

Information Regarding the 2010 Early Retirement Incentive for CUNY Instructional Staff Employees Who are Members of the Optional Retirement Program (TIAA/CREF, Guardian & MetLife)

This information brochure is not intended as the sole source of information regarding CUNY's ERI-2010 Program or an eligible employee's benefits under the Optional Retirement Program (ORP) plans (TIAA/CREF, Guardian & MetLife). While you are encouraged to obtain information from the PSC as well as your college Human Resources Office, it is the law and the interpretations by both TIAA/CREF and the University that are binding.

What is the ERI-2010?

The CUNY Early Retirement Incentive Program of 2010 (ERI-2010) was authorized by the CUNY Board of Trustees in June 2010 and developed pursuant to NY State law. It is designed to offer eligible CUNY employees who are members of the ORP an incentive to retire in the form of a cash contribution to your TIAA-CREF account based upon salary and years of service with CUNY. (The lump sum cash contribution under ERI-2010 will be paid into your TIAA/CREF retirement account even if you have retirement funds through CUNY's Alternative Funding Vehicles of Guardian or MetLife.)

If you are interested in retiring and think you are eligible, you are encouraged to meet with a retirement benefits counselor at the Professional Staff Congress and visit your college Human Resources Office for additional information regarding your benefits upon retirement. For appointments with a TIAA/CREF counselor call 800-732-8353.

Who is eligible for the ERI-2010?

For a member of the CUNY Instructional Staff who belongs to an ORP plan to be eligible for the ERI-2010, ALL of the following criteria must be met:

- ✓ MUST be a full-time employee of CUNY working in an eligible title (Executive Compensation Plan titles are excluded by law);
- ✓ MUST be a member of CUNY's Optional Retirement Program;
- ✓ MUST be at least age 50 with 10 or more years of CUNY service as of January 26, 2011;
- ✓ MUST have been in an active pay status (which includes paid and certain unpaid leaves of absence) on February 1, 2010, and continuously in such status through December 29, 2010;
- ✓ MUST FILE an official ERI-2010 Election Form with the college Human Resources Office no later than 5 PM January 6, 2011, **AND** a retirement application with TIAA/CREF no later than January 13, 2011.

[NOTE: These dates apply to instructional staff ONLY. The term "instructional staff," as used by CUNY and throughout this brochure, includes faculty and those employed in HEO-series and CLT-series titles.]

Professional Staff Congress/CUNY

212-354-1252 cweiss@pscmail.org

www.psc-cuny.org

DEADLINES

DEADLINE #1: Must file a complete notarized ERI-2010 election form in person at college HR Office by January 6, 2011.

DEADLINE #2: Must file a completed application for retirement with TIAA/CREF by January 13, 2011.

DEADLINE #3: Instructional staff members retiring under the ORP must be retired as of January 27, 2011.

If I have funds with either the Guardian and/or MetLife through the University's Alternative Funding Vehicle program, do I have to contact them also?

Yes, you should contact these insurers regarding your options upon retirement under the ERI-2010. (For Guardian, call Halliday Financial at 800-786-1598; for MetLife call 1-888-732-0414.)

I understand that this ERI has a Part A and a Part B. Does this affect members of the ORP?

No. That provision is only for members of the NYC Teachers Retirement System, NYC Employees Retirement System or NYC Board of Education Retirement System.

What is the incentive provided by the ERI-2010 for those who are eligible to retire?

Eligible employees who are members of the ORP will receive a lump-sum tax-deferred cash contribution to your TIAA/CREF retirement account, based upon years of service prior to retirement and the annual salary in effect as of March 1, 2010.

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What is the formula for determining the amount of the cash payment under ERI-2010?

The payment due under the ERI-2010 is calculated as a percentage of your March 1, 2010, salary. The formula for determining the payment is 1/12 multiplied by your years of CUNY service, multiplied by 15% of your salary as of 3/1/10 (up to a maximum of 45% of your 3/1/2010 salary). For example, for an employee with 10 years of service, this works out to 12.5% of the 3/1/10 salary; with 20 years of service it would come to 25%; while for 36 years or more the figure is 45%. (See complete table at end of this brochure.)

How will the incentive payment be paid out?

The incentive payment will be contributed to your TIAA-CREF account up to the maximum allowable under Section 415 of the IRS Code (45% of salary or \$49,000, whichever is less). Any contributions in excess of that limit shall be contributed to your Supplemental Retirement Annuity (SRA) to the extent allowable under the IRS Code. If you do not have an SRA, one will be opened up for you. Any monies not contributed to your Retirement Account or SRA in 2011 will be paid in equal installments into your SRA, at 14 months and 26 months following your date of retirement, up to Section 415 limits. Any excess monies beyond the Section 415 limits in year 2012 and 2013 will be paid out in cash to you. TIAA/CREF counselors can answer your questions regarding IRS limits on your contributions.

