

Your Retirement Plan

Special 20- and 25-Year Plans

For Tier 1 and 2 Members
(Sections 384, 384-d and 384-e)

Office of the New York State Comptroller
Thomas P. DiNapoli



New York State and Local
Police and Fire Retirement System



A Message from Comptroller Thomas P. DiNapoli



As a member of the Retirement System, you are covered by a plan that provides considerable benefits. I want to make sure you understand these benefits so you can take full advantage of them.

This booklet explains some of the benefits and services available to you as a member of our system, including:

- Benefits you will receive at retirement (service retirement benefits) if you meet the service and age requirements;
- Benefits you may receive if you become permanently disabled (disability retirement benefits);
- Benefits your beneficiary may receive if you die while working for a public employer or after you retire (death benefits);
- Benefits you can receive at a later date, even if you leave public service before you become eligible to retire.

I am joined by a staff of dedicated professionals in my commitment to helping you make informed decisions about *your* future. I encourage you to contact us with any questions or suggestions you might have.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

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This summary plan booklet describes the benefits available to Tier 1 and Tier 2 members covered by the special 20- and 25-year retirement plans provided by the New York State and Local Police and Fire Retirement System under Sections 384, 384-d and 384-e of the New York State Retirement and Social Security Law (RSSL).

Throughout this booklet, you will find references to “sections” and “articles” that refer to RSSL, as enacted by the New York State Legislature. The New York State and Local Retirement System, headed by the Comptroller of the State of New York, administers this plan. Our main office is in Albany, New York.

Many Ways to Keep Informed About Your Benefits

You are participating in a System designed to help you and your dependents achieve financial stability after your retirement or in the event of disability or death. It is vital that you have the most current information on your Retirement System to understand everything about the benefits we offer. There are several ways to do this:

- Read this booklet carefully. Many of your questions can be answered within these pages. Keep it handy as a quick reference for future questions concerning your benefits.
- Read the member newsletters we publish. They contain current information about your plan and its benefits, as well as general information about retirement and the Retirement Law.
- Carefully review your annual member statement, a comprehensive statement detailing your personal status as a member of the Retirement System. If you spot any errors, make sure to get them corrected quickly.
- Attend a pre-retirement presentation to guide you through the retirement process, explain the benefits you can expect and discuss post-retirement issues. At your employer's request, we offer these presentations for members, especially those within five years of retirement eligibility.
- Visit our website at www.osc.state.ny.us/retire. You will find sections developed specifically for members, retirees and employers. You can download forms, read information booklets, brochures and newsletters. View recent

legislation that could affect your benefits. Get tips on enhancing your retirement benefits and preparing for retirement.

- Sign up for *E-News*, our email newsletter, for the latest retirement news. It includes a special section dedicated to pre-retirement planning. To enroll, go to our website and click on the *E-News* link.
- Get copies of any of the forms or publications mentioned in this booklet by printing them from our website, by contacting our Call Center or by asking your employer.
- Visit any of our 16 consultation sites throughout the State where you can meet with an Information Representative to discuss your own retirement benefits. We especially recommend a consultation if you are nearing retirement and looking for specific information before filing your application for retirement. Please contact our Call Center to schedule an appointment.
- Please advise us whenever your mailing address changes. This is especially important if you leave public employment before becoming eligible for retirement. Having your correct address in our files will help us keep you up-to-date about benefits.
- Any questions?
 - Contact our Call Center toll-free at 1-866-805-0990, or at 518-474-7736 if you live in the Albany, New York area;
 - Email us via our website at **www.osc.state.ny.us/retire**;
 - Fax us at 518-402-4433; or
 - Write to us at:
New York State and Local
Retirement System
110 State Street
Albany, NY 12244-0001

About Your Membership

Joining the Retirement System

If you are working as a police officer or paid firefighter for an employer that participates in the New York State and Local Police and Fire Retirement System, you must become a member of the Retirement System. To join, you must complete a membership application and file it with the Office of the State Comptroller.

Tier Status

When you join the Retirement System, you are assigned to a tier depending on your date of membership. You are a Tier 1 member if you joined the Police and Fire Retirement System before July 31, 1973. If you joined on or after July 31, 1973, you are a Tier 2 member.

Special Plan Coverage

To be covered by the special plans discussed in this booklet, your employer must adopt the benefits. Also, you must elect coverage within one year of either joining the Retirement System or your employer adopting this plan, whichever is later. The election must be in writing and filed with the Office of the State Comptroller.

You may withdraw your election to participate in the special plans after one year of coverage by filing written notice of your withdrawal with the Office of the State Comptroller. Once your

withdrawal is acknowledged, you will be covered by the non-elective retirement plan provided by your employer.

