

BERS WORDS

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2019 TDA Brochure Is Now Available

The TDA goal amount for 2019 has increased and is the lesser of 85% of compensation or \$19,000. Those eligible for catch-up contributions may contribute as much as \$3,000 in 2019 above the \$19,000 and are limited to a lifetime total of \$15,000. Members age 50 or older are eligible to contribute an additional \$6,000.

The return on the fixed income fund is currently 7% for UFT members and 8.25% for all other members. The return on the variable investment fund is based on stock market fluctuations.

The pre-tax money contributed to the TDA program will result in participants having a higher net income than non-contributors do. In the comparison below of two people making the same amount of money, one with a TDA and one without, the chart shows that the TDA member will have a higher net income because they will have less taxable income. In addition to the money you put into the program, earnings on that money will not be taxed until they are withdrawn.

	TDA	No TDA
Biweekly pay	\$1,000	\$1,000
Pre-Tax TDA Contributions	\$30	—
Taxable Income	\$970	\$1,000
Taxes (25%)	\$242	\$250
Post Tax Income	\$728	\$750
Post Savings	—	\$30
Net Income	\$728	\$720
Annual Additional Income	\$208	—

You may also be eligible to take advantage of a tax credit called the Saver's Tax Credit. The Saver's Tax Credit is a federal income tax credit for investing in a retirement plan, such as the BERS TDA Program. The amount of credit you are entitled to is based upon your contribution amount and credit rate. Your Adjusted Gross Income (AGI) is the basis for the credit rate, which ranges from 10% to 50% of your contribution amount.

The Saver's Tax Credit income limits have been increased for 2019 and this credit is in addition to any deduction or exclusion allowed for your contributions. Please refer to the chart below illustrating the new income limits and credit rates.

Income Limits				
Credit Rate	Married Joint Return	Head of Household	Others	Maximum Credit
50%	Up to \$38,500	Up to \$28,875	Up to \$19,250	\$1,000
20%	\$38,501 to \$41,500	\$28,876 to \$31,125	\$19,251 to \$20,750	\$400
10%	\$41,501 to \$64,000	\$31,126 to \$48,000	\$20,751 to \$32,000	\$200

In addition to the fore-mentioned advantages, the TDA program provides members great flexibility in terms of the amount they can contribute to the program, as well as, how they wish to allocate their investments.

Participating members who wish to make changes to their TDA contributions are reminded to fill out and return the 2019 Investment Change Form they received in the mail.

If you have not yet taken the advantage of participating in the TDA program, please consider it an opportunity to save extra money for your retirement. Please read the TDA Booklet which is available at www.bers.nyc.gov and be sure to contact BERS if you have any additional questions. Don't be left out, join today.

We would like to hear from you. Please send comments regarding our newsletter, or any specific concern to The Editor, **BERS WORDS, Board of Education Retirement System, 65 Court Street, 16th Floor, Brooklyn, N.Y. 11201**. Or E-mail your comments to Brespon@bers.nyc.gov.

Domestic Relations Orders (DROs)

Retirement benefits are considered marital assets. A Domestic Relations Order (DRO) is a court order that determines how assets will be divided between parties in a divorce settlement, and it can affect your pension allowance as well as funds in your Tax Deferred Annuity. A DRO identifies an alternate payee—a spouse, former spouse, child, or any other dependent of the participant—who is entitled to a portion of the participant's pension or TDA account. If the alternate payee is a minor, or deemed legally incompetent, the DRO can require payment to their legal guardian.

According to the U.S. Department of Labor, a DRO creates or recognizes the existence of an alternate payee's right to receive all or a portion of the benefits payable with respect to a participant's retirement plan. A DRO cannot require payments not otherwise provided under the participant's pension plan, and cannot require the payment of increased benefits exceeding the actuarial value of the participant's interest in the plan. Additionally, DROs cannot provide for an alternate payee's survivors, and cannot provide benefits already assigned to another alternate payee from a previous DRO. However, a

DRO may direct you to designate the alternate payee as your beneficiary. Because a DRO is a court order, you must comply with such directions.

