

# **ADJUNCT** **RETIREMENT** **BENEFITS**

Adjuncts are eligible to join the Teachers Retirement System (TRS) and to purchase a tax-deferred annuity from TRS, TIAA-CREF or the HRC from the first day of employment.

The Teachers Retirement System plan includes a pension, death benefits, and a disability pension. It's funded by the employee and the employer.

## **Here's how TRS works**

After enrolling, 3% of your gross salary will be deducted from all your CUNY paychecks by automatic payroll deduction. You'll earn 5% interest. After contributing for ten calendar years, you no longer have to make contributions. The university will continue to make contributions.

## **How TRS calculates your service**

A year of credited service is equated as 360 teaching hours or 600 non-teaching hours. A three-hour course over a fifteen-week semester will earn you 45 hours, a six-hour course is 90 hours.

## **Vesting**

After accumulating five years of credited service you will be vested. This means you will be eligible when you reach the age of 62 to receive a pension based on your years of service, whether or not you earn further credit in TRS. If you want to buy back prior service you may do so two calendar years after your initial enrollment, at 3% of your earnings during that service plus 5% interest compounded annually. For example, if you are 62, have two calendar years of TRS membership and buy back five credited years, you can

start collecting your pension. Although you may continue to work after you start collecting your pension, deductions and contributions will cease.

## **Calculating how much you'll get after retirement**

To calculate your retirement benefits, you must know your Final Average Salary (FAS), which is the average salary of your highest three consecutive years of credited service. An annualized year is defined as 360 times the wages earned in a year, divided by the hours of credited service in that year. For instance, if you earned \$10,000 in a year and were credited with 180 hours, the formula would look like this:  $\$10,000 \times 360 \div 180 = \text{FAS of } \$20,000$ .

The retirement allowance for those who have less than 20 credited years of service is 1.67% of your Final Average Salary times your years of service. Someone who has 10 credited years of service and a FAS of \$15,000 will get \$2500 a year.

The retirement allowance for those who have over 20 credited years of service is 2% times the Final Average Salary times years of service. Those with over 30 years of service add an additional 1.5% times the FAS times the years of service after 30.

## **Taxes**

For NY State residents, these pension payments are exempt from state and city taxes.

## **Disability Benefits**

Disability benefits are available to a member of TRS who has 10 or more years of service credit (3600 hours). Benefit schedules and formulas are spelled out in the laws relating to Tier IV.

## **Death Benefit**

The TRS death benefit is one twelfth of the last year's earned salary times the number of years of credited service to a maximum of three credited years. It is payable to the beneficiary you designate.

## **Tax-deferred annuities**

You may purchase a tax deferred annuity from TRS, TIAA-CREF or the HRC. These are similar to IRA's: you voluntarily set aside a percentage of your pay, before it is taxed, and collect interest, which is also tax-deferred.

## **More Information**

For more information and applications for these plans contact your campus Department of Human Resources, or the Director of Pension Benefits at the PSC. TRS also has information available at [www.TRS.NYC.US](http://www.TRS.NYC.US) or 1-888-8-NYC-TRS.

## **Changes**

These systems are subject to changes. For example, formerly the FAS was based on calendar years, during which we are paid less than during a credited year of service. The change in the current FAS is the result of PSC lobbying, as was the legislation that eliminated the required 3% employee contributions after 10 calendar years of service.

## **Problems & Questions**

We know this material is not easily digestible. Please do not hesitate to call TRS or the PSC if you have any problems. Remember that your service at all CUNY schools should be added to your calculations.

