

# **Self-Help Guide**

## **to Pre-Retirement Planning**

### *for New York State Employees*

*sponsored by*

**NEW YORK STATE**  
**Governor's Office of Employee Relations**  
**and**  
**Office of the State Comptroller**

*developed by*

**NEW YORK STATE OFFICE FOR THE AGING**  
**Andrew M. Cuomo, Governor • Greg Olsen, Executive Deputy Director**

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***January 2020***

You may also find the *Self-Help Guide* online at  
<https://goer.ny.gov/self-help-guide-pre-retirement-planning-new-york-state-employees>

This *Guide* is updated each year in January.

# Pre-Retirement Planning for New York State Employees

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We are pleased to offer you a *Self-Help Guide to Pre-Retirement Planning* tailored to meet your needs as a New York State employee. This *Guide* will assist you in planning for one of the most challenging periods in your life - retirement.

The *Self-Help Guide to Pre-Retirement Planning* has been developed by the New York State Office for the Aging as an extension to a highly successful series of “**DIRECTIONS**” Pre-Retirement Planning Programs conducted throughout the State since 1986. The *Guide* was written by specialists from the New York State Office for the Aging with assistance from the Governor’s Office of Employee Relations and includes material prepared by the New York State and Local Employees’ Retirement System, the Department of Civil Service Employee Benefits Division, the Social Security Administration, and Deferred Compensation.

The *Self-Help Guide to Pre-Retirement Planning* is funded by the Governor’s Office of Employee Relations and Office of the State Comptroller.

We are proud to offer this *Guide* to you as a resource to use in preparing for your retirement years, which are so full of potential. We are confident you will find the *Guide* to be informative, useful, and stimulating.

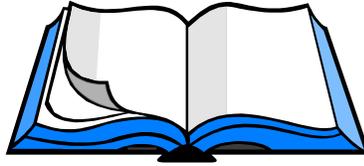
*We thank and acknowledge all the persons and organizations that have contributed information, expertise, guidance, and assistance in the development and updating of this Self-Help Guide.*

# **TABLE OF CONTENTS**

<b>CHAPTER</b>		<b>PAGE NO.</b>
	<b>USING THE SELF-HELP <i>GUIDE</i></b>	<b>i</b>
<b>1</b>	<b>RETIREMENT PLANNING</b>	<b>1-1</b>
<b>2</b>	<b>LIFESTYLE CHANGES</b>	<b>2-1</b>
<b>3</b>	<b>HEALTH AND WELLNESS</b>	<b>3-1</b>
<b>4</b>	<b>HOUSING OPTIONS</b>	<b>4-1</b>
<b>5</b>	<b>EMPLOYMENT CONSIDERATIONS</b>	<b>5-1</b>
<b>6</b>	<b>BUDGETING AND FINANCIAL PLANNING</b>	<b>6-1</b>
<b>7</b>	<b>LEGAL AFFAIRS</b>	<b>7-1</b>
<b>8</b>	<b>NYS DEFERRED COMPENSATION PLAN</b>	<b>8-1</b>
<b>9</b>	<b>NYS AND LOCAL EMPLOYEES' RETIREMENT SYSTEM</b>	<b>9-1</b>
<b>10</b>	<b>HEALTH INSURANCE COVERAGE</b>	<b>10-1</b>
<b>11</b>	<b>SOCIAL SECURITY AND MEDICARE</b>	<b>11-1</b>

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# Using the Self-Help *Guide*



You can enjoy a truly satisfying retirement life if you plan ahead for it. Informed, advance planning is essential to creating a satisfying retirement.

This *Self-Help Guide to Pre-Retirement Planning (the Guide)* is designed to help you with your pre-retirement planning. It will help motivate your personal pre-retirement planning and offer you tools to identify what you want and need in retirement. In addition, it will give you basic retirement information, help you to think about the important retirement questions, and identify other sources of information and assistance.

The *Guide*, tailored specifically for you, the New York State employee, includes sections on:

- Retirement Planning
- Lifestyle Planning
- Health and Wellness
- Housing Options
- Employment Considerations
- Budgeting and Financial Planning
- Deferred Compensation Plan
- Legal Affairs
- NYS & Local Employees' Retirement System
- New York State Health Insurance
- Social Security and Medicare

Each of these sections will give basic information for your planning, as well as sources of additional information.

The *Guide* cannot answer all your individual questions, advise you to take any particular option or choice, or complete your personal pre-retirement planning. It will help you find the answers to your individual questions, to make choices, and to complete your planning for successful retirement life. The opportunity and challenge is yours! Your personal pre-retirement planning is a process and you are in charge of planning your future.

## **THIS IS YOUR PLANNING TOOL**

It will be tempting to pick up this *Guide* and just turn first to the information you want most but, please do more than that. Each section is a necessary part of a pre-retirement plan. Take the time to work through each one. Be sure to read *Retirement Planning* and follow the suggestions included in that first section. Use the *Guide* not only to gather information, but to identify your needs, set your goals, and decide on your action steps in each of the planning areas.

Good and successful planning takes work and time. Here are some other suggestions for using the *Guide*:

- Take some uninterrupted time to work on each section of the *Guide*.
- Make notes on the pages. It's yours to keep and personal notes will make it your planning tool.
- Keep paper and pencil handy to list your goals; make notes on your action steps.
- Collect other pieces of pre-retirement planning information such as newspaper/magazine articles, brochures/pamphlets, NYS Retirement System correspondence.
- Check the resource sheet in each section for ideas on where to get more information.
- Work alone, or with your spouse or partner, on the material in the *Guide*. It can be a valuable way to share your thoughts and ideas and create a plan that takes care of both you and your life-partner. You may want to work with friends or coworkers, especially those who are also planning to retire. If you work alone be sure to review your plans with those close to you because their reactions, ideas, and questions may help you find possible problems or gaps in your plan.
- Some material in the *Guide* may change as laws, policies, or programs change, so always review the chapters online to make sure you have the latest information. The Guide is always updated in January of each year.

Even if you are planning to retire very soon, using the *Guide* can still be helpful. You can probably expect to live at least 20 to 30 years in retirement. You could wait to see what happens in retirement. Or, you can create your future by beginning your planning right now.

This Self-Help *Guide* can become your primary planning tool as you prepare for retirement.

*Use it well – and use it often.*

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# Chapter 1

# Retirement Planning

## Overview

*Chapter one will introduce you to the Guide by highlighting the essential idea that informed, advance planning is the key to a successful retirement.*

### THINKING ABOUT RETIREMENT

Most people look forward to retirement with a mix of excitement and anxiety. They feel excited about having the time to relax and to realize those “When I retire...” dreams. They may also feel anxious about whether they will be financially and emotionally ready to deal with the changes that retirement brings.

Focus on your feelings about retirement by writing your responses to these questions:

- As I look ahead to retirement, what do I feel excited about?
- Why?
- As I look ahead to retirement, what do I feel anxious about?
- Why?

It is easy to see why you may have mixed feelings about retirement. If you think back to the times in your life when you made important changes – when you got married, or changed jobs, or bought a house – didn’t you have mixed feelings? Retirement will be full of important changes that can be exciting and frightening at the same time.

How can you feel more confident and less fearful about your retirement? One helpful step is to stop and think about the retired people you know. You probably feel that some of them have successful retirements.

Think for a moment about those retired persons who are enjoying a successful retirement and answer the following questions:

- What is their retirement lifestyle like?
- Do they seem happy? Why?
- Why is their retirement successful?
- What did they do before retiring to get ready for retirement?
- How are they different from people you know who seem to have an unsuccessful retirement?

Look at the responses you have just written. What makes the difference? Why is it that some people are happy and satisfied with retirement and others are not? Probably the satisfied retiree has financial security, is still involved in meaningful activities, is having fun, has people to talk to or share with, and enjoys good health. The unhappy retiree may have real money problems, may seem bored with life, may be lonely, or may not be in the best of health.

## **PLANNING IS YOUR KEY TO SATISFACTION**

Anticipating and planning for both the positives and the negatives of retirement can help you take advantage of the opportunities and deal with the challenges. There is a definite relationship between good pre-retirement planning and a successful, satisfying retirement life.

Pre-retirement planning is similar to the planning you have done for other big life changes. You must first know what is important to you, what you want and need. Then identify steps that will get you there and gather information to help you get to your goals. Next, take the actions needed to reach your goals. You need to check on your progress every so often and decide if any changes are needed.

The basic steps of your planning process then include:

- Self-Assessment
- Goal Setting
- Information Gathering
- Action
- Reviewing/Updating

Early planning lets us have some control over the ways change will affect our lives. This key to creating a satisfying retirement is not new and mysterious. It is a personal planning process that most of us have used before. For your transition to a retirement lifestyle, you will need to work out your plans in such areas as finances, legal affairs, insurance needs, health, housing, work, and leisure.

## **SELF-ASSESSMENT**

This is the first step for good personal planning. It is extremely important, and it is often overlooked. The focus is on you and your answers to questions such as:

- What do I need to make me feel happy and satisfied?
- What do I want my life to be like?
- What personal and financial resources do I have?

These may seem like simple questions, yet it will take time and thoughtful work to figure out your answers.

As you work, remember that you are looking for *your* personal answers. If you compare your answers to those of others, you are likely to find differences. These differences are what make this step so important as the first step in personal planning. Your plans for retirement can only lead to real satisfaction if they are individually tailored to *your* needs and desires.

The results of your work on this self-assessment step provide you with a strong base for the personal goal-setting that is the second step.

## GOAL SETTING

With a clear picture of your needs and desires you are ready to identify your personal goals – things you want to make happen in your life.

As you work on the sections of this *Guide* you should try to identify your goals. Keep these guidelines in mind as you do that. Your goals must be your own – based upon knowledge of your needs. They must be clear, specific, and realistic, and should be stated in positive terms that tell you how to reach them. Some samples of possible pre-retirement planning goals are:

“I will save an additional \$15 each week for the next three years before my retirement by bringing my lunch to work.”

People who put their goals in writing are more likely to take the actions needed to carry them out. As you work through each section you will probably write down several goals. Later you can go back to decide which goals you will work on first and what specific actions you will need to take first.

## INFORMATION GATHERING

For most of your goals, you will need additional information to know if each one is realistic and what specific actions you will need to take to reach them.

**SAMPLE GOAL:** “*I will take courses in accounting over the next two years, so I can get the skills I’ll need to land a part-time accounting job when I retire.*”

The person who wrote this goal did the necessary homework. What kind of information would someone with the same goal need? Probably, he or she would have to look into the job market in the general area he or she expects to live as a retiree to see if *part-time* accounting jobs are available.

Let’s assume that a check of the employment ads and or the local Job Service office showed clearly that *part-time* accounting jobs are available. Then the goal is realistic. More information is needed to find out where accounting courses can be taken. Checking out local colleges, business schools, or perhaps, correspondence courses could provide this information. Knowing where and when the accounting courses are given, as well as how much they will cost and how many courses are needed, will also help this person decide on a plan of action.

For most goals, you will need more information to see if the goal can be reached. Also, you have to know exactly what actions you need to take to reach the goal. *Resource* pages in each chapter will help you know where to go for more information. As you gather information, your goals will probably change somewhat. You may drop a goal because the information you collected has shown it to be totally unrealistic. Or, what is more likely, you will change and restate your goals based upon that information.

Once your goals are clarified, you will need to think through the steps you’ll need to take to reach them.

## **ACTION**

This step might seem rather obvious, but your goal won't be reached unless you make it happen. Often, this is the step where planning breaks down. This breakdown is usually linked to how well the first three steps have been done. If you haven't taken the time to do a self-assessment that shows what you really need and want, you may end up with goals that look more like what others think you need. If your goals aren't *your* goals, you will not be very motivated to do the work to reach them.

There can also be problems when a goal is either too vague or too ambitious and unrealistic. Unless you have made your goals clear and concrete, and unless you have done the necessary information gathering to make sure they are realistic, you won't know how to take the actions to make them happen. You have to decide exactly **WHAT** you will do and **BY WHEN**. If we go back to the sample goal we looked at earlier, taking some accounting courses, action plans might include the following:

1. I will sign up for the two Accounting courses offered at the local community college by the registration deadline of September.
2. I will transfer money from my savings to my checking account to pay the tuition before September 1.
3. I will call the college next week to check on where I should park and if I can buy dinner at the cafeteria before my class.