Is there a reduction in my yearly retirement benefit from TIAA/CREF (or other ORP plan) if I participate in the ERI-2010 and I am between the ages of 50 and 55?

No. The ERI-2010 does not mandate any specific reduction in retirement benefit for those in the ORP who retire at less than 55. As a defined contribution retirement plan, your retirement benefits are calculated based upon your age, your date of retirement and the retirement income option you select. You should consult with a TIAA/CREF counselor to discuss your particular circumstances.

How can I obtain more information regarding my retirement benefits?

Representatives at TIAA/CREF can answer your questions regarding income options available to you should you elect to retire under the ERI-2010. For general information you can call TIAA/CREF at 800-842-2776. For appointments with a TIAA/CREF counselor call 800-732-8353.

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GENERAL ISSUES

How are my unused annual and Travia leave balances treated under ERI-2010?

Under the ERI-2010, your Travia and annual leave balances will be paid to you by CUNY in three equal cash installments, 2 months, 14 months and 26 months after your retirement. Payments of leave balances under the ERI-2010 are considered taxable but do not count as earnings against your Social Security earnings limitation for the year in which they are received. Taxes are withheld at the zero exemption rates under Federal and State guidelines. New York City taxes will be withheld at the rate applicable to you as an active employee.

Will I continue to have health coverage if I participate in the ERI-2010?

Employees initially hired by CUNY prior to July 1, 1976 will be eligible for retiree health insurance at age 55. Those hired after July 1, 1976 are eligible for retiree health insurance at age 62. The ERI-2010 does not change existing eligibility requirements for health insurance coverage upon retirement. Please contact your college Human Resources Office or the PSC for more information.

If I retire and I am not eligible for health coverage immediately upon retirement from CUNY, what can I do?

Your college Human Resources Office can assist you in continuing your health coverage under COBRA, and determining what COBRA coverage would cost.

If I retire under the ERI-2010, but I am not eligible for health coverage immediately, do I have to begin receiving annuity income from TIAA/CREF upon my retirement from CUNY?

No. If you elect to retire under the ERI-2010, but you are not eligible for immediate health insurance coverage upon your retirement you may elect to defer payability of your annuity income benefits from TIAA/CREF. You are still required to complete the Notice of Intention to Begin TIAA/CREF Annuity Income form.

Am I allowed to work after retirement if I participate in the ERI-2010?

Yes. Nothing in the provisions of the ERI-2010 prohibits retired CUNY employees from working after retirement, either in the private or public sector. However, there are State laws that restrict the amount of compensation a “re-hired retiree” can earn in any given calendar year, should the retiree be under 65 and return to work at CUNY or NY City or State. You are allowed to work for any public agency in NY State after retirement and earn up to \$30,000 per calendar year without any impact on your retirement income. In the calendar year you turn 65, all restrictions on work for public agencies in New York are lifted. Your college Human Resources Office can provide further details.

What other restrictions should I know about before making my decision to participate in the ERI-2010?

If you join or re-join a New York State or City retirement system (including an ORP) subsequent to your retirement under ERI-2010, you will forfeit all benefits you received under the ERI 2010. You will be expected to repay the State, City or CUNY the value of the enhanced retirement benefit you received as a result of ERI-2010 plus appropriate interest.

There’s a lot of information for me to consider – where can I get help if I need it?

Questions regarding the ERI-2010 can be directed to:

- ◆ PSC Director of Pension and Welfare Benefits Clarissa Gilbert Weiss: 212-354-1252 or cweiss@pscmail.org
- ◆ Your college Human Resources Office
- ◆ TIAA/CREF National Contact Center: 800-842-2776. For appointments, call 800-732-8353.
- ◆ Guardian Insurance: Call Halliday Financial at 800-786-1598
- ◆ MetLife: 888-732-0414

**TABLE: CASH PAYMENT UNDER ERI-2010
FOR MEMBER OF CUNY'S OPTIONAL RETIREMENT PROGRAM
(TIAA-CREF, Guardian, MetLife)**

Years of CUNY service	% of 3/1/2010 salary to be contributed under ERI 2010
10	12.50%
11	13.75%
12	15.00%
13	16.25%
14	17.50%
15	18.75%
16	20.00%
17	21.25%
18	22.50%
19	23.75%
20	25.00%
21	26.25%
22	27.50%
23	28.75%
24	30.00%
25	31.25%
26	32.50%
27	33.75%
28	35.00%
29	36.25%
30	37.50%
31	38.75%
32	40.00%
33	41.25%
34	42.50%
35	43.75%
36	45.00%
37 plus	45.00%

NOTE: The formula for determining the payment is 1/12 of your years of CUNY service, multiplied by 15% of your salary as of 3/1/10 (up to a maximum of 45% of your 3/1/2010 salary).

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