Federal law dictates that BERS, as the administrator of the pension benefits, has the initial responsibility of determining the validity of a DRO. Should a DRO be part of your divorce proceedings, BERS must receive a certified copy regardless of where the divorce was filed.

The DRO must specify the portion of the participant's retirement benefits that is to be granted to the alternate payee. Please note that if a participant's pension allowance is suspended, so shall payments to the alternate payee.

When a DRO directs the division of your TDA account, the alternate payee is assigned a lump sum amount. The alternate payee can withdraw this amount, roll it over into an Individual Retirement Arrangement (IRA), or leave it at BERS, if permitted by the DRO.

Cost-of-Living Adjustment (COLA) Increases for 2019

Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 67 million Americans will increase 2.8 percent in 2019. This increase is meant to counteract the effect of inflation.

The 2.8 percent cost-of-living adjustment (COLA) will begin with the benefits that Social Security and Supplemental Security Income beneficiaries receive in January 2019.

What is a cost-of-living adjustment (COLA)? The purpose of the COLA is to ensure that the purchasing power of Social Security (SS) and Supplemental Security Income (SSI) benefits is not eroded by inflation. It is based on the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If the CPI-W increases more than 0.1% year over year between the third quarter of the previous year and the third quarter of the current year, Social Security will raise your check by the same amount. If there is no increase, there can be no COLA.

Will the maximum taxable earnings amount change in 2019?

Yes. Based on the increase in average wages, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase from \$128,400 to \$132,900.

Will the retirement earnings test exempt amounts change in 2019? Yes. The earnings limit for workers who are younger than "full" retirement age (age 66 for people born in 1943 through 1954) will be \$17,640. (\$1 is deducted from benefits for each \$2 earned over \$17,640.)

The earnings limit for people turning 66 in 2019 will be \$46,920. (\$1 is deducted from benefits for each \$3 earned over \$46,920 until the month the worker turns age 66.) There is no limit on earnings for workers who are "full" retirement age or older for the entire year.

Source: The Social Security Administration
<https://www.ssa.gov>

Required Minimum Distributions

BERS Members who are receiving a Required Minimum Distribution (RMD) payment will have their checks automatically deposited by EFT to the same account as their Pension check. If you are currently receiving your pension check via mail, the RMD payment will be mailed to you.

BERS Account Statements

BERS statement of accounts are presently being provided by request only. Any member who needs to have an official copy of their membership statement may request one. You may contact BERS by email at members_outreach@bers.nyc.gov or by telephone at (929) 925-3800. For faster access to your retirement account information, you may view your balances online at www.bers.nyc.gov. The printing and mailing of BERS statement of accounts will resume in the future.

Returning to Work after Service Retirement

Under New York State law, a service retiree under age 65 who is reemployed by New York City or New York State may earn up to \$30,000 per year from public employment without a suspension of their pension. However, if a service retiree under age 65 who is reemployed in public service earns more than \$30,000 in one year from public employment, they would need a special waiver under Retirement and Social Security Law § 211, otherwise their pension would be suspended until the end of the year.

If you are a BERS service retiree under age 65, and are considering returning to work in public service, please contact BERS so that we may assist you in determining the impact on your pension benefits, and whether a waiver may be required to continue receiving your pension.

There are no earnings limitations for service retirees who are over age 65, or who are employed in the private sector, by another state or the federal government, or by a public benefit corporation.