Each action plan statement includes **WHO** will do **WHAT** and by **WHEN**. Being that specific will really help you to do something about it.

For each of your goals, you will need a list of each step necessary to reach that goal. When you add target dates to those action steps, you will have a clear understanding of how to accomplish this essential part of your plan.

## **REVIEWING AND UPDATING**

Once you put your plan into action, it's very important to regularly check on how things are going. Step back and check your progress. Decide if you want to change any of your goals by asking questions such as:

1. "Is my plan working?"
2. "Am I meeting my target dates?"
3. "Am I running into road blocks?"
4. "Have I changed my mind about my goal?" "Why?"

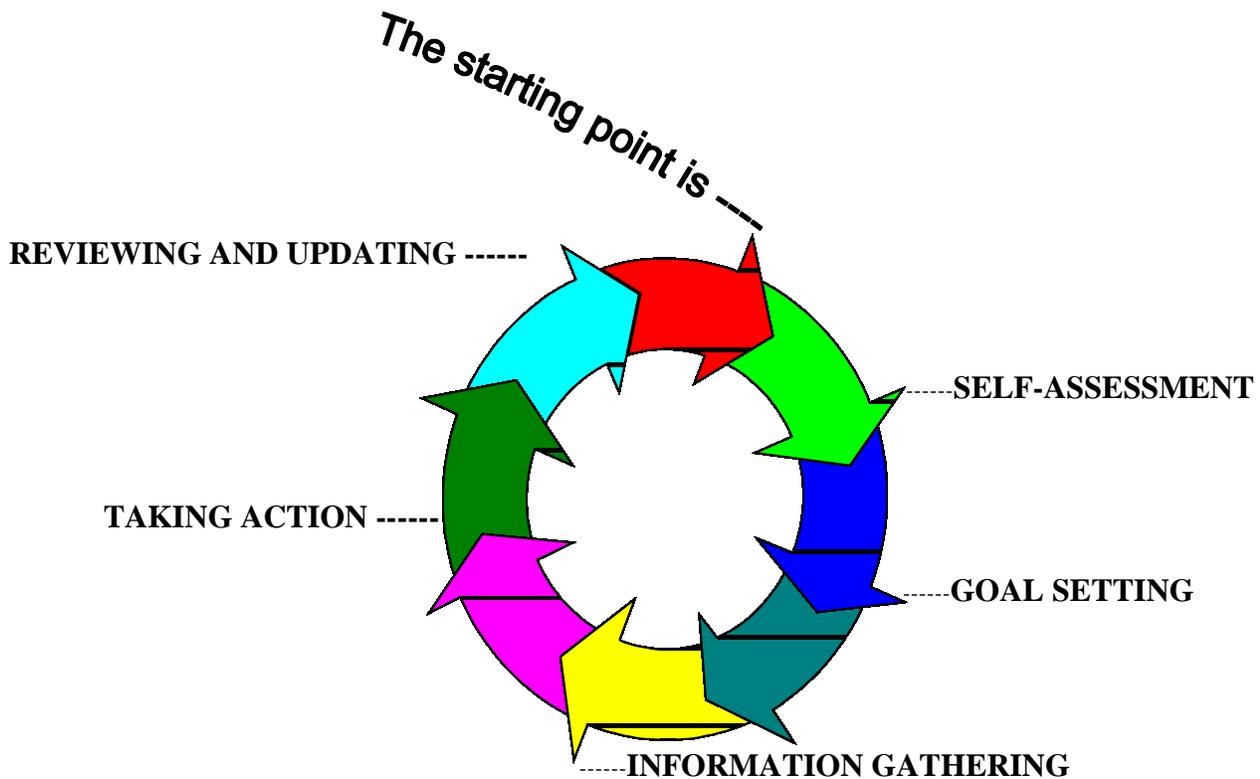
Keep track of the progress you are making by putting your action target dates on a calendar. Take a look at that calendar on a regular basis to check on how you are doing and to see if you need to change your plans or target dates.

Goals and plans will change somewhat. It would be unusual if they didn't require updating from time to time. Personal planning is after all, a dynamic, human process – changing and changeable.

The planning process should be thought of as a circle that looks something like the Planning Worksheet on the next page.

Thinking of personal planning as a circular process in constant motion, with one step leading to another, can be more accurate than thinking of a list of steps.

Clearly, personal planning requires work and will take your time, thought, and action, but the rewards of doing it well are so worthwhile! In the case of your personal pre-retirement planning, your time, thought, and action can pay off in a most satisfying retirement lifestyle.



# PLANNING WORKSHEET

Written goals help make a plan clearer to understand and easier to do. People who write down their goals are more likely to reach them. Before you retire, organize all the work you need to do by completing a copy of this outline for each of your goals.

GOALS: \_\_\_\_\_

\_\_\_\_\_

TARGET DATE:

RELATED WORK: Write down all the tasks or jobs that need to be done to reach your goals. Indicate WHO will do WHAT by WHEN, for each job you listed.

Example: *I will file my income tax by April 1.*

WHO	WHAT	WHEN
-----	------	------

REVIEW PROGRESS & UPDATE: \_\_\_\_\_

NOTES:

# RESOURCES

## *Retirement Planning*

### WEBSITES:

Note: If you search the web for sites dealing with "retirement planning" most of the results will deal with the financial planning aspects of retirement preparation. (*See some suggested sites in the "Budgeting & Financial Planning" chapter of this Guide.*)

### PUBLICATIONS:

Anthony, Mitch, *The New Retirementality: Planning Your Life and Living Your Dreams at Any Age You Want*, Dearborn Trade Press, 2014, 4<sup>th</sup> edition.

Cullinane, Jan & Fitzgerald, Cathy *The New Retirement: The Ultimate Guide to the Rest of Your Life*, Holtzbrink Publishers, 2007.

Hinden, Stan, *How To Retire Happy: Everything You Need to Know About the 12 Most Important Decisions You Must Make Before You Retire*, McGraw-Hill Professional Publishing, 2012.

Milne, Derek, *The Psychology of Retirement: Coping with the Transition from Work*, Blackwell Publishing, 2013.

Petras, Kathryn and Ross, *Age Doesn't Matter Unless You're a Cheese*, Thomas Allen and Son, 2002.

Smith, Hyrum, *Purposeful Retirement: How to Bring Happiness and Meaning to Your Retirement*, Mango Publishing Group, 2017.

Yogev, Sara, *A Couples Guide to Happy Retirement: For Better or Worse...But Not for Lunch!* McGraw-Hill Professional Publishing, 2013.

Zelinski, Ernie J., *How to Retire Happy, Wild and Free*, Visions International Publishing, 2009

### OTHER SOURCES:

Alliance for Retired Americans  
815 16<sup>th</sup> Street, N.W. 4<sup>th</sup> floor  
Washington, D.C. 20006  
1-202-637-5399  
<https://retiredamericans.org/>

Launched in January 2001 by a national coalition of AFL-CIO affiliated unions and community-based organizations, the Alliance works to protect the health and economic security of retired Americans. Retirees of AFL-CIO affiliated unions automatically become lifelong members with dues paid by their national unions.

American Association of Retired Persons (AARP)  
601 East Street, NW  
Washington, D.C. 20049  
1-888-687-2277  
[www.aarp.org](http://www.aarp.org)

AARP is a non-profit, non-partisan organization specifically designed to address the interests of people over 50. It serves its members through legislative representation, educational and community service programs, and direct membership benefits ranging from group insurance to travel discounts. Membership is \$16.00 per year.

Civil Service Employees Association  
CSEA Headquarters  
143 Washington Avenue  
Albany, New York 12210  
1-800-342-4146  
<https://cseany.org/>

Council 82 -NYS Law Enforcement Officers  
Union AFSCME, AFL-CIO  
63 Colvin Avenue  
Albany, NY 12206  
518-489-8424  
[www.council82.org](http://www.council82.org)

Gray Panthers NYC Office  
244 Madison Ave. #396  
New York, NY 10016  
1-917-535-0457  
[www.graypanthersnyc.org](http://www.graypanthersnyc.org)

The Gray Panthers is an advocacy organization  
focusing on issues of aging Americans.

National Asian Pacific Center on Aging  
1511 Third Ave., Ste. 914  
Seattle, WA 98101  
206-624-1221  
[www.napca.org](http://www.napca.org)

National Caucus & Center on Black Aging, Inc.  
1220 L Street, NW, Ste. 800  
Washington, D.C. 20005  
202-637-8400  
<https://ncba-aging.org/>

National Council on Aging  
251 18<sup>th</sup> St. South Ste. 500  
Arlington, VA 22202  
571-527-3900  
[www.ncoa.org](http://www.ncoa.org)

The NCOA is involved in improving conditions  
and opportunities for older people.

National Indian Council on Aging  
8500 Menaul Blvd. NE  
Albuquerque, NM 87112  
505-292-2001  
<https://nicoa.org>

National Institute on Aging  
Building 31, Room 5C27  
31 Center Drive, MSC 2292  
Bethesda, MD 20892  
1-800-222-2225

For information on Alzheimer's Disease and  
related Dementias- Education & Referral Center  
1-800-438-4380  
[www.nia.nih.gov](http://www.nia.nih.gov)

National Institute of Mental Health  
6001 Executive Blvd.  
Room 6200, MSC 9663  
Bethesda, MD 20892  
1-866-615-6464  
[www.nimh.nih.gov](http://www.nimh.nih.gov)

Printed information on a wide variety of  
health & wellness issues is available from  
this source.

New York State Correctional Officers &  
Police Benevolent Association, Inc.  
(NYSCOPBA)  
102 Hackett Blvd., 2<sup>nd</sup> floor  
Albany, NY 12209  
518-427-1551  
[www.nyscopba.org](http://www.nyscopba.org)

NYS Office for the Aging  
2 Empire State Plaza  
Albany, NY 12223-1251  
<https://aging.ny.gov/>  
1-844-697-6321

Information concerning services and  
programs for older adults in the State are  
available by contacting this office.

New York State Retirees – PEF  
Membership Benefits Division  
P.O. Box 12414  
1168-70 Troy-Schenectady Rd.  
Albany, NY 12212-2414  
1-800-342-4306  
[www.pef.org](http://www.pef.org)

Retired Public Employees Association, Inc.  
165 Jordan Rd.  
Troy, NY 12180  
1-800-726-7732  
<https://rpea.org/>

VA – US Department of Veteran's Affairs  
1-844-698-2311  
<https://www.va.gov/>

There are over 50 regional offices nationwide  
to provide information related to veterans.  
The Administration can also put you in touch  
with a veteran's benefits counselor.

## **LOCAL OFFICES FOR THE AGING IN NEW YORK STATE**

### **LISTED BY COUNTY**

For information concerning services and programs for older adults in specific counties.

