

**MTA**

# **Defined Benefit Pension Plan**

**For MTA Bus TSO members**



# **MTA Defined Benefit Pension Plan for MTA Bus TSO Members**

Thank you for taking the time to attend this session and learn more about your benefit under the Metropolitan Transportation Authority Defined Benefit Pension Plan (the Plan).

# Retirement Eligibility

You are eligible to retire with an unreduced pension benefit when you satisfy one of the following:

- Age 57 and 20 or more years of service.
- Age 65 and at least 5 years of service.

(Former Queens Surface, Triboro Coach, and Jamaica Bus employees with 20 or more years of service may also be eligible to retire at age 55 with a reduced benefit.)

# Service

Service for purposes of your pension benefit accrual is based on your period of eligible employment as an MTA Bus TSO member, rounded to the nearest whole year:

- Example 1 – 21.4895 years of service is rounded to 21 years
- Example 2 – 21.5001 years of service is rounded to 22 years

**Service does not include periods of suspension, HOSER, AWOL, unpaid FMLA, or other forms of “bad time”**

## **Military Service**

TWU members may be eligible to receive up to three years of service credit for time served in the military prior to their MTA Bus employment:

- Must have been Honorably Discharged (DD-214.)
- Must have at least five years of Plan service in order to receive pension credit for your military service.
- Must not have received credit for this service in any other public retirement system in New York City or New York State.
- Must apply for and pay for military service prior to retirement.

# **Military Service**

The cost to purchase military service is equal to the TWU annual pension contribution rate in effect at the time you apply for military service credit, times the number of years of credit you are seeking (not to exceed 3 years).

## **Methods to purchase military service:**

- Direct rollover from MTA 457 Plan or MTA 401k Plan
- Lump sum payment
- After-tax payroll deductions for the equivalent period of military service purchased not to exceed 3 years

# Pension Benefit

Your years of pension service as of 1/15/2017 multiplied by a pension credit of \$130.00

PLUS

The sum of the individual pension credits accrued during each year of service after 1/15/2017, where there are increases in the \$130.00 pension credit coinciding with the TWU 100 general wage increase, and which are applicable only to the pension service accrued in the year of that general wage increase\*.

(\*see example)

# Pension Benefit

Service		Service		Rate	
<u>From</u>	<u>To</u>				
Date of Hire	1/15/2017		\$130.00		
1/16/2017	2/15/2018		\$133.25	(2.50% GMI)	
2/16/2018	5/15/2019		\$136.58	(2.50% GMI)	
5/16/2019	5/15/2020		\$139.31	(2.00% GMI)	
5/16/2020	5/15/2021		\$142.44	(2.25% GMI)	
5/16/2021	5/15/2022		\$146.00	(2.50% GMI)	
5/15/2022	5/15/2023		\$150.02	(2.75% GMI)	
5/16/2023	5/15/2024		\$154.52	(3.00% GMI)	
5/16/2024	5/15/2025		\$159.16	(3.00% GMI)	
5/15/2025	5/15/2026		\$164.73	(3.00% GMI)	
After 5/15/2026		TBD			



# Pension Benefit Example

Example – 26 Years of service as of 5/15/2023

20 years x \$130.00	= \$2,600.00	(1/15/2017)
1 year x \$133.25	= \$133.25	(2/15/2018)
1 year x \$136.58	= \$136.58	(5/15/2019)
1 year x \$139.31	= \$139.31	(5/15/2020)
1 year x \$142.44	= \$142.44	(5/15/2021)
1 year x \$146.00	= \$146.00	(5/15/2022)
<u>1 year x \$150.02</u>	<u>= \$150.02</u>	<u>(5/15/2023)</u>
<b>TOTAL BENEFIT</b>	<b>= \$3,447.60</b>	

# Disability Retirement Eligibility

You are eligible to receive a Disability Retirement benefit at any age if you meet the following conditions:

- You have 10 or more years of service, and
- The Pension Board of Managers determines that:
  - i. you are permanently physically or mentally incapacitated at the time you ceased performance of duties for MTA Bus; and
  - ii. the disability is anticipated to be permanent; and
  - iii. you can no longer perform the duties of your job or a job of commensurate level for which you are qualified.

The Pension Board of Managers determination may be based on:

- A Social Security Disability award (SSA), or
- The recommendation of the Pension Medical Board based on an Independent Medical Examination (IME).

# **Disability Retirement Benefit**

If your application for a disability benefit is approved, your Disability Retirement benefit will be the pension benefit you accrued as of your date of disability.

The Disability Retirement benefit is payable beginning the first day of the seventh month following your date you became disabled.