Contributing Towards Your Retirement

While you are not required to contribute towards your retirement benefits, you may elect to make voluntary contributions to the Retirement System. These contributions, plus the interest they earn, will provide you with an annuity when you retire.

Borrowing Against Your Contributions

If you have contributions on deposit, are in active service and have at least one year of member service credit, you may take a loan from the Retirement System. To apply, you must file a Tier 1/Tier 2 Loan Application (RS5025) with us. If you already have an outstanding Retirement System loan and want to take a new loan, please contact our Call Center to connect with our automated information line to determine if refinancing your loan or carrying multiple loans would be better for you.

The following conditions apply when borrowing against your contributions:

- Each loan must be for a minimum of \$25, but not more than 75% of your member contribution balance, less any outstanding loans.
- You repay each outstanding loan through payroll deductions in an amount sufficient to repay the loan and interest within five years.
- You may borrow only once in any 90-day period.

- Prior to retirement, and 30 days after issuance, loans are fully insured in case you die before repaying them.
- Loans may be subject to Federal income tax.
- If you retire or withdraw from the Retirement System and have one or more outstanding loan balance(s), part or all of the loan balance(s) may be considered taxable income and subject to Federal income tax in the year that you retire or withdraw your membership.
- At retirement, any outstanding loans will permanently reduce your annuity.

Ending Your Membership

Once you join, there are only four ways your membership can end:

- When seven years have elapsed since you last worked in public service, provided you do not have at least five years of credited service; or
- If you are not vested, leave public employment before age 60, and voluntarily withdraw your membership; or
- When you retire; or
- If you die.

“Public employment” means paid service as an officer or employee with an employer that participates in the New York State and Local Retirement System.

Final Average Salary

Your pension is based on your years of credited service and your final average salary (FAS). FAS is the average of the wages you earned during any 36 consecutive months of service when your earnings were highest. This is usually the last three years of employment.

The calculation of your FAS can include, but is not limited to, the following types of payments:

- Regular salary;
- Overtime if earned in the period used in the FAS;
- Holiday pay;
- Non-compensatory overtime earned for each year in the FAS period;
- Longevity bonus (maximum of three) if paid in the years used in the FAS.

The following types of payments are not considered regular compensation and will not be included in your FAS calculation:

- Unused sick leave;
- Payments made as a result of an individual having worked his or her vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payment for deferred compensation; and
- Any payments made for time not worked.

Tier 1

If your date of membership is June 17, 1971 or later, the wages in any 12-month period used in the FAS calculation cannot exceed the earnings in the preceding 12-month period by more than 20%.

Also, payment for up to 30 days of accumulated unused vacation will be included in your FAS calculation if your date of membership is before April 1, 1972 and if your FAS is based on the 36 months of earnings immediately preceding your date of retirement.

Tier 2

If the earnings in any year included in the period exceed the average of the previous two years by more than 20%, the amount in excess of 20% is excluded from the computation of your FAS. Payment for accumulated vacation is not included in the calculation of your FAS.

One-Year Final Average Salary

If your employer has adopted this benefit, your retirement will be calculated based on a one-year final average salary unless the three-year calculation will provide a higher FAS.

The one-year FAS includes only the regular compensation earned during the last 12 months preceding retirement. The calculation of a one-year FAS can include, but is not limited to, the following types of payments:

- Regular salary;
- Overtime;
- Holiday pay;

- Non-compensatory overtime; and
- Longevity bonus.

All payments must be earned in the 12 months immediately preceding retirement.

The following types of payments are not considered regular compensation and will not be included in the one-year FAS calculation:

- Unused sick leave;
- Unused vacation;
- Payments made as a result of an individual having worked his or her vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payment for deferred compensation; and
- Any payments made for time not worked.

The earnings used in the calculation of the one-year FAS cannot exceed the wages in the previous 12-month period by more than 20%. Any amount over the 20% will be excluded from the calculation.

25-Year Service Retirement Benefit (Section 384)

Eligibility for the 25-Year Service Retirement Benefit

You will be eligible to retire with 25 or more years of creditable service, regardless of age. “Creditable service” under the 25-year plan is defined as service:

- As a firefighter or police officer under the 25-year plan;
- As a member or officer of the New York State Police;
- In the Regional State Park Police service;
- In the military, as specified by law; or
- Certain other previous police service, as specified by the New York State Retirement and Social Security Law.

The 25-Year Service Retirement Benefit

With at least 25 years of service in this plan, you will receive a benefit equal to 50% of your FAS. With less than 25 years of creditable service, if you are age 60, you will still be eligible for a pension equal to 2% of your FAS for each year of creditable service, plus 1.66% of your FAS for each year of service in a title other than police officer or firefighter. The maximum benefit cannot exceed 50% of your FAS. If you made voluntary contributions to the Retirement System, your benefit will also include an annuity purchased by your contributions and the interest they earned.