Sign Up For Your BERS Member Self Service (MSS) Account

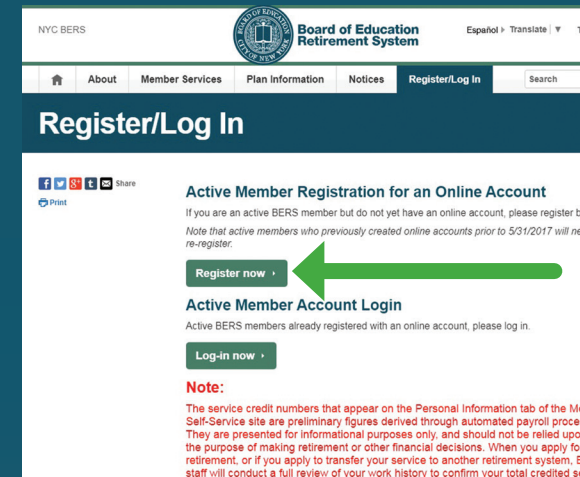
To get started, go to the BERS web page at www.bers.nyc.gov

- 1 Click the Register button at the top right.



This will take you to the Register/Log In page:

- 2 Click on the Register Now button to create a new MSS account.



This will take you to the Identity / Verification Page:

- 3 Here you will enter your SSN, Last Name, and Date of Birth for Identity Verification.

Did you know that you are able to view your membership account information online by logging on to the BERS Member Self Service (MSS) portal? If you have not yet done so, we encourage

you to visit the website where you can have immediate access to your BERS account balances. Please see the following steps on how to sign up for a BERS online account.

4 Once the information is entered, press Validate:

Verify Identity

To verify your identity, please enter your Social Security Number, last name, and your date of birth. Your information is secured during transmission.

SSN:

Last Name:

Date Of Birth:

You will receive notification that your registration was successful,

Registration Successful

You have successfully registered with BERS Member Self Services.

6 And be redirected to the Log In page where you can enter your Username and Password:

Log In

User Name

Password

Once the system verifies your information, you will be directed to the **Account Setup** page:

Account Setup

Account

All fields are required. The password is case sensitive.

Person: TEST1, BERSUAT

Username:

Enter New Password:

Confirm New Password:

Password Restrictions:

- Password must have a minimum of 8 characters
- Password must have a minimum of 1 alphabetic characters
- Password must have a minimum of 1 numeric characters
- Password must have a minimum of 1 capital letters
- Password must have a minimum of 1 lower case letters

Security Questions

Security questions are used in-case you ever need to recover your password.

Select First Security Question:

Enter Answer to First Question:

Select Second Security Question:

Enter Answer to Second Question:

Email Address

Your email address is used for all communications from the fund office. It will remain private and it will not be shared with outside companies.

Enter Email Address:

Re-enter Email Address:

Once logged in, you will be at the **MSS home page**:

Home

Welcome BERSUAT TEST1 10/16/2018

Menu: Home, Personal Information, Contact Information, Loans, Payments, Participant Accounts

News

Beneficiaries

The current list of people that you have defined as beneficiaries.

Accounts

Description	Status	Status Effective Date	Action
QPP - Tier 3/4/E	Active	10/12/2016	Details

From here you can navigate to the following pages:

- **Personal Information** – Display Demographic and Service Information, Including Available Loan Amounts
- **Contact Information** – Displays Mailing Addresses, Email, and Phone Numbers
- **Loans** – Displays any outstanding and paid off loans
- **Payments** – Displays any payments you have received from BERS which includes loan payments and refunds
- **Participant Accounts** – Displays your member contributions (QPP) and Tax Deferred Annuity (TDA) accounts.

5 Here you will do the following:

- Choose a Username and Password
- Choose two security questions if you ever need to recover your password
- Enter and confirm your email address

Once that is complete, click Submit

Questions and Answers

Q. I am a Tier 4 member who has worked for the DOE and plan to leave my job and move out of state before I retire. What would I have to do to ensure that I collect my pension funds in the future?

