

Chapter 56 of the Laws of 2022

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Last updated 9/15/2022

About Chapter 56 of the Laws of 2022

The 2022 New York State Budget Bill was signed into law by Governor Hochul on April 9, 2022. Within [Chapter 56 of this bill](#), three parts (Part HH, Part SS and Part TT) amend NYS Retirement and Social Security Law (RSSL), and impact certain NYCERS members and retirees.

Part HH – Income Limitations (All Tiers)

Amends the Retirement and Social Security Law (RSSL) to waive §211 & 212 income limitations on retirees as a result of earnings from employment in public schools in the state.

Effective: April 9, 2022

Expires: June 30, 2023

➤ Here are five things you should know about Part HH

1. It only applies to retirees who return to employment with either a NYC or NYS public school.
2. A retiree employed by a public school should file a [Certificate of Employment Form #353](#) to notify NYCERS of their return to service.
3. When instructed to do so, you can file Form #353 online – simply log in to your secure [MyNYCERS](#) account, visit the “Message Center” and look for “Tasks” to complete the form online.
4. NYCERS will require supporting documents to waive income limitations for retirees under 65.

5. Part HH expires on June 30, 2023. After that date, retirees who return to work in a public school will be subject to income limitations.

Part SS – Pension Contribution Rate (Tier 6)

Amends the RSSL to exclude pensionable earnings above the annual base wages of Tier 6 members, such as overtime payments, for purposes of calculating Basic Member Contribution (BMC) rates for a limited period.

Effective: April 1, 2022

Expires: December 31, 2024

Part TT – Vesting Rights (Tier 6)

Amends the RSSL to lower the minimum number of years required for Tier 6 members to vest for service retirement from 10 years to 5 years of credited service.

Effective: April 9, 2022

✓ Frequently Asked Questions About Part TT

1. Can Tier 6 members still request a refund of their member contributions if they leave City service and have five or more years but less than 10 years as a NYCERS member? If yes, is there a cutoff date to do so?

Yes. Tier 6 members who leave City service with less than 10 years of NYCERS membership may file for a refund of member contributions by filing the [Application for Refund of Member's Accumulated Salary Deductions, Form #331](#). Form #331 can also be submitted online by logging in to MyNYCERS and selecting "Refund" from the left navigation menu; Members with five years but less than 10 years of NYCERS membership are required to include the [Waiver of Right to a Vested Retirement, Form #341](#), to waive their right to a future vested benefit.

Mail the waiver to NYCERS at 30-30 47th Avenue, 10th Fl. Long Island City, NY 11101.

2. **Will a Tier 6 member's pension vest automatically? If so, is there a date by when it will happen?**

Yes, if a Tier 6 member has at least five years of Credited Service, their pension will vest automatically as of April 9, 2022. However, NYCERS encourages members who have left City service to file a [Notice of Intention to File for a Tier 3, Tier 4, Tier 6 or 22-Year Plan Vested Retirement Benefit, Form #254](#), so that the most current contact information is in our system.

3. **If Tier 6 members with at least five years of service leave their contributions with NYCERS, will they collect a vested retirement benefit at age 63?**

Yes, a Tier 6 member who has five or more years of Credited Service, at least two years of which are Membership Service, is entitled to receive a Vested Retirement Benefit at age 63.

4. **Does Chapter 56 affect health insurance eligibility?**

No. NYCERS does not administer health benefits. Please check OLR's website at <https://www1.nyc.gov/site/olr/index.page>.

5. **Does Chapter 56 affect disability retirement eligibility (currently 10 years or more Credited Service)?**

No.

6. **Does Chapter 56 affect death benefits for members who die prior to retirement with less than 10 years of service?**

No.

7. **Are basic Tier 6 members required to make contributions after five years and, if yes, do contributions cease at the 10th year?**

There are no changes to the current contribution schedule for members enrolled in the basic Tier 6 Plan as a result of Chapter 56.



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Tier VI Pension Reform

Tier VI Pension Reform

New York State Pension Reform Tier VI *Effective April 1, 2012*

On March 16, 2012, Governor Andrew Cuomo signed into law Chapter 18 of the Laws of 2012, which amends portions of the Retirement and Social Security Law, Education Law and the Administrative Code of the City of New York affecting the contributions and benefits of employees who join a New York State public retirement system on or after April 1, 2012.

