

NEW YORK CITY TEACHERS' RETIREMENT SYSTEM (TRS) FAQ

What is TRS?

TRS is a defined benefits pension system common to teachers in the State of New York including New York City. Members fall into Tiers ranging from Tier I to Tier VI. Each Tier has guidelines set by NYS laws and regulations which determine your benefits when you retire.

How do I know what Tier I am in?

Most members who have not yet retired fall into either Tier IV or Tier VI. (Tier V was subsumed under Tier IV). If you were employed between September 1, 1983 to March 31, 2012, you are in Tier IV. If you were employed on or after April 1, 2012, you are in Tier VI.

What are my contribution rates?

Your contribution rate depends on your Tier and includes all wages from all TRS-eligible positions (both full-time and part-time). Your wages help determine your Final Average Salary (FAS). CUNY also makes contributions to TRS at a rate determined by TRS to keep the plan solvent.

For Tier IV

Your contribution rate is 3% of your wages for 10 years, then is 0% afterward.

For Tier VI

Your contribution rates depend on your total annual wages and continue until you retire:

Annual Wages / Contribution Rate

\$45,000 or less: 3.00%

\$45,000 to \$55,000: 3.50%

\$55,000 to \$75,000: 4.50%

\$75,000 to \$100,000: 5.75%

100,000 or more: 6.00%

When do I become vested?

In both Tier IV and VI, you are vested after five years of membership. Being vested means you are eligible to receive retirement benefits when you retire.

How old must I be to retire?

You must be 62 years old to receive full retirement benefits in Tier IV and 63 years old in Tier VI. In both Tiers, if you are at least 55 years old, you can retire earlier with reduced benefits.

How is my pension calculated?

TRS is a defined benefit pension plan. Retirement pay is monthly, remains consistent (with Cost-of-Living increases), and continues for your entire life. Your Pension is calculated by multiplying your service time by your Final Average Salary (FAS) by a benefit multiplier.

Tier IV benefit multiplier and pension calculation:

Fewer than 20 years, you receive 1.67% per year times your FAS

20-29 years, you receive 2% per year times your FAS

30 years or more, you receive 60% of your FAS plus 1.5% for each additional year

Example: if you retire at age 65 after 25 years of service credit and your FAS is \$100,000: 25 years x 2% = 0.50 x 100,000 = \$50,000 annual pension.

Tier VI benefit multiplier and pension calculation:

Fewer than 20 years, you receive 1.67% per year times your FAS

20 years or more, you receive 35% of your FAS plus 2% for each additional year

Example: if you retire at age 65 after 25 years of service credit and your FAS is \$100,000: 35% + 10% (5 additional years at 2% each) = 45% x \$100,000 = \$45,000 annual pension.

What is Final Average Salary (FAS)?

A member's Final Average Salary is the average of their highest three consecutive annual salaries during periods of credited service. However, if the wages earned during any year included in the three-year period exceed the average of the previous two years' wages by more than 10%, the amount exceeding 10% is excluded from the computation of the Final Average Salary.

Do I qualify for health coverage in retirement?

You qualify for health coverage in retirement after 10 years of service time and if you are a full-time employee immediately before retirement. Adjuncts and other part-time employees do not qualify.

Are adjuncts eligible to enroll in TRS?

Adjuncts, both teaching and non-teaching, are eligible to join TRS from day one, but it is optional. You can join on the TRS website and must contact the college's HR to ensure contributions will be made. Service credit is pro-rated. To receive service credit for adjunct service, you must complete at least 45 hours of service as an adjunct during a given school year. One year of service is equal to 360 hours. A 3-hour course counts as 60 hours. For any class taught before Spring 2020, a 3-hour class counts as 45 hours. Total service less than 360 hours is prorated.

NOTE: Adjuncts working in EOC programs are not eligible to join TRS but can join TIAA.

What does it mean to "buy back" prior service?

In most cases, after two years of membership service, members can purchase or "buy back" any creditable public service within NYS performed before becoming a TRS member. Generally, the cost is 3% of the salary earned when the service was performed for Tier IV and 6% for Tier VI plus 5% annual interest compounded annually.

How and why should I monitor my TRS deductions?

It is important to check your paycheck regularly to make sure CUNY is making TRS deductions every pay period and that they are correct because if not, you are liable for any missed contributions (plus interest). For Tier IV members, deductions cease after 10 years. For Tier VI members, deductions continue until retirement. If you also adjunct at another college, you must inform the new college's HR of your TRS number and monitor your paychecks to make sure deductions are being taken out. To check your credited service time with TRS, create an account on the [TRS website](#).

What should I do if I find any discrepancies?

If you find any discrepancies with your deductions or service history, notify your college's HR department immediately and follow up until a correction has been made. You can also contact Greg Douros from Contract Enforcement at the PSC: gdouros@psccmail.org.

Tax-Deferred Annuities

TRS also offers a Tax-Deferred Annuity Option (TDA), which gives you the opportunity to supplement your pension with additional retirement income. It allows you to have additional deductions withdrawn from your paycheck before taxes that accrue interest. This lump sum can be annuitized, or you can keep the funds and take cash withdrawals throughout retirement. Any balance in the TDA during retirement is subject to Required Minimum Distributions (RMDs). You choose and can change the percentage you wish to have deducted from your wages. For more supplemental retirement plan options, [see CUNY's Retirement Plan Summary](#).

For more detailed information go to: trsnyc.org and the [PSC Retirement page](#).