of life expectancy and risk probabilities. In this document, actuarial refers to the application of these principles to TRS retirement benefits.

Annuity Savings Accumulation Fund (ASAF) – An account for monthly supplemental contributions that the Department of Education and some Charter Schools provide to certain members who reach the maximum of their salary schedule. At retirement, ASAF funds are paid as an additional annuity portion of a member’s retirement allowance.

Basic Member Contributions (BMC) – The contributions that a Tier VI member must make and are placed in his/her Member Contributions Accumulation Fund Account.

Direct Rollover – A distribution in which payment of pre-tax QPP funds is made directly by TRS to an IRS-qualified Individual Retirement Arrangement (IRA) or other eligible successor program.

Legislative References (LR) – The chapter that created a new law or amended an existing law for a particular benefit.

Member Contributions Accumulation Fund (MCAF) – The account that contains a member’s Basic Member Contributions (BMC). Contributions in this account earn 5% interest compounded annually.

Optional Retirement Program – For CUNY, the “Optional Retirement Program” is TIAA.

Public Service – The service of the state or a political division, including a special district, district corporation, school district, board of cooperative educational services or county vocational education and extension board, or the service of a public benefit corporation or public authority created by or pursuant to laws of the state of New York, or the service of any agency or organization which contributes as a participating employer in a retirement system or pension plan administered by the state or any of its political subdivisions.

Qualified Pension Plan (QPP) – The defined-benefit plan, administered under Section 401(a) of the Internal Revenue Code, which enables TRS members to receive a monthly retirement allowance upon meeting certain eligibility requirements.

Required Minimum Distribution (RMD) – The minimum amount that TRS members must receive each year, in accordance with Internal Revenue Code regulations.

Retirement Date – The date on which a member meets all the criteria to receive retirement payments and elects to retire. However, if a resigned or terminated Tier VI member files for service retirement after their 63rd birthday, their retirement date is either their 63rd birthday or the day after their last day of employment, whichever is later.

Statutory References (SR) – The section of the Administrative Code, Retirement and Social Security Law, or other section of Law for the relevant benefit.

Tier – A classification that determines the types of benefits for which a particular member may be eligible. There are five tiers: Tiers I, II, III, IV and VI. Tier membership usually depends on when a person became a TRS member. In general, members who last joined TRS on or after July 27, 1976 but before September 1, 1983 belong to Tier III, and members who last joined TRS on or after September 1, 1983, but before April 1, 2012, belong to Tier IV. Those who joined on or after April 1, 2012 belong to Tier VI.

Tier VI Summary Plan Description

Vested – The status of members who have enough Total Service Credit to qualify for a retirement allowance even if they separate from service prior to reaching retirement age.

The information provided in this publication is based on currently available information, which may be subject to change, and, as such, should not be solely relied upon. In all cases, the specific provisions of the governing laws, rules, and regulations will prevail.

Teachers' Retirement System of the City of New York

**55 Water Street, New York, NY 10041
1 (888) 8-NYC-TRS • www.trsnyc.org**



**Version 1.0
March 2020**