

BERS WORDS

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Letter from the Executive Director

Covid-19 has disrupted our lives, our families, and our work. For those that are essential and continuing to work, thank you for your dedication. For those that are staying home to stop the spread of the virus, thank you for your efforts to protect your families and others. For those that have lost loved ones, friends, and co-workers, our thoughts and prayers are with you.

During this period BERS has maintained our operations remotely and strived to support our Members as best as we can. Our communications with you will continue to improve as we get better at remote work-related call center management, email response, and phone counseling. We want to be there for you during this period. BERS staff is under much the same pressure as you, but together we will emerge from this event with more operational capabilities and resilience.

As we plan to emerge from this event you should expect changes in how NYCBERS operates. In October we expect to go live with

new Member Self Service capabilities through our web site. As we consider the future and our transition back to normal, we are reconfiguring our office space to provide additional protections to Members and Staff. You should expect to see some restrictions on BERS counseling visits with the elimination of drop in hours. You will need to make advanced appointments.

Life will gradually return to normal in New York City and the world. It is important to remember that everyone will be adapting for a time and that coping and tolerance go hand in hand as we emerge from this global disruption.

Please stay safe and healthy.



Sanford Rich
Executive Director

Requests for Statements, 1099R, Award Letters, and Income Verification

Due to the Covid-19 pandemic, BERS has suspended the mass mailing of Statements of Accounts. Any requests for Statement of Accounts, 1099's, Award Letters, or Income Verifications will be sent to recipients by email instead of by post at this time. To request a copy of your Statement of Accounts, 1099s, Award Letters, or Income Verifications, please contact the BERS Call Center at (929) 305-3800, or send an email to Brespon@bers.nyc.gov.

Retirement during the Covid-19 Pandemic

While the BERS office is currently closed to in-person visits, you can still file your retirement paperwork with a BERS Benefit Examiner. All scheduled appointments are being rescheduled as phone consultations. Retirement Applications have been made available in fillable format on our website at <https://www.bers.nyc.gov/site/bers/plan-information/forms.page>. To arrange a phone consultation with a BERS Benefit Examiner, please contact the BERS Call Center at (929) 305-3800, or send an email to Brespon@bers.nyc.gov.

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**. You can contact BERS by sending your comment by E-mail to Brespon@bers.nyc.gov.

The CARES Act and You

The CARES Act, signed into law on 03/27/2020, contains certain provisions that can give you as a BERS member more flexibility when applying for loans and refunds. Please read the following notification carefully.

The suspension of Required Minimum Distributions (RMDs) described below applies to all account holders. No RMDs will be issued during the remainder of calendar year 2020.

All other forms of relief discussed below are available only to a “qualified individual,” defined as an individual who:

1. is diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention, or
2. has a spouse or dependent diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention, or
3. experiences adverse financial consequences as a result of (i) being quarantined, furloughed or laid off or having work hours reduced due to COVID-19, (ii) being unable to work due to lack of child care due to COVID-19, (iii) being unable to work due to closing or reducing hours of a business owned or operated by the individual due to COVID-19, or (iv) other factors as determined by the Secretary of the Treasury.

In order to take advantage of any of the forms of relief listed below, you will need to complete a form, affirming that you are a qualified individual under the terms of the CARES Act. This form is the Certification of Coronavirus-Related Distribution or Coronavirus Loan, available on the BERS Website under Forms.

Caution: Before applying for a coronavirus-related distribution from your BERS TDA, a coronavirus-related loan, or an extension of your loan payments, you should carefully consider the costs and benefits in light of your overall financial circumstances. Always consider what other savings you may have access to, especially since your retirement savings, unlike most other assets, are generally protected in the event of bankruptcy. A refund from your TDA account, unless promptly repaid, will result in lower savings when you retire. A loan of any type will need to be repaid, including interest; if you have outstanding QPP or AMC loans at the time of retirement, and do not repay the deficit, you will receive a reduced monthly pension amount. Postponing loan payments will give you more liquidity in the short term, but will result in larger interest payments in the future. These are

all important factors to consider when evaluating whether you should take advantage of the options provided under the CARES Act. Please note that BERS can provide general information only, and cannot provide legal or financial advice. If you require legal or financial advice, you should reach out to an attorney or financial advisor. You may also reach out to your union to inquire as to the services that they offer to their members.