ERS/TRS

- Effective for all employees joining a NYS public retirement system on or after April 1, 2012.
- Vesting requires 10 years of service credit.
- Requires 3% (ERS) and 3.5% (TRS) employee contribution, regardless of salary, until April 1, 2013; thereafter, the contribution rate in a given year is based upon regular compensation, as follows:
 - Wages of \$45,000 or less.....3%
 - Wages between \$45,000 and \$55,000.....3.5%
 - Wages between \$55,000 and \$75,000.....4.5%
 - Wages between \$75,000 and \$100,000.....5.75%
 - Wages of more than \$100,000 but less than \$179,000.....6%
- Increases the retirement age to 63 in order to retire with an unreduced benefit; members retiring between age 55 and age 63 are subject to a reduction of 6.5% for each year retirement precedes

age 63. A provision is also included that allows NYSUI-affiliated bargaining units to petition the^{MENU} governor for an unreduced benefit at age 57 with 30 or more years of service, with any additional actuarial costs to be borne by eligible employees.

- Mandates a 5-year final average salary (FAS) calculation using regular compensation for determining retirement benefits.
- Excludes from the FAS calculation wages exceeding the average of the previous four years by more than 10%.
- Caps pensionable overtime at \$15,000 plus inflation.
- Eliminates use of lump payments for unused vacation accruals in FAS calculations.
- Reduces by half the number of sick leave days from 200 to 100 eligible for service credit.
- Limits pensionable salaries to regular compensation from only two employers during a given year.
- Caps salary allowable in a FAS calculation at the New York State governor's salary (currently \$179,000).
- Changes the pension multiplier for years of service as follows:
 - Less than 20 years of service.....1.66% for each year of service
 - 20 or more years of service (1st 20 years)1.75%
 - Years exceeding 20 years.....2%
- Requires a 6% contribution to purchase military and prior service.

SUNY ORP

- New employee/employer contribution rates will apply to all employees joining the SUNY ORP on or after April 1, 2012.
- Vesting period remains unchanged at 366 days or immediate for employees with vested employer-funded retirement contracts through approved vendors from previous employment.
- Employee contributions will now be required of all participants for the duration of their employment, and will no longer be picked up by the employer after ten years, as they are today.
- All participants will be required to make employee contributions at the current rate of 3% until April 1, 2013. Thereafter, employee contribution rates in a given calendar year will be based upon their earnings in the second calendar year preceding the current calendar year, as follows:
 - Wages of \$45,000 or less.....3%
 - Wages between \$45,000 and \$55,000.....3.5%

- Wages between \$55,000 and \$75,000.....4.5%
 - Wages between \$75,000 and \$100,000.....5.75%
 - Wages of \$100,000 or more6%
- Employer contribution will remain 8% of compensable salary for the first 7 years of employment, and 10% thereafter.
- Allowable contribution limits will continue to follow the definitions contained within §390 of Education Law, §131 of Retirement and Social Security Law, and §415 and §401(a)(17) IRS annual contribution limits; and will not be subject to the newly imposed caps and limitations applicable to Tier VI ERS/TRS members.

VOLUNTARY DC PLAN

- A voluntary defined contribution plan option will be made available to all unrepresented employees of NYS public employers who earn more than \$75,000 annually as of July 1, 2013.
- The SUNY ORP was selected as the ideal vehicle to accomplish this, and Education Law was modified accordingly to permit this newly eligible class of non-SUNY public employees. Vesting, vendors, and plan rules will follow existing SUNY Plan Document and policies.
- Transferring State employees whose immediately preceding employment was with another department, division, or agency of the State shall not be eligible for the DC option and must remain with their current retirement system.
- Employee contribution rates in a given calendar year will be based upon their earnings in the second calendar year preceding the current calendar year, as follows:
 - Wages of \$45,000 or less.....3%
 - Wages between \$45,000 and \$55,000.....3.5%
 - Wages between \$55,000 and \$75,000.....4.5%
 - Wages between \$75,000 and \$100,000.....5.75%
 - Wages of \$100,000 or more6%
- A fixed employer contribution of 8% of compensable salary will be made to participants' accounts for the duration of their employment, and will not increase to 10% after 7 years, as for SUNY employees.
- Allowable contribution limits will follow the definitions contained within §390 of Education Law, §131 of Retirement and Social Security Law, and §415 and §401(a)(17) IRS annual contribution

limits; and will not be subject to the newly imposed caps and limitations applicable to Tier VI ERS/TRS members.

RESOURCES FOR ADDITIONAL INFORMATION

- Additional information and resources pertaining to Tier VI and NYS Pension Reform can be found at:
 - ERS information: <http://osc.state.ny.us/retire/employers/tier-6/index.php>
 - TRS information: http://www.nystrs.org/main/headlines/Tier6_Signed.htm
 - Full Bill text: <http://www.suny.edu/BENEFITS/Chapter%2018%20-%202012%20Pension%20Reform.pdf>
 - Empire Center Report: *SUNY's Personal Retirement Plan as a Model for Pension Reform*
 - Full Report: <http://www.empirecenter.org/publications/a-new-retirement-option-for-some-ny-govt-employees/>
 - Policy Forum Video: <http://www.empirecenter.org/publications/optimal-option-2/>