

# **MTA**

## **Consolidated Pensions**

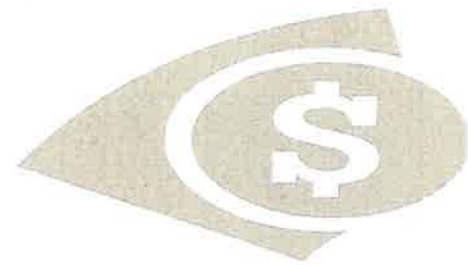
Retirement Readiness Seminar





Welcome to today's Retirement Readiness Seminar.

Understanding the retirement process and your benefit entitlement is crucial in making the best financial decisions for you and your family.



# Retirement Eligibility

What does retirement eligibility means to you?

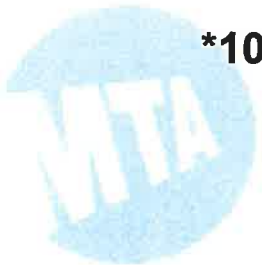


# Retirement Eligibility

Eligibility means that you have satisfy your plan's requirements by completing both the years of credited/allowable service and the retirement age for your tier and plan:

- Tier 1 – 20/50
- Tier II – 25/55
- Tier IV – 25/55
- Tier IV – 62/5\*
- Tier VI – 25/55
- Tier VI – 63/10

**\*10 years for retiree healthcare coverage**



# Retirement Readiness

Who is currently eligible to collect retirement benefits?

Who will be eligible in the next year or two?

What have you done thus far to prepare for retirement?



# Retirement Readiness

Have you heard of a Service Summary report?

Have you made a request for Service Summary report?



# Retirement Readiness

## TA EEs

Contact NYCERS at 347-643-3000

if you have access to a computer, login to [nycers.org](http://nycers.org) and create an account and print your Service Summary report.

## OA EEs

Contact the MTA Business Service Center at 646-376-0123 and request your Service Summary report.



# Missing Periods “Loss Time”

Why should you review your Service Summary report?

To ensure that your service time is correctly reflected on the report. You should question any missing or unresolved periods of time.

If the missing period(s) relates to Workers' Compensation and/or Short Term Disability (MaBSTOA EEs only), and you have received payments you should make a request to pay your deficiency.





# Credited Service

Workers' Compensation and/or Short-Term Disability (STD) can only be credited as "good time" once you have paid your deficiency.

You could also sign a waiver at retirement to receive the credit and to treat the deficiency owed as a loan.



# Credited Service

Service credit is not given for leave of absences without pay or for any period of time during which you did not receive wages from the MTA (other than for military service and union release).

FMLA without pay

Sick without pay

Suspension

AWOL

Work Stoppage (Strike)



# Credited Service

Your pension benefit is made up of key components:



# Retirement Benefit

- Credited Service
- Final Average Salary (FAS)
- Your age, required amount, plan, tier etc. are also contributing factors.



# What You Should Know Before Retirement



## Fun Facts About Retirement

**Birth Evidence** is needed at retirement. You need to provide a copy of your birth certificate or any other documentation to support your date of birth before your 1<sup>st</sup> pension check can be mailed.

If you are selecting a Joint & Survivor retirement option, you also need birth evidence for your spouse or whomever, you select to receive the continuation of benefit.



# Fun Facts About Retirement

## Final Average Salary (FAS)

Your FAS is based on any **three consecutive** calendar years or the final **36 months** immediately preceding your retirement date.

Two separate calculations are performed to ensure that you receive the greater of the two benefit.

In order to determine your FAS, **a five year** review of your earnings will be performed because each of the years used in your FAS cannot be greater than the average of the previous two years by 10%.



# What You Should Know Before Retirement

## Retirement Options

Joint & Survivor options take your life expectancy, as well as, your beneficiary's into consideration. If there is a significant age gap between you and your beneficiary's age, the reduction in your retirement benefit will be greater.