1. QPP Refunds – Coronavirus-related distributions

Qualified individuals who are receiving a QPP refund up to \$100,000.00 (other than a refund of a deduction in error) may request for it to be designated as a coronavirus-related distribution. A coronavirus-related distribution is not subject to the 10% penalty, even if you are younger than 59½.

This would **not** allow you to receive a refund if you were not otherwise entitled to one, but it would ensure that the 10% penalty would be waived for a qualified individual younger than 59½.

Taxability of a coronavirus-related distribution may be spread over a three-year period.

A coronavirus-related distribution **cannot be rolled over**. If you wish to roll your distribution over to another tax-deferred account, you should **not** elect to receive a coronavirus-related distribution.

The combined limit for all coronavirus-related distributions per employee is \$100,000.00. This includes distributions from the BERS QPP, the BERS TDA, the New York City Deferred Compensation Plan, the Chancellor’s Plan, and any other retirement plan offered by the City of New York to its employees.

Coronavirus-related TDA distributions will be available to qualified members until December 30, 2020. Note: For the purposes of the CARES Act, a loan at retirement (LAR) will be treated as a refund, not a loan.

2. TDA Refunds – Coronavirus-related distributions

Qualified individuals who participate in the BERS TDA may request a TDA refund up to \$100,000.00 (other than a refund of a deduction in error) as a coronavirus-related distribution. A coronavirus-related distribution is not subject to the 10% penalty, even if you are younger than 59½.

The CARES Act and You *(continued)*

This **would** allow you to apply for a TDA refund, even if you would not otherwise be entitled to one.

Unlike a hardship withdrawal, a coronavirus-related distribution is not limited to the amount of your hardship, and is not limited to your contributions.

Taxability of a coronavirus-related distribution may be spread over a three-year period.

A coronavirus-related distribution **cannot be rolled over**. If you wish to roll your distribution over to another tax-deferred account, you should **not** elect to receive a coronavirus-related distribution.

If you later decide that you would like to return a coronavirus-related distribution to the BERS TDA, this may be done within three (3) years of the date of the distribution.

The combined limit for all coronavirus-related distributions per employee is \$100,000.00. This includes distributions from the BERS QPP, the BERS TDA, the New York City Deferred Compensation Plan, the Chancellor's Plan, and any other retirement plan offered by the City of New York to its employees.

Coronavirus-related TDA distributions will be available to qualified members until December 30, 2020.

3. Suspension of RMDs for Calendar Year 2020

BERS will suspend all Required Minimum Distributions (RMDs) from the BERS TDA Program for calendar year 2020. The suspension would apply to all 2019 RMDs that are required

to be made by April 1, 2020 (unless already issued), and to 2020 RMDs that are required to be made by April 1, 2021. This suspension is not limited to qualified individuals, but applies to all account holders. Although BERS will not automatically issue you a RMD, you may withdraw funds from your TDA account by submitting a TDA withdrawal form to BERS.

4. Increase of Maximum Loan Amount for coronavirus-related loans

For new QPP and AMC loans issued to qualified individuals between 03/27/2020 and 09/23/2020, the maximum loan amount will be the lower of (a) \$100,000 (across all outstanding loans), rather than the usual \$50,000, or (b) 75% of the current account balance.

For new TDA loans issued to qualified individuals between 03/27/2020 and 09/23/2020, the maximum loan amount will be the lower of (a) \$100,000 (across all outstanding loans), rather than the usual \$50,000, or (b) 100% of the current account balance, rather than the usual 75%.

