

What if Your Employment Ends? - Tier 6

Important pension information for BERS members separating from service

Whether you are retiring, resigning or being terminated, as you separate from service there are steps you must take to ensure immediate pension benefits or to preserve future benefits.

YOUR BERS PENSION ACCOUNT

1. Have you met the age and service requirements to be able to retire with full benefits?

Eligibility Requirements

- For unreduced benefits, you should be at least age 63 with 10 or more years of credited service.
- For reduced benefits, eligible Tier 6 members may opt to receive their benefits as early as age 55; however, there will be a permanent benefit reduction.

If you are eligible to retire (having met both age and service requirements), please come in to BERS (65 Court Street, 16th Floor) or call us at (929) 305-3800 to make an appointment to see a retirement benefits counselor. You should indicate that you are a Tier 6 member when you call. As a Tier 6 member, you must file for retirement at least 1 day before separation from your employment.

2. What if you do not qualify for vesting?

Non-Vested Members

- If you separate with less than 10 years of credited service you may:
 - Elect to receive a refund of your accumulated contributions in a lump sum. A withdrawal of all your pension contributions automatically ceases your membership in BERS and in the BERS TDA Program (if applicable); or
 - Elect to leave your pension contributions in your account. These funds will continue to accumulate earnings for up to five years from your date of separation. After five years, no further earnings will be credited to your account. Once your separation exceeds five years your contributions will not be automatically returned to you. In order to obtain a refund, you must submit a completed withdrawal application to the Retirement System.

3. What happens if you leave and return to service later?

Maintaining Your Membership Rights

If you separate from service before retirement and return later, you will be able to maintain your membership rights in BERS if:

- You are vested; or
- You separate from service before you are vested, and you do not withdraw your contributions, and your absence does not exceed five years.

Returning to Service After Losing Your Membership Rights

If you return to service after losing your membership rights, you can apply for Membership/Tier Reinstatement. To reinstate your credited service to a Prior Membership/Tier you need to:

- Complete an application for Tier Reinstatement
- Pay any refunds of your accumulated contributions plus interest.



**Board of Education
Retirement System**

65 Court Street
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(800) 843-5575

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Becoming a Transferred Contributor

If you accept another position in New York City service that does not entitle you to BERS membership, you may elect to remain at BERS as a Transferred Contributor, provided you:

- Accept the other position within 60 days of resigning from your current job, and
- Do not withdraw your accumulated contributions, and
- Complete an irrevocable Transferred Contributor Waiver Form and submit to BERS

Note: Transferred Contributors may not continue to contribute to the TDA Program unless they remain in education service.

PENSION LOANS

If You Are Retired

If you retired and had an outstanding pension loan at retirement, you cannot pay back the pension loan by way of installment payments after retirement. Your net benefit is actuarially reduced as long as you receive pension payments. However, this does not have to mean a permanent reduction in your pension benefits. You can now repay your loan and eliminate the actuarial reduction on your pension. Chapter 511 of the laws of 2005 became effective August 16, 2005; this law applies to all retirees in all tiers.

This balance must be paid in a lump sum; BERS will not accept installment payments.

Interest does not accumulate after the date of retirement. The loan repayment amount will be the same as the balance at the time of retirement. Once the full payment is processed, future benefits will no longer be reduced by the loan. Benefits prior to this repayment will not be readjusted. To make a lump sum payment, contact BERS to request a lump sum payment amount, and the payment due date.

If You Resign/Are Terminated

If you resign or are terminated and you have an outstanding pension loan, you must request to make monthly repayments directly to BERS before you are removed from active payroll status. If no loan payments are received in any 90 day period, your loan will be in default and will be considered a distribution. If a distribution occurs, you will receive a 1099R and it will be reported as income to the Internal Revenue Service. There may be tax consequences associated with this distribution.

YOUR BERS TDA ACCOUNT

When you retire, resign, or otherwise end your employment with the Board of Education, you have several options available to you.

If You Are Retired

At retirement, you may elect to receive a direct withdrawal, rollover, transfer of your account, or arrange to receive regular payments through the purchase of an annuity. You can also elect TDA Deferral status at retirement, which allows you to leave your contributions and earnings in the TDA Program. Note that Required Minimum Distributions begin at the age of 70½.

If You Are A Vested Member

If you leave employment after attaining vested rights in the pension system, you may withdraw the balance of your TDA account or you may elect TDA Deferral status. Electing TDA Deferral status allows you to continue your participation in the TDA Program. Note that Required Minimum Distributions begin at the age of 70½.



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If You Are Not A Vested Member

Should you leave employment for any reason before vesting in the pension system, you may withdraw the balance of your TDA account at any time. If you do not withdraw your QPP account balance, your TDA account will continue to accrue earnings for up to five years from the date of your resignation. A withdrawal of your QPP account balance will automatically terminate your participation in the TDA Program meaning that all interest will cease at that time.

TDA LOANS

If You Are Retired

If you retire and become a TDA Deferred Participant with an outstanding TDA loan balance, you must request to make monthly repayments directly to BERS before you are removed from active payroll status. If no loan payments are received in any 90 day period, your loan will be in default and will be considered a distribution. If a distribution occurs, you will receive a 1099R and it will be reported as income to the Internal Revenue Service. There may be tax consequences associated with this distribution.

If You Resign/Are Terminated

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