

BERS

Board of
Education
Retirement
System

Securing your financial future today

Summer 2022



Sanford Rich

Members,

We appear to have emerged from the worst of the pandemic and life is coming back to some semblance of normal as the change of seasons brings warming temperatures. BERS staff have returned to the office, and we are working hard to re-establish our level of service to Members. We have been challenged, as have other City and State Agencies, by understaffing. Our efforts to hire have not kept up with turnover in our staff as we have seen deaths, departures to the private sector, resignations over City vaccination requirements, and retirements. We are nevertheless working to make progress.

We are still standing for Members after 100 YEARS. On August 31st, 2021, BERS celebrated its 100th Anniversary. Think of the things that have occurred during this period, wars, disasters, improvements in healthcare and technologies, and the pandemic. We have survived, thrived, and provided for the retirement and financial security of thousands of New York City employees. You are a part of that history and a bright future. We are still standing after 100 years and will continue to work for Members and Retirees as the years accumulate towards our next 100 years.

BERS has resumed in-person counseling by appointment only to ensure social distancing and we continue to offer a virtual option for those who prefer it.

Last year we shut down some of the transaction capabilities of our online Member Self Service website. We did this out of concerns over the security of the site. We will be adding significant security improvements in the next few months as we implement identity confirmation capabilities. You should look forward to the ability to conduct almost all transactions with NYCBERS through the newly launched Member Self Service website as soon as possible.

The new year has ushered in a new City administration and new Trustees for NYCBERS. The new Trustees are identified on our website. If you have any questions or would like to attend an NYCBERS Board of Trustee meeting or one of our committee meetings, please visit our website for information on how to do so.

The staff of NYCBERS has responded to the challenges of the pandemic with strength, resilience, and a view to a better future. We will continue to work to improve our service as we protect the retirement security of our members and their beneficiaries.

Sanford Rich
Executive Director

UPDATES FOR MEMBERS AND RE-EMPLOYED RETIREES

CHAPTER 56 OF THE LAWS OF 2022

Chapter 56 of the Laws of 2022, signed into law by the Governor on April 9, 2022, contains provisions that impact the pension rights of certain BERS members and retirees. Below is a summary of these provisions.

1. All BERS Members Now Vest with 5 Years of Credited Service

As a result of Chapter 56, all members of BERS now have the right to vest with 5 years of credited service.

This includes the following categories of members, who previously required 10 years of credited service to vest:

- Tier 4 members represented by the United Federation of Teachers (UFT) with a membership date on or after 12/10/2009; and
- Tier 6 members.

2. Tier 6 Contribution Rate Determination Will Temporarily Disregard Overtime

BERS members pay a percentage of their gross salary to BERS as employee contributions. For Tier 6 members, the percentage ranges from 3% to 6%, depending on the total wages the member was paid during the previous year. (For the first three years of membership, annual wages are based on a projection by the employer.) Ordinarily, the total wages on which this calculation is based include overtime pay.

However, as a result of Chapter 56, the methodology used to determine the rate of Tier 6 contributions will disregard overtime pay between April 1, 2022 and April 1, 2024.

(Note: Overtime pay will still be subject to deductions for BERS contributions. However, overtime pay will not count toward the total wages for the purpose of determining the contribution rate.)

3. Re-employed Retirees May Temporarily Work for Public Schools without Suspending their Pension

Ordinarily, retirees who return to service with a public employer are subject to certain limitations. Without a special waiver, re-employed retirees who earn more than \$35,000 from public employment in a calendar year will be subject to a suspension of pension benefits until the end of the calendar year.

However, as a result of Chapter 56, employment with a public school district (including the New York City Department of Education) or any New York State Board of Cooperative Educational Services (BOCES) will be exempt from the \$35,000 per year cap from 04/09/2022 through 06/30/2023. This means that re-employed retirees can earn any amount from employment with a public school district or BOCES until 06/30/2023, without suffering a suspension of their pension benefits.

The above is general information provided for your convenience. As always, if you need personalized guidance about your retirement rights, please reach out to BERS at 929-305-3800, or you can also contact us by emailing us directly through our website at www.nycbers.org. Select the *About* tab, then click the *Contact BERS* button and this will open the E-mail BERS contact form. ■

NEED TO REACH US?



