

Part One

As promised, Debbi and I attended the NYSTRS Convention in Saratoga Springs these last two days. We have good news. We know that on Thursday of last week, people expressed concern regarding our retirement and its fiscal strength. We are very pleased to report that our investments are safe and thriving. Here are our rates of return for the last five years:

'03-'04	16.1 %
'04-'05	10.6 %
'05-'06	11.8 %
'06-'07	19.3 %
'07-'08	-6.7 %

Five year average of return on our investments is 9.9 %.

Our retirement funds are a combination of managed indexed funds and multiple investment managers. We were happy to see a panel of the Financial representatives and Managers at Saratoga. They entertained questions from the floor. There was an open discussion and our minds were put at ease. The NYSTRS Retirement System has been around for the last eighty-eight years and has weathered all financial storms over the course of those eighty-eight years. Since we were set up under the NY State Constitution, we are a guaranteed retirement system. If for some reason, the system is not making money, our retirement is still guaranteed to be paid by the NY Constitution and the State. We are a defined benefit plan therefore our retirement is based on years of service (service credit), FAS, Age, Tier and because it is Constitutionally backed, you will get your lifetime benefit with COLAs built in. Under Article 5 Section 7, our retirement cannot be diminished or impaired. However, a new Tier can be added. So, if you know of someone who is working as a replacement sub or subbing, please urge them to join the system ASAP. This way they will have the better options under tier four before the State decides to make a tier five.

Several of you may wonder where our money comes from for the NYSTRS... It come from three places: Member's contributions, employer's contributions and investments. There is a constant renewal of monies from the first two sources each year and then our investment returns. Financially, the NYSTRS is very safe. It cannot be raided by the State or altered. The only way that could occur was if there was a Constitutional Convention to open the Constitution. There was an attempt to do that but the teacher's unions banded together and successfully kept that from happening.

There were other important issues discussed, but we believed that this piece of information should be given to you first and foremost. We will be emailing you again with the rest of the vital information.

Respectfully submitted,

Janet Cutillo
Debbi Warsaw-Curley

The Annual Delegates Meeting of 2008 for NYSTRS took place in Saratoga Springs on Sunday, Nov. 9 and Monday, Nov. 10. We attended several sessions on a variety of topics. Below you will find our summaries and key points for each topic area. In late December early January, the complete power point's for each session will be available for your review on the NYSTRS web site. (www.nystrs.org)

Social Security (Separate and apart from NYSTRS) (Handouts in Faculty Room)

How is your Social Security Benefit calculated? Social Security reviews your work record based on your tax returns for the last 40 years. Then they drop the lowest five years salaries, combine and do their magic to come up with your benefit. If you do not have 40 years of work, then they add in zero for those years, drop the lowest five and then do their magic. If you only have thirty-five years then those are the only ones used in your calculation.

When can I collect my Social Security Benefit? You are eligible to begin collection at 62; however, there is a 25% reduction in your benefit for the rest of your life. Most of us, who will retire within the next five to ten years, can begin collecting at 66 and 10 months without any penalty.

Can I earn money after I retire without hurting my Social Security? The simple answer is yes. However, if you retire at 55 you can earn as much money as you like without a penalty because you are not collecting Social Security. The monies you earn in your retirement will then be added on to your 40 years of service and can only help to increase your benefit when you begin collecting at 62 with penalty or 66 and 10 months with no penalty. If you are not so fortunate and cannot retire until 62 and you want to begin collecting, then the most you can earn without having to pay money back to the Social Security System is \$36,120 a year or \$3010 a month if you begin collecting at that time. For every \$3 dollars over the limit, Social Security will look to be reimbursed by you \$1 dollar. If you are at Full retirement age then there is no limit.

How can I verify and plan out my Social Security? The web site for Social Security is www.socialsecurity.gov. At the website there is a tool, Retirement Estimator, that you can use to calculate your benefit. **It is always best to go directly to the source when planning for your retirement. They will have the most up to date information and experience with the process to best advise you.**

The Benefits Impact of Divorce, Disability and Death

Divorce: If you have been married for more then ten years and then divorced, your ex-spouse is entitled to half of your NYSTRS retirement benefit. When you divorced, your lawyers drew up an agreement as to how to divide and separate assets. For most of you, your lawyer may have been able to safeguard your retirement by giving other assets in exchange that your retirement package be left alone for you at retirement. Some of you were not so fortunate. Your lawyer or the spouse's lawyer filed a Domestic Relation Order. If they did and it is on file with the NYSTRS, then your spouse is entitled and

will receive one half of your monthly pensions benefit. If your DRO states that your ex-spouse is to receive a portion less than half, then the NYSTRS will honor all and every provision of the DRO. If you are not sure, then look through your divorce papers and find the DRO and read it over. If you are not sure, then contact your lawyer who handled your divorce. It is better to know what to expect your true benefit will be when planning for retirement.

Check your Beneficiary: If you have divorced since joining the system and you have not updated your beneficiary and you pass away, then the person listed as your beneficiary will collect and not your current spouse or designee.

If you have any questions regarding a Domestic Relation Order, call NYSTRS at 1-800-348-7298, ex 6200.

Quick exemptions to the DRO:

1. The ex-spouse dies; you will then receive your benefit 100%.
2. The ex-spouse is missing, moves and leaves no forwarding address; the system will hold her monies.
3. DRO from out of NY State.

