

Choosing a Pension Plan: a Guide for New Members

New York State law mandates participation in a retirement system for full-time members of the instructional staff. New staff members have 30 days from the effective date of their appointment to choose a retirement program, and the choice is irrevocable. If no choice is filed within 30 days, the law mandates that the member be assigned to the New York City Teachers' Retirement System.

Full-time instructional staff members may choose between the New York City Teachers' Retirement (TRS) and the Optional Retirement Program (ORP).

Those who elect the optional through the investment options through the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) and the alternative funding vehicles offered by The Guardian or MetLife. More information may be obtained from the college personnel office.

Adjuncts employed by CUNY are only eligible for membership in TRS and may join at their option. Additional information on choosing a pension plan is available by contacting Clarissa Gilbert Weiss, Director of Pension and Welfare Benefits, PSC, 25 West 43rd Street New York, NY 10036 (212/354-1252) or send email to psc1@bway.net

The following chart comparing the two systems has been prepared to assist new members to choose their pension plan.

CUNY's Pension System

System	New York City Teachers' Retirement System (TRS) Tier IV	Optional Retirement Program (TIAA-CREF) Tier V
Type of Plan	Defined benefit plan: Benefits are based on age, consecutive three years' average salary and years of employment.	Defined contribution plan: Benefits are based on the amounts contributed by the employment of the employee's choice of investment
Vesting	5 years	After 366 days. (Immediate if employee has an open TIAA-CREF Contact)
Retirement Age	Minimum 55 and 5 years of credited service at an actuarially reduced rate or age 55 with 30 or more years of service with no reduction.	Member may choose to retire and begin annuity income any time. However, city-provider health benefits are not available to individuals with less than 15 years of full-time CUNY service.
Contribution Rates	For the first 10 years of public employment employee pays 3% of regular compensation on a federally tax-deferred basis. Employee contributes a lump-sum annually to its pension funds, not to individual accounts. The annual amount is determined by the actuary of the pension system.	Employee pays 3% of base salary on a federally tax-deferred basis. Employer pays 8% of salary for first seven years of employment and 10% thereafter.
Retirement Allowance	Less than 20 years or service: 1.67% x Final Average Salary (FAS): (average	Retirement benefits are based on total accumulations, age at

	wages paid for three consecutive years) x years of service. 20 to 30 years of service: 2% x FAS x years of service. Over 30 years of service: Additional 1.5% after 30 years x FAS x years of service after 30.	retirement, and the income option selected.
Tax Deferred Annuity	Tax Deferred annuity (TDA): available	Tax-deferred Group Supplemental Retirement Annuity (SRA): Available
Disability Benefits	A member of TRS is eligible to retire for Ordinary Disability if he or she has 10 or more years of service credit. Benefit schedules and formulas are spelled out in the laws relating to Tier IV.	A member who has been certified disabled may receive annuity payments and city-provided health benefits after 10 years of full-time service.
Disability Benefits	A member of TRS is eligible to retire for Ordinary Disability if he or she has 10 or more years of service credit. Benefit schedules and formulas are spelled out in the laws relating to Tier IV.	A member who has been certified disabled may receive annuity payments and city-provided health benefits after 10 years of full-time service.
Death Benefits	1/12 of last year's earned salary x years of service to a maximum 36 years.	Total amount in pension and SRA accounts.
Loans	Yes, on member contribution and TDA accumulations.	Yes, to the maximum allowable by law on both the Pension & SRA.