# Bi-Weekly Contributions

<u>From</u>	<u>To</u>	<u>Rate</u>	
1/01/2017	1/15/2017	\$71.96	
1/16/2017	2/15/2018	\$73.76	(2.50% GVI)
2/16/2018	5/15/2019	\$75.60	(2.50% GVI)
5/16/2019	5/15/2020	\$77.11	(2.00% GVI)
5/16/2020	5/15/2021	\$78.84	(2.25% GVI)
5/16/2021	5/15/2022	\$80.81	(2.50% GVI)
5/15/2022	5/15/2023	\$83.03	(2.75% GVI)
5/16/2023	5/15/2024	\$85.52	(3.00% GVI)
5/16/2024	5/15/2025	\$88.09	(3.00% GVI)
5/15/2025	5/15/2026	\$91.07	(3.00% GVI)
After 5/15/2026		TBD	

# Contributions

If you die prior to retirement, your designated beneficiary will receive a refund of your accumulated pension contributions, plus interest.

If you terminate from MTA Bus and are not eligible for immediate retirement, you may elect to receive a refund of your accumulated pension contributions, plus interest (your pension benefit will be permanently reduced).

You may **not** take a out a loan or borrow against your contributions.

# Benefit Payment Options

**Life Annuity** - Under this option, you will receive a monthly benefit for your lifetime. No payment will be made after your death. If you are married, spousal consent is required to elect this option.

**Joint and Survivor Annuity with “pop-up”** - Under this option, you will receive an actuarially reduced allowance for your lifetime. Upon your death, your spouse will receive a monthly benefit equal to 100%, or 50% of your benefit for the remainder of his/her lifetime. However, if your spouse should predecease you, your benefit will “pop up” to the Life Annuity amount.

(additional payment options are available to former New York Bus service employees and to married retirees who are Queens Surface, Triboro Coach, or Jamaica Bus former employees )

# Cost-of-Living-Adjustment (COLA)

If you retire on or after December 1, 2016, your pension will be adjusted annually for COLA depending on your age and the number of years since you have retired.

There is a waiting period:

- Age 62 and retired for at least 5 years
- Age 55 and retired at least 10 years.
- Disability Retirement, retired at least 5 years.

(COLA = 50% of CPI applied to first \$18,000 in annual benefit before factors are applied for Joint & Survivor Options. Minimum 1%, Maximum 3%.)

# **Pre-Retirement Death Benefit**

If you die prior to retirement and are married, your surviving spouse will receive a monthly pension equal to the survivor benefit payable under the 50% Joint and Survivor Option, plus a refund of your employee contributions plus interest.

Your spouse's benefit will begin on the date you would have attained age 57 if you had 20 or more years of service upon your death, otherwise your spouse's benefit will begin when you would have attained age 65.

If you die prior to retirement and are not married, your designated beneficiary(ies) will receive a refund of your employee contributions plus interest.



# Filing for Retirement

You must file a Retirement Application, along with other required documents, with the MTA Pension office at least 30 days, but not more than 90 days, prior to your Benefit Commencement Date.

Your Filing Date, is the date which the Pension office receives your fully completed original retirement application.

Your Retirement Date is the first day of the month following your last day on agency payroll.

It is your responsibility to assure that all of your pension paperwork is completed accurately and is received by the Pension Plan office.

# Required Documents

In addition to a completed and properly notarized Retirement Application, you will be asked to submit:

- proof of your date of birth and the date of birth for your spouse or Joint and Survivor Annuitant
- a copy of your marriage license/certificate if applicable
- a blank check marked “Void” for direct deposit of your pension check

# Benefit Commencement Date

This is the day your pension benefit payments begin. If you have filed all paperwork with the pension department at least 30 days prior to your last day on payroll, your Benefit Commencement Date is the 1<sup>st</sup> of the month following such date.

## Examples:

- (1) You file your Retirement Application on June 10<sup>th</sup> and you stop working on June 30<sup>th</sup>; your Benefit Commencement Date is August 1<sup>st</sup>; not July 1<sup>st</sup>. Payment is not retroactive.
- (2) You file your Retirement Application on May 30<sup>th</sup> and you stop working on June 30<sup>th</sup>; your Benefit Commencement Date is July 1<sup>st</sup>.

# **Last Day on Payroll**

If you continue on MTA Bus payroll past your stated last day, you are not eligible for a pension check until the 1<sup>st</sup> of the month following your last day on MTA Bus payroll.

## **Example:**

You file your paperwork within the proper time frame (30 day requirement) with a stated last day of June 30<sup>th</sup>, but you continue to be paid by MTA Bus through July 8<sup>th</sup>.  
Your Benefit Commencement Date will be August 1<sup>st</sup>.

# For Additional Information

**CALL:** 646-376-0123

**FAX:** 646-252-1490

**E-MAIL:** [bscservice@mtabsc.org](mailto:bscservice@mtabsc.org)

**WRITE:** MTA Defined Benefit Pension Plan  
2 Broadway, 10<sup>th</sup> Floor  
New York, NY 10004

This presentation provides only a brief summary of certain information regarding the MTA DBPP. In the case of any conflict between this presentation and the documents governing the MTA DBPP, the documents shall govern.