5 Extension of QPP, AMC, or TDA Loan Payments

Qualified individuals with outstanding loans of any type (QPP, AMC or TDA) may apply for extension of any loan payments that are due between 03/27/2020 and 09/23/2020 by up to one (1) year. Interest will continue to accrue during this period of forbearance, and any loans extended will be recalculated so that the full amount will be paid off when repayments resume. This recalculation may cause the loan's total repayment period to reach up to six (6) years, rather than the usual five (5) years. This suspension is available only for loans outstanding as of March 27, 2020; it is not available for new loans.

Temporary Loan Relief for All Members

Under special emergency relief promulgated by the Internal Revenue Service and the U.S. Department of the Treasury in Notice 2020-23, all members with loan payments due between 04/09/2020 and 07/15/2020 may request a suspension of payments until 07/15/2020. This applies to all types of loan (QPP, AMC or TDA). Interest will not accrue during this period of forbearance. Any loans extended will be recalculated so that the full amount will be paid off when repayments resume.

To request a temporary suspension of payments under Treasury Notice 2020-23, please complete the form Request for

Suspension of Loan Payments - Notice 2020-23, available on the BERS Website under Forms.

Please note that this emergency relief is separate from the relief offered under the CARES Act, which is limited to "qualified individuals" as defined by the CARES Act. If you or a spouse or dependent have been diagnosed with COVID-19, or if you are otherwise experiencing extraordinary hardship as a result of the pandemic, please review the announcement "The CARES Act and You" and the form Certification of Coronavirus-Related Distribution or Coronavirus Loan to determine if you qualify for relief under the CARES Act.

How Disability Cases will be Handled During the Covid-19 Pandemic

Applications

- BERS is accepting applications for disability retirement.
- Counseling sessions are being conducted via telephone. Please email us at Brespon@bers.nyc.gov to schedule an appointment. Please indicate “Disability Retirement Appointment Request” in the subject line and make sure to include your name, telephone number, and membership number (if available) in the body of the email.
- Your counselor will instruct you regarding the best way to transmit your application to BERS in a secure manner.

Medical Board Review and Examination

- The Medical Leaves and Records Administration (Medical Board or MLR) office is temporarily closed due to the COVID-19 pandemic.
- Physical examinations will be scheduled following the reopening of the office.
- If you have a previously scheduled physical examination, you will be contacted with a new appointment date and time once the office reopens.
- The Medical Board is not currently able to review any documents submitted in support of your disability application. These documents will be reviewed once the office reopens.
- Exceptional circumstances
 - If a member has applied for, or plans to apply for, disability retirement and is unable to present for physical examination due to severe or terminal illness, BERS will arrange for a “read only” evaluation. This means that the Medical Board will evaluate your application based upon a review of the medical documentation submitted.
 - Please contact us at Brespon@bers.nyc.gov for further details. Please indicate “Disability Retirement” in the subject line of the email. In addition to your inquiry, please make sure to include your name, telephone number, and membership number (if available) in the body of the email.

Disability Committee

- Meetings of the Disability Committee of the BERS Board of Trustees have been temporarily suspended. This means that some disability applications will be held until meetings resume.

- Ordinary Disability Retirement (ODR) Applications that are recommended for approval by Medical will continue to move forward and will be processed as ODR approvals.

Submission of Supporting Medical Documentation

- BERS is not currently able to accept medical documents via mail. Please hold any supporting medical documents until the office reopens. Announcements regarding the reopening of the mail room will be posted on BERS’ website at <https://www.bers.nyc.gov/site/bers/notices/announcements.page>
- If you need to submit documents due to an exceptional circumstance as indicated above, please contact us at Brespon@bers.nyc.gov for instructions on submitting this documentation. Please indicate “Disability Retirement” in the subject line of the email. In addition to your inquiry, please make sure to include your name, telephone number, and membership number (if available) in the body of the email.

Deadlines to Apply for Disability Retirement

- Please note that the deadlines to apply for disability retirement are prescribed by statute.
- Although your case may not be reviewed immediately due to closures relating to the COVID-19 pandemic, you should submit your application in a timely manner as the deadlines to apply for disability retirement have not been waived.
- If you wish to apply for disability retirement, you must submit your application:
 - within three months from the last date you were being paid on the payroll; or,
 - if you were placed on a leave of absence for medical reasons without pay, either voluntarily or involuntarily, at the time you ceased being paid, your application must be submitted not later than twelve months after the date you received notice that your employment status has been terminated.
- Note: you can always apply for disability retirement if you are in active pay status.

