New York State Early Retirement Incentive Program for 2010

Frequently Asked Questions:

New!
Question: When should I notify my supervisor that I plan to retire under the ERI program?

Answer:
Please communicate your intent with your immediate supervisor and Human Resources as soon as possible. We encourage you to keep your supervisor up to date on your plans and considerations as you progress through your decision process so that the unit can provide you with helpful information, and also begin to prepare for your transition should you ultimately decide to retire.

New!
Question: Can I return to employment at Cornell after retirement?

Answer
- Contract College appointments made after retirement should be to temporary or casual appointments which are governed by this University Policy. [http://www.hr.cornell.edu/policies/nonacademic/temporary_casual.html](http://www.hr.cornell.edu/policies/nonacademic/temporary_casual.html). Units will be expected to make decisions based upon business need to offer you employment after retirement. If a decision to re-employ is supported, please be aware of the conditions attached to these appointments, in particular the expectation that these appointments do not have any requirement notices for termination as is the case in our regular staff or academic titles.
- For Contract College or New York State funded positions, the maximum earnings in appointments following retirement are $30,000 per year.

Question: Who is eligible for this Early Retirement Incentive Program (ERI)?

Answer:
Contract College and County Cooperative Extension Association employees may be eligible for Part A if the employee is:
   a. at least 50 years of age with a minimum of ten years of state service as of the date of retirement; and
   b. an active employee with pay as of February 1, 2010 who continues in active Contract College service to the first day of the retirement window period (October 3, 2010); and
c. enrolled in either the New York State Employees’ Retirement System (“NYSERS”) or the SUNY Optional Retirement Plan (“ORP”).

Contract College and County Cooperative Extension Association employees may be eligible for Part B* if the employee is:

a. a member of NYSERS in Tiers 2, 3 and 4; and
b. at least age 55 but younger than age 62 and has at least 25 but less than 30 years of NYSERS service as of the date of retirement; and

c. an active employee with pay as of February 1, 2010 and continues in active Contract College service to the first day of the retirement window period (July 2, 2010).

*IF YOU ARE ELIGIBLE FOR PART B, BE AWARE THAT YOUR RETIREMENT FORMS MUST BE COMPLETED AND SUBMITTED BY AUGUST 30, 2010.

**Question:** Item 1 above references “retirement window period” – What does that mean?

**Answer:** An eligible employee’s retirement date must fall into the special period of time set by New York State and the University for this ERI program.

**Important for Part B:** The retirement window period begins immediately and runs to September 30, 2010. Your last day on payroll must be the day before your retirement date. For example, if you elect to retire on September 30, then your last day on payroll is September 29. NYSERS members must complete and submit all paperwork at least 30 days prior to their retirement date, which means that all retirement applications must be sent to NYSERS no later than August 30, 2010.

**Part A:** This retirement window period has been set for October 3 to December 31. Your last day on payroll must be the day before your retirement date. For example, if you elect to retire on December 31, then your last day on payroll is December 30. NYSERS members must complete and submit all paperwork at least 30 days prior to their retirement date, which means that all retirement applications must be sent to NYSERS no later than November 30, 2010.

**Question:** What are the benefits of retiring under this ERI program?

**Answer:** The ERI program offers benefits under two parts:

**Part A for NYSERS Members:** A NYSERS member eligible for the ERI will receive one month’s additional retirement service credit for each year of NYSERS credited service to a maximum of thirty-six months.

**Part B for NYSERS Members:** An employee eligible for the ERI will be able to retire without the reductions normally required of Tier 2, 3 and 4 members under age 62 with fewer than 30 years of service.
Part A for ORP Participants: An ORP member eligible for the ERI will receive an employer contribution to the member’s retirement account of one-twelfth for each year of service multiplied by 15% multiplied by the ORP member’s salary as of March 1, 2010. The resultant incentive amount cannot exceed 45% of salary as of March 1, 2010.

NYSERS Questions

Question: I am a NYSERS member who qualifies for both Part A and Part B. Can I get both ERI benefits?

Answer: No. You must select either Part A or Part B.

Question: How is my benefit determined under NYSERS?

Answer: Your benefit is based on a formula that considers your Final Average Salary and your Years of Service:

Formula for member with less than 20 years of service for all Tiers:
1.66% * Final Average Salary * Years of Service = Pension amount paid at retirement (less any age reductions)

Formula for member with 20 years of service or more for Tiers 1 and 2; and 20 to 30 years of service for Tiers 3 and 4:
2.0% * Final Average Salary * Years of Service = Pension amount paid at retirement (less any age reductions)

Formula for member with more than 30 years of service for Tiers 3 and 4 (added to benefit formula above for first 30 years of service):
1.5% * Final Average Salary * Years of Service greater than 30 years = Pension amount paid at retirement (less any age reductions)

Tiers 1 and 2 only: There is a cap of 75% of Final Average Salary once you reach 37.5 years of credited service. This cap is lifted with years provided under the Incentive program.

Final Average Salary – is generally your best (highest) consecutive 36 months of salary averaged together. Only salary as a NYSERS member is considered.

Years of Service – is years of credited service as a NYSERS member. Service is prorated for partial years of service.
**Question:** I am a NYSERS member who may consider retiring under Part A. Is my benefit subject to any age reductions?

**Answer:** If you retire prior to the full retirement age for your tier, then your benefit will be reduced by a percentage for each full month that your age at retirement precedes the full retirement age for that tier. For example:

- **Tier 1 members:** The benefit is reduced by 5% for each year under age 55.
- **Tier 2, 3, and 4 members:** The benefit is reduced by 6% for each of the first two years that retirement precedes age 62, and is further reduced by 3% for each year that retirement precedes age 60. An employee with 30 or more years of service shall only be reduced 5% for each year by which retirement precedes age 55.

Reductions for all tiers are prorated for partial years of service.

**Question:** I am a NYSERS member who may consider retiring under Part A. Can I use the additional service from the ERI program to reach a better benefit formula?

**Answer:** Yes, Part A additional service can be applied to your total NYSERS membership service to determine if your benefit is based on a formula for members with 20 or more years of service, or the formula for members with 30 or more years of service.

**Question:** Are there ways of getting credit for other service to apply to my NYSERS benefit formula?

**Answer:** You may qualify to buy back time worked in a prior position funded by New York State or a city, town, county, village, or school district in New York State; or for service in the United States military; or for prior membership in a public retirement system. You can obtain the appropriate forms from the NSYERS website: [http://www.osc.state.ny.us/retire/](http://www.osc.state.ny.us/retire/) or contact them at 1-866-805-0660 for more information.

**Question:** As a Tier 1 or 2 member, am I still entitled to Article 19 service under this Incentive program?

**Answer:** Yes, Article 19 provides eligible Tier 1 and 2 members with one month of additional service credit for each year of service at retirement, up to a maximum of 24 additional months. This service increment is in addition to the service provided under the ERI program.
**Question:** How do I get an estimate of my NYSERS benefit?

**Answer:** You can estimate your NYSERS benefit by using the Pension Calculator on the NYSERS website: [http://www.osc.state.ny.us/retire/members/incentive/estimating_ret_bene.php](http://www.osc.state.ny.us/retire/members/incentive/estimating_ret_bene.php) This website also provides you with the Request for Estimate Form (RS 6030-U) to request a formal estimate. However, be aware that estimates may not arrive prior to your retirement date.

NYSERS members recently received their annual statement of benefits that can be used as a guide. Members may also set up a PIN on the NYSERS website and access their personal information. Be aware that the final benefit amount will be determined by NYSERS. When you retire, NYSERS will not send any benefits to you for at least two to three months after your retirement date. Then an estimated amount is sent to you for the next few months until NYSERS finalizes the calculation of your benefit. Once your final benefit amount is determined, NYSERS will activate it and include any retroactive amounts due to you.

**Question:** Are there other resources provided to me as a NYSERS member?

**Answer:** NYSERS members are encouraged to meet with a NYSERS representative to assist in establishing the amount of the retirement benefit. You can find the Retirement Information Services Schedules at: [http://www.osc.state.ny.us/retire/consultation_site_offices/index.htm](http://www.osc.state.ny.us/retire/consultation_site_offices/index.htm)

Benefit Services is scheduling group meetings for you to attend to obtain more information on this ERI program. Please watch for announcements of these meetings from your Human Resources Lead.

**Question:** Do I need to meet with Benefit Services if I decide to retire under this ERI program?

**Answer:** Benefit Services *strongly recommends* that you attend group meetings that will be set up by your college or unit so that all your required forms are completed accurately and in a timely manner. Benefit Services representatives will conduct these meetings and be available for your questions. NYSERS members must adhere to strict time guidelines when filing their retirement forms under this ERI program. New York State may not honor any incomplete or untimely submitted retirement forms. Please watch for announcements of these group meetings from your Human Resources lead.

**Question:** How do I contact NYSERS?

**Answer:** You can contact NYSERS by email through their website by going to the home page [http://www.osc.state.ny.us/retire/](http://www.osc.state.ny.us/retire/) and click on “Contact Us” and then click on “Email Us”.
You can call: Long-distance within the 50 states, Puerto Rico and Virgin Islands, call toll-free: 1 (866) 805-0990. Locally within the Albany, New York area, call: (518) 474-7736

You can write to them: New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001

**ORP Questions**

**Question:** I am an ORP participant. How is my service calculated for the ERI program contribution?

**Answer:** Your incentive benefit is based on your actual service as a participant in the ORP. Service is pro-rated for partial years. For example if you join ORP on July 1, 1995, worked full time with no breaks in service, and will retire on November 1, 2010, your years of service will be 15 years and 4 months.

**Question:** I am an ORP participant, who may retire under this ERI program. How and when do I get the additional employer contribution in my retirement account?

**Answer:** The ERI contribution will be computed at the end of the 2010 calendar year and deposited into your ORP account in early 2011 up to the maximum permitted under the Internal Revenue Code Section 415 limits. If the amount of this contribution exceeds these limits, then the excess will be contributed to an account under the Cornell University Tax Deferred Annuity Plan (a Section 403(b) Plan) up to the limits for that plan. If there is still an excess amount, then it will be paid to you in three equal cash installments over a 24-month period following your retirement date.

**Question:** What types of payment options are available from my ORP account once I retire?

**Answer:** You should contact the investment vendor where your ORP account is located to discuss the available payment options as well as the taxation of your ORP benefit. To schedule an appointment with an investment vendor on campus (very strongly recommended), call:

- TIAA-CREF: 1-800-732-8353
-ING: 1-888-883-6320
-MetLife: 1-607-273-7341 (Ithaca); 1-315-521-1830 (Geneva); 1-800-492-3553, ext. 28196
-VALIC: 1-800-892-5558, ext. 88174; 1-585-227-2601

If you are not on campus, you can schedule a telephone appointment by calling these numbers.
Other Benefits Questions:

Question: How do I get information on my account in the Tax Deferred Annuity (TDA) Plan?

Answer: You should contact the investment vendor where your TDA account is located to discuss the available payment options as well as the taxation of your TDA benefit. To schedule an appointment with an investment vendor on campus (very strongly recommended), call:

TIAA-CREF: 1-800-732-8353
Fidelity: 1-800-642-7131

If you are not on campus, you can schedule a telephone appointment by calling these numbers.

New!
Question: If I retire under this ERI program will my health insurance benefit continue?

Answer: These are the requirements for taking NYSHIP Benefits under the Early Retirement Incentive Program as a retiree; employees have to meet all three requirements:

1. You must have had at least 10 years of state service, or 10 years combined service with the state and one or more Participating Agencies. The Participating Agency must have been a part of NYSHIP (New York State Health Insurance Program) at the time of your employment. Cornell University is a participating Agency; and

2. You must be qualified for retirement as a member of a retirement system administered by New York State. If you are not a member of a retirement system administered by New York State, you must satisfy one of the following conditions: you must meet the Employee Retirement Systems tier age requirement in effect at the time you last entered state service or you must be qualified to receive Social Security disability payments; and

3. Be enrolled in NYSHIP as an enrollee or a dependent on the date of retirement for your health insurance to continue in the same plan as an active faculty or staff member. If an employee has declined or canceled NYSHIP coverage and wishes to retire under the Retirement Incentive Program, they must enroll before their retirement date. If you are a Contract College Cornell employee (or State employee), the late enrollment waiting period, if any, will be waived due to the NYS Early Retirement Incentive Program. Your effective date of coverage will be your retirement date.

Note: Employees age 50 or older who retire under the Retirement Incentive Program and meets all three eligibility criteria above, will be eligible to continue NYSHIP benefits as a retiree and will not be required to pay the full share of premium at any age in retirement, including
before they reach age 55. They will also be eligible to use their unused sick leave credit to offset the monthly cost of health insurance.

**Question:** How do I learn about continuing my health insurance and other benefits into retirement?

**Answer:** You should read the *Retirement & Beyond* booklet located on the Benefits website to learn about your retiree benefits: [http://www.hr.cornell.edu/benefits/retirement/rb_cc.pdf](http://www.hr.cornell.edu/benefits/retirement/rb_cc.pdf)

County Cooperative Extension Association employees should refer to the Retirement & Beyond booklet on the Cooperative Extension website: [http://cce.cornell.edu/](http://cce.cornell.edu/)

You should also attend a group information meeting that will be conducted by representatives of Benefit Services. Please watch for announcements of these meetings from your Human Resources lead.

**Question:** What happens to the sick leave that I’ve accrued if I retire?

**Answer:** Contract College faculty and staff receive a credit for unused sick leave at retirement. This program allows eligible contract college retirees to convert unused sick leave into a dollar credit to be applied to your health insurance premium in retirement. A maximum of 200 days can be used. Please refer to page 4 of the Contract College *Retirement and Beyond* booklet for information on how to estimate your sick leave credit: [http://www.hr.cornell.edu/benefits/retirement/rb_cc.pdf](http://www.hr.cornell.edu/benefits/retirement/rb_cc.pdf)

County Cooperative Extension Association employees should refer to the Retirement & Beyond booklet on the Cooperative Extension website: [http://cce.cornell.edu/](http://cce.cornell.edu/)

**Question:** How do I contact Benefit Services?

**Answer:** We welcome your inquiries at the Resource Center of Benefit Services and encourage you to contact us using the information below:

130 Day Hall
Cornell University
Ithaca, NY 14853
607-255-3936
benefits@cornell.edu
[http://www.hr.cornell.edu/benefits/](http://www.hr.cornell.edu/benefits/)