If you are 55 at retirement, and an alternative regular plan would provide a greater benefit, the greater benefit would be paid.

Additional Benefits After 25 Years (Sections 384(f), (g) and (h))

Eligibility for the Additional Benefit

Under the 25-year plan, you will not receive additional benefits for service over 25 years unless your employer adopts coverage under subdivisions f, g and h of Section 384 (RSSL). To receive these additional benefits, you must elect the benefit within one year of your appointment as a police officer or firefighter. By doing so, you waive the right to continue in service until age 70. You must separate from service no later than the first of the month following your 62nd birthday.

The Sections 384(f), (g) and (h) Benefit

This coverage provides an additional pension of 1/60th (1.66%) of your FAS for each completed year of creditable service beyond 25. The maximum benefit payable to Tier 2 members is the benefit due on completion of 30 years of creditable service (58.33% of FAS).

If you are over 62 when your employer adopts additional benefit coverage, or reach age 62 within one month of its adoption, you must retire within three months of the date coverage is offered to receive the additional benefit. You may not withdraw your election for additional benefit coverage while you are a 25-year plan member.

20-Year Service Retirement Benefit (Section 384-d)

Eligibility for the 20-Year Service Retirement Benefit

You may retire with full benefits at any age on completing 20 years of creditable service. “Creditable service” under the 20-year retirement plan is defined as service:

- As a firefighter or police officer under the 20-year plan;
- In the military, as specified by law; or
- Certain other previous police service as specified by the New York State Retirement and Social Security Law.

Under this retirement plan, you must be separated from service on the last day of the month following the month in which you reach age 62. If you are over 62 when your employer adopts this benefit, you must be separated from service within three months of the date this benefit is offered to receive this benefit.

The 20-Year Service Retirement Benefit

With at least 20 years of creditable service, your benefit will equal one-half (50%) of your FAS. If you retire at 62, with less than 20 years of creditable service, your retirement benefit will be $1/40^{\text{th}}$ (2.5%) of your FAS for each year of creditable service. An additional pension of $1/60^{\text{th}}$ (1.66%) of your FAS is payable for other allowable government service. However, this additional benefit cannot increase your pension to more than one-half of your FAS. If you made voluntary contributions to the Retirement System, your benefit will also include an annuity purchased by your contributions and the interest they earned.

If you are 55 at retirement, and an alternate regular plan would provide a greater benefit, the greater benefit would be paid.

Additional Benefits After 20 Years (Section 384-e)

Eligibility for the Additional Benefits

Under the 20-year plan, you will not receive any additional benefits for service over 20 years unless your employer adopts coverage under Section 384-e and 384-e(b) (RSSL). Should your employer make these benefits available to you, you are automatically covered. If your employer chooses to adopt the benefits for a limited period of time, and you enter employment after the expiration date, you would not be eligible for them.

The Section 384-e Benefit

This provides an additional pension of $1/60^{\text{th}}$ (1.66%) of your FAS for each year of creditable service beyond 20 years. If you are 55 at retirement, and an alternate regular plan would provide a greater benefit, you would receive the greater benefit.

The Section 384-e(b) Benefit

This provides an additional $1/60^{\text{th}}$ (1.66%) of your FAS for each year of service earned with a public employer prior to your service performed as a police officer or firefighter.

Maximum Retirement Benefits

For Tier 1 members, the maximum benefit payable under Section 384-e and Section 384-e(b) is 75% of your FAS. The maximum benefit payable to Tier 2 members is the benefit due on completion of 30 years of creditable service (66.67% of FAS).

Filing for Your Service Retirement Benefit

The Application for Service Retirement (RS6037) must be on file with the Office of the State Comptroller at least 30 days but not more than 90 days before the date on which your retirement will occur.

Items That May Affect Your Pension

IRS Pension Limitation

The Internal Revenue Code limits the amount of salary we may use in the calculation of benefits. Section 401(a)(17) affects members who first join on or after April 1, 1996 and currently excludes earnings over \$225,000 (effective April 1, 2007) in the State's fiscal year (April 1 – March 31). This amount is set by Federal law and is periodically adjusted for inflation.

Cost-of-Living Adjustments (COLA)

Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. This adjustment, subject to pension caps and limitations, is 50% of the previous year's annual rate of inflation, but never less than 1% or more than 3% of your benefit. The adjustment percentage is applied only to the first \$18,000 of your Single Life Allowance, even if you selected a different option at retirement.

You will begin receiving COLA when you are:

- Age 62 or older and retired for five or more years, or
- Age 55 or older and retired for ten years; or
- Receiving a disability pension for five or more years.