Once you have designated a beneficiary and your option is in force, you cannot change your beneficiary, unless you have selected either the 5 year or 10 year Certain Options.





# What You Should Know Before Retirement

## Loan at Retirement

An outstanding loan at retirement will permanently reduce your retirement benefit for the rest of your life. This reduction is age driven plus it becomes a taxable event and a 1099 will be issued to you.

You could avoid the taxability by rolling over the funds into another tax shelter plan [401(k)/457 or IRA].



# What You Should Know Before Retirement

## Taxes

As a retiree, only Federal taxes are withheld from your pension check, as long as, you live in New York State. If you live elsewhere, you will be subject to state taxes of your residence, unless the state where you live does not have state taxes.



# What You Should Know Before Retirement

## When are pension checks mailed?

NYCERS members

If your retirement date falls on the 1<sup>st</sup> or 2<sup>nd</sup> of the month, your 1<sup>st</sup> pension check will be paid at the end of the same month.

If your retirement date falls on the 3<sup>rd</sup> or thereafter, your 1<sup>st</sup> pension check will be paid at the end of the following month.



# What You Should Know Before Retirement

## MaBSTOA Pension Plan members

If your retirement date fall at the end of the month, your 1<sup>st</sup> pension check will be mailed at the end of the following month. For MaBSTOA it is best to retire the last week of the month, the wait time for your 1<sup>st</sup> check will be about 4 weeks or so.



# What You Should Know Before Retirement

## Monthly Pension Payments:

Pension checks are mailed 2 business days before the end of the month. In general around the 28<sup>th</sup> of the month. Electronic Funds Transfer (EFT) direct deposits are made on the last business day of the month.



# What You Should Know Before Retirement

## Cost-of-Living-Adjustment (COLA)

Your pension will be adjusted annually for COLA depending on your age and the number of years since you have retired.

There is a waiting period:

- Age 62 retired at least 5 years
- Age 55 retired at least 10 years
- Disability Retirement retired at least 5 years



# What You Should Know Before Retirement

## Post Retirement Death Benefit (PRDB)

A PRDB benefit will be provided to your designated beneficiary regardless of whether you have selected a retirement option. The benefit will be paid upon your death, if you qualify.

If death occur in 1<sup>st</sup> year of retirement 50%\*

If death occur in 2<sup>nd</sup> year of retirement 25%\*

If death occur in the 3<sup>rd</sup> year and thereafter, 10%\*

\*The benefit in force is defined as the Ordinary Death Benefit (ODB) which would have been payable if you died the day before your retirement date, if any. However, where death occurs in the third year of retirement or thereafter, the benefit in force is defined as the ODB at age 60, if any.



# What You Should Know Before Retirement

## Pension Verification Audit

To prevent fraud, periodically, you will be asked to complete an Affidavit to verify that you are still alive. Failure to respond will result in the suspension of your retirement benefit until you have complied.





# Retirement Planning Resources

**You should keep a list of all your important papers including your accounts.**

- Will, power of attorney, health care proxy, etc.
- Names and contact information of people to notify if you are incapacitated or pass away
- Safe deposit box and key
- Life, health, long-term care, homeowners, car insurance policies
- Banking and savings accounts
- Brokerage accounts
- Retirement and deferred compensation/IRA accounts
- Your birth certificate, social security #
- Military discharge papers, if applicable
- Marriage certificates, divorce (QDRO) and separation papers
- Copy of your NYCERS or MaBSTOA Pension Plan beneficiary and option selection form.



# ???Any Additional Questions???

Contact/Visit:



MTA Consolidated Pensions  
2 Broadway, 10<sup>th</sup> Floor, Section D  
New York, NY 10004

BSC Walk-In Center  
180 Livingston Street, 6<sup>th</sup> floor  
Brooklyn, NY 11201

Telephone: 1-646-376-0123  
Office Hours: 8:30AM to 5:00PM  
Monday thru Friday