PHONE: 929.305.3800 and 800.843.5575
Monday - Friday | 8:30 am - 4:30 pm EST



FAX: 718.935.4124 and 718.935.3830



E-MAIL: brespon@bers.nyc.gov



WEBSITE: <https://www.nycbers.org>



LOCATION and MAILING ADDRESS

Board of Education Retirement System
65 Court Street, 16th Floor*
Brooklyn, NY 11201-4965
*In-person visits by appointment only

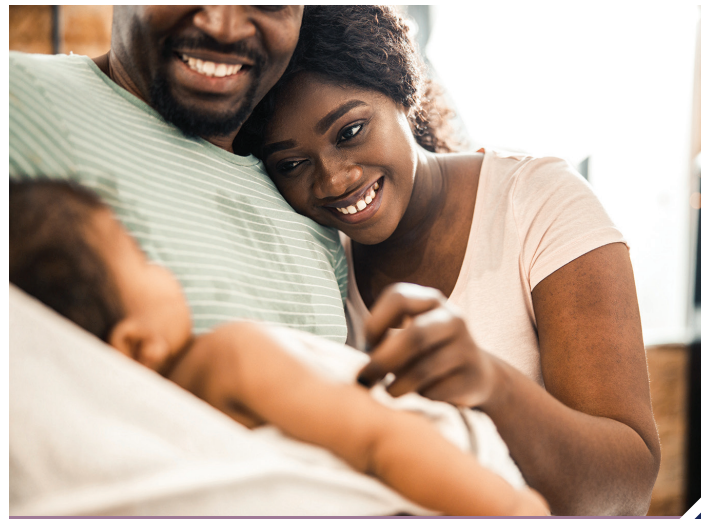


PAYMENT MAILING ADDRESS

Board of Education Retirement System
P.O. Box 21269
New York, NY 10087-1269

KEEP YOUR BENEFICIARY INFORMATION UP TO DATE

It is important that you keep your contact information, and that of your beneficiaries, up to date at BERS. In the unfortunate event that something happens to you, BERS will need to contact your beneficiary/ies in order to pay them the benefits you have worked so hard to provide. In some cases, your beneficiary/ies may be eligible for long-term retirement benefits that they may not be aware of. For that reason, it is crucial for you to keep BERS updated of any changes to your beneficiaries' addresses and names, and to remove or replace them if they have predeceased you. To do so, please submit a new Qualified Pension Plan (QPP) or Tax Deferred Annuity (TDA) Designation of Beneficiary form to BERS with up to date information. Fillable beneficiary designation forms can be found on our website at www.nycbers.org. Select the *Plan Information* tab, then click on the *Forms* link on the left. To view the beneficiaries currently listed on your account, log in to your Member Self Service (MSS) account on the website and click the *Member Account* button on the homepage. ■



STEP UP YOUR SAVINGS

The BERS Tax-Deferred Annuity (TDA) savings program allows you to begin a supplemental savings account through easy payroll deductions at any age. Dollars invested early will have time to grow through the power of compounding. With compound interest, you earn interest on the money you originally invested—and on the interest you're accumulating.

The TDA Program offers a choice of two investment options, the Fixed Program and the Variable Program. The Fixed Program offers you a guaranteed annual rate of return on your investment of 8.25% or 7% for UFT members. The Variable Program invests in a fully diversified portfolio of common stock. The value of your Variable Program is based on the investment performance of the portfolio and

may increase or decrease from month to month. Since this program is subject to the fluctuations of the stock market, it may carry higher risk than the Fixed Program, but it offers the potential for greater return.

When you contribute directly to the TDA savings program through your payroll deduction, you defer taxes on the money you contribute. You get more savings for your contribution dollar and your earnings also grow tax-deferred. Although taxes are paid when funds are withdrawn, BERS TDA investors are often in a lower tax bracket at retirement. You reap higher rewards by starting sooner rather than later with pre-tax savings advantages. ■

REMEMBER TO CHECK YOUR PAYSTUBS REGULARLY

Members should always check, on a regular basis, their paycheck stubs or retirement check stubs (quarterly retirement statements if receiving a check by direct deposit) to ensure the proper deductions are being made.

Your pay stub should accurately reflect deductions for pension contributions and if applicable, TDA participation, and/or loan repayments. Checking your pay stubs or

statements on a regular basis will help to avoid unnecessary overpayments or underpayments.

If you have any questions regarding payments or withdrawals on your pay stubs, retirement check stubs or statements pertaining to your BERS membership, please contact the retirement system at (929) 305-3800 for assistance. ■

SILVER STARS PROGRAM



WHAT IS THE SILVER STARS PROGRAM?

The Silver Stars Program offers retired City employees the opportunity to work part-time on project-based assignments at a City agency.