When you die, if you selected an option at retirement that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

Divorce

The New York State Court of Appeals has determined that retirement benefits are marital property and subject to the equitable distribution provisions of the Domestic Relations Law. Equitable distribution is the fair division of marital assets between husband and wife after the marriage has ended. At the time of your divorce, you and your ex-spouse can agree on how your pension benefits should be divided, or you can have the decision made by the court. Either way, any division of your pension benefits must be stated in the form of a Domestic Relations Order (DRO) if we are to pay a portion of your pension to your ex-spouse.

A DRO is the legal document issued by a court that provides us with specific direction on how your pension benefits will be divided between you and your ex-spouse. However, it does not allow for a distribution of your pension until you actually retire, die or terminate membership.

For more information on how your pension benefits can be affected when divorcing, consult your attorney and read our guide to domestic relations orders available on our website at **www.osc.state.ny.us/retire/publications/index.htm**.

Receiving Your Benefits

Applying for Benefits

To apply for all Retirement System benefits, you must file the appropriate application form with the Office of the State Comptroller in a timely manner. Forms are available from our website, our Call Center or your employer. Specific filing instructions are detailed in each benefit description. Also, you can get help by calling or writing to us and from our Information Representatives at our 16 consultation sites throughout New York State.

Filing with the State Comptroller's Office

Many retirement benefit applications and other documents are required, by law, to be filed with the Office of the State Comptroller within specific time limits. For a form to be considered as “filed with the Comptroller,” it must be received by our Albany office, one of our consultation sites, or at another office of the State Comptroller.

Giving your employer the form does not mean that you have “filed with the Comptroller.”

As an alternative to visiting our offices to personally file these time-sensitive documents, you can fulfill the filing requirements by mailing the document to us. We will consider it filed when it is delivered to us by the Post Office. If you are concerned about meeting a filing deadline,

you can mail the document via “Certified Mail — Return Receipt Requested.” When we receive the document, it will be considered as having been filed on the same date it was mailed.

To meet a filing deadline (such as an application for retirement benefits or an option election form), you can also send the document to us via fax. Although we will consider the form as filed on the date the transmission is received, you must still mail us the original document to continue the process and properly complete the filing requirement.

Filing Multiple Applications

Should you become ill or disabled and unable to perform your duties, depending on the circumstances, you may be eligible to simultaneously file applications “without prejudice” for disability and regular service retirement benefits. “Filed without prejudice” means we will process all filed applications and if more than one benefit is approved, you will be given the opportunity to choose your pension from the approved benefits.

Challenging a Retirement System Determination

We can pay only those benefits authorized by law, and cannot pay you any benefits if you do not meet all the eligibility requirements established by law. If you believe that your benefit has been incorrectly denied or improperly calculated, you may request a hearing and redetermination to be held before a hearing officer.

Your request must be in writing and directed to the Hearing Administration Bureau within four months of the determination date. We will send you an acknowledgement letter and an explanation of the hearing process when we receive your written request. If you have questions regarding the hearing process, please contact us at 518-473-9756.

How We Credit Your Service

Full-Time Employment

If you joined the Retirement System on the day you began employment with a participating employer and you work on a full-time continuous basis, your retirement service credit is calculated by subtracting your beginning date of employment from the date you actually leave paid employment.

Part-Time Employment

Service credit for Tier 1 members employed less than full-time may be prorated. For Tier 2 members, part-time employment is credited as the lesser of:

$$\frac{\text{number of days reported}}{260 \text{ days}}$$

or

$$\frac{\text{annual salary reported}}{\text{State's hourly minimum wage} \times 2,000}$$

Leaves of Absence

Tier 1 members receive full credit for sick leave at half pay; Tier 2 members receive half credit for sick leave at half pay. Since service is usually not credited for any period of time you do not receive a salary, there is no credit for:

- Leaves of absence without pay;
- Authorized, unpaid medical leaves of absence; or
- Unpaid leave under the Federal Family and Medical Leave Act.

Tier 1 members will usually receive up to one year of service credit while on Workers' Compensation leave. Tier 2 employees will not receive credit while on Workers' Compensation leave, unless your employer continues to pay you and reports your earnings to us. In that case, even if the Workers' Compensation carrier later reimburses your employer, your service credit will not be taken away.

Getting Credit for Previous Public Service

You may be able to obtain credit for previous public employment. If so, it is very important that you claim all the service you are entitled to receive, as early as possible, because records documenting your previous service may be lost or destroyed with the passage of time.

Please note that certain types of credit listed below may not provide additional benefits under your special plan. Contact us to verify what service would be creditable.

Prior Service

This is any period of time you received salary from a participating employer before that employer elected to participate in the Retirement System. There is no cost to receive credit for prior service.

Service Before Your Date of Membership

You may receive credit for working for a participating public employer in New York State before you joined the Retirement System.

Military Service

You may be able to receive credit for some or all of your military service. To determine your eligibility and the cost, if any, please send us a copy of your Certificate of Release or Discharge from Active Duty (DD-214).

