

Information Regarding the 2010 Early Retirement Incentive for CUNY Instructional Staff Employees Who are Members of the NYC Teachers Retirement System

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 New York City Teachers Retirement System (NYC-TRS). 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 of the NYC Teachers Retirement System 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 TRS members an incentive to retire, in the form of additional retirement service credit. 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. To contact NYC-TRS, call 888-869-2877.

Who is eligible for the ERI-2010?

For a member of the CUNY instructional staff who belongs to NYC-TRS to be eligible for the ERI-2010, ALL of the following must be met:

- ✓ MUST be a full-time employee of CUNY OR a current part-time instructional staff employee under age 62 with 25 years of creditable service (part-timers can only take advantage of the ERI under Part B, see below);
- ✓ MUST be a member of NYC-TRS through CUNY;
- ✓ MUST be eligible for service retirement, OR 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 (or through July 1, 2010, under Part B);
- ✓ MUST be in an eligible title (Executive Compensation Plan titles are excluded by law);
- ✓ MUST FILE an official ERI-2010 Election Form with the college Human Resources Office no later than 5 PM January 6, 2011 under Part A (or by 5 PM September 7, 2010 under Part B);
- ✓ MUST file an official ERI2010 Retirement Application with your retirement system no later than 5PM January 13, 2011, under Part A, or by 5 PM September 14, 2010, under Part B.

[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

I understand that this ERI has a Part A and a Part B. Please explain.

Part A is the traditional retirement incentive, and full-time CUNY instructional staff employees who are NYC-TRS members in Tiers I, II, III and IV are eligible for this plan. Instructional staff members retiring under Part A must be retired effective January 27, 2011.

Part B, known as the 25/55 Benefit, is available only to members of NYC-TRS and NYCERS. Members of the Optional Retirement Program (TIAA/CREF) are not eligible for the Part B plan. Part B allows Tiers II, III and IV members who have at least 25 years of total service credit, but less than 30 credited years, to retire as early as age 55 without age-related reductions of their retirement benefit. Instructional staff members retiring under Part B will NOT receive any additional service credit, AND they must be retired effective September 28, 2010.

DEADLINES

IF YOU ARE CONSIDERING RETIRING UNDER PART A OF ERI-2010:

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 at NYC-TRS by January 13, 2011.

DEADLINE #3: Instructional staff members retiring under Part A must be retired effective January 27, 2011.

IF YOU ARE CONSIDERING RETIRING UNDER PART B OF ERI-2010:

DEADLINE #1: Must file a complete notarized ERI-2010 election form in person at college HR Office by September 7, 2010.

DEADLINE #2: Must file a completed application for retirement at NYC-TRS by September 14, 2010.

DEADLINE #3: Instructional staff members retiring under Part B must be retired effective September 28, 2010.

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IF YOU ARE CONSIDERING RETIRING UNDER PART A

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

An eligible full-time employee who is a member of NYC-TRS and chooses part A of the ERI-2010 will receive additional service credit to be counted towards the calculation of the yearly retirement benefit. Under the terms of the ERI-2010, the incentive is equal to one (1) month of extra service credit for each year of creditable service, as of the date of service retirement, up to a maximum of 36 months of additional service credit.

How does the additional service credit benefit my pension?

The additional service credit is added to the calculation used by NYC-TRS to determine your annual pension benefit amount. For example, a NYC-TRS Tier III/IV member with 30 years of service will receive an additional 30 months, or 2 years and 6 months of additional service credit. The member's pension benefit amount would then be based upon 32 years and 6 months of service. Assuming the employee retires with a final average salary of \$100,000, the base pension provided by TRS under the ERI-2010 would be approximately \$63,900 annually. Without the extra service provided by the ERI-2010 the same employee would be entitled to approximately \$60,000 annually. Using this example, the employee would earn an extra \$3,900 annually for life by participating in the ERI-2010.

As a result of the 2000-02 contract, did members in Tiers I and II get up to two additional years added to their service credit?

Yes. If you were affected by this change, calculate your years of service by first adding the additional years of service credit from the 2000-2002 contract, then adding the ERI-2010 service credit to your base pension service credit.

Can I retire under the ERI-2010 with immediate payment of benefits even if I am under age 55?

Yes. The ERI-2010 allows NYC-TRS members who are otherwise eligible for service retirement the opportunity to retire with immediate payment of benefits, even if you are under the age of 55.

Is there a reduction in my benefits if I retire under the age of 62 with immediate payability?

Yes. A NYC-TRS Tier II, III/IV member (except those who are age 55+ with 30+ years of service) who chooses Part A and retires under age 62 with immediate payability will receive a reduction in benefits. Retiring under Part B will eliminate the age-related reduction if you have more than 25 but less than 30 years of service and are at least 55 but less than 62; however, Part B does not provide additional service credit (see below).

IF YOU ARE CONSIDERING RETIRING UNDER PART B

Who is eligible to retire under Part B?

Full and part-time instructional staff employees (except those in Executive Compensation Plan titles) between the ages of 55 and 62 who are members of NYC-TRS, with between 25 and 30 years of service credit.

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

NYC-TRS members who are eligible under Part B will receive a pension benefit amount without an age-related reduction. Service credit is not offered under Part B of ERI-2010; however, eligible Tier II members still receive up to 2 years of service credit as a result of the 2000-02 contract.

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GENERAL ISSUES AFFECTING THOSE WHO RETIRE UNDER BOTH PARTS A & B

How are my unused annual and Travia leave balances treated under the 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 rate 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?

You can – but only if you retire with immediate payability of a retirement benefit. ERI-2010 does not affect the contractual terms of eligibility for continued health insurance coverage. If you retire with deferred payability, you retain your right to retiree health coverage once you begin receiving a retirement benefit from your City plan.

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.

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 for 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@psccollege.org
- ◆ Your college Human Resources Office
- ◆ NYC-TRS, 888-8-NYC-TRS (888-869-2877) – remember, NYC-TRS is responsible for the final determination of your pension benefit.