

# GTA TODAY December 2009

By Don Pallozzi

**Tier 5:** The governor signed the bill creating Tier 5. I contacted NYSTRS to get more specifics and what follows in italics is what is known and is taken from the NYSTRS website: *this legislation creates a new membership tier (Tier 5) for NYS public employees, effective Jan. 1, 2010. The following would apply to NYSTRS Tier 5 members:*

*3.5% member contributions are required throughout their active membership.*

*Prior service costs of 3.5% per year, plus 5% interest compounded annually from the date of service.*

*10 years of credited service is required to vest.*

*Pension factors:*

*1 2/3% per year for those with less than 25 years of service at retirement*

*2% per year for those who attain 25 years of service at retirement*

*No benefit reduction if retirement occurs on or after age 57 with 30 or more years of service.*

*Benefit reductions are based on age for those who retire before age 62 with fewer than 30 years of service.*

The 55/25 provision is not very detailed however the provision states there will be a 3 month window in 2010 offering the early retirement option. We have had preliminary conversations with the District but we do not have any details yet.

Retirees will benefit from this legislation because of a provision that guarantees their retirement health insurance can not be altered unless in-service members negotiate a reduction in their own health insurance.

**N.B.** – If you have not joined the TRS, this is the last opportunity to get into Tier 4. The legislation is effective January 1, 2010. This would apply primarily to part time employees and long term substitutes but if you are unsure if you are a member you can check your pay stub for the payroll deduction or contact Human Resources.

**Happy Hour:** Save the date – Friday January 8, 2010 at Romeo's. Look forward to seeing you there.

**Holiday Wishes:** We would like to wish everyone the best during the Holidays. We hope it will be a time of rest and an opportunity to be with loved ones.