

# CHOOSING A PENSION PLAN: A GUIDE FOR NEW MEMBERS

*For a printer friendly version of the following chart  
(as a Word document), click [here](#)*

New York State law mandates participation in a retirement system for full-time members of the instructional staff. New staff members have 30 days from the effective date of their appointment to choose a retirement program, and the choice is irrevocable. If no choice is filed within 30 days, the law mandates that the member be assigned to the New York City [Teachers' Retirement System \(TRS\)](#).

Full-time instructional staff members may choose between the New York City [Teachers' Retirement System \(TRS\)](#) and the Optional Retirement Program (ORP). Those who elect the optional retirement program may choose investment options through the [Teachers Insurance and Annuity Association-College Retirement Equities Fund \(TIAA-CREF\)](#) and investment choices provided by the alternate funding vehicles offered by [The Guardian](#) or [MetLife](#). More information may be obtained from the college personnel office.

Adjuncts employed by CUNY are only eligible for membership in TRS and may join at their option.

Additional information on choosing a pension plan is available by contacting Clarissa Gilbert Weiss, Director of Pension and Welfare Benefits, PSC, 61 Broadway, 15th floor, New York, NY 10006 (212/354-1252) or send email to [cweiss@pscmail.org](mailto:cweiss@pscmail.org).

The following chart comparing the two systems has been pre-pared to assist new members in choosing their pension plan.

## CUNY's Pension Systems

System	New York City Teachers' Retirement System (TRS)  Tier IV.*	Optional Retirement Program  Tier V**
<b>Type of Plan</b>	<b>Defined benefit plan:</b> Benefits are based on age, average of highest three year's consecutive salary and years of employment.	<b>Defined contribution plan:</b> Benefits are based on the amounts contributed by the employer and employee and the success of the employee's choice of investments.
<b>Vesting</b>	5 years of full-time service.	After 366 days of continuous full-time reappointment. (Immediate

		if employee has an open <a href="#">TIAA-CREF</a> Retirement Contract.)
<b>Retirement Age</b>	Minimum 55 and 5 years of credited service at an actuarially reduced rate or age 55 with 30 or more years of service with no reduction or 62 and 5 years of service with no reduction. Normal retirement is at age 62. Full-time employees appointed after 1/1/02 are eligible for after retirement health benefits if they are receiving a City pension and have at least 10 years of credited service.	Member may choose to retire and begin annuity income after vesting. However, city-provided health benefits are not available to individuals with less than 15 years of full-time CUNY service and age 62.
<b>Contribution Rates</b>	For the first 10 years of public employment, employee pays 3% of regular compensation on a federally tax-deferred basis. Employer contributes a lump-sum annually to its pension funds, not to individual accounts. The annual amount is determined by the actuary of the pension systems.	Employee pays 3% of base salary on a federally tax-deferred basis. Employer pays 8% of salary for first seven years of employment and 10% thereafter.
<b>Retirement Allowance</b>	<p><b>Less than 20 years of service:</b> 1.67% x Final Average Salary (FAS): (average wages paid for three consecutive years) x years of service.</p> <p><b>20 to 30 years of service:</b> 2% x FAS x years of service.</p> <p><b>Over 30 years of service:</b> Additional 1.5% after 30 years x FAS x years of service after 30.</p>	Retirement benefits are based on total accumulations, age at retirement, and the income option selected.
<b>Tax Deferred Annuity</b>	Tax Deferred Annuity (TDA): Available.	Tax-deferred Group Supplemental Retirement Annuity (SRA): Available
<b>Disability Benefits</b>	A member of TRS is eligible to retire for Ordinary Disability if he or she has 10 or more years of service credit. Benefit schedules and formulas are spelled out in the laws relating to Tier IV.	A member who has been certified disabled and retires may receive annuity payments and city-provided health benefits after 10-years of full-time service.
<b>Death Benefit for Active Employees</b>	1/12 of last year's earned salary x years of service to a maximum of 36 years. <b>Or</b> one year's salary x years of service to a maximum of 3 years which is reduced actuarially after age 61.	Total amount in pension and SRA accounts.
<b>Loans</b>	Yes, on member contributions and TDA accumulations.	Yes, to the maximum allowable by law on both the Pension and SRA.

\*Individuals appointed on or after Sept. 1, 1983  
after July 17, 1992

\*\*Individuals appointed

8/05