A. First some basic Tier 4 information: The Tier 4 basic retirement age is 62. If your employment ends and you have at least five years of credited service – hence *vested* – but less than 10 years, you can either remain vested, maintain your right to receive a retirement benefit at age 62 (or at age 57 if you're in the 57/5 program), or you can get a refund of the balance in your MCAF account. If you receive this refund, however, your membership in BERS will end, as will your right to receive a retirement allowance at age 62 (or 57 if you are in the 57/5). Further, there may be tax consequences associated with this type of refund. But if, as a vested member, you have 10 or more years of credited service and your employment ends, you cannot get a refund of your MCAF account balance. You will however, be eligible to receive a retirement allowance starting at age 62 (or 57 if you are in the 57/5).

There is an exception to the above provisos for vested members: if you joined BERS before July 16, 1989, you can receive a refund of your MCAF account balance instead of a retirement allowance. However, you can withdraw your contributions only after reaching age 62. Again, there may be tax consequences associated with such a refund.

If your employment ends and you have less than five years of credited service, hence *non-vested*, you have two options:

- you can receive a refund of your MCAF account balance if you apply for it. If you receive this refund however, the interest on your account and your membership in BERS will end; or
- you can leave your contributions in your MCAF account, and the contributions will continue to earn interest for up to five years, at which point the interest will cease and your membership in BERS will end.

There is an exception to the above provisos for non-vested members: if you joined BERS before July 16, 1989, you can leave your contributions in your MCAF account until you reach age 62 or thereafter and the contributions will continue to earn interest – no five-year limit, in other words. There may be tax consequences associated with a refund of contributions.

How to apply for your pension benefits: When you turn age 62 for the basic Tier 4 retirement plan, or meet the requirements for the early retirement programs, you should make an appointment to come in and meet with a BERS counselor. It is best to plan 3 months in advance before you want to set your official retirement date.

If you are out of state when you reach retirement age, you can request to have a telephone consultation with a BERS counselor and submit the necessary paperwork via fax or by email.

Please note: If you retire with an outstanding loan balance from either your pension or your early retirement account, there will be a reduction in your pension benefits, depending on the amount of your outstanding balances.

Q. Is it possible to see a list of the companies where BERS invests my pension funds?

A. BERS produces a Comprehensive Annual Financial Report (CAFR) at the end of each calendar year. In the Investment section of the CAFR, you will be able to find the top 50 listing of BERS investment holdings based on category or type. The CAFR is available for review at the BERS website. To view this document, please visit the BERS home page, select the Plan Information tab and choose Publications from the list on the left. Under the category Other Publications, you will find the Comprehensive Annual Financial Report. A complete listing of holdings can also be obtained from BERS by request.

Understanding How Part-Time Service Is Calculated

Part-time Service (past or present) is service rendered while you were employed by the Department of Education or by another covered employer. BERS will prorate credit for past or present part-time service on the basis of one year's worth of service credit if any of the following work schedules apply to you:

- a) you worked 1827 hours during the calendar year; or
- b) you worked 1470 hours during the calendar year in a non-teaching job whose duties are regularly scheduled to be performed only during the school year; or
- c) you worked 180 days or 1170 hours as a substitute teacher

So, if any of (a) through (c) applies to you and your job, BERS will prorate credit toward your retirement for your part-time service.

Regardless of the number of hours or days you may have worked, you cannot receive more than one year's worth of credit in any calendar year. So even if you worked more than 1827 hours during a calendar year, you would nonetheless receive only one year's worth of service credit for that year (as in work schedule (a) above). Further, the maximum number of hours that will be credited as part-time service is 35 hours in any weekly pay period, and 70 hours in any biweekly pay period.

We Want Your Updates

It is a sign of the times that we live in, everyone seems to be constantly checking their phones for breaking news or the latest social media post. Here at BERS we feel the same. We want to have on file the most accurate information about your account.

Please keep us updated with the latest changes to your:

- Name
- Change of address
- Email address
- Telephone numbers
- TDA investments
- Beneficiary information

The following forms are available online at www.bers.nyc.gov for your convenience:

- Change of Address
- Designation of Beneficiary (TDA and Pension)
- TDA Investment Change.

It is vital that you notify BERS about any updates or changes to your account information.

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