Albany Co. Department for Aging  
162 Washington Ave.  
Albany, NY 12210  
518-447-7198

Allegany Co. Office for the Aging  
6085 Route 19N  
Belmont, NY 14813  
585-268-9390

Broome Co. Office for the Aging  
Broome County Office Bldg.  
60 Hawley Street, 4<sup>th</sup> Floor  
P.O. Box 1766  
Binghamton, NY 13902  
607-778-2411

Cattaraugus Co. Dept. for the Aging  
One Leo Moss Drive, Suite 7610  
Olean, NY 14760-1101  
716-373-8032

Cayuga Co. Office for the Aging  
160 Genesee Street  
Auburn, NY 13021  
315-253-1226

Chautauqua Co. Office for the Aging  
7 North Erie Street  
Mayville, NY 14757-1027  
716-753-4471

Chemung Co. Dept. of Aging & Long Term Care  
425 Pennsylvania Avenue  
P.O. Box 588  
Elmira, NY 14902  
607-737-5520

Chenango Co. Area Agency on Aging  
County Office Bldg., 5 Court Street  
Norwich, NY 13815  
607-337-1770

Clinton Co. Office for the Aging  
135 Margaret Street, Suite 105  
Plattsburgh, NY 12901  
518-565-4620

Columbia Co. Office for the Aging  
325 Columbia Street  
Hudson, NY 12534  
518-828-4258

Cortland Co. Area Agency on Aging  
60 Central Avenue  
Cortland, NY 13045  
607-753-5060

Delaware Co. Office for the Aging  
97 Main Street, Suite 2  
Delhi, NY 13753  
607-832-5750

Dutchess Co. Office for the Aging  
114 Delafield Street  
Poughkeepsie, NY 12601  
845-486-2555

Erie Co. Dept. of Senior Services  
95 Franklin Street, Room 1329  
Buffalo, NY 14202  
716-858-8526

Essex Co. Office for the Aging  
100 Court Street  
PO Box 217  
Elizabethtown, NY 12932  
518-873-3695

Franklin Co. Office for the Aging  
355 West Main Street, Suite 447  
Malone, NY 12953  
518-481-1526

Fulton Co. Office for the Aging  
19 N. William St  
Johnstown, NY 12095  
518-736-5650

Genesee Co. Office for the Aging  
Batavia-Genesee Senior Center  
2 Bank Street  
Batavia, NY 14020  
585-343-1611

Greene Co. Dept. for the Aging  
411 Main Street  
Catskill, NY 12414  
518-719-3555

Hamilton Co. \*See Warren/Hamilton

Herkimer Co. Office for the Aging  
109 Mary Street, Ste. 1101  
Herkimer, NY 13350  
315-867-1121

Jefferson Co. Office for the Aging  
175 Arsenal Street, 2<sup>nd</sup> Fl.  
Watertown, NY 13601  
315-785-3191

Lewis Co. Office for the Aging  
7660 N. State Street  
Lowville, NY 13367  
315-376-5313

Livingston Co. Office for the Aging  
3 Murray Hill Dr.  
Mt. Morris, NY 14510  
518-243-7520

Madison Co. Office for the Aging  
138 Dominick Bruno Blvd.  
Canastota, NY 13032  
315-697-5700

Monroe Co. Office for the Aging  
435 East Henrietta Rd.  
3<sup>rd</sup> floor, West (Faith wing)  
Rochester, NY 14620  
585-753-6280

Montgomery Co. Office for the Aging, Inc.  
135 Guy Park Ave  
Amsterdam, NY 12010  
518-843-2300 Ext 229

Nassau Co. Office for the Aging  
60 Charles Lindbergh Blvd., Ste. 260  
Uniondale, NY 11553  
516-227-8900

New York City Dept. for the Aging  
2 Lafayette Street –7<sup>th</sup> Floor  
New York, NY 10007  
Within the 5 boroughs of NYC- 311  
Outside of boroughs: 212-639-9675

Niagara Co. Office for the Aging  
111 Main Street, Suite 101  
Lockport, NY 14094  
716-438-4020

Oneida Co. Office for the Aging/Continuing Care  
120 Airline Street, Ste. 201  
Oriskany, NY 13424  
315-798-5456

Onondaga Co. Dept. of Aging & Youth  
Civic Center- 10<sup>th</sup> Floor  
421 Montgomery St.  
Syracuse, NY 13202  
315-435-2362

Ontario Co. Office for the Aging  
3019 County Complex Dr.  
Canandaigua, NY 14424  
585-396-4040

Orange Co. Office for the Aging  
40 Matthews Street  
3<sup>rd</sup> Floor - Suite 305  
Goshen, NY 10924  
845-615-3700

Orleans Co. Office for the Aging  
14016 Route 31 West  
Albion, NY 14411  
585-589-3191

Oswego Co. Office for the Aging  
County Office Complex  
70 Bunner Street, PO Box 3080  
Oswego, NY 13126  
315-349-3484

Otsego Co. Office for the Aging  
Meadows Office Complex, Suite 5  
140 Co Hwy 33W  
Cooperstown, NY 13326  
607-547-4232

Putnam Co. Office for Senior Resources  
110 Old Route 6, Bldg. A  
Carmel, NY 10512  
845-808-1700 ext. 47105

Rensselaer Co. Unified Family Services  
1600 Seventh Ave.  
Troy, NY 12180  
518-270-2730

Rockland Co. Office for the Aging  
Robert L. Yeager Health Center, Bldg. B  
50 Sanatorium Road  
Pomona, NY 10970  
845-364-2110

St. Lawrence Co. Office for the Aging  
80 State Highway 310, Suite 7  
Canton, NY 13617  
315-386-4730

Saratoga Co. Office for the Aging  
152 West High Street  
Ballston Spa, NY 12020-3528  
518-884-4100

Schenectady Co. Dept of Senior and  
Long Term Services  
107 Nott Terrace, Ste. 202  
Schenectady, NY 12308  
518-382-8481 ext. 9-313

Schoharie Co. Office for the Aging  
113 Park Place, Ste. 3  
Schoharie, NY 12157  
518-295-2001

Schuyler Co. Office for the Aging  
323 Owego Street, Ste. 165  
Montour Falls, NY 14865  
607-535-7108

Seneca Co. Office for the Aging  
2465 Bonadent Dr., Ste 4.  
Waterloo, NY 13165-1681  
315-539-1765

Steuben Co. Office for the Aging  
3 E. Pulteney Square  
Bath, NY 14810  
607-664-2298

Suffolk Co. Office for the Aging  
100 Veterans Memorial Highway  
PO Box 6100  
Hauppauge, NY 11788-0099  
631-853-8200

Sullivan Co. Office for the Aging  
Sullivan County Government Center  
100 North Street P.O. Box 5012  
Monticello, NY 12701  
845-807-0241

Tioga Opportunities, Inc.  
Dept. of Aging Services  
9 Sheldon Guile Blvd  
Owego, NY 13827  
607-687-4120

Tompkins Co. Office for the Aging  
214 W. Martin Luther King Jr./State St.  
Ithaca, NY 14850  
607-274-5482

Ulster Co. Office for the Aging  
1003 Development Court  
Kingston, NY 12401  
845-340-3456

Warren/Hamilton Counties Offices  
for the Aging  
Human Services Building  
1340 State Route 9  
Lake George, NY 12845  
518-761-6347

Washington Co. Office for the Aging &  
Disability Resource Center  
383 Broadway  
Fort Edward, NY 12828  
518-746-2420

Wayne Co. Office for the Aging & Youth  
1519 Nye Rd., Ste. 300  
Lyons, NY 14489  
315-946-5624

Westchester Co. Dept. of Senior Programs  
& Services  
9 South First Ave., 10<sup>th</sup> Fl.  
Mt. Vernon, NY 10550  
914-813-6400

Wyoming Co. Office for the Aging  
8 Perry Avenue  
Warsaw, NY 14569  
585-786-8833

Yates Co. Area Agency on Aging  
417 Liberty Street, Ste. 1116  
Penn Yan, NY 14527  
315-536-5515

St. Regis Mohawk Office for the Aging  
29 Business Park Road  
Hogansburg, NY 13655  
518-358-2963  
Mailing:  
412 State Route 37 Akwesasne, NY13655

Seneca Nation of Indians Office for the Aging  
28 Thomas Indian School Drive  
Irving, NY 14081  
716-532-5778

NYS Office for the Aging  
2 Empire State Plaza  
Albany, NY 12223-1251  
1-844-697-6321  
<https://aging.ny.gov/>

Association on Aging in New York  
272 Broadway  
Albany, NY 12204  
518-449-7080  
[www.agingny.org](http://www.agingny.org)

### **OTHER STATES' OFFICES FOR THE AGING:**

Connecticut State Department of Aging and  
Disability Services  
55 Farmington Ave, 12<sup>th</sup> Fl.  
Hartford, CT 06105  
860-424-5055  
[www.ct.gov/agingservices](http://www.ct.gov/agingservices)

Massachusetts Executive Office of Elder Affairs  
1 Ashburton Place, 5<sup>th</sup> Fl.  
Boston, MA. 02108  
1-800-243-4636  
[www.mass.gov/orgs/executive-office-of-elder-affairs](http://www.mass.gov/orgs/executive-office-of-elder-affairs)

There is a state-level unit on Aging in every state. Call the Eldercare Locator toll free at 1-800-677-1116 or visit <https://eldercare.acl.gov> if you need to obtain further information on a state not listed here.

# Chapter 2

## Lifestyle Changes

### Overview

*Chapter 2 examines how you structure your time before you retire; explores the impact of life changes on your use of time; identifies areas of activity for leisure time; and helps you identify ways to handle new time patterns brought on by life changes.*

Usually, when people plan to retire, they spend most of their time thinking about how much money they need to survive, feeling it's unnecessary to think about other issues. After a year or less in retirement, those same people are often worried more about all the hours they have to fill than they are about money. They also begin to worry about other changes that will happen to them.

Right now you may be feeling just that way, assured you have a long list of activities waiting for your retirement. Boredom you feel, will not be a problem for you in retirement. All the activities you are unable to start or finish while you're working are on a list. Perhaps you should question whether those are really things that you want to avoid? People usually find time to do activities that are important to them.

Leisure means free time. While you're working, you look forward to weekends as a time when you're free to do what you want. Free time for a working person provides a break from the pressures of a full work schedule. Your hobbies or recreational activities can take your thoughts off those problems. After you finish a project that requires concentration, you may feel relaxed and pleased, and you may not remember what you were worrying about when you started.

In retirement, leisure will take the place of your job for 50 to 60 hours a week. Your job gives you social contact, recognition, a daily routine, a chance to use your skills, and a way to be productive. To continue to feel good about yourself, leisure should give you many of these same things.

As children, play was our work, a time when we learned skills and ways to act. Play prepared us to be active and productive adults. If you retire in your sixties you may have 25 percent of your adult life ahead of you. It is important to choose activities that will continue to give your life meaning and purpose.

People who return to work shortly after they retire often do so because they have not found activities that are personally satisfying and purposeful. Before you retire, begin to examine what you want out of the rest of your life. This will help you ensure a satisfying retirement. You may then choose to return to work, but it will be to fulfill a purpose you have identified – not just a reaction to boredom. The problem most people have in retirement is not one of coming up with specific activities. In five minutes, you could fill several pieces of paper with activities like bowling, playing cards, gardening, and traveling, and all of the choices you write down could be exciting. The problem is deciding which ones to actually do and following through with a plan.

There are three basic ideas to keep in mind while you are deciding how to use your free time – activity, diversity, and connection with others. Activity is a very personal issue. What may seem like a lot of activity to one person may be very little to someone else. Do you prefer group activities that are social or service in nature? Would you rather take part in recreational or educational activities? Volunteer work and paid work can give you a great deal of satisfaction if you're doing something that is personally important.

How can you find activities that you'll want to keep doing? Look at the things you used to do years ago and you may find something you want to start again. You may be doing things now at home or at work that give you a lot of pleasure. Don't give them up! Think of all the things that you have always wanted to try. You could test out several before you retire. If you like an activity you can include it in your plan. Don't focus on those things you tried and didn't like.

In creating your leisure plan, it's important to have diversity. Diversity also includes conditions like cost, climate, equipment, other people, special skills, and time. For instance, you may like your job best when it has a lot of variety or change. You'll want to create lots of activities in your retirement to give you change. Or, you may like your job best when you have a chance to learn something new. A chance to learn something new in retirement will be important to you.

The last idea to consider is connection; strong ties between you and others. People play very important parts in our day-to-day lives. People share both our good and bad times. Think about the people you've worked with. Consider how many personal things you've shared with a coworker over a cup of coffee. The common interest between people is what keeps them joined to each other. If you want to stay close to coworkers after you retire, decide what common interests you share outside the workplace. If there are none, use the time before retirement to create them. This approach applies to all the people you care about – family, friends, coworkers, or neighbors. When you choose activities for retirement, find ways to include or keep in touch with those important people in your life. Boredom or loneliness can be avoided by keeping or creating contact with a wide variety of people. A study at the University of Michigan concluded that “the most powerful predictor of satisfaction right after retirement was not health or wealth, but the breadth of one's social network.” People who retire need to replace the social connections they enjoyed at work.

Look at how much time you will have when you retire. When you're deciding how to spend your time, it's helpful to know what beliefs or standards are important to you. In addition, you'll choose more satisfying activities for your retirement if you understand what motivates you to do the things you do.

