

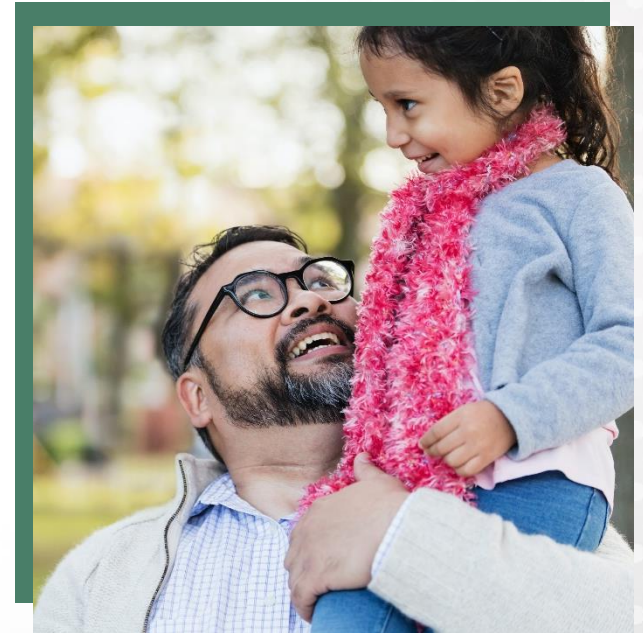
# Introducing: The BERS Pension Plan

Securing your financial future today.



# What We'll Discuss

- What Is BERS?
- What You Need to Know Now
- Why You Should Enroll
- How to Contribute to the Pension Plan
- BERS Tax Deferred Annuity
- Retirement Options
- Plan Ahead
- Member Self Service (MSS) Portal
- Questions?



# What Is BERS?



# Board of Education Retirement System (BERS)

- Founded in 1921
- Currently contributes to the financial security of about 55,000 members
- Provides retirement benefits to employees in the City and School Districts of New York
- Mandatory for some, but voluntary for most employees

## PARTICIPATING EMPLOYERS

Department of Education

School Construction Authority

Police Department

# Overview of Tier 4

- Eligible employees who join between July 26, 1976 and March 31, 2012
- Payroll contribution rate of 3% for 10 years of credited membership service
- You may be able to retire as early as age 55

## Please Note:

If you make all required contributions, you may vest after

**10 YEARS\***

of credited service and become eligible to get your full pension at

**AGE 62.**

\*Contingent on your membership date

# Overview of Tier 6

- Open to new hires
  - Eligible employees who join on or after April 1, 2012
- Payroll contribution rate is based on your annual salary
- You may be able to retire as early as age 55

## The Bottom Line:

If you make all required contributions, you vest after

**10 YEARS**

of credited service and become eligible to get your full pension at

**AGE 63.**

# You Can Take It With You!

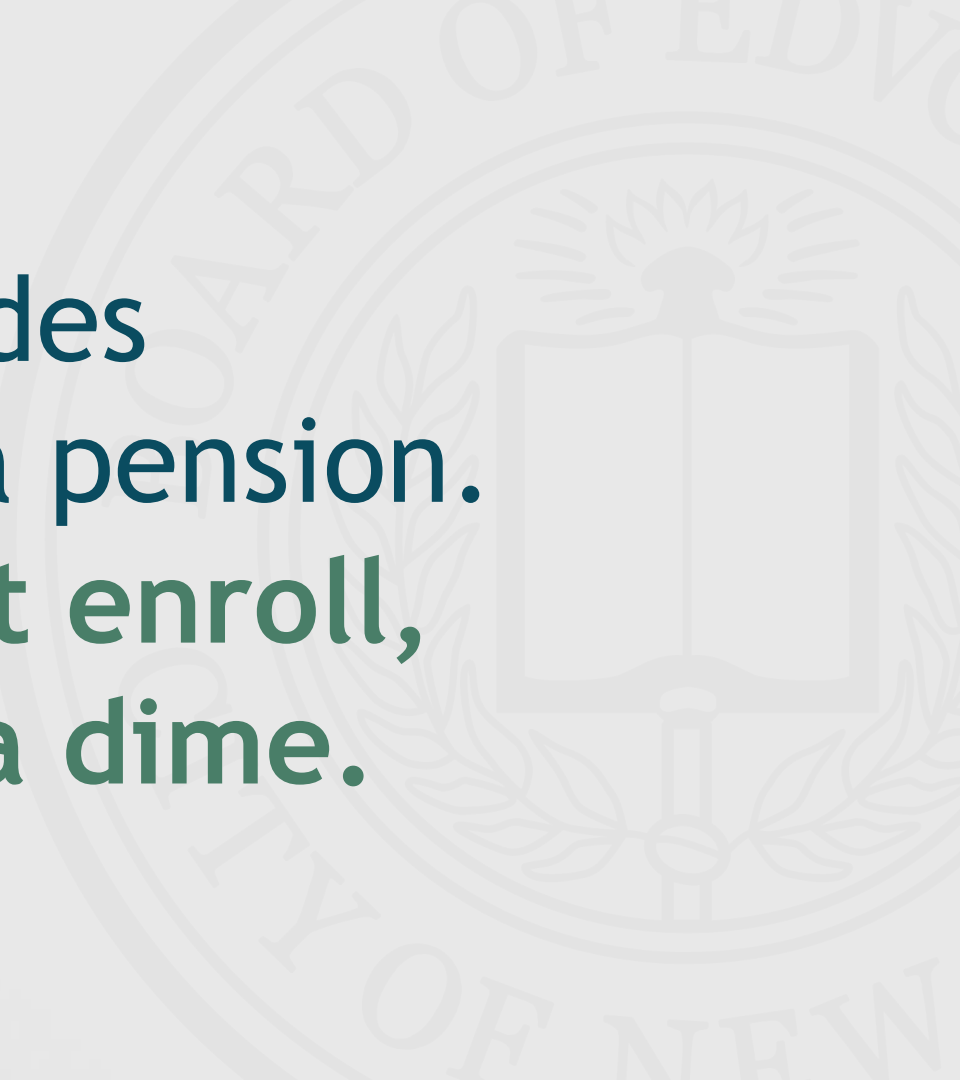
- **If you separate from service before vesting, you can take your money with you.** There's no risk when it comes to participating in the BERS pension plan. If you separate from service before vesting, the money you contributed is yours to keep and take with you.
- **If you change titles within the city or state of New York, you may transfer your accrued funds and credited service to a compatible pension system.** Otherwise, you may withdraw or rollover your funds to a qualifying financial institution as a non-vested member.