DRO Pamphlet available and can be viewed at:

www.nystrs.org/publications/legalpublications

Disability Retirement

The contact number directly for Disability Retirement is 1-800-348-7298 X6010. What follows is only our attempt to keep up with the presenter, so should you fall into this category, go directly to the number in the first sentence of this portion and speak with a NYSTRS representative.

Disability Retirement is different from “regular” retirement. Usually this means the member is critically ill. Paper work takes time and sometimes our ailments may not wait for all of our forms to be approved, however, once the person completes their end of the paperwork, the person is covered. The paperwork will go through and benefits can be received. **Unfortunately, if the critically ill person does not file before they pass, then there is nothing the family can do to receive any benefit from their family member’s retirement system account.**

NYSTRS had a medical team that meets once a month to go over and approve/disapprove applications for Disability Retirement. While you are filing, you **MUST** remain on payroll. This is very important. Your doctors must send information in quickly to NYSTRS so you can be approved as soon as possible. If you are approved, you are notified. If you are disapproved, you will be notified. You can reapply if you have been turned down.

There is an eligibility requirement that must be met for Disability retirement, so please consult the web site.

The disability benefit is usually 1/3 of your current salary, but it can depend on other circumstances. Again, contact the system to be fully informed.

Death

Contact NYSTRS immediately.

The Rules For Working in Retirement

There are rules for working during retirement. Hopefully, you are retiring to something and will enjoy your time. However, should you need to supplement your retirement income here are some rules:

- Certain work is exempt from earnings limitations
- Section 212-Earnings limitations
- Section 211 Waivers for earnings which will exceed limits
- Section 503-11 Suspend your pension
- All employment in the year you turn 65

Unlimited

- All salaries from a private employer
- All salaries from Federal employer
- Any out of State employer or Private employer
- Any elected official, inspector, etc.
- All employment in the year you turn 65 and from then on

Section 212

- Must have a discernable break in employment-you cannot retire and then the next working day begin another job.
- There is an Earnings limit of \$30,000 for 2008 per calendar year
- Prior approval is not required
- It is the retiree's responsibility to monitor his/her earnings

If you exceed your Section 212 earnings:

- You must notify NYSTRS
- Provide employee ID #, gross earnings, and employer information
- Day for day loss of Pension if you exceed limit
- Third Party employer must check with NYSTRS (temp agency that places a retiree in a public school setting)
- May be unlimited if you have retired prior

Section 211 Waivers

- Retiree must apply and it **may** allow the retiree to earn more than under Section 212
- Check the web site for more information and if not sure; call NYSTRS

Choosing a Benefit Payment Option

Please let us preface this by saying this is only for informational purposes only. If you are currently in the process of retiring or are thinking of retiring within the next three years, contact NYSTRS directly and speak with a representative!

Option one: Maximum - Largest amount to retiree because there are no monies put aside to pay anyone else.

Option two: Less Money to the Retiree – This provides a payment, as insurance for loved ones.

When is Option one the best option? The Lump Sum: This is the best option when you cannot get life insurance and you may not have a long life expectancy.

When is Option two the best option? The Guaranteed Period: This might be the best choice if you need to cover one or more people for a designated period.

Remember!!!! You can change beneficiaries whenever you choose. Go to the web site and print the form, fill out, and return.

Option three: Survivor or Pop-up – If you need to provide a pension income for just one person after your death, this is the option. However, there is a cost and it is based on age of the retiree. Most importantly, the beneficiary cannot be changed after thirty days has past. It can be changed prior to the thirty-day deadline.

Option four: Maximum – This might be the best choice if you are in good health and do not need to provide for a beneficiary after your death.

Remember when choosing an option; evaluate your assets in your Estate:

- Home and other real estate
- Investments
- Tax shelters
- Social Security Benefits
- Life Insurance

Remember to Evaluate Family:

- Evaluate your health
- Evaluate the needs of your dependents

Medicare/Medicaid Information

Part A = Hospitalization

Part B = Doctors-balance is paid by Treasury

Part C = HMO's

Part D = Prescriptions – Paid by Treasury

Medigap Insurance= private (As deductibles rise, the person may need more coverage to help meet the increased deductibles.)

Medicare A – 95% goes to the Hospital

5% is out of pocket and the responsibility of the patient

Important!!!! Medicare A **does not cover custodial care** (Nursing home Long Term)

Medicare **does cover short term** in this fashion: this is 80% of cost for the first 100 days

- First twenty days covered 100%
- Days 21-90 you have a co-pay of \$128 a day

For **Long Term Care – Nursing Home** you will then need to apply for Medicaid. Since it is an application, there is no guarantee that the person will meet the requirements and qualify. Benefits are at the discretion of the provider, so you must meet each and every qualification to receive benefits.

Since Medicaid usually requires the person or persons to be penniless, indolent, broke, any and all assets the person possesses can and will be attached as payment for Medicaid services. Your best bet is to speak directly with a representative. (There is an informative article entitled **Medicare Moves** from the Wall Street Journal posted on the Union Bulletin board – Please feel free to take it down and make a copy of it. **However**, please replace it so your colleagues can have the same information you were able to receive.)

Our aim was to inform and make you aware of the issues discussed, but we are by no means the experts on any of these topics. We strongly urge you to contact the professionals who do this for their livelihood. If we have made you aware of what to ask, what to look for, and what you need to get ready, then we consider our trip a success.

Respectfully Submitted by,
Janet Cutillo
Debbi Curley