The exercises in this section will help you start making satisfying choices about your leisure time. You will be helped to identify your personal needs, values, and motivations. Once you know what you want, choosing how to get it becomes easy. When people are trying to solve a problem, they create lots of solutions only when the actual problem is clear to them. The same is true as you create a leisure plan for retirement. Turn to the “Motivational Analysis” and “Personal Needs Inventory” in this chapter. Directions are included with each activity.

How much time will you actually have in retirement? To find out, complete the following steps to see how you use your time right now. Don’t worry about being completely correct. We use our time differently each day, each week, even each season. What is important is seeing the actual patterns that come up.

You’ll see how you use your time before you retire. This will give you a chance to decide what you want to do to get ready for all that free time. You will need the *Weekly Calendar* (page 2-5) and a box of crayons or colored markers to finish the activity.

Before you start you might want to make a copy of the blank calendar page to use later.

1. In the column called “Day/Time” fill in the hours of a whole day starting with the hour you usually go to bed. Then fill in each line with the next hour counting ahead from the time you go to bed. The hour before you go to bed will be on the last line. For example, if you usually go to bed at 11 p.m. – write that time on the top line. On the next line, you would put 12 midnight. Keep filling in each line from there with 1 a.m., 2 a.m., 3 a.m., and so on, until you get to the last line, which would be 10 p.m.
2. For each day of the week on your calendar show how much time you usually spend on sleep, family, personal, work, and community matters. Use the following colors:  
  
*sleep – yellow; family – red; personal – orange; work – green; community – blue.*
3. When you have finished Step 2, look at your calendar and ask yourself these questions:
  - What color(s) did you use the most?
  - What color(s) did you use the least?
  - What color(s), if any, are missing from your calendar?
  - How would your calendar have looked if you had done this 30 years ago? 20 years ago? 10 years ago?
  - What do you remember about the way you handled big changes in the use of your time 10, 20, or 30 years ago?

4. You probably have a big block of green on your calendar. Look at the block and answer these questions:
  - What has work done for you?
  - What does the block of work hours do for, or to, your whole week?
  - What's going to happen to that block when you retire?
5. Write down all the things you want to do with that time when you retire. Remember to include group membership activities such as community, religious, or service groups; hobbies, recreation, or travel; education or personal change activities; volunteer work; home or family activities; part time jobs or starting a small business.
6. If you have an extra copy of the calendar, you could try making a new weekly calendar to show how you plan to use your time in retirement.

You could choose the things from Step 5 that you really want to do and put them on the calendar where your work time used to be.

- Are you able to fill in all the hours?
- Are you willing to really follow this new schedule, day after day, in retirement?

Now you know how much time you have to think about. You also have some idea of all the things you could do to fill those hours. In addition, you have an idea of what motivates you and what you need. When you know what's important to you, you look at activities differently. Start to ask yourself if an activity has a way of satisfying a personal need, desire, or motivation. If it doesn't, you can decide to do something else instead. Become more critical or choosy about what you do.



Retirement starts a large, new part of your life. It's a time that will be filled with both pleasant and sad events, just like your current life. It's important to know the kinds of things that could happen and what you can do to manage them.

Think about all the life events that could happen to you in your life ahead. Possibilities can include death of a loved one, marriage, birth of grandchildren, moving, divorce, children leaving or returning home. These events will influence you and the people you care about. Your ability to handle the life events ahead is affected by the way you keep and make ties with people.

One special life event is the care of elder parents or loved ones. This may be something you've already started to think about or you might be giving help to such a person right now. Sometimes an older person needs more care than you can give by yourself yet may not reach the need for nursing home care. You can get information about programs and services for caregivers in your area through your county Office for the Aging.

Human beings may be angry or glad about other people. At times, you may be so frustrated with other people that you think you'd be happier alone. Despite these feelings, when something happens that makes you upset, you may need to tell someone about it! People need people. The ties you make and keep with other people are critical to your healthy survival.

Take time to do the activity on page 2-13 called "Support System Analysis." This will help you see who the important people are in your life and what they give you. When you finish the activity, look at the names you wrote down and answer the following questions. Were you able to write a name down for each word? Did you write the same name down again and again? What happens to you if something happens to that person? Did you write down names of people who live close to you or far away? Did you write down names of people you work with? How will you keep in touch with coworkers when you retire?

Your answers to these and similar questions will help you create ways to keep a strong and helpful group of caring people around you. Whether good things or bad things happen, you'll want to share it with that group.

Carefully and deliberately work on making and keeping ties with people. Building relationships on common interests and working to make those relationships strong are ways to avoid loneliness.

# MOTIVATIONAL ANALYSIS

Whether choosing a new paid or volunteer job, or choosing a different activity for your leisure time, it is helpful to know what motivates you or “makes you want” to do a particular job. Each of the following questions has three choices. Mark the one in each question which most clearly fits your own motivations. Remember there are no wrong answers. Place an “X” before the letter of your choice.

1.  a When doing a job, I seek feedback.  
 b I like to work alone and be my own boss.  
 c I seem to be uncomfortable when forced to work alone.
2.  a I go out of my way to make friends with new people.  
 b I enjoy a good argument.  
 c After starting a task, I am not comfortable until it is completed.
3.  a Status symbols are important to me.  
 b I am always getting involved with group projects.  
 c I work better when there is a deadline.
4.  a I work best when there is some challenge involved.  
 b I would rather give orders than take them.  
 c I am sensitive to others especially when they are angry.
5.  a I am eager to be my own boss.  
 b I accept responsibility eagerly.  
 c I try to get personally involved with my superiors.
6.  a I am uncomfortable when forced to work alone.  
 b I prefer being my own boss, even when others feel a joint effort is required.  
 c When given responsibility, I set high performance standards.
7.  a I am very concerned about my reputation or position.  
 b I have a desire to out-perform others.  
 c I am concerned with being liked and accepted.
8.  a I enjoy and seek warm, friendly relationships.  
 b I attempt to complete involvement in a project.  
 c I want my ideas to be selected by others.
9.  a I desire unique accomplishments.  
 b It concerns me when I am being separated from others.  
 c I need and have a desire to influence others.
10.  a I think about consoling and helping others.  
 b I am verbally fluent.  
 c I am restless and innovative.
11.  a I set goals and think about how to attain them.  
 b I think about ways to change people.  
 c I think a lot about my feelings and the feelings of others.

## MOTIVATIONAL ANALYSIS KEY

When you finish making all your choices, use this key to find out what motivates or drives you to do things. Circle the answer you selected for each group of choices. For example, if you chose “b” in number 1, you would circle “b” in number of achievements, power, and affiliation answers you have.

- |   |  |
|---|--|
| 1. a. Achievement<br>b. Power<br>c. Affiliation | 7. a. Power<br>b. Achievement<br>c. Affiliation                    |
| 2. a. Affiliation<br>b. Power<br>c. Achievement | 8. a. Affiliation<br>b. Achievement<br>c. Power                    |
| 3. a. Power<br>b. Affiliation<br>c. Achievement | 9. a. Achievement<br>b. Affiliation<br>c. Power                    |
| 4. a. Achievement<br>b. Power<br>c. Affiliation | 10. a. Affiliation<br>b. Power<br>c. Achievement                   |
| 5. a. Power<br>b. Achievement<br>c. Power       | 11. a. Achievement<br>b. Power<br>c. Affiliation<br>c. Achievement |
| 6. a. Affiliation<br>b. Power<br>c. Achievement |  |

# MOTIVATION

The material below will help you find out more about your motivations. Knowing these details about yourself will help you match activities to your special needs.

Three things motivate people:

1. Need for achievement
2. Need for affiliation
3. Need for power

## A. ACHIEVEMENT MOTIVE

Goal: Success in situations requiring excellent performance.

### Characteristics:

1. Concern with excellence
2. Complete involvement
3. Desire to out-perform others (competitive)
4. Wants unique accomplishment
5. Restless and innovative (enjoy striving)

### Thinks about:

1. Doing a job better
2. Goals and how to attain them
3. Obstacles and how to remove them

## B. POWER MOTIVE

Goal: Having impact or influence

### Characteristics:

1. Concern for reputation or position
2. Wants his or her ideas to predominate
3. Strong feeling about status
4. Strong need to influence others
5. Often verbally fluent

### Thinks about:

1. Influence he or she has over others
2. How to use influence to change people
3. How to gain status

## C. AFFILIATION MOTIVE

Goal: Being with someone and enjoying mutual friendship.

### Characteristics:

1. Concerned with being liked and accepted
2. Warm, friendly relationships
3. Concerned about being separated from others

### Thinks about:

1. Wanting to be liked
2. Consoling and helping people
3. Feelings of others and self

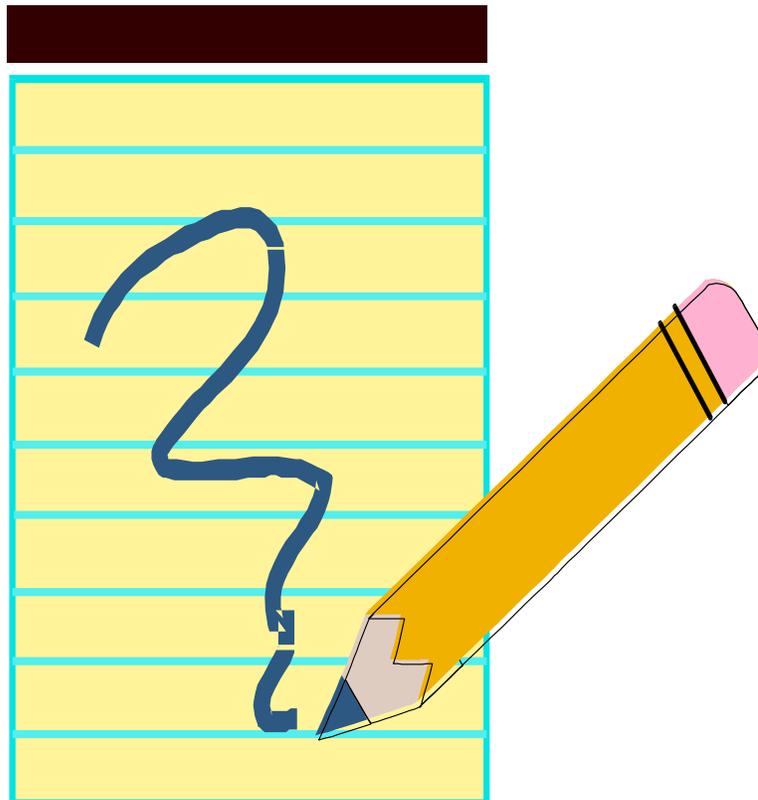
# PERSONAL NEEDS INVENTORY

## *Part 1*

In making personal choices about work, community service, leisure time activities, or living arrangements, the quality of those choices and the degree of satisfaction gained is improved when individuals develop a clear indication of the values and virtues they feel are personally important.

To help you look at your own values and virtues, here is a list of needs that most people have. Feel free to add others of your own which are not included.

Under “Activities” fill in the activities that you most enjoy. Be as specific as possible. For example, do not write down “work.” Specify a particular activity at work that you enjoy. Under each activity you have listed, check the “need(s)” met by that activity. Do this with as many activities as you can think of.



## ACTIVITIES

NEEDS	/	/	/	/	/	/
Recognition						
Entertainment						
Self-Expression, Creativity						
Participation, Belonging						
Adventure, New Experience						
Learning						
Security						
Physical Fitness						
Contemplation						
Self-Growth						
Usefulness						
Feeling of Accomplishment						
Income						
Comfort						
Communication						
Self-Image						
Friendships						
Love						
Status						
Responsibilities						

# PERSONAL NEEDS INVENTORY

## Part 2

Work is often a source of satisfaction for personal needs. Therefore, as you consider retirement and future lifestyles, it is important to identify the personal needs that are satisfied through your work and begin to explore other ways to satisfy them. If current activities outside of work cannot be a source of satisfaction, it is increasingly important to take steps *before* retirement to find activities that will meet those needs.

Examine your choices in the Personal Needs Inventory and find all needs that are satisfied by specific activities in your work.

List all those needs in the column labeled “My Need.” In the second column titled “After Retirement” fill in another current activity that might satisfy the need you have listed in the first column.

If you are not able to identify any other current activity that could meet the need, complete the third column “Steps to Take” by filling in a specific action you can take to find another activity that might satisfy your specific need.