**What You Need to Know Now**

The background of the slide is a solid dark teal color. In the upper right quadrant, there is a large, faint, circular watermark of the University of Nevada seal. The seal features a central sunburst, a book, and a torch, surrounded by the text "UNIVERSITY OF NEVADA" and "BOARD OF EDUCATION".



NYC BERS provides  
members with a pension.  
But if you don't enroll,  
you won't get a dime.



# Service Explained

- Once you join BERS, your “credited service”—i.e., how much you’ve worked—counts toward your retirement allowance
- This can include:
  - Full-time service
    - » Paid leaves of absence
    - » Sick leave
    - » Annual leave
  - Part-time service
  - Previous service
  - Transferred service
  - Military service

# Prior Service in City or State of New York

- **If you worked for another agency**, you may be able to “buy back” service.
  - Need 2 years of credited membership service to receive credit
- **If you were formerly a member of a public employee retirement system**, you may be eligible for reinstatement into your previous tier.
  - Need 2 years of credited membership service to receive credit for the reinstatement

**Questions about your  
specific situation?**

CONTACT US!

**(929) 305-3800**

or

**(800) 843-5575**

(outside New York State)

[members\\_outreach@bers.nyc.gov](mailto:members_outreach@bers.nyc.gov)

# Why You Should Enroll

The background of the slide is a solid teal color. In the upper right quadrant, there is a large, faint, circular watermark of the City of New York Board of Education seal. The seal features a central figure holding a book and a torch, surrounded by a laurel wreath. The text "CITY OF NEW YORK" and "BOARD OF EDUCATION" is visible around the perimeter of the seal.

# What You Get Right Away

- The opportunity to save even more for retirement through the Tax Deferred Annuity (TDA) Program
- Financial protection if you have an accident
  - Disability and accidental death coverage for qualifying members
- Access to tax-deferred loans
- Transferable contributions—you can move them to another compatible plan if you leave BERS

# What You'll Get in the Future

- A steady monthly paycheck for the rest of your life in retirement
- The ability to pass along your pension to a beneficiary
- The possibility to retire early—as early as 55—at a reduced monthly payout rate (if you qualify)

# Why Join BERS and How to Join BERS

- Watch our [video](#) and see why you should become a member
- Visit our [enrollment page](#) and sign up to start securing your financial future today



# How to Contribute to the Pension Plan





# Next Steps to Securing Your Safety Net

- Step 1: Enroll in the Pension Plan
  - Complete the enrollment package and designation of beneficiary
- Step 2: Enroll in the TDA
  - Complete the enrollment package and designation of beneficiary

## INFO YOU'LL NEED:

- Job title
- School, district or agency you work for
- Name and DOB of beneficiary

\*The Tax Deferred Annuity (TDA) is an additional savings program offered by BERS.

**BERS TDA**



# A Word About the TDA

- Most members of the BERS pension plan are eligible to enroll
- Enrolling may help you reduce your current taxable income and save for the future
- You can change your contribution rate at any time



# Benefits of the TDA

- Two ways to invest
- You decide your contribution amount and how much to put toward the Programs (contributions can be put toward one or split between the two)
- You have 4 opportunities a year to change your allocation

Fixed Program	Variable Program
<ul style="list-style-type: none"><li>• A generous, guaranteed return</li><li>• 8.25%* for most members; 7%* for UFT members</li></ul>	<ul style="list-style-type: none"><li>• Invests in a diverse mix of stocks</li><li>• Return is based on the stock market—it's not guaranteed and may carry higher risk than the Fixed Program, but it offers the potential for greater return</li><li>• Includes a 4% annual incremental increase credited monthly to your account</li></ul>

*\*Interest compounded annually*

# TDA Explained

- Like a 401(k), you can:
  - Take a loan, if you need money before retirement
  - Withdraw savings at any time (a 10% tax penalty may apply if you take money prior to age 59½)
- At retirement, you can:
  - Keep your account at BERS so it can continue to grow
  - Take Required Minimum Distributions (RMDs) beginning at age 72
  - Withdraw all your money or roll over your savings to another financial institution

# Need Help?

## Speak to a retirement representative to:

- Discuss what you can afford to contribute
- Learn how much will come out of your paycheck
- Estimate your future pension payments
- Go over all the benefits in detail



Have prior service in another  
NYS/NYC retirement system?

**Contact us!**

# Retirement Options

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# Options at Retirement

## Maximum Retirement Allowance

- You receive a monthly lifetime allowance whose amount is greater than the amount of any other benefit option. Upon your death, beneficiaries do not receive a benefit. This means that when you die, the benefit stops.



# Options at Retirement

## Option 1 | 100% Joint and Survivor

- You receive a reduced monthly lifetime allowance. Upon your death, your sole beneficiary receives 100% of your reduced allowance for the rest of their life. If your beneficiary dies before you, you will continue to receive reduced benefits for life.

# Options at Retirement

## Option 2 | Other Joint and Survivor

- You receive a reduced monthly lifetime allowance. You must decide to leave your sole beneficiary either 25%, 50% or 75% of your benefit upon your death. Your allowance will be reduced based on the decision you make and cannot be changed once the first payment is made.

# Options at Retirement

## Five-Year Certain

- You receive a reduced monthly lifetime allowance. After payment of the retirement allowance to you for five years, however, there is no further coverage for your beneficiary. If you die within the five years following retirement, your beneficiary will receive the reduced monthly payments for the remainder of that period.

If your primary beneficiary dies before that period, the remainder of the benefits are paid to a contingent beneficiary in a lump sum.

# Options at Retirement

## Ten-Year Certain

- You receive a reduced monthly lifetime allowance. After payment of the retirement allowance to you for ten years, however, there is no further coverage for your beneficiary. If you die within the ten years following retirement, your beneficiary will receive the reduced monthly payments for the remainder of that period.

If your primary beneficiary dies before that period, the remainder of the benefits are paid to a contingent beneficiary in a lump sum.

# Options at Retirement

## Option 5 | Pop-Up

- You receive a reduced monthly lifetime allowance. You must decide to leave your sole beneficiary either 50% or 100% of your benefit upon your death. Your allowance will be reduced based on the decision you make and cannot be changed once the first payment is made.

If, however, your beneficiary dies before you do, your benefit converts to the maximum allowance for the rest of your life.

# What if You Become Disabled?

- **Two types of disability retirements:**
  - Ordinary and Accidental disability.
- You must file with BERS for either disability retirement.
- Accidental and Ordinary disability applications must be made within 1 year of employment termination.
- Members who qualify for “ordinary” disability retirement are entitled to the same rate of benefits as members who qualify for “accidental” disability retirement.

# What if You Become Disabled?

- Approval is established by the DOE Medical Bureau.
- Must have 10 years of credited service for an ordinary disability retirement. No minimum years of service required for accidental disability retirement.

# What if You Die Before Retirement?

Lump sum of your MCAF account,  
plus the following:

- Members are eligible for ordinary death benefits to be paid to their beneficiaries.
- Paid as predetermined in your beneficiary designation.

NUMBER OF YEARS OF CREDITED SERVICE	LUMP SUM BENEFIT
1 yr but less than 2 yrs	1 year's salary
2 yrs but less than 3 yrs	2 X current salary
3 or more years	3 X current salary

Each year after age 60, the death benefit is reduced by 5% of the original amount that would have been paid. But, once age 70 or older, the amount is not reduced below 50% of the original death benefit in effect.



# What if You Die After Retirement?

## POST-RETIREMENT DEATH BENEFITS

IF DEATH OCCURS	AMOUNT OF BENEFIT
In the first year retirement	50% of the benefit in force at age 60
In the second year retirement	25% of the benefit in force at age 60
In the third year of retirement and thereafter	10% of the benefit in force at age 60

**Plan Ahead!**



# Retirement on the Mind?

Our caring BERS Benefits Examiners will work with you one-on-one to help you file your retirement paperwork.

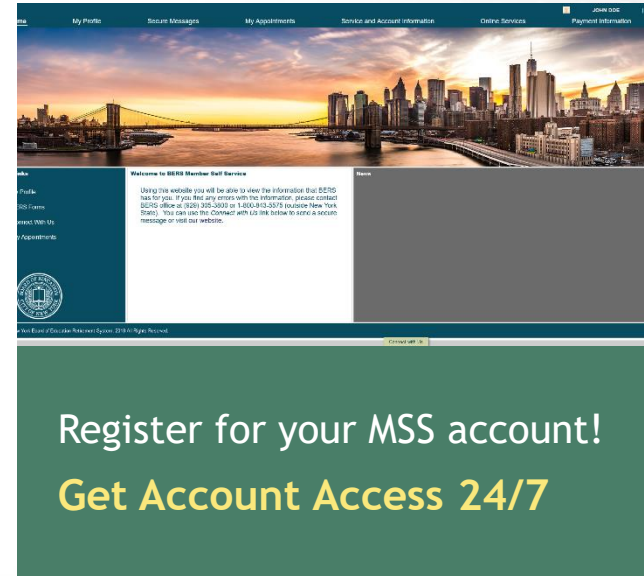
If you are...	TIMELINE
6 months away	<ul style="list-style-type: none"><li>• Request an approximation of benefits</li><li>• Inquire if you have any time that you can buy back with the city, state or military, and about time you may need to transfer from another system</li></ul>
5 months away	<ul style="list-style-type: none"><li>• Make an appointment to speak to a BERS Benefits Examiner</li><li>• Set aside living expenses for the first 3 months of retirement</li></ul>
3 months away	<ul style="list-style-type: none"><li>• Speak with a Benefits Examiner to start your retirement paperwork</li><li>• You will need to show proof of the date of birth for you and for your beneficiaries if you are choosing an option</li></ul>
1 month away	<ul style="list-style-type: none"><li>• Submit your paperwork</li></ul>

# **Member Self Service Portal (MSS)**

# MSS Portal

As a BERS member the new upgrade gives you the ability to do the following online:

- apply for loans
- make a TDA election change
- add and update beneficiary designations
- update your contact information
- and see your account in real time - access BERS at home!



# Contact Us



9:00 a.m. to 5:00 p.m.  
Monday through Friday

(929) 305-3800

OR

(800) 843-5575  
(outside New York State)

Email: [members\\_outreach@bers.nyc.gov](mailto:members_outreach@bers.nyc.gov)

Web: [www.bers.nyc.gov](http://www.bers.nyc.gov)

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**NYCBERS**  
**Securing your**  
**financial future today.**

**Questions?**





# Appendix



# Part-Time Service

- BERS prorates 1 year of credit for past or present part-time service, if you've worked:
  - 1,827 hours during the calendar year
  - 1,470 hours during the calendar year in a non-teaching job whose duties are regularly scheduled to be performed only during the school year
  - 1,170 hours for per-session titles
  - 180 days for substitute teachers and substitute paraprofessionals

# Military Service

- Can purchase up to 3 years of service
- Requires 5 years of credited service to receive credit for military time

# More About Prior Service

- Prior service for Tier 6 costs 6% of the wages you earned during the years you want to buy back plus 5% interest.\*
- Additional cost for those mandated in early retirement program.
- Can pay back in lump sum, post-tax payroll deductions, or with TDA funds.

\* Prior service for Tiers 3 and 4 costs 3% of the wages you earned during the years you want to buy back plus 5% interest.

# Vesting Rights

MEMBERSHIP DATE	VESTING QUALIFICATIONS FOR PENSION BENEFITS
8/1/83 - 2/27/08 Tier IV, Basic Plan	Vesting after 5 years of credited service
Prior to 2/27/08 (Voluntary) Tier IV, Chapter 19 (55/25)	Vested after 5 years of credited service
Joined after 2/27/08 (Mandatory) Tier IV, Chapter 19 (55/27)	Vested after 5 years of credited service
12/11/09 or later (Mandatory) Tier IV, Chapter 504 (55/27)	Vested after 10 years of credited service
4/1/12 or later Tier VI	Vested after 10 years of credited service

**Thank You!**