Through Section 212 of the New York State's Retirement and Social Security Law, a retired City employee under the age of 65 can earn up to \$35,000 per calendar year (January through December), while continuing to receive full pension benefits, health care insurance, and possibly Social Security benefits. Some exceptions may apply. Review your retirement system's website for detailed information on Earnings Limitations for retirees.

FAQS ABOUT THE PROGRAM

Why should I participate in the Silver Stars Program?

Silver Stars offers a retired City employee the opportunity to phase into retirement by allowing them to supplement their income and maintain a productive, social, and vibrant lifestyle without the demands of traditional full-time employment. Phased retirement also allows subject matter experts to support organizational growth by sharing their knowledge and experience with less experienced employees.

Who is eligible to participate in the Silver Stars Program?

To qualify for the program, a person must meet all of the following requirements:

- Be fully retired from City employment;
- Receiving a pension from a City retirement system;
- Have no remaining sick or vacation balance;

- Be a resident of New York City, unless the job posting specifies otherwise; and
- Retirees receiving a disability pension are not eligible to participate in the program. Disability retirees are subject to New York City Charter Section 1117 and the applicable New York City Administrative Code/BERS' Rules pertaining to disability retirement safeguards.

I retired as a manager; can I participate in the program?

The program is open to all City retirees; both managers and non-managers are encouraged to apply.

If I participate in the Silver Stars Program, should I contact my retirement system?

Yes. You must contact your pension system and complete the necessary forms to comply with Section 212 of the New York State Retirement and Social Security Law.

Can I seek a waiver of Section 211 of the New York State Retirement and Social Security Law in order to earn more than the \$35,000 limit?

The Silver Stars Program adheres to Section 212 of the New York State Retirement and Social Security Law; therefore, waiver requests will not be filed for Silver Stars participants.

HEALTH CARE AND PENSION BENEFITS

Can I receive pensionable credit if I return to work under Silver Stars?

No. You should not be rejoining the pension system and, therefore, will not be receiving pensionable credit. You will not be eligible to earn any additional pensionable credit of service.

What happens with my Social Security benefits if I return to work under Silver Stars?

You should consult with the Social Security Administration (<https://www.ssa.gov>) for assistance as there may be certain limitations on how much you can earn without impacting your benefits. If you are accepted into the Silver Stars Program, you may receive the following:

- A monthly check from your City pension system;
- A monthly Social Security benefit; and
- City of New York paycheck (from the Silver Stars Program).

CONT'D

Can participants in the Silver Stars Program join the Deferred Compensation program?

Employees working 20-hours a week or more and receiving a City paycheck are eligible to participate in the Deferred Compensation program.

If I am not eligible for retiree health benefits upon returning, can I enroll in the City's health coverage?

Part-time employees working over 20-hours per week can apply for health insurance. Please note that being eligible for health insurance upon returning to City service as a Silver Stars would not change your retiree health coverage status.

Will there be interruptions to my retiree health insurance benefits when I return to work?

No. If you are currently receiving health insurance benefits, there will be no interruption to your retiree health coverage as long as you continue to receive a monthly pension check.

COMPENSATION

Will I accrue leave (annual and sick) when I return to work?

Yes, positions covered by the "Leave Regulations for Employees Who are Under the Career and Salary Plan" or the Managerial Leave Regulations can accrue leave.

Can I earn overtime as a part-time employee?

Your agency will compensate you for time worked according to applicable pay rates and Fair Labor Standards Act (FLSA) regulations. If overtime is earned, this will be counted toward the program salary maximum of \$35,000.

Are my work hours flexible?

Work hours are based on the business needs of the agency.

APPLICATION, ONBOARDING, AND PROGRAM PARTICIPATION

How can I apply?

Apply to positions with "Silver Stars" in the Business Title on NYCAPS/ESS website or the NYC Jobs website <https://www1.nyc.gov/jobs/index.page>.

What paperwork will I need to complete once I've been hired?

You will need to complete the typical hiring paperwork provided by your hiring agency. Most agencies use the eHire functionality of NYCAPS, the City's human resources system. You will also be asked to sign a *Release of Information Form*. The form authorizes the hiring agency to share information about your placement with the New York City Department for the Aging (DFTA), the agency responsible for managing the Silver Stars Program.

Am I subject to the City's conflict of interest rules?

Yes, you will be subject to the City's conflict of interest rules.

Do I need to secure a waiver from the Conflicts of Interest Board (COIB) for dual employment?

Yes, you will need to receive COIB approval for any outside employment.

If the position is for six (6) months or less, it is considered part-time employment by COIB, regardless of how many hours worked per week. Any position that is 19 hours or less per week is also considered part-time, regardless of the length of the position. In these cases, you will only need COIB and agency approval for dual employment if the company has dealings with the **same agency you are working** with as a Silver Stars.

If the position is for a longer duration than six (6) months and for 20-hours or more per week, COIB considers you a full-time employee. If this is the case, you will need COIB and agency approval for dual employment if the company has dealings **with any** City agency.

In addition, you will be subject to the post-employment rules contained in Chapter 68 of the City Charter once you leave the Silver Stars Program.

You are strongly recommended to contact COIB for additional guidance.

CONT'D

Do I need to wait one year after retirement to participate in Silver Stars?

No. The waiting period only applies to former City employees communicating with their former City agency on behalf of a non-government entity within one year of leaving City service.

Can I work remotely?

All applicable City rules and regulations govern the Silver Stars position. The City does not have a telework policy.

Will returning staff be required to pay a fingerprint background check fee?

If there is a gap of greater than one year between the participant's retirement and their start with Silver Stars, they may need to pay a fee to have their fingerprints processed by the State Division of Criminal Justice Services and FBI.

What are the necessary steps if I wish to terminate my participation in the Silver Stars Program?

You should provide at least two (2) weeks written notification to your supervisor. In addition, you must contact your pension system to inform them that you are terminating your employment and to complete any necessary documents as required by the pension system.

Is there an opportunity for me to work at a different agency than the one I retired from?

Yes, you can apply for a position at any agency looking to hire a Silver Stars participant.

Where can I get more information about the program?

You can also go to the www.nyc.gov/aging/SilverStars or send an email to SilverStars@aging.nyc.gov. ■

If you have an outstanding loan and you would like to retire, you have to make a decision how the loan will be handled. Any outstanding loan balance must be satisfied prior to retiring. You have two options on repaying an outstanding loan at retirement.

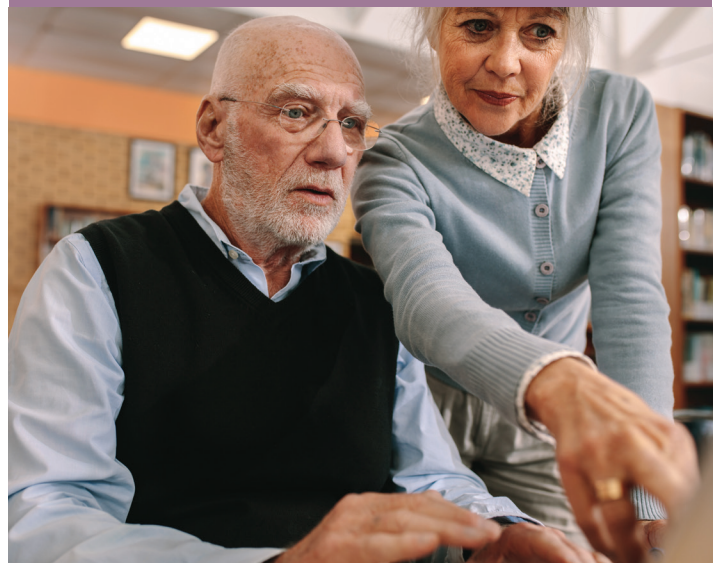
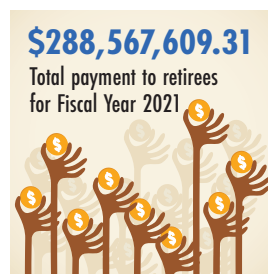
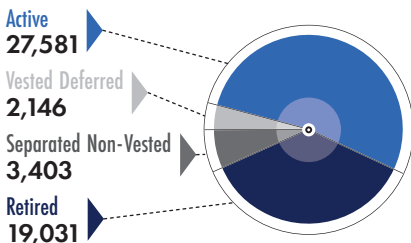
- You may make a lump sum payment in the full amount of the outstanding loan. To make a lump sum payment, contact BERS to request a lump sum payment amount, and the payment due date.
- You may elect to have the outstanding loan balance removed from your ASF or MCAF account (you would have no out-of-pocket expense); however, your pension will be reduced. The reduction to your pension is a permanent reduction and continues for as long as you receive pension payments. Any beneficiary you may have designated to receive a pension upon your death will also receive a reduced benefit.

An outstanding loan at retirement is considered a distribution. Unless the outstanding loan is fully paid, you will receive a 1099R for the taxable portion of the distribution, that will also be reported to the Internal Revenue Service.

It is always best to repay the loan while you are still earning an income so that you will be able to collect maximum benefits at the time of your retirement. ■

BERS MEMBERSHIP STATISTICS OF 6/1/2022

BERS MEMBERS BY CATEGORY



Every four to eight years, the Board of Education Retirement System gets a new Board of Trustees. The board has many oversight responsibilities, ranging from the budget to the hiring of the Executive Director. One of the most important jobs of the new Board of Trustees is to decide on how to invest the assets of the fund so that over the long-term, the fund can pay the benefits promised to our members. BERS is unique among the five New York City Retirement systems in that the majority of our board are members of the Panel for Education Policy and volunteers. As someone who has served on the board of the other retirement systems, I know what a difference it makes to have time to research. As Director of the Investment Strategy Department, my team and I, along with our investment consultants are tasked with assisting the board as they make critical investment decisions. Over the next few BERS Words, I will be writing about the different topics that we cover to help get trustees acclimated. This time around, I will be writing about the Investment Policy Statement.

INVESTMENT POLICY STATEMENT

The Investment Policy Statement, IPS for short, is the most important governing document for the BERS investment program. The document summarizes our key investment policy decisions and explains the rationale behind each decision. For the Board of Trustees and our members, it is a mechanism to ascertain performance of the program. As a long-term investor who expects to pay benefits out into the future, the IPS helps us balance short and long-term considerations. In the short-term the best way to hold any investment team accountable is whether or not we follow the policy and prescriptions laid out in the IPS. Over the long-term, it helps us to understand whether the policy we set out actually leads to desired outcomes, namely that we have enough assets to pay promised benefits well into the future.

The IPS is divided into several sections. The first section defines the fund's purpose, objectives, policy, and strategy. The fund's purpose and objectives define what we are trying to accomplish and why. The fund's policy and strategy define how we will go about fulfilling our purpose and accomplishing our objectives.

The next section is duties of responsible parties, where we describe the role of every person and organization that has hand in making a successful program. At the top we have

the Board of Trustees; all investment decision making is vested with the board, but they have plenty of help. BERS staff, the New York City Comptroller's Office, the Office of the City Actuary, the board investment consultants, and the investment managers who buy and sell securities all play a critical part in the success of BERS investment program.

Following duties and responsibilities is a section on asset allocation. After the development of investment policy, setting the asset allocation is the most important decision that the Board of Trustees makes. Asset allocation is the decision to apportion the fund between various kinds of investments, that together, give the fund the best chance of achieving its target return without taking undue risk. Our current target asset allocation, broadly speaking, is 47% in stocks, 27% in bonds, and 26% in alternatives (things like real estate other private assets that are not publicly traded).

After setting the asset allocation, we now have to select the firms that will actually carry out the investment mandates. Termed manager selection, we look at team, track record, ability to work with a public pension fund, and how they fit in their portfolio.

BERS, like the other New York City Retirement Systems are governed by state law that determines which investments are eligible for inclusion in the fund. Currently, the state of New York limits the amount of money we can invest in private assets and in international securities. In addition, from time to time, the board may determine that certain kinds of securities, sectors, or countries may be too risky for inclusion in the fund are ineligible for inclusion in the BERS portfolio.

The last section of the main body of the IPS is Performance Measurement and Monitoring. We monitor risk and return, progress on our annual plan, the funded ratio (the total assets versus the present value of future benefit payments), as well as other initiatives that the board deems relevant.

The BERS Investment Strategy Department reviews the investment policy statement annually, but we go through a formal process every three to five years. Just know that we are constantly working to make sure that investment policy is always up to date with the latest developments in investment management. ■

65 Court Street, 16th Floor
Brooklyn, New York 11201

ASSIGNING AUTHORITY TO DESIGNATE YOUR BENEFICIARIES

You may not be aware that you can give a particular individual power of attorney to designate or change your beneficiaries of your BERS benefits. In order to do so, you must file a statutory New York State "short-form" Power of Attorney and a statutory gifts rider. Both forms must be executed and submitted simultaneously.

Another option is that you may file a valid power-of-attorney document that was executed in another state, which grants your agent or attorney-in-fact the ability to change your beneficiary designations in accordance with the state's applicable law. Please note that BERS will always carry out your wishes based on the most current Designation of Beneficiary documents on file. ■

CONNECT WITH US

Keep up with what's happening at BERS by following us on social media.



Scan the QR codes below to check out our channels or visit our LinkedIn page using our url.



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YouTube

LinkedIn

www.linkedin.com/company/nyc-board-of-education-retirement-system. ■

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Alan Ong
Dr. Kaliris Salas-Ramirez

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Thomas Sheppard
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Sanford R. Rich, Executive Director