MY NEED	AFTER RETIREMENT	STEPS TO TAKE

## SUPPORT SYSTEM ANALYSIS

This is a description of functions which other people can provide. Please review the function in the left column and in the spaces to the right, enter the names of the people who provide you with those functions. Think of people who provide you with a single special resource. Be sure to consider people that you know in your workplace, as well as family and friends.

<u>FUNCTION</u>		<u>PEOPLE</u>	<u>FUNCTION</u>		<u>PEOPLE</u>
<p><b>1. Intimacy:</b> People who provide closeness, warmth, and acceptance. I can express my feelings freely and without self-consciousness. People I trust and are readily accessible to me.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p><b>4. Shared Interests:</b> People who enjoy similar activities and would be willing to join me for things like travel, going to the movies, playing golf, walking, doing a craft, attending a lecture or going out to eat.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p><b>2. Sharing:</b> People who share my concerns because “they are in the same boat” or have similar objectives, such as other committee leaders, committee members. People with whom I share experiences, information, and ideas. People with whom I exchange favors.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p><b>5. Guidance:</b> People who provide me with advice and methods to solve problems. People who encourage me to take steps toward solving problems, achieving goals, and otherwise taking action.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p><b>3. Self-Worth:</b> People who respect my competence in my work, or in my personal life. People who understand the difficulty or value of my work or performance in that role. People I respect who can recognize my skills.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p><b>6. Challenge:</b> People who make me think. People who make me explain. People who question my reasoning. People who challenge me to grow.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		

# RETIREMENT CHECKLIST

## *Lifestyle Changes*

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I looked into activities that will be fulfilling in retirement?	<b>YES</b>	<b>NO</b>
<hr/>		
2. Do I know how to locate volunteer jobs in my community?	<b>YES</b>	<b>NO</b>
<hr/>		
3. Are there activities from my past that I might be doing again?	<b>YES</b>	<b>NO</b>
<hr/>		
4. Have I considered what changes would take place in my retirement activities if I am single?	<b>YES</b>	<b>NO</b>
<hr/>		
5. Have I considered joining organizations that provide services for people over 55 years of age?	<b>YES</b>	<b>NO</b>
<hr/>		
6. Do I expect that my family, friends, and former coworkers will make time to socialize with me after I retire?	<b>YES</b>	<b>NO</b>
<hr/>		

# RESOURCES

## *Lifestyle Changes*

### **WEBSITES:**

Some of the many web sites that provide information, inspiration, and humor about the transition into and enjoyment of the "retirement lifestyle" include:

[2young2retire.com](http://2young2retire.com)

[suddenlysenior.com](http://suddenlysenior.com)

[newretirement.com/retirement/what-to-do-in-retirement/](http://newretirement.com/retirement/what-to-do-in-retirement/)

### **PUBLICATIONS:**

Szlemp, George, *Retirement: The First 365 Days: Advice, Opinions, and Observations*, 2019.

Gambone, James V., *ReFire® Your Life! A Guide for Those Who Can't Retire - or Don't Want To*, CreateSpace Independent Publishing Platform, 2011.

Hinden, Stan, *How to Retire Happy: The 12 Most Important Decisions You Must Make Before You Retire*, (4<sup>th</sup> edition), McGraw- Hill, 2012.

Ryan, Robin., *Retirement Reinvention: Make Your Next Act Your Best Act*, Penguin Books, 2018.

Bellah, Mike Ph.D., *The Best Is Yet To Be*, BestYears Press, 2019.

Waxman, Barbara, *How to Love Your Retirement: The Guide to the Best of Your Life*, Hundreds of Heads Books, 2010.

Thurman, Eric., *Thrive in Retirement: Simple Secrets for Being Happy for the Rest of Your Life*, Waterbrook, 2019.

### **OTHER SOURCES:**

#### *Educational Pursuits:*

#### **American Association for Adult and Continuing Education**

2900 Delk Road, Suite 700, PMB 321  
Marietta, Georgia 30067  
[www.aaace.org](http://www.aaace.org)

#### **NYS Higher Education Services Corporation**

99 Washington Avenue  
Albany, NY 12255  
518-473-1574  
1-888-697-4372  
[hesc.ny.gov](http://hesc.ny.gov)

Information on grants, loans, and scholarships.

#### **Excelsior College Examinations**

7 Columbia Circle  
Albany, NY 12203  
1-888-647-2388 or  
518-464-8500  
[www.excelsior.edu](http://www.excelsior.edu)

A program of college-level tests in a wide range of arts and sciences, business, education, and nursing. They provide a means of testing knowledge acquired outside the college classroom and earning credit.

#### **Adult Education:**

Many local public-school districts and community colleges offer adult education courses. Contact the superintendent of schools or community college in your area.

**Free Audit of State University of New York Courses:**

Not-for-credit audit of state university classes on a “space available” basis for people 60 or older at any state university campus. Contact local state university campus admissions or registrar’s office.

**Continuing Education:**

The continuing education office at each SUNY campus offers courses on a fee basis. Contact local SUNY campus continuing education office.

**OASIS:**

Oasis is a national education organization dedicated to enhancing the lives of mature adults age 50 and over through challenging programs in the arts, humanities, technology, wellness and volunteer services.

[oasisnet.org](http://oasisnet.org)

**Online Learning:**

Use a search engine to find numerous sources of “adult learning” or search for a specific topic. A few web sites to try are:

[coursera.org/](http://coursera.org/)

[shawguides.com](http://shawguides.com)

**SeniorNet:**

SeniorNet’s mission is to provide older adults education for and access to computer technologies to enhance their lives and enable them to share their knowledge and wisdom:

[seniornet.org](http://seniornet.org)

**Lifelong Learning Institutes (LLI):**

LLL Institutes offer non-credit, college level educational experiences, where there is little to no homework and the cost is a fraction of the cost of college. Classes are taught by both active and retired faculty and some outside experts. An updated list of Institutes are listed at

[roadscholar.org/about/lifelong-learning-institutes/](http://roadscholar.org/about/lifelong-learning-institutes/)

**Lifetime Learning Institute**

**Bard College**

Campus Rd, PO Box 5000  
Annandale on Hudson, NY 12504  
845-758-7314

[li.bard.edu/](http://li.bard.edu/)

**LYCEUM**

**Binghamton University**

Office AB-130B  
Binghamton, NY 13902  
607-777-2587

[binghamton.edu/tlel/community/lyceum/index.html](http://binghamton.edu/tlel/community/lyceum/index.html)

**Academy for Lifelong Learning**

**Empire State College @ Saratoga Springs**

2 Union Ave  
Saratoga Springs, NY 12866  
800-847-3000

[esc.edu/all/](http://esc.edu/all/)

**Adult Learning Institute**

**Columbia-Green Community College**

4400 Rte. 23  
Hudson, NY 12534  
518-828-4181 ext. 3431

[sunycgcc.edu/community-services/adult-learning-institute/](http://sunycgcc.edu/community-services/adult-learning-institute/)

**Institute for Learning in Retirement**

**Farmingdale State University**

Memorial Hall, Rm 135  
Farmingdale, NY 11735  
934-420-2000

[farmingdale.edu/academics/centers-institutes/institute-learning-in-retirement/](http://farmingdale.edu/academics/centers-institutes/institute-learning-in-retirement/)

**The Center for Continuing Adult Learning**

**Hartwick College & SUNY at Oneonta**

607-441-7370

[ccaloneonta.org/](http://ccaloneonta.org/)

**LIRIC- Learning in Retirement at Iona College**

[iona.edu/about/iona-in-community/learning-in-retirement.aspx](http://iona.edu/about/iona-in-community/learning-in-retirement.aspx)

**Center for Creative Retirement**

**Long Island University, Riverhead**

121 Speonk Riverhead Rd.  
Riverhead, NY 11901

[liu.edu/Riverhead/CE/CCR](http://liu.edu/Riverhead/CE/CCR)

**Center for Lifetime Study**  
**Marist College**  
3399 North Rd.  
Poughkeepsie, NY 12603  
845-575-3000 ext. 2001  
[marist.edu/professional-programs/center-lifetime-study](http://marist.edu/professional-programs/center-lifetime-study)

**L.I.F.E.- Learning is Forever Enriching**  
**Mount Saint Mary College**  
Desmond Campus 6 Albany Post Rd.  
Newburgh, NY 12550  
845-569-3563  
[msmc.edu/Academics/Community\\_Education/LIFE](http://msmc.edu/Academics/Community_Education/LIFE)

**Mohawk Valley Institute for Learning in Retirement –SUNY Polytechnic Institute**  
100 Seymour Rd.  
Utica, NY 13502  
[sunypoly.edu/mvilr.html](http://sunypoly.edu/mvilr.html)

**Molloy Institute for Lifelong Learning**  
**Molloy College**  
1000 Hempstead Ave.  
Kellenberg Hall Room 321A  
Rockville Centre, NY 11571  
[molloy.edu/academics/undergraduate-programs/continuing-education-and-professional-studies/personal-enrichment/molloy-institute-for-lifelong-learning](http://molloy.edu/academics/undergraduate-programs/continuing-education-and-professional-studies/personal-enrichment/molloy-institute-for-lifelong-learning)

## **ENCORE**

**Orange County Community College**  
115 South St., Bldg. 13  
Middletown, NY 10940  
845-344-6222  
[sunyorange.edu/encore/](http://sunyorange.edu/encore/)

**Osher Lifelong Learning Institute at SUNY-Stony Brook**  
SBS Building, Room S101 Stony Brook, NY 11794  
631-632-6554  
[stonybrook.edu/commcms/olli](http://stonybrook.edu/commcms/olli)

**Personal Enrichment in Retirement (PEIR)**  
**Hofstra University**  
UCCE, University College Hall  
Hempstead, NY 11549  
516-463-7200  
[hofstra.edu/academics/ce/lifelonglearning/peir/index.html](http://hofstra.edu/academics/ce/lifelonglearning/peir/index.html)

**Quest Learning Community**  
**City College of New York**  
25 Broadway  
New York, NY 10004  
212-925-6625 ext. 229  
[questcontinuingednyc.org/](http://questcontinuingednyc.org/)

**SOAR-Lifelong Learning in the North Country**  
**SUNY Potsdam**  
382 Van Housen Ext.  
SUNY Potsdam  
44 Pierrepoint Ave.  
Potsdam, New York 13676  
315-267-2690  
[soarnorthcountry.com/](http://soarnorthcountry.com/)

**Union College Academy for Lifelong Learning- (UCALL)**  
36 Union St.  
Schenectady, NY 12308  
518-388-6072  
[union.edu/ucall](http://union.edu/ucall)

## **Volunteer Opportunities:**

### **Senior Corps**

The National Senior Service Corps, is the principal federal vehicle of volunteerism for Americans 55 and older. The program is now part of the Corporation for National and Community Service, a federal agency that works with nonprofits, faith-based groups, schools, and civic organizations to provide opportunities for Americans of all ages to serve their communities.

The Senior Corps uses the talents, skills, and experiences of more than 500 older Americans to help meet a wide range of community needs. The Corps includes:

- Retired and Senior Volunteer Program (RSVP), which matches the personal interests & skills of older Americans with opportunities to help solve many types of community problems;
- The Foster Grandparent Program, which offers emotional support to children with exceptional needs; and
- The RSVP Senior Companion Program, which reaches out to adults who need extra assistance to live independently. [seniorcorps.org](http://seniorcorps.org).

### **VolunteerMatch**

To find volunteer opportunities in your area try “VolunteerMatch.” It is a free service from Impact Online that helps you find what you’re after, using just a zip code and answers to few simple questions. And if you can’t carve out time to leave the house, check out the Virtual Volunteering section for ways to help by doing work on your computer.

<http://volunteermatch.org>

### **United Way of New York**

To find a local United Way for volunteer opportunities call or go to:

518-608-6456

[uwnys.org/?id=4](http://uwnys.org/?id=4)

Thousands of groups across the country offer community service opportunities for 50- plus volunteers with diverse backgrounds, skills and interests. The ones listed here are just examples.

### **SCORE Association**

65-30 Kissena Blvd.

