Tax credit extension helps home purchase

In an effort to stimulate the econo-
my, Congress and President Obama have extended a tax credit of up to $8,000 for first-time home buyers through the spring.

The expanded legislation also provides a $6,500 credit for current homeowners who buy a new home, if they have been in their current residence for at least five years. The Worker, Homeownership and Business Assistance Act of 2009 allows for the federal tax credit – pre-
vously scheduled to expire at the end of November – for qualified home-
buyers who sign a binding contract through April 30, 2010.

The tax credit is available for the purchase of principal homes that cost $800,000 or less. The annual income cap has also been increased: single taxpayers can earn up to $125,000, and the limit is $250,000 for married taxpayers filing a joint return.

ASSISTANCE

Repeat homebuyers need not pur-
chase a home in a specific neigh-
borhood because the tax credit is expen-
sive than their current residence to qualify for the credit. Buyers may also rent out their current home, as long as they make the home purchased with the tax credit their principal residence.

For New Yorkers who want to buy a home, but don’t have enough money saved for the down payment, the city’s Department of Housing Preservation and Development has a HomeFirst Down Payment (HPD) Assistance Program, which provides qualified first-time home buyers with interest-free loans toward a down payment or closing costs for a one- to four-family home, conditioned on their living in the five boroughs. Those interested should visit homebuyers at www.nyc.
gov/html/hpd, where they can find a list of City-approved homebuyers’ counseling services.

RESOURCES

An article in the December 2008 Clarion that lists affordable hous-
ing resources of potential interest to CUNY faculty and staff is avail-
able online at www.psc-cuny.org/ communications.htm. It includes on-
line listings of application deadlines for mixed-income affordable housing.

One such deadline that is coming up soon is the lottery for Atlantic Terrace, a 10-story mixed-income cooperative building in Fort Greene being developed by a progressive nonprofit, the Fifth Avenue Commit-
tee. Applications must be submitted by January 6, 2010. The units cost up to about $325,000. Forms and more detailed information are available at www.atlanticterraceliving.com.

Your retirement

Act now on adjunct pensions

By ELLEN BALLLEISEN

PSC Pension Counselor

I have a strong message for CUNY

adjuncts who may be reluctant to join

the New York City Teachers’ Re-

tirement System (TRS) but have not

yet done so: it’s time to act! The

same message applies, in a differ-

ent way, to adjuncts who belong to

TRS but have not yet bought back

credit for any prior service, as I’ll

explain below.

For the first group, if you are an

already a member of a public

pension system, the New York State constitution

provides that your future ben-

efits cannot be reduced. But if

you have not yet signed up, and

benefits are diminished for future

members, you have no such protec-

tion – even if you have worked for

CUNY for many years.

SPARED, THIS TIME

Heavy lobbying by PSC activ-

ists helped CUNY employees to escape inclusion in the newly

created Tier V (see page 3). Thus, any

CUNY adjunct who joins TRS now will still be in Tier IV, which re-

quires employees to make pension contributions of 3% for 10 years.

In contrast, as of this January 1, new members of TRS who are em-

ployed by the New York City public schools must now contribute 4.85%

of gross pay to their TRS pensions until they have 27 years of service.

This should stand as a warning to all eligible CUNY adjuncts to join

TRS as soon as possible. The PSC dodged a bullet this time – but

right-wing think tanks and Mayor Bloomberg are big fans of Tier V, and

will very likely expand the new tier to CUNY em-

ployees in the future. By joining Tier IV, if you have not already done so,
you can protect your benefits against future attacks. So please
go to your campus human re-
sources office immediately to get

the forms you need.

CUNY adjuncts are generally eligible to join TRS in their first

semester of employment as long as

they are appointed for at least 45 hours. (There are two excep-
tions: adjuncts already receiving payments from a New York City or

State pension plan, and adjuncts already enrolled in a NYC pension

plan other than TRS.)

BUYBACKS

Adjuncts who are already TRS

members but who haven’t pur-

chased credit for employment in

New York public agencies per-

formed before they joined, should

contact me as soon as possible to
discuss getting pension credit for this service.

Here’s why this is so important: buybacks can increase the value of

a TRS pension many times over, and not buying back your prior service is

actually a way of allowing CUNY to keep money that should be funding your

pension. This can mean much, much less if you don’t do your

buyback, and your pension will be much smaller if you don’t get credit for

all your service.

Moreover, in Tier IV, your con-

tributions stop once you have the equivalent of 10 years of full-time service credit. For this rea-

son, a buyback may mean that you no longer have to fork over money to the pension system out of your

paychecks – the equivalent of a 3% raise. Also, the value of the buyback increases over time because you must pay interest on the money you owe. So it’s a good idea to pay for your prior service as soon as possible. The longer you wait, the higher the bill will be.

Buybacks cost 3% of total earn-
ings from the time you started at

CUNY until you actually pay for

that service. The amount you will

be required to pay includes 5% in-

terest compounded annually.

As someone who has counseled hun-

dreds of adjuncts, I can tell you it’s an investment well worth making.

WHAT’S REQUIRED

The first step in taking care of a

buyback is getting a record of serv-

ice from your campus human re-

sources office. This record should include the number of hours you

worked each term, your hourly pay rate each term, your title each term and

the dates of each term. It must be on official school letterhead and must be

signed by someone in the HR office. If you’ve worked at more than one

campus, you will need to get records from the HR offices of each of the

camps where you have worked. Once you have all the service records

for any work for which you

were paid by New York City or

New York State that took place

before the date you joined TRS.

This includes work in public

schools, in SUNY colleges and

in NYC or NYS agencies out-

side of teaching. If you have

prior service outside of CUNY, you

should contact me (at eballleisen@pscmail.org, or 212-354-1252) for

information about getting your service records.

TRS allows CUNY employees at

community colleges to pay for

their buybacks in installments

over several years. Unfortunately

that option is not available to

senior colleges because senior

college employees are on the

New York State payroll, and TRS

commissions were set up to deal with the State payroll.

One good way to save for a buy-

back – regardless of whether you

are at a 2-year or 4-year school – is through a tax-deferred annu-

uity (TDA), which allows you to put money away through payroll de-
iductions while lowering your taxes substantially at the same time.

All TRS members have three options for TDAs: you can have one

through TRS itself, or you can open one through TIAA-CREF or

HRC. Money in any of these ac-

counts can be rolled over to pay for a TRS buyback.

Enrollment in a TDA with

TRS can be done online. Go to

the TRS website at www.

trs.nyc.ny.us and click on

Account Statements. If you have never used this feature of the website before, you will need to register. Once you are registered, log in, and then click on TDA Enrollment. Or, if you want to enroll in a TDA with TIAA-

CREF or HRC, you can get the forms from your campus human resources office.

When you are ready to pay for your buyback the PSC can help make the process go much faster.

As soon as you have all the service records you need and the money to

pay for your prior service, contact me (at eballleisen@pscmail.org, or 212-354-1252 so that I can help you

get a bill from TRS. (The one excep-

tion is for adjuncts who are also full-time employees of the New York City public schools; those in this category

will need to contact their primary union, the UFT or the CSA, or

TRS directly.)

When someone at TRS calcul-

ates the exact amount of your buy-

back, he or she will also calculate what is called a service deficit. This is money you owe for service ren-
dered after you officially became a TRS member. Usually there is a gap

of several weeks between the date

TRS membership begins and the
date that the first TRS payroll de-
duction occurs. Adjuncts who work on two campuses, but have only

had payroll deductions on one cam-

pus, will also have a service deficit

because they did not contribute on

their second campus.

LUMP SUM

Service deficits cannot be paid for

with TDA rollovers. You will need to pay by check, as a lump sum.

Once you have initiated the buy-

back process and TRS has calculat-

ed the cost of your prior service and

your service deficit, TRS will mail you a bill along with paperwork

that needs to be notarized. You will need to proceed with this and com-

plete the rest of the steps promptly – as failure to pay by the date

TRS gives you will result in a recalcula-
tion of the amount due based on addi-
tional interest charges. Contact me (at eballleisen@pscmail.org, or 212-354-1252) so I can walk you through what you need to do.