



## A Message from Comptroller Thomas P. DiNapoli

By now, you have probably heard the news about Detroit's pending bankruptcy and its possible implications for that city's ability to make pension payments. You may even be concerned about the security of your own pension.

I want to assure you that your pension is safe.

The New York State and Local Retirement System (NYSLRS) is one of the best-funded systems in the country because the New York State Common Retirement Fund is strong and secure. In addition, pension benefits for NYSLRS members, retirees and beneficiaries are guaranteed by the New York State Constitution.

The situation in Detroit has reminded us how important it is to be proactive in identifying the fiscal challenges our communities are facing, and in implementing real solutions. My office recently developed an early warning system to provide local governments with the necessary tools to steer clear of this kind of devastation.

For nearly a century, NYSLRS retirees across New York have depended on the security of the Fund for income. In turn, those same retirees have played an important role in our State's economy. As the Fund's trustee, I am committed to protecting the retirement security of our one million members and pensioners.

Recently, I announced that the Fund had earned a 10.38 percent rate of return in the last fiscal year, reaching an all-time high value of \$160.7 billion as of March 31, 2013. The Fund remains well-positioned to continue providing for its members.

I encourage you to read this newsletter for information about your benefits. Please feel free to contact my office with any questions or concerns you may have.

Sincerely,

Thomas P. DiNapoli  
State Comptroller

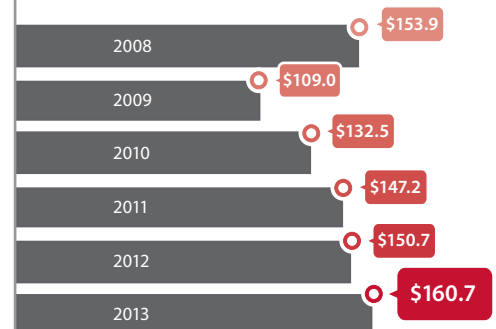


## The Common Retirement Fund *An Industry Leader*

Despite considerable market turbulence in recent years, the New York State Common Retirement Fund (the Fund) remains stable and strong. In fact, an independent review earlier this year by Funston Advisory Services found that the Fund:

- Is well-run;
- Operates with an industry-leading level of transparency;
- Is a leader among public pension funds in the United States; and
- Invests effectively on behalf of its members.

### Assets Under Management by Fiscal Year (dollars in billions)



This external review is the first of its kind for any public pension fund in New York State. Funston

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## Beyond Your Pension

Learning everything you need to know before you retire can seem overwhelming, but there are many resources available to help you. For Retirement System information, you can read our publications, *Your Retirement Benefits* (ZO1835) and *How Do I Prepare to Retire* (VO1709) (at [www.osc.state.ny.us/retire/publications](http://www.osc.state.ny.us/retire/publications)). But what about things like health insurance, Social Security, and New York State Deferred Compensation?

For information beyond what the Retirement System can provide, visit [www.worklife.ny.gov/preretirement](http://www.worklife.ny.gov/preretirement) and click on the *Self-Help Guide to Pre-Retirement Planning*. The guide combines information from several State agencies, and while some of the topics, such as New York State Civil Service health insurance, apply only to State employees, the guide also has a wealth of information that would be interesting to any future retiree. You'll find information about navigating lifestyle changes, financial planning, wellness, and housing options.

## DRO Form Available Online

If you are divorced, or are in the process of getting divorced, you should know that your retirement benefits could be affected. They are considered marital property and can be divided between you and your ex-spouse.

Any division of your benefits must be stated in the form of a Domestic Relations Order (DRO). This is a legal document that gives us specific instructions on how your benefits are to be divided. Keep in mind that we cannot distribute any portion of your pension to your ex-spouse until you actually retire, die or terminate your membership.

You should send us a copy of your DRO promptly. Our Matrimonial Bureau must review all DROs to ensure they meet our DRO guidelines. To assist you and your attorney, we offer an easy-to-complete online DRO form. This form may be used for the majority of divorce cases, but if an individually-created DRO is used, our guidelines, also on our website, should be strictly followed. Though you are not required to use the online form, these forms are given priority review. We will also need a certified copy of your divorce decree.

Visit our website at [www.osc.state.ny.us/retire/members/divorce](http://www.osc.state.ny.us/retire/members/divorce) to use our new DRO form or to read more detailed information on how divorce may affect your retirement benefits. If you or your attorney have questions regarding a DRO, please email them to [dro@osc.state.ny.us](mailto:dro@osc.state.ny.us).

## Retirement Planning Tips ... *Locate Proof of Your Birthdate*

When you retire, we must verify your birthdate before we can pay any benefits. You may forward proof of your birthdate to us any time before your retirement date.

Some of the most common forms of proof of date of birth are:

- |  |   |
|--|---|
| 1. Birth Certificate;  | 5. Naturalization Papers;   |
| 2. Baptismal Certificate;  | 6. NYS Driver's License/<br>Non-Driver ID/Learner Permit<br>issued after 2004; or |
| 3. Certificate of Release or Discharge<br>from Active Duty (DD-214); | 7. Enhanced Driver's License.   |
| 4. Passport;   |   |

If you do not have one of these documents readily available, now is the time to hunt them down or arrange to get a replacement. The National Center for Health Statistics' website at [www.cdc.gov/nchs/w2w.htm](http://www.cdc.gov/nchs/w2w.htm) lists information on where to write for vital records by state.

In most cases, a photocopy of the document is acceptable — but if you send us the original, we will return it to you. Be sure to include your name, address and registration number with any documents you want included in your records.







## Choosing Your Retirement Date

Before you file your retirement application, you have to choose your retirement date. This can be as early as when you first become eligible, or anytime thereafter. Check your plan booklet, available on our website, to find out when you're eligible to retire. Remember, your Application for Service Retirement (RS6037) must be on file with us at least 15 days, but not more than 90 days, before your chosen retirement date.

Members often ask us what retirement date they should choose. You may select a retirement date that works best for you, including weekends and holidays. Your date of retirement should be the day **AFTER** your last day of paid employment or paid vacation, unless you're vested and no longer on a public payroll. For example, if your last day of work (or paid vacation) will be a Friday, your date of retirement will be the following day, Saturday.

Many people retire at the end of the month rather than the beginning. By retiring later in the month, you may shorten the waiting period for your first benefit payment.

Since we don't often receive the final salary and service information from your employer until after your retirement date, most newly retired members will receive advance checks — partial payments that are approximately 90 percent of what their monthly retirement benefit will be once it's been finalized.

Advance checks are mailed the first business day of the second month after you retire. For example, if you retire in September, your first advance check will be mailed the first business day in November. This is true whether your retirement date is September 1st or September 30th.

Visit our website and click on the various links designated for "Ready-to-Retire Members." Each link will provide you with important information to help you navigate the retirement process. Our staff is also available to answer any questions you may have.

## How do I... change my mailing address with the Retirement System?

In most cases, you may change your address over the telephone, by calling us toll-free at 1-866-805-0990 (or 518-474-7736 within the Albany, New York area).

You may also use the Change of Address Form (RS5512) located on our website at [www.osc.state.ny.us/retire/forms](http://www.osc.state.ny.us/retire/forms) or send us a letter to change your address. Please include your name, old and new addresses, effective date of change, registration number, and signature in your letter. **We cannot accept an email to change your address.** If your new address is a PO Box or is located outside the United States, you **must** notify us in writing.



## The Common Retirement Fund *An Industry Leader*

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also found that the Fund has a strong and effective framework for decision-making with appropriate investment policies, is a leader in fee reporting and transparency, had lower asset managing costs and less growth in expenses than its peers, and was administered by dedicated, high-quality staff.

"I have improved policies and procedures, strengthened internal controls and standards, and increased public disclosure," said State Comptroller Thomas P. DiNapoli. "This review is a validation that we are on the right path and should reassure the people of New York that the Fund is being managed properly and ethically." In short, you can rest assured that the Fund is safe and secure.

## Consultation Site Changes

Our Information Representatives are available to meet with you at locations throughout New York State. Always check our website ([www.osc.state.ny.us/retire/consultation\\_site\\_offices](http://www.osc.state.ny.us/retire/consultation_site_offices)) for the most current consultation site schedule, as locations and monthly visiting days can change.

Appointments are required for individual consultations at all sites. To schedule an appointment, contact our Call Center toll-free at 1-866-805-0990 or 518-474-7736 in the Albany, New York area. Except for our New York City site, you do not need an appointment to drop off forms, pick up information or have something notarized.

*The Update* is a semiannual newsletter published by the New York State and Local Retirement System for active members of the New York State and Local Employees' Retirement System.

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## What Section 41(j) Could Mean for You

Section 41(j) of the Retirement and Social Security Law (RSSL) provides an optional sick leave benefit. If your employer offers this benefit, you may receive additional service credit for your unused, unpaid sick leave at retirement. Check your latest Member Annual Statement to see if your employer provides this optional benefit.

When you retire, if you are eligible for this benefit and you have accumulated sick leave days you haven't been paid for, we'll add those days, up to 165 for most members, to your total service credit. The additional credit is determined by dividing your total unused, unpaid sick leave days by 260 (ex.,  $165 \div 260 = 0.63$  or approximately 7 1/2 months). This could result in a modest increase in your retirement benefit.

### Here's an example:

A 62-year-old, Tier 3 or 4 member covered by Article 15, retires with 25 years of service, 165 days of unpaid accumulated sick leave, and a final average salary (FAS) of \$48,000.

**Without Section 41(j) coverage**, the member's service retirement benefit will equal:

$$\text{\$ 48,000} \times 2\% \times 25.00 \text{ years} = \text{\$ 24,000 per year} \\ \text{\$ 2,000 per month}^*$$

**With Section 41(j) coverage**, the member's service credit will increase to 25.63 years and, as a result, the retirement benefit will equal:

$$\text{\$ 48,000} \times 2\% \times 25.63 \text{ years} = \text{\$ 24,605 per year} \\ \text{\$ 2,050 per month}^*$$

*\* Before federal taxes.*

Though it's not a large increase (\$605 annually, or just over \$50 a month), it does add up over time. Also, depending on your employer, your unused sick leave may be used to offset some of the cost for health insurance premiums during retirement.

Be sure to check your retirement plan booklet for more detailed information on Section 41(j) as there are some restrictions.

**Retirement Online** is your private, secure link to your personal retirement information. You'll be able to keep track of the salary and days worked your employer is reporting, as well as your service credit, contribution and loan balances, beneficiary designations and much more.

It's easy to enroll — visit our website, click on the link, *Sign up for Retirement Online*, and follow the simple directions. Before you know it, you'll be accessing your account.