347-470-4890

[score.org](http://score.org)

### **The New York State Commission on National and Community Service**

[newyorkersvolunteer.ny.gov/](http://newyorkersvolunteer.ny.gov/)

## **Travel and Tourism:**

### **Academy for Life Long Learning**

Empire State College

Travel Opportunities

[esc.edu/all/](http://esc.edu/all/)

### **Road Scholar**

11 Avenue de Lafayette

Boston, MA 02111

1-800-454-5678

[roadscholar.org/](http://roadscholar.org/)

Combines summer travel and learning by offering low cost academic programs to people 55 and older or to those whose spouses qualify.

**NYS Department of Economic  
Development**

Varied information about all NY State  
regions vacation information:

[iloveny.com/](http://iloveny.com/)

1-800-CALL NYS or

Email [info@iloveny.com](mailto:info@iloveny.com)

**National Park Service**

U.S. Department of Interior

Washington D.C. 20240\_

[nps.gov](http://nps.gov)

**America the Beautiful Senior Pass Program**

A pass is your ticket to more than 2,000  
federal recreation sites. Information  
available through the National Park  
Service US Department of the Interior at:  
[nps.gov/planyourvisit/passes.htm](http://nps.gov/planyourvisit/passes.htm)

**Travel for Seniors:**

There are numerous companies  
specializing in travel for those ages 50+  
that can be found via internet searches.  
Just a few examples are:

[eldertreks.com](http://eldertreks.com)

[walkingtheworld.com](http://walkingtheworld.com)

[homeexchange50plus.com/](http://homeexchange50plus.com/)

[grandtravel.com](http://grandtravel.com)

<https://www.ivhe.com/seniors-home-exchange>

[50plustravelclub.com.au](http://50plustravelclub.com.au)

[airbnb.com/s/experiences?traffic\\_source=SEO](http://airbnb.com/s/experiences?traffic_source=SEO)



# Chapter 3

## Health and Wellness

### Overview

*Chapter 3 will describe ways to support a healthy lifestyle. Sections include: keeping active for a longer, healthier life; what is physical activity; active at any age; dietary guidelines 2015-2020 and information about common health concerns of older adults.*

#### **KEEP ACTIVE FOR A LONGER, HEALTHIER LIFE**

What's the secret to a long and healthy life? While genes play a role, your lifestyle has the biggest effect on how healthy you are and how long you live. That includes what you eat and drink, how active you are, whether you smoke, how you handle stress, and staying connected to people.

A little physical activity goes a long way. At least 30 minutes of activity, five or more days a week, can improve your overall health. Researchers continue to uncover health benefits from being physically active. Some of these include:

- Weight control
- Better sleep
- More energy
- Relief from depression
- Reduced stress
- Arthritis relief
- Better ability to fight off colds and other illness
- Stronger bones and muscles, which can prevent falls and bone loss disease
- Lower risk of diabetes, heart disease, high cholesterol, blood pressure, and colon cancer

People who are physically active also tend to have healthier diets, which is also very important for good health.

#### **WHAT IS PHYSICAL ACTIVITY?**

Physical activity simply means movement of the body that uses energy. Walking, gardening, briskly pushing a baby stroller, climbing the stairs, playing soccer, or dancing the night away are all good examples of being active. For health benefits, physical activity should be **moderate** or **vigorous** and add up to at least 30 minutes a day, five days per week.

Moderate physical activities include:

- Walking briskly (about 3 ½ miles per hour)
- Hiking
- Gardening/yard work
- Dancing
- Golf (walking and carrying clubs)
- Bicycling (less than 10 miles per hour)
- Weight training (general light workout)

Vigorous physical activities include:

- Running/jogging (5 miles per hour)
- Bicycling (more than 10 miles per hour)
- Swimming (freestyle laps)
- Aerobics
- Walking very fast (4 ½ miles per hour)

Some physical activities are not intense enough to help you meet the recommendations. Although you are moving, these activities do not increase your heart rate, so you should not count these towards the 30 or more minutes a day that you should strive for. These include walking at a casual pace such as while grocery shopping and doing light household chores.

### ACTIVE AT ANY AGE

If you aren't active or haven't done any physical activity in a while, don't worry it's never too late to start. Even people in their 90s can benefit from physical activity. The more active you are, the more health benefits you'll enjoy. Here are some tips to get you started or keep you going in the right direction:

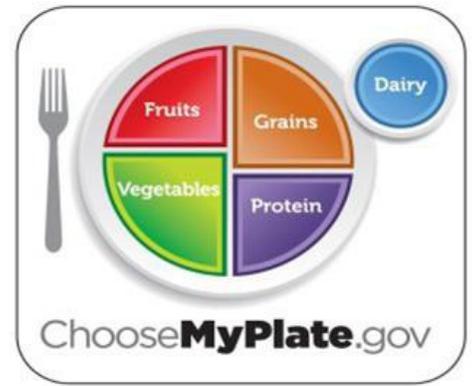
- **Pump yourself up.** Keep reminding yourself of all the good things that come with physical activity. Make a list, post it where it's obvious, and review it every day.
- **Do what feels good.** Choose an activity you like. That way you're more likely to stick with it. Try combining exercise with another activity: lift weights or walk in place while you're watching television; take a walk with your grandchild while you're babysitting.
- **Don't sweat it.** If you're pressed for time, don't add to your stress. Divide your daily activity into small sessions. Take a 10-minute walk at lunch, another one after dinner; pull weeds for 10 or 15 minutes.
- **Ease into it.** Don't try to do too much at once, especially if you have a health problem. Start slowly. If you want to jog, start out by walking. If walking for 30 minutes seems too hard, try walking for 10 minutes first.
- **Eat well.** Good nutrition and physical activity go hand in hand. Good food gives your body the fuel it needs to stay active and function at its best. Choose foods wisely and try to pack in as many nutrients as you can.
- **Starting a walking program** is one example of a physical activity program. It's the easiest, least expensive, and most enjoyable. No special equipment or clothing is necessary, just good walking shoes. Having a walking partner will help you keep your commitment to yourself and stay with it. Many shopping malls are open early for walkers who want a level surface and a controlled climate. Call ahead to ask if they have early hours and a mileage map. You'll find you have lots of company.

There are no guarantees in life — staying active doesn't mean you'll automatically live to 100 and never be sick. But with regular physical activity, you'll increase your chances of living a longer, healthier, and more independent life. Source: [www.aarp.com](http://www.aarp.com)

## DIETARY GUIDELINES 2015-2020

Source: <http://www.choosemyplate.gov/>

The Dietary Guidelines are jointly issued and updated every 5 years by the Departments of Agriculture ([USDA.gov](http://www.usda.gov)) and Health and Human Services ([HHS.gov](http://www.hhs.gov)). They provide authoritative advice for Americans ages 2 and older about consuming a healthy, nutritionally adequate diet, and being physically active to attain and maintain a healthy weight, reduce risk of chronic disease, and promote overall health. On January 31, 2011, the food pyramid was replaced by “ChooseMyPlate” and the new *Dietary Guidelines for Americans*.



“The **2015-2020 Dietary Guidelines** provides five overarching Guidelines. The five key components of these recommendations are: follow a healthy eating pattern across the lifespan, focus on variety, nutrient density and amount, limit calories from added sugars and saturated fats and reduce sodium intake, shift to healthier food and beverage choices, and support healthy eating patterns for all.

### Build a Healthy Plate

- Eat a variety of vegetables, dark green, red and orange, legumes (beans and peas)
- Fat-free or low-fat dairy, including milk, yogurt, cheese, and/or fortified soy
- Make at least half your grains whole. Choose 100% whole-grain cereals, breads, crackers, rice and pasta.
- A variety of protein foods, including seafood, lean meats, and poultry, eggs, legumes and nuts, seeds, and soy products.

### Cut Back on Foods High in Solid Fats, Added Sugars and Salt

- Drink water instead of sugary drinks. There are about 10 packets of sugar in a 12-ounce can of soda.
- Select fruit for dessert. Eat sugary desserts less often.
- Make major sources of saturated fats- such as cakes, cookies, ice cream, pizza, cheese, sausages, and hot dogs - occasional choices, not everyday foods.
- Switch from solid fats to oils when preparing food.

### Eat the Right Amount of Calories

- Enjoy your food but eat less. Get your personal daily calorie limit at <https://www.choosemyplate.gov/amount> and keep that number in mind when deciding what to eat.
- Think before you eat...is it worth the calories?
- Avoid oversized portions.
- Use a smaller plate, bowl, and glass. Stop eating when you are satisfied, not full.

## Be Physically Active Your Way

- Pick activities that you like and start by doing what you can, at least 10 minutes at a time. Every bit adds up and the health benefits increase as you spend more time being active.

For more detailed information on these recommendations, log on to

<https://www.choosemyplate.gov/physical-activity-basics>

## STAY HEALTHY – PRACTICE PREVENTION

Working with your doctor to stay healthy is as important as getting the right treatment when you're sick. Preventive care, or care to prevent illness and disease, includes health tests/screenings, vaccines, and health counseling. Regular preventive care can help you stay healthy and live longer.

Like exercise, eating right, and other things you do to keep healthy, preventive care is up to you. Talk to your doctor about which tests and vaccines you need and how often you should get them. Keep a record of all the tests you have and when, as well as the results. Mark the dates you need to get tested again on your calendar.

### Health Tests

Some tests can help find problems or diseases before you start to have symptoms. Treating a health problem sooner rather than later improves your chances of getting better - it can even save your life.

Your doctor will recommend tests — and how often you should have them — based on your:

- age and gender
- current health
- medical history
- family history

Your doctor might want you to get some tests sooner or more often than other people if you're at risk for a certain illness based on your family or medical history.

If you're a woman age 50 or older, talk to your doctor about testing for:

- breast cancer (mammogram, self-breast and clinical breast examinations)
- colorectal cancer (digital rectal examination, fecal occult blood test, sigmoidoscopy, colonoscopy, barium enema)
- skin, ovarian, cervical, and other types of cancer
- diabetes
- high blood pressure
- high cholesterol
- osteoporosis (bone density test)
- vision and hearing
- tuberculosis

If you're a man age 50 or older, ask your doctor about:

- colorectal cancer
- prostate cancer
- skin and other types of cancer
- diabetes
- high blood pressure
- high cholesterol
- vision and hearing
- tuberculosis

## **Vaccines**

The Center for Disease Control recommends you get a flu shot every year. Once you reach age 65, it is recommended that you get a pneumonia vaccine. You also need a tetanus/diphtheria shot every 10 years. In addition, ask your doctor about vaccines for hepatitis B and chickenpox (varicella).

## **Counseling**

Unfortunately, many doctors just don't have the time to talk with patients about behaviors and lifestyle habits that could hurt their health. Here are some of the things your doctor should ask you about. If any of them cause you problems or concern, ask about them on your own if your doctor doesn't bring them up:

- feeling anxious or depressed
- diet/eating right
- staying at a healthy weight
- physical activity
- hormone replacement therapy
- sleep problems
- vision or hearing problems
- alcohol use
- quitting smoking
- sexual problems or sexually transmitted diseases
- prescriptions and any over-the-counter medicines, including supplements and herbs you are taking

It's a good idea to make a list of all your medicines, the doses, and how often you take them, so you don't forget. Bring the list with you to the doctor's office. Medical advances and technology have greatly improved our ability to catch illnesses and diseases earlier and to save lives. Make preventive care part of your healthy lifestyle plan. To promote health, practice prevention! Source: [www.aarp.org](http://www.aarp.org)

## **SOME NUTRITION GUIDELINES**

- Most adults eat far more protein than they need – or than is good for them. Two daily servings of high-protein foods (such as lean meat, poultry, fish, eggs, dried beans, nuts, or peanut butter) are recommended.

## **COMMON HEALTH CONCERNS OF OLDER ADULTS**

### **OSTEOPOROSIS**

Osteoporosis is a bone thinning disease that gradually weakens bones making them increasingly fragile and more likely to break. Some bone loss is normal with aging, but osteoporosis is not a normal part of aging. Osteoporosis is more likely to occur when you reach a low peak bone mass. Peak bone mass, your maximum bone density, is usually reached by the time you are 25. Your gender, race, and family history as well as your overall health, diet, and lifestyle choices determine whether you reach your peak bone mass. Osteoporosis can also happen when bone loss is greater than normal.