Service from a Previous Membership

If you previously were a member of this System, or another public retirement system in New York State, your service may be recredited and your date of membership and tier changed. For reinstatement to Tier 1 or to an earlier date within Tier 2, send us a completed Application to Reinstate a Former Tier 1 or 2 Membership (RS5506).

Applying for Previous or Military Service Credit

To receive credit for any type of previous or military service, send a written request (which must be received before your effective date of retirement) to our Member & Employer Services Bureau. Please include as much information as you can about the period of employment for which you are seeking credit. We will determine your eligibility to receive the credit and any cost involved.

By requesting credit for your previous public employment as early in your career as possible:

- If there is a cost, it will be less expensive than if you wait to purchase it at a later date.
- Your retirement benefit will be processed more quickly if your service credit is in order.

Please note, if you are requesting previous service to establish eligibility for a vested retirement benefit, you should request credit while you are on the payroll of a participating employer. If you receive a cost after you leave the payroll, you must make payment within 30 days of notification. You can request this service once you are off the payroll, but you must pay the cost (if any) and return to the payroll of a participating employer for the service to be credited and to become vested.

Establishing Benefit Eligibility (Vesting)

Eligibility for Vesting

You are eligible for a vested retirement benefit if you leave public employment before 55 and you have five or more years of credited member service. When you reach 55, you will be entitled to a retirement benefit based on your service and salary earned when you were an active member.

Your Vested Benefit

Your vested retirement benefit is $1/60^{\text{th}}$ (1.66%) of your FAS for each year of credited service. The retirement benefit is payable for your lifetime and you must elect one of several options to provide for possible payment to a designated beneficiary of your choice.

Filing for the Vested Benefit

To receive your vested retirement benefit at the earliest possible date, you should file a retirement application within 90 days before the first of the month following your 55th birthday. If we receive your retirement application after the first of the month following your 55th birthday, your vested retirement will be effective on the date the application is received.

Remember, it is up to you to file a retirement application when you become eligible and wish to receive your benefit.

Benefit Payment Options

How You Receive Your Benefit

At retirement, you must decide how you want your retirement benefit paid. While there are several options from which to choose, all of them provide you with a monthly benefit for life. For example, you may elect to have your retirement benefit paid to you as a Single Life Allowance, providing you with the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or, you may elect to receive a smaller monthly benefit to provide for a possible payment to a designated beneficiary after your death.

Filing Your Option Election

You must file your Option Election form (unless notified otherwise, as in the case of disability retirement or delayed estimate) before the first day of the month following your retirement. You have up to 30 days after your pension benefit becomes payable to change your selection. If you are a disability retiree, you may change your option selection up to 30 days after your disability application is approved, or up to 30 days after your retirement date, whichever is later. If your election is not timely, by law, we must process your retirement as if you had selected the Cash Refund — Contributions (Option ½) with your estate named as beneficiary.

The following choices are available to you:

Single Life Allowance (Option 0)

This is the basic retirement benefit. It provides for the maximum benefit payment to you each month for the rest of your life. But remember, under this selection all payments cease at your death. When you die (even if it is only one year, or sooner, after retiring), nothing will be paid to any beneficiary.

Cash Refund — Contributions (Option 1/2) (Available only to members with contributions on deposit)

Under this option, you will receive a reduced monthly benefit payable for your lifetime. At your death, if any unpaid balance of your accumulated contributions remains, it will be paid to your beneficiary or your estate. If all your accumulated contributions have been expended, all payments will cease at your death.

Cash Refund — Initial Value (Option 1) (Available to Tier 1 members only)

This option provides a reduced monthly benefit for your lifetime. It guarantees that if you die before receiving retirement benefit payments that equal the initial value of your benefit, the balance of the initial value will be paid to your beneficiary or estate in a lump sum. Initial value is an actuarial term for the value of your retirement benefit at the time of retirement.

If you live long enough, you will receive your initial value amount and more in your monthly retirement benefit. However, if you die after the full initial value amount has been paid out to you, no benefit is payable to your beneficiary.

Joint Allowance — Full*

This option will provide you with a reduced monthly benefit for your lifetime and is based on your and your beneficiary's birth dates. When you die, your beneficiary will receive the same monthly amount (without COLA) for life. If your beneficiary dies before you, all benefit payments will cease at your death.

Joint Allowance — Half*

This option guarantees you a reduced monthly retirement benefit for your lifetime. After your death, your beneficiary will receive monthly payments equal to one-half of the amount (without COLA) you were receiving. If your beneficiary dies before you, all benefit payments will cease at your death.

Pop-Up/Joint Allowance — Full or Half*

These options will provide you with a reduced monthly lifetime benefit. If you die before your beneficiary, we will continue paying the same monthly amount or one-half that amount (without COLA), depending on which option you elect, to your beneficiary for life. If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement and all payments will stop at your death.

* If you elect this option, you must submit proof of your beneficiary's birth date. You can only designate one beneficiary and you cannot change your designation after your retirement. If your beneficiary is your spouse at the time of your death, he or she will be eligible for 50% of your COLA.

Five Year Certain and Ten Year Certain

These options provide a reduced monthly lifetime benefit for you, with the additional guarantee that if you live for less than five years or ten years after retirement, depending upon which option you elect, payments in the same amount (without COLA) you were receiving will be made to your beneficiary for the balance of the five or ten-year period. You may change your beneficiary within the five or ten-year period.

Alternative Options

If the options described here do not meet your needs, we will consider written requests for other payment methods. These requests must be outlined in detail by you and then approved by us for legal and actuarial soundness.

Partial Lump Sum Payment

Eligible Police and Fire Retirement System members can choose to receive a reduced lifetime retirement benefit in exchange for a one-time lump sum payment. The payment is made when your retirement benefit is finalized.

Eligibility

To be eligible to choose a partial lump sum payment (PLS), you must:

- Retire under a special 20 or 25-year plan;
- Retire on or after April 1, 2008 but before April 1, 2013;
- Have been eligible to retire with a service retirement benefit for at least one year prior to your date of retirement; and
- Retire with a service retirement (not a disability retirement*).

Choosing a Lump Sum Payment

When you file for retirement, if you are eligible for PLS, we will send you a special Option Election Form so you can choose PLS along with the standard retirement option you want for your continuing lifetime benefit.

* If you receive a PLS payment under a service retirement benefit and are later approved for a disability retirement benefit, the PLS payment must be repaid if you convert to the disability benefit.

Lump Sum Payment Amounts

- If you file for retirement after being eligible to retire for **one year**, you can choose to receive a lump sum payment of 5% of the value of your benefit. Your continuing lifetime retirement benefit will be reduced by **5%**.
- If you file for retirement after being eligible to retire for **two years**, you can choose to receive a lump sum payment of either **5 or 10%** of the value of your benefit. Your continuing lifetime retirement benefit will be reduced by the percentage you choose.
- If you file for retirement after being eligible to retire for **three or more years**, you can choose to receive a lump sum payment of **5, 10 or 15%** of the value of your benefit. Your continuing lifetime retirement benefit will be reduced by the percentage you choose.

Future cost-of-living adjustments (COLAs) will be based on your reduced lifetime benefit. The lump sum payment is excluded from the COLA calculation.

For More Information

For more information, including the taxability of a Lump Sum Payment, please refer to our brochure *Partial Lump Sum Payment at Retirement* (VO1750), available on our website at www.osc.state.ny.us/retire/word_and_pdf_documents/publications/1700s/1750-pls.pdf.

Ordinary Disability Retirement Benefit

Eligibility for the Ordinary Disability Benefit

If you are unable to perform your duties because of permanent physical or mental incapacity and have ten or more years of service credit, you may be eligible for an ordinary disability retirement benefit.

The Ordinary Disability Benefit

If approved, this is a benefit equal to the greater of:

- $1/60^{\text{th}}$ (1.66%) of your FAS for each year of credited service; or
- $1/60^{\text{th}}$ (1.66%) of your FAS for each year of credited service, plus $1/60^{\text{th}}$ of your FAS for each year of service you might have earned before age 60, but not more than one-third of your FAS.

The benefit would include an annuity based on any contributions you have made.

If you are 60 or older at the effective date of your disability retirement, your ordinary disability benefit would be equal to the benefit that would be payable to you as a service retirement.

You must select an option for the payment of your disability benefits. For more information refer to the “Benefit Payment Options” section in this booklet.

Filing for the Ordinary Disability Benefit

You, your employer or someone authorized with your power of attorney, may file your application for ordinary disability retirement benefits. However, employers may not file applications for members receiving Section 207-a or 207-c (General Municipal Law) benefits.

You may submit applications simultaneously for ordinary disability, accidental disability, performance of duty disability and regular service retirement benefits (if eligible). However, your application for ordinary disability retirement must be filed with the Retirement System while you are in service or within 90 days from the date you:

- Are last paid on the payroll; or
- Are last on an authorized medical leave; or
- Last receive Workers' Compensation or other similar employer-funded benefits; or
- Are terminated from employment, even if you are receiving Workers' Compensation or other similar employer funded benefits.

Performance of Duty Disability Retirement Benefit

Eligibility for the Performance of Duty Disability Benefit

You may be entitled to this disability benefit if you are found permanently disabled as a result of the performance of your duties, regardless of the amount of service you may have.

Notice of Occurrence

To be eligible for this benefit, you must file an application for a performance of duty disability retirement benefit within one year following the alleged incident or occurrence. Otherwise, you must have filed a written notice of the incident or occurrence with:

- The Retirement System within 90 days of the incident or occurrence; or
- Your employer within 30 days of the date of the incident or occurrence, if your employer is covered by the Workers' Compensation Law or if the incident or occurrence took place on or after September 1, 1980.

The written notice must detail the time and place of the incident or occurrence, the particulars thereof, the nature and extent of your injuries, and the alleged incapacity.

The Performance of Duty Disability Benefit

If approved, the benefit would be equal to 50% of your FAS, plus an annuity based on any contributions you have made. The performance of duty disability benefit is not reduced by any Workers' Compensation benefit you may be eligible to receive.

You must also select an option for the payment of your disability benefits. For more information, refer to the "Benefit Payment Options" section in this booklet.

Filing for the Performance of Duty Disability Benefit

You, your employer or someone authorized with your power of attorney, may file your application for performance of duty disability retirement. The application must be filed while you are still in service or within two years of your discontinuance from service. When filing for this benefit, "in service" is defined as while you are:

- Being paid on the payroll; or
- On an authorized medical leave of absence for up to two years, but may be extended for an additional two years; or
- Receiving Workers' Compensation or other similar employer-funded benefits for up to two years (but may be extended for an additional two years) since last being paid on the payroll, as long as you have not resigned or are not terminated from employment while receiving those benefits.

You may submit applications simultaneously for ordinary disability, performance of duty disability, accidental disability and regular service retirement benefits (if eligible).

Special Disability Benefits

If you are a firefighter or police officer, you may be eligible for an accidental disability retirement benefit if you are permanently disabled because you contracted HIV (where there may have been exposure to bodily fluids that may have involved the transmission of this disease), tuberculosis or hepatitis after contact with members of the public.

If you are a firefighter and are permanently disabled by heart disease, certain types of cancer or lung disease, and passed a physical examination upon entry to firefighting service that did not reveal evidence of the disabling condition, you may be eligible for an accidental or performance of duty disability retirement benefit.

If you are a police officer and passed a physical examination upon entry to police service that did not reveal any evidence of disease or other impairment of the heart, you may be eligible for a performance of duty retirement benefit if you are permanently disabled by heart disease.

Accidental Disability Retirement Benefit

Eligibility for the Accidental Disability Benefit

Regardless of the amount of service credit you may have, if you become permanently incapacitated (physically or mentally) and unable to perform your job as the natural and proximate result of an on-the-job accident not due to your own willful negligence, you may be eligible for the benefit.

Notice of Accident

To be eligible for this benefit, you must file an application for an accidental disability retirement benefit within one year following the alleged accident. Otherwise, you must have filed a written notice of the accident with:

- The Retirement System within 90 days of the accident; or
- Your employer within 30 days of the date of the accident, if your employer is covered by the Workers' Compensation Law or if the accident occurred on or after September 1, 1980.

The written notice must detail the time and place of the accident, the particulars thereof, the nature and extent of your injuries, and the alleged incapacity.

The Accidental Disability Benefit

If approved, the accidental disability retirement benefit is a lifetime pension equal to three-quarters (75%) of your FAS, and an annuity provided by any contributions you may have made while in service.

You must apply for Workers' Compensation benefits if you are eligible. Regardless of tier, the accidental disability benefit will be reduced by the total amount of Workers' Compensation benefits that you are eligible to receive.

You must select an option for the payment of your disability benefits. For more information, refer to the "Benefit Payment Options" section in this booklet.

Filing for the Accidental Disability Benefit

You, your employer or someone authorized with your power of attorney, may file your application for accidental disability retirement. The application must be filed while you are still in service or within two years of your discontinuance from service. When filing for this benefit, “in service” is defined as while you are:

- Being paid on the payroll; or
- On an authorized medical leave of absence for up to two years, but may be extended for an additional two years; or
- Receiving Workers’ Compensation or other similar employer-funded benefits for up to two years (but may be extended for an additional two years) since last being paid on the payroll, as long as you have not resigned or are not terminated from employment while receiving those benefits.

You may submit applications simultaneously for ordinary disability, performance of duty disability, accidental disability, and regular service retirement benefits (if eligible).

Ordinary Death Benefit

Your beneficiary may be entitled to an ordinary death benefit if your death is not attributable to an on-the-job accident. The first \$50,000 of this benefit is paid in the form of group term life insurance which is currently exempt from Federal income tax. Your accumulated contributions (if any) are also payable to your beneficiary.

Eligibility for the Ordinary Death Benefit

An ordinary death benefit may be payable to your designated beneficiary if you have completed at least one year of service as a Tier 1 member or 90 days of service as a Tier 2 member since joining the Retirement System and your death occurs:

- While in public service;
- On an authorized medical leave without pay; or
- While receiving Workers' Compensation or other employer-funded benefits, for up to two years following the last date you were paid on the payroll, provided your employment has not been terminated by resignation, employer action or any other means; or
- Within 12 months of the last date you were receiving salary, provided you were not otherwise gainfully employed during that period.

The Ordinary Death Benefit — Tier 1

If you are covered by Section 384-d and die in service prior to completing 20 years of creditable service, or covered by Section 384 and die in service prior to completing 25 years of creditable service, your beneficiary would receive the regular ordinary death benefit.

If your employer provides a fully non-contributory membership, this benefit is $1/12^{\text{th}}$ (8.33%) of your last year's earnings multiplied by your years of service, maximum of 36 years.

If your employer does not provide a fully non-contributory membership, this benefit is $1/12^{\text{th}}$ (8.33%) of your last year's earnings multiplied by your years of service credit (up to 12 years). In addition, the benefit includes $1/24^{\text{th}}$ (4.16%) of your last year's earnings for each year of service over 12. The maximum benefit is equal to two years' pay.

The Ordinary Death Benefit — Tier 2

On completion of 90 days of service, your death benefit would equal three times your salary raised to the next highest multiple of \$1,000 as limited by Section 130 of the Civil Service Law.

The Alternative Death Benefit

If you die in service, after becoming eligible to retire, an alternative death benefit may be payable. This benefit would equal the pension reserve under the plan (Section 384-d, Section 384 or Section 384-e) that would have been established had you retired on your date of death.

Out of Service Death Benefit

If you are a vested member with at least ten years of credited service and you die more than one year after leaving public employment, 50% of the death benefit may still be payable. This benefit is also payable if you die within one year of leaving covered service but were gainfully employed during that time.

Filing for the Ordinary Death Benefit

Your family or employer should notify us of your death as soon as possible so we can send the appropriate forms to your beneficiary.

Accidental Death Benefit

Eligibility for the Accidental Death Benefit

Regardless of your years of service credit, if you die as the natural and proximate result of an on-the-job accident not due to your own willful negligence, an accidental death benefit would be payable on your behalf.

The Accidental Death Benefit

The accidental death benefit is a lifetime pension if paid to a spouse or dependent parent. The annual benefit is equal to one-half (50%) of your FAS (less any Workers' Compensation benefit paid or payable because of your death). Any accumulated contributions will be refunded to your designated beneficiary or to your estate. The benefit can only be paid to the following family beneficiaries, in this order:

- First, to your widow or widower, for life;
- Second, where there is no widow or widower or in the event of his or her death, to minor children until the last child reaches age 18, or if students, until age 23;
- Finally, where there is no widow, widower or minor children, to a dependent parent for life.

If all the beneficiaries listed become ineligible for benefit payments, and the payments made to that time do not equal or exceed the amount of the ordinary death benefit that would have been payable at the time of death, we will pay the difference to your designated beneficiary or to your estate. If you have no beneficiaries as listed above, we will not pay the accidental death benefit but will pay the applicable ordinary death benefit to your last designated beneficiary or your estate.

Filing for the Accidental Death Benefit

Your family or employer should notify us so we can forward the appropriate forms to your beneficiary. The application for the accidental death benefit must be filed within two years of your date of death.

Special Accidental Death Benefit

Eligibility for the Special Accidental Death Benefit

If you die under circumstances that permit payment of the accidental death benefit, a special accidental death benefit will be paid to your surviving widow or widower. If the widow or widower receiving the special accidental death benefit dies, this benefit will be paid to your children who are under the age of 18 or, if they are students, until the age of 23.

The Special Accidental Death Benefit

The special accidental death benefit is a pension equal to your salary reduced by the following:

- The accidental death benefit without reductions; and
- The Social Security benefit payable.

The salary used to compute the special accidental death benefit will be the regular compensation earned by you during the last 12 months of service prior to the date of death. If you do not complete 12 months of service, the salary will be what you would have earned had you worked for the 12 months prior to death.

World Trade Center Presumption

If you participated in the World Trade Center rescue, recovery or clean up efforts, you should be aware of the benefits provided by the World Trade Center Presumption law.

- You may be eligible for an accidental disability retirement benefit if you become permanently disabled due to a qualifying condition and unable to perform your job.
- You may be eligible to reclassify your service or disability retirement benefit to an accidental disability retirement benefit if you develop a qualifying condition after you retire.
- Certain family beneficiaries may be eligible to receive an accidental death benefit if you die after retirement from a qualifying condition.

There are specific eligibility requirements and filing deadlines that must be met for these benefits. For more information, please read our publication on laws affecting public employees who participated in *The World Trade Center Site Rescue, Recovery or Clean up Operations* (VO1834), available on our website at www.osc.state.ny.us/retire.

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