An Update Regarding Required Minimum Distributions (RMD)

As many of you know, the CARES ACT was signed into law on March 27, 2020 to provide relief to the millions of people affected by the Covid-19 pandemic. As per the CARES ACT, BERS will suspend all Required Minimum Distributions (RMDs). The suspension would apply to all 2019 RMDs that are required to be made by April 1, 2020 (unless already issued), and to

2020 RMDs that are required to be made by April 1, 2021. This suspension applies to all RMD eligible TDA account holders. Although BERS will not automatically issue you a RMD, you may withdraw funds from your TDA account by submitting a TDA withdrawal application to BERS. TDA withdrawal applications are available on the BERS website, <https://www.nycbers.org>.

A Notice about your Tax Deferred Annuity Investments

Many of you have expressed concern about the recent market turmoil and the effects on your TDA account balances.

First, we want to say that as fellow participants in the TDA we understand your concerns. The decision to allocate money between the fixed and variable portions of the TDA should be made by assessing your individual needs, your long-term goals, as well as your comfort with market fluctuations. The construction of the fixed and variable investment portfolios and policies, including the ability to convert your allocation only once every three months, are developed to help alleviate some of the pressure of making these decisions too quickly.

For those of you who are invested in the fixed fund and are entitled to either the 7% or 8.25% guaranteed rate of return, please note that your account balances are protected against short-term market fluctuations. The fixed fund is invested alongside the larger BERS pension plan, a diversified portfolio developed to help withstand stock market downturns. One of the most powerful aspects of pooling investments across participants and over long periods of time is that we can balance

market downturns like the one we are experiencing now with times of large market increases to spread fluctuations across multiple generations.

For those of you who are invested in the variable fund, it is important to note that it is designed to mimic the movements of the broad U.S. stock market. In times like the past month, where the U.S. stock market has experienced losses, the variable fund will experience losses as well. The overall long-term rate of return for the variable fund takes into account the ups and downs of the U.S. stock market. The decision to invest in the variable fund should be made based on an assessment of your goals and your comfort with greater variability balanced against the possibility of greater return.

If your assessment of your own individual needs and goals or comfort with market fluctuations have changed during this period, our counselors can provide guidance on how to make changes to your TDA allocation. Please note that our counselors are not investment advisors and cannot offer investment advice.

Update Your Personal Information

We would like to remind you to update your personal information. It is important to keep this updated as we often send out important notices and emails. Please consider the following checklist and be sure to make BERS aware of changes to your:

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

The following forms are available online at www.nycbers.org for your convenience:

- Change of Address
- Designation of Beneficiary (TDA and Pension)
- TDA Investment Change
- Special Durable Power of Attorney.

Death Benefits

The death of a BERS member or retiree is undeniably a difficult process to navigate. It is important for BERS to be notified as soon as possible, so that we can initiate and assist in the death benefits process. Anyone can notify BERS of the death of a member or retiree by contacting our Call Center at (929) 305-3800, or by sending an email to Brespon@bers.nyc.gov. Upon notifying BERS, you must provide the original death certificate and your contact information. Once BERS has

received the death certificate, BERS will conduct a thorough review of the account and contact the beneficiaries listed. BERS will provide the beneficiaries with the necessary applications that will need to be completed to receive the death benefits payable. We will also inform the beneficiaries of any necessary documents that will be required for processing. Once all forms and documentation have been received by BERS, BERS will process the payments to the beneficiaries.

Keep Your Beneficiaries 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, we 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 Beneficiary Designation form to BERS with up to date information. Fillable Beneficiary Designation forms can be found on our website at <https://www.bers.nyc.gov/site/bers/plan-information/forms.page>. To view the beneficiaries currently listed on your account, log in to your Member Self Service (MSS) account at <https://www.bers.nyc.gov/site/bers/register-log-in/register-log-in.page>.

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