Risk factors for bone loss include certain medical conditions or treatments, smoking, lack of physical activity, inadequate calcium or vitamin D intake, and excessive alcohol consumption. A decline in estrogen production, brought on by menopause, either natural or surgical, leads to bone loss. Early menopause before age 45 puts a woman at increased risk for osteoporosis.

Osteoporosis is a major cause of broken bones (fractures) of the spine, hip, wrist, and other bones. Of people in the United States aged 50 and over, 1 of 2 Caucasian and Asian women, 1 of 4 Black women, 1 of 4 Caucasian men and 1 of 8 Black men will have an osteoporosis related fracture in her/his remaining lifetime. People of other ethnic backgrounds are at lesser, but substantial, risk of fracture.

A warning sign of osteoporosis is loss of more than 1 ½ inches of height, which may occur when weakened bones of the spine compress. Over time, spine fracture and collapse can result in stooped posture, difficulty breathing, abdominal discomfort, and other systemic symptoms. The good news is that osteoporosis can be diagnosed. A bone mineral density test (BMD test) measures bone density and can help predict your risk for fracture. A prescription is necessary for a BMD test. It is recommended that all women aged 65 or older and all men aged 70 or older have a BMD test. A BMD test is recommended earlier for men and women who have fractures with minor trauma or other significant risk factors for osteoporosis. Your doctor or healthcare provider can advise you about the right time for you to have a BMD test.

A bone healthy diet for adults under the age of 50 should contain 1000 milligrams of calcium daily. After age 50 this should be increased to 1200 milligrams daily. Dairy foods are rich in calcium along with many other nutrients necessary for strong bones. It is best to choose low fat and nonfat dairy foods as part of a healthy low-fat diet. Eight ounces of skim milk has about 300 milligrams of calcium. Nondairy sources of calcium include certain green leafy vegetables and canned fish eaten with bones. Fortified foods are foods with calcium added and include soymilk, rice milk, juices, and cereals, among others.

It is possible to get all the calcium you need from food alone. You only need a calcium supplement if you cannot meet your calcium needs from your diet. If you need a calcium supplement, be sure to take only the amount of calcium you need. For example: If you need 1200 mg of calcium a day and get 600 mg from food, you will need 600 mg of calcium from a supplement. Your body uses calcium best in small amounts of 600 mg or less. Consider having a calcium rich food at each meal or snack.

Vitamin D is very important to help your body use calcium and to promote strong bones. The body makes vitamin D when skin is exposed to the sun. However, New Yorkers do not get enough vitamin D during winter months or whenever using sunscreen as recommended to protect skin from sun damage. There are only a few natural food sources of vitamin D, most of which are high in fat and not commonly eaten. Fatty fish, eel, catfish, herring, halibut, light tuna, mackerel, oysters, salmon, and sardines provide 200 IU to over 1000 IU of vitamin D per 3 ounce serving. Fortified foods that have 100 IU of vitamin D added per 8 ounces include all cow's milk, most soymilk, some rice milk, some juices, and only a few types of yogurt and cheese. Many adults are unable to get enough vitamin D from diet alone, but can get additional vitamin D from multivitamins (most contain 400 IU), in combination with some calcium supplements, or alone as a separate vitamin D supplement.

Eating a well-balanced diet, including the recommended intakes of calcium and vitamin D will help you achieve and maintain strong bones. For most healthy individuals, nutrients such as magnesium, potassium, vitamin C, vitamin K, and others needed for healthy bones can be easily met by consuming a wholesome diet including enough whole grains, lean protein, and at least five servings of fruits and vegetables per day.

Exercise is also important to promote strong bones throughout life. An ideal program combines weight bearing, muscle strengthening, postural training, and balance exercise/activities. Weight-bearing activity such as walking or dancing is excellent for skeletal health and should be done 3-5 days per week, at a brisk pace, for at least 30 minutes. The goal for those who have osteoporosis is to prevent bone loss and to improve muscle strength for fall prevention. It is important to check with your doctor before starting any new exercise program. If you already have osteoporosis or a fracture you may want to meet with a physical therapist to determine the right exercises for you.

Fall prevention should include education about risk factors, strength and balance exercises, safety in your home and surroundings, and assessment of medications to minimize side effects that impact balance. If you have osteoporosis, your home can be organized to prevent common falling risks. Remove loose floor wires, cords, and rugs to minimize clutter and prevent falls. Keep your room arranged so that it is familiar to you. Make sure that carpeting on the stairs is firmly tacked and that stair handrails are secure. Your tub and shower should be non-skid and equipped with a grab bar. Place nightlights in strategic places to be sure your home is well lit in all areas.

The strategies to promote strong bones are necessary for all individuals, but may not be enough for everyone. You may need to take a medication to reduce bone loss and prevent fractures. If you are diagnosed with osteoporosis, speak with your doctor as there are many osteoporosis medications approved by the Food and Drug Administration. It is never too late to prevent further bone loss or fractures related to osteoporosis.

## **VISION**

Poor eyesight is not inevitable with old age, but some physical changes do occur during aging which can cause a decline in visual acuity. Over the years, the eye loses ability to keep images focused at close range (presbyopia). You should have brighter lights for tasks such as reading, cooking, sewing, and driving. It may take longer to adjust to changes in brightness. With good care, most older adults can maintain adequate eyesight throughout their lives.

Eye disorders and disease can be prevented by regular health checkups to detect hypertension and diabetes, which may affect the eyes. A complete eye exam by an eye doctor, or an ophthalmologist, every two years is important. This should include a vision evaluation, check of the eye muscle, glaucoma checks, and a complete inner and outer eye exam.

For support with vision issues go to the American Foundation for the Blind at [www.afb.org/](http://www.afb.org/)

For someone who is legally blind, the *Talking Books* program is available. <https://www.loc.gov/nls/>

## **HEARING**

Hearing is an area in which more disabilities are related to aging than any other factor. It is often first noted as the inability to hear high-pitched sounds.

Often, people are too self-conscious about their looks or frightened to admit they have a hearing problem. Approximately 30 percent of adults over age 65 and about half of those over 75 suffer some hearing loss. If hearing problems are ignored, they may get worse, interfere with normal social interaction, and reduce pleasure from leisure activities. If you can't hear well, it is tempting to withdraw socially to avoid embarrassment.

If you experience any hearing problem, your doctor can refer you to a hearing specialist (otologist or otolaryngologist), who can diagnose and treat the problem. Common signs of hearing impairment may include difficulty in understanding words, inability to hear high pitched notes or sounds, hearing noises that sound muffled, and less enjoyment at social events. The causes can range from excess earwax to actual nerve deafness. Treatment ranges from simple flushing of the ear canal to removing wax, to prescribing a hearing aid or possible surgery. For most people, all or some hearing may be restored.

Information about hearing and hearing loss can be obtained from:

**Hearing Health Foundation** <https://hearinghealthfoundation.org/> or

**Hearing Loss Association of America** [www.hearingloss.org](http://www.hearingloss.org)

## **DENTAL CARE**

As you grow older, you may be faced with new problems in the care of your mouth. This may involve loss of teeth, adjusting to dentures, or problems with gums. Poor dental hygiene, missed dental checkups, missing teeth, and improperly fitting dentures can all cause problems. Approximately half of the people in the United States are toothless by the time they reach age 65. This can affect self-image, not to mention ability to chew food properly. As a result, the diet may be limited to soft foods which may not provide essential nutrients and fiber. Speech can be affected by loss of teeth, and that can make people too embarrassed to interact socially.

Most tooth loss results from periodontal disease, inflammation of the gum tissues surrounding and supporting the teeth, and bone factors like osteoporosis.

Because removing the teeth aggravates osteoporosis, it is best to try to keep them, if possible. Yearly dental checkups help prevent dental problems in later years.

There are dentists who specialize in problems that occur most often in the older adult. Further information on such dentists can be obtained by going to:

**Special Care Dentistry Association** [www.scdonline.org](http://www.scdonline.org)

## **FOOT CARE**

Older people often complain their feet hurt. Since your feet bear a weight of several million tons over the course of your lifetime, this is not surprising.

Common foot problems can be related to a variety of things, such as fungal and bacterial conditions, warts, ingrown toenails, corns, calluses, dry skin, ill-fitting shoes, poor circulation, and disease. You should have your feet checked regularly by a family member or do it yourself in order to note any visible changes. Prevent some foot problems by wearing proper fitting shoes, cutting toenails straight across, wearing foot covers, and soaking feet in warm water to relax and soothe them.

A foot checkup by your doctor can help diagnose diseases such as diabetes or circulatory problems. In the case of diabetes, a person is more susceptible to sores or infections on the feet. If you have diabetes, you must give immediate attention to cuts or bruises because you are prone to healing more slowly. Avoid extremely hot or cold temperatures for your bath or swimming, and don't use an electric blanket. Feet should be kept clean and dry.

To prevent problems with your feet as you age, keep active to improve circulation. Avoid sitting or resting for long periods. Smoking reduces blood flow to the feet, as does crossing legs, tight socks, or garters, and exposure to cold temperatures. In addition to exercise, standing, stretching, and foot massage improve circulation.

## **STAYING MENTALLY ACTIVE**

The latest in brain research shows that regular mental stimulation, along with other healthy habits, can help keep you mentally sharp, as you grow older. One way to get that mental stimulation is to be a life-long learner, always challenging yourself to master new skills and acquire new information. Other excellent sources of mental stimulation are leisure pursuits that require planning details like gardening, traveling, and needlework crafts. Don't forget about regularly playing cards and doing crossword puzzles. Those kinds of games that provide a bit of mental challenge can become increasingly valuable tools for keeping your mind nimble. Staying socially active and engaging in good conversations on a regular basis also plays a part in keeping you mentally agile. While our brain and our muscles are obviously quite different, both definitely require exercise in order to stay in good shape!

## **COPING WITH LOSS**

Loss is a major part of the emotional challenge of aging. Many people experience retirement as a loss of status, relationships, and meaningful activity. Many friends and relatives move away or die during the retirement years. Moving, even when it's a happy occasion balanced by gains, can be traumatic. Disability or chronic illness that results in diminished independence and personal control is experienced as a loss and is accompanied by the same grief as if a beloved person had died. This grief may be expressed by anger, depression, or refusal to cooperate in treatment. Loss and its pain can be a very real part of retirement. The courage and creativity you demonstrate in dealing with a loss can help you deal with the pain.

## **LANDING ON YOUR FEET**

Loss is hard to talk about. Loss of a partner presents a particular challenge which needs to be addressed. People who have survived loss don't have much of a chance to share their experience with those who could benefit from it.

It is important to admit that loss is painful. People who bury their feelings don't stop feeling the pain. It manifests itself in some other way, ranging from anger to illness. Those who do best admit the pain of loss and express themselves clearly, firmly, and positively. Many local Offices for the Aging or mental health clinics offer free or low-cost counseling or support groups. The American Association of Retired Persons (AARP) offers a widowed persons program in some areas.

It is also important to keep in touch with your community or even to "reinvent" your life. We never outgrow the need to meet new people and try new things. Senior centers and senior meal sites offer activities from art lessons to hot meals, and a chance to make new friends. Employers and volunteer centers are actively looking for retired workers and offer meaningful involvement and social contacts. Being a mentor, passing on skills to younger people, is one of the special rewards of the retirement years.

# HealthStyle-a-self-test

This brief test, developed by the Public Health Service, is all about changing lifestyle. Its purpose is to tell you how well you are doing to stay healthy. The behaviors covered in the test are recommended for most Americans. Some of them may not apply to persons with certain chronic diseases or handicaps. Such persons may require special instructions from their physicians.

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## Cigarette Smoking

	Almost Always	Sometimes	Almost Never
If you never smoke, enter a score of 10 for this section and go to the next section on <i>Alcohol and Drugs</i>			
1. I avoid smoking cigarettes.	2	1	0
2. I smoke only low tar and Nicotine cigarettes, or I smoke a pipe or cigars.	2	1	0

**Smoking Score:** \_\_\_\_\_

## Alcohol and Drugs

	Almost Always	Sometimes	Almost Never
1. I avoid drinking alcoholic beverages or I drink no more than 1 or 2 drinks a day.	4	1	0
2. I avoid using alcohol or other drugs (especially illegal drugs) as a way of handling stressful situations or the problems in my life.	2	1	0
3. I am careful not to drink alcohol when taking certain medicines (forexample, medicine for sleeping, pain, colds, and allergies).	2	1	0
4. I read and follow the label directions when using prescribed and over-the-counter drugs.	2	1	0

**Alcohol and Drug Score:** \_\_\_\_\_

## Eating Habits

	Almost Always	Sometimes	Almost Never
1. I eat a variety of foods each day, such as fruits and vegetables, whole grain breads and cereals, lean meats, dairy products, dry peas and beans, and nuts and seeds.	4	1	0
2. I limit the amount of fat, saturated fat, and cholesterol I eat (including fat on meats, eggs, butter, cream, shortenings, and organ meats such as liver).	2	1	0
3. I limit the amount of salt I eat by cooking with only small amounts, not adding salt at the table, and avoiding salty snacks.	2	1	0
4. I avoid eating too much sugar especially frequent snacks of candy or soft drinks	2	1	0

**Eating Habits Score:** \_\_\_\_\_

***Exercise/Fitness***

	<b>Almost Always</b>	<b>Sometimes</b>	<b>Almost Never</b>
1. I maintain a desired weight, avoiding overweight and underweight	3	1	0
2. I do vigorous exercise for 15-30 minutes at least 3 times a week (examples include running, swimming, brisk walking).	3	1	0
3. I do exercises that enhance my muscle tone for 15-30 minutes at least 3 times a week (examples include yoga and calisthenics).	2	1	0

**Exercise/Fitness Score:** \_\_\_\_\_

***Stress Control***

	<b>Almost Always</b>	<b>Sometimes</b>	<b>Almost Never</b>
1. I have a job or do other work that I enjoy	2	1	0
2. I find it easy to relax and express my feelings freely.	2	1	0
3. I recognize early and prepare for events or situations likely to be stressful for me.	2	1	0
4. I have close friends, relatives, or others who I can talk to about personal matters and call on for help when needed.			

**Stress Control Score:** \_\_\_\_\_

***Safety***

	<b>Almost Always</b>	<b>Sometimes</b>	<b>Almost Never</b>
1. I wear a seat belt while riding in a car.	2	1	0
2. I avoid driving while under the influence of alcohol and other drugs	2	1	0
3. I obey traffic rules and the speed limit when driving	2	1	0
4. I am careful when using potentially harmful products or substances such as household cleaners, poisons, and electrical devices).	2	1	0
5. I avoid smoking in bed	2	1	0

**Safety Score:** \_\_\_\_\_

## WHAT YOUR SCORE MEANS TO YOU

### SCORES OF 9 AND 10

Excellent! Your answers show you are aware of the importance of this area to your health! More importantly, you are putting your knowledge to work for you by practicing good health habits. As long as you continue to do so, this area should not pose a serious health risk. It's likely that you are setting an example for your family to follow. Since you got a very high test score on this part of the test, you may want to consider other areas where your scores indicate room for improvement.

### SCORES OF 6 TO 8

Your health practices in this area are good, but there is room for improvement. Look again at the items you answered with a "Sometimes" or "Almost Never." What changes can you make to improve your score? Even a small change can often help you achieve better health.

### SCORES OF 3 TO 5

Your health risks are showing! Would you like more information about the risks you are facing and about why it is important for you to change these behaviors? Perhaps you need help in deciding how to successfully make the changes you desire. In either case, help is available.

### SCORES OF 0 TO 2

Obviously, you were concerned enough about your health to take the test, but your answers show you may be taking serious and unnecessary risks with your health. Perhaps you are not aware of the risks and what to do about them. You can easily get the information and help you need to improve, if you wish. The next step is up to you!

## YOU CAN START RIGHT NOW!

In the test you just completed were numerous suggestions to help decrease your risk of disease and premature death. Here are some of the most significant.

### Avoid Cigarettes



Cigarette smoking is the single most important preventable cause of illness and early death. Persons who stop smoking reduce their risk of getting heart disease and cancer. So, if you're a cigarette smoker, think twice about lighting that next cigarette. If you choose to continue smoking, try decreasing the number of cigarettes you smoke and switching to a low tar and nicotine brand.

### Follow Sensible Drinking Habits



Alcohol produces changes in mood and behavior. Most people who drink are able to control their intake of alcohol and to avoid the undesired and often harmful effects. Heavy, regular use of alcohol can lead to cirrhosis of the liver, a leading cause of death. Also, statistics clearly show that mixing drinking and driving is often the cause of fatal or crippling accidents. So, if you drink, do it wisely and in moderation. Use care in taking drugs. Today's greater use of drugs – both legal and illegal – is one of our most serious health risks. Even some drugs prescribed by your doctor can be dangerous if taken when drinking alcohol or before driving. Excessive or continued use of tranquilizers (or "pep pills") can cause physical and mental problems. Using or experimenting with illicit drugs may lead to a number of damaging effects or even death.

## **Exercise Regularly**



Almost everyone can benefit from exercise, and there's some form of exercise almost everyone can do. (If you have any doubt, check first with your doctor). Usually, as little as 15-30 minutes of vigorous exercise three times a week will help you have a healthier heart, eliminate excess weight, tone up sagging muscles, and sleep better. Think how much difference all these improvements could make in the way you feel.

## **Learn to Handle Stress**



Stress is a normal part of living; everyone faces it to some degree. The causes of stress can be good or bad, desirable, or undesirable (such as promotion on the job or the loss of a spouse). Properly handled, stress need not be a problem. But unhealthy responses to stress – such as driving too fast or erratically, drinking too much, or prolonged anger or grief – can cause a variety of physical and mental problems. Even on a very busy day, find a few minutes to slow down and relax. Talking over a problem with someone you trust can often help you find a satisfactory solution. Learn to distinguish between things that are “worth fighting about” and things that are less important.

## **Be Safety Conscious**



Think “safety first” at home, at work, at school, at play, and on the highway. Buckle seat belts and obey traffic rules. Keep poisons and weapons out of the reach of children and keep emergency numbers by your telephone. When the unexpected happens, you'll be prepared.

## **WHERE DO I GO FROM HERE?**

Start by asking yourself a few frank questions: Am I really doing all I can to be as healthy as possible? What steps can I take to feel better? Am I willing to begin now? If you scored low in one or more sections of the test, decide what changes you want to make to improve. You might pick that aspect of your lifestyle where you feel you have the best chance for success, and tackle that one first. Once you have improved your score there, go on to other areas.

If you already have tried to change your health habits (to exercise regularly or stop smoking, for example), don't be discouraged if you haven't yet succeeded. The difficulty you have encountered may be due to influences you've never really thought about – such as advertising – or to a lack of support and encouragement. Understanding these influences is an important step toward changing the way they affect you.

***There's help available!***

# RETIREMENT CHECKLIST

## *Health and Wellness*

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Do I use some type of exercise regularly?	<b>YES</b>	<b>NO</b>
<hr/>		
2. Am I careful to eat balanced meals daily?	<b>YES</b>	<b>NO</b>
<hr/>		
3. Do I get an annual checkup?	<b>YES</b>	<b>NO</b>
<hr/>		
4. Do I understand the main effects of stress on the body?	<b>YES</b>	<b>NO</b>
<hr/>		
5. Can I identify several healthy ways to deal with stress?	<b>YES</b>	<b>NO</b>
<hr/>		
6. Have I taken a diet survey to determine what I actually eat?	<b>YES</b>	<b>NO</b>
<hr/>		
7. Do I know how to purchase foods for nutritional value?	<b>YES</b>	<b>NO</b>
<hr/>		
8. Can I describe all the personal benefits of regular exercise as I grow older?	<b>YES</b>	<b>NO</b>
<hr/>		

# RESOURCES

## *Health & Wellness*

### **WEBSITES:**

American Association of Retired Persons  
[www.aarp.org](http://www.aarp.org)

Go4Life: The National Institute on Aging  
<https://go4life.nia.nih.gov/>

International Council on Active Aging  
[www.icaa.cc/](http://www.icaa.cc/)

The NYS Office for the Aging  
<https://aging.ny.gov/>

The Mayo Clinic  
[www.mayoclinic.org](http://www.mayoclinic.org)

Office of Disease Prevention and  
Health Promotion  
<https://health.gov/>

US Department of Health and Human Services  
Healthfinder  
<https://healthfinder.gov/>

Work-Life Services  
WellNYS Everyday  
<https://goer.ny.gov/wellnys-everyday>

### **PUBLICATIONS:**

#### **Nutrition**

American Heart Association, *Healthy Fats, Low Cholesterol Cookbook: Delicious Recipes to Help Reduce Bad Fats and Lower Your Cholesterol,*

Brewer, Sarah, M.D. *The Essential Guide to Vitamin, Minerals, and Herbal Supplements*, Right Way, 2013.

Culinary Institute of America, *Techniques of Healthy Cooking*, John Wiley & Sons, 2013.

Larson-Duyff, Roberta, *Academy of Nutrition and Dietetics Complete Food and Nutrition Guide, 5th Ed* John Wiley & Sons, 2017.

Pizorno, Lara., *Your Bones: How You Can Prevent Osteoporosis and Have Strong Bones for Life—Naturally*, Praktikos Books, March 2013.

Rockridge Press, *The Mediterranean Diet for Beginners: The Complete Guide - 40 Delicious Recipes, 7-Day Diet Meal Plan, and 10 Tips for Success*, 2017

Starke, Rodman D., *American Heart Association Low-Salt Cookbook: A Complete Guide to Reducing Sodium and Fat in The Diet, (4<sup>th</sup> edition)*, Clarkson Potter, 2013.

Weil, Andrew M.D., *8 Weeks to Optimal Health: A Proven Program for Taking Full Advantage of Your Body's Natural Healing Power*, Ballantine Books, 2007.

Willet, Walter C., M.D. & Skerrett, P.J., & Giovannucci, Edward L., M.D., *Eat, Drink, and Be Healthy: The Harvard Medical School Guide to Healthy Eating*, Simon & Schuster, 2017.

### **Stress & Mental Fitness**

Benson, Herbert, M.D. & Miranz Klipper (contributor), ***Relaxation Revolution: The Science and Genetics of Mind Body Healing***, Simon & Schuster 2011.

Davis, Martha, PhD.; Robbins Eshelman, Elizabeth; McKay, Matthew, Ph.D., ***Relaxation and Stress Reduction Workbook***, New Harbinger, 2019.

Sloane, Paul & MacHale, Des, ***Outside-the-Box Lateral Thinking Puzzles***, May 2013.

Weil, Andrew M.D., ***Healthy Aging: A Lifelong Guide to Your Well-Being***, Anchor Books, 2007.

### **Physical Fitness**

Fenton, Mark, ***The Complete Guide to Walking, New and Revised: For Health, Weight Loss, and Fitness***, Lyons Press, 2008.

Gaines, Harry H., ***Fitness Beyond 50: Turn Back the Clock***, Langdon Street Press, 2012.

Heidrich, Ruth E. Ph.D., ***Lifelong Running: Overcome the 11 Myths About Running***, Lantern Books, 2013.

Horowitz, Jeff., ***Ageless Strength: Strong and Fit for a Lifetime***, VeloPress, 2017.

Ilov, Cheryl L., ***Forever Fit and Flexible***, Willow Bay Publishing, 2016.

Kozak, Joshua, ***Stay Fit for Life: More than 60 Exercises to Restore Your Strength and Future-Proof Your Body***, DK, 2017

Malchik, Antonia, ***A Walking Life: Reclaiming Our Health and Our Freedom One Step at a Time***, Da Capo Press, 2019

Scotts, Jason., ***Exercises for the Brain and Memory: 70 Neurobic Exercises & FUN Puzzles to Increase Mental Fitness & Boost Your Brain Juice Today***, Speedy Publishing, 2013.

Weil, Andrew, MD., ***Guide to Optimum Health: A Complete Course on How to Feel Better, Live Longer, and Enhance Your Health – Naturally***, Sounds True, 2015.

Wilkes, Kristine L, ***The Complete Senior Fitness Guide: Workouts to Keep You Young at Any Age***, CreateSpace Independent Publishing Platