

Tax credit extension helps home purchase

By KATHERINE SANTIAGO

In an effort to stimulate the economy, 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 a federal tax credit – previously 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 \$225,000 for married taxpayers filing a joint return.

ASSISTANCE

Repeat homebuyers need not purchase a home that is more expensive 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 up to 6% of the purchase price toward a down payment or closing costs for a one- to four-family home, condominium, or cooperative within 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 housing resources of potential interest to CUNY faculty and staff is available online at www.psc-cuny.org/communications.htm. It includes online listings of application deadlines for mixed-income affordable housing opportunities.

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 Committee. 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 BALLEISEN
PSC Pension Counselor

I have a strong message for CUNY adjuncts who are eligible to join the New York City Teachers' Retirement System (TRS) but have not yet done so: it's time to act! The same message applies, in a different 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 already a member of a public pension system, the New York State constitution provides that your future benefits cannot be reduced. But if you have not yet signed up, and benefits are diminished for future members, you have no such protection – even if you have worked for CUNY for many years.

SPARED, THIS TIME

Heavy lobbying by PSC activists 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 requires employees to make pension contributions of 3% for 10 years. In contrast, as of this January 1, new members of TRS who are employed 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 credit, and 1.85% of gross pay after they reach the 27-year mark.

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 probably attempt to expand the new tier to CUNY employees in the future. By joining now, if you have not already done so, you can protect your benefits against future attacks. So please go to your campus human resources 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 exceptions: 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 purchased credit for employment in New York public agencies performed before they joined, should contact me as soon as possible to discuss getting pension credit for this public 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. CUNY will contribute 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 contributions stop once you have the equivalent of 10 years of full-time service credit. For this reason, 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 cost

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 earnings from the time you started at CUNY until you actually pay for that service. The amount you will be required to pay includes 5% interest compounded annually. As someone who has counseled hundreds 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 service from your campus human resources 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 request records separately from the HR offices of each of the campuses where you have worked.

You can also get TRS credit 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 outside of teaching. If you have prior service outside of CUNY, you should contact me (at eballeisen@psccmail.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 this is not an option for those at senior colleges because senior college employees are on the New York State payroll, and TRS computers are not set up to deal with the State payroll.

One good way to save for a buyback – regardless of whether you are at a 2-year or 4-year school – is through a tax-deferred annu-



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ity (TDA), which allows you to put money away through payroll deductions 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 accounts 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 eballeisen@psccmail.org, or 212-354-1252) so that I can help you get a bill from TRS. (The one exception 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 calculates the exact amount of your buyback, he or she will also calculate what is called a service deficit. This is money you owe for service rendered 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 deduction occurs. Adjuncts who work on two campuses, but have only had payroll deductions on one campus, 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 buyback process and TRS has calculated 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 complete the rest of the steps promptly – as failure to pay by the date TRS gives you will result in a recalculation of the amount due based on additional interest charges. Contact me (at eballeisen@psccmail.org, or 212-354-1252) so I can walk you through what you need to do.

You can buy back your past service.