

Summary Tier V Changes to Major Pension Plans					
	New York City Employees' Retirement System	Teachers' Retirement System	Board of Education Retirement System	Police Pension Fund	Fire Department Pension Fund
Major Plans for Members Joining Before April 1, 2012:	(a) 57/5; (b) Age 62	(a) 55/27; (b) Age 62	(a) 55/27; (b) 57/5; (c) Age 62	22-Year	22-Year
Normal Retirement Payability Age					
Plans Prior to Tier V	(a) 57; (b) 62	(a) 55; (b) 62	(a) 55; (b) 57; (c) 62	Age after 22 years of service	Age after 22 years of service
Tier V	63	63	63	No Change	No Change
Vesting Period					
Plans Prior to Tier V	5 years	(a) 10 years; (b) 5 years	(a) 10 years; (b), (c) 5 years	5 years	5 years
Tier V	10 years	10 years	10 years	No Change	No Change
Basic Employee Contribution Rate					
Plans Prior to Tier V	3 percent	3 percent	3 percent	3 percent	3 percent
Tier V	Varies With Annual Salary \$45,000 or less, 3 percent \$45,001-\$55,000, 3.5 percent \$55,001-\$75,000, 4.5 percent \$75,001-\$100,000, 5.75 percent Over \$100,000, 6 percent	Same as NYCERS	Same as NYCERS	No Change	No Change
Additional Member Contributions					
Plans Prior to Tier V	(a) 1.85 percent for 30 years; (b) None	(a) 1.85 percent all years; (b) None	(a) 1.85 percent all years; (b) 1.85 percent for 30 years; (c) None	None	None
Tier V	None	None	None	No Change	No Change
Minimum Early Retirement Age					
Plans Prior to Tier V	(a) n.a.; (b) 55	(a) n.a.; (b) 55 full benefits if 30 or more years service, otherwise reduced benefit	(a) n.a.; (b) n.a.; (c) 55	Age at 20 years of service, or 62 with 5 years of service	Age at 20 years of service, or 62 with 5 years of service
Tier V	No Change	(a) n.a.; (b) 55, without full benefits	No Change	Age at 20 years of service	Age at 20 years of service
Early Retirement Reductions					
Plans Prior to Tier V	Ranges: Age 55, 27 percent to age 61, 6 percent	Ranges: Age 55, 27 percent to age 61, 6 percent	Ranges: Age 55, 27 percent to age 61, 6 percent	20 years of service, 8 percent; 21 years of service, 4 percent	20 years of service, 8 percent; 21 years of service, 4 percent
Tier V	Ranges: Age 55, 52 percent to age 62, 6.5 percent	Same as NYCERS	Same as NYCERS	No Change	No Change
Overtime and Other Pensionable Wages					
Plans Prior to Tier V	All regular wages plus overtime included	Same as NYCERS	Same as NYCERS	Same as NYCERS	Same as NYCERS
Tier V	Overtime in excess of \$15,000 excluded (indexed for inflation); other exclusions	Same as NYCERS	Same as NYCERS	No Change	No Change
Final Average Salary (FAS) Calculation					
Plans Prior to Tier V	3-year average, years capped at 110 percent of average of 2 prior years	Same as NYCERS	Same as NYCERS	Same as NYCERS	Same as NYCERS
Tier V	5-year average, years capped at 110 percent of average of 4 prior years	Same as NYCERS	Same as NYCERS	Same as NYCERS	Same as NYCERS
Percentage of FAS (Pension Multiplier Factor)					
Plans Prior to Tier V	5 to 19 years=1.67%; 20-30 years=2%, over 30 years=1.5%	Same as NYCERS	Same as NYCERS	50 percent at 22 years	50 percent at 22 years
Tier V	10 to 19 years=1.67%; 20 years=1.75%; 21 to 30 years=2% for each year in excess of 20	Same as NYCERS	Same as NYCERS	No Change	No Change
Percentage of FAS Examples					
Plans Prior to Tier V	10 years=16.7%; 20 years=40%; 30 years=60%	Same as NYCERS	Same as NYCERS	50 percent at 22 years	50 percent at 22 years
Tier V	10 years=16.7%; 20 years=35%; 30 years=55%	Same as NYCERS	Same as NYCERS	No Change	No Change
Cost of Buying Prior/Military Service					
Plans Prior to Tier V	3 percent of wages	3 percent of wages	3 percent of wages	3 percent of wages	3 percent of wages
Tier V	6 percent of wages	6 percent of wages	6 percent of wages	3 percent for prior service; 6 percent for military	3 percent for prior service; 6 percent for military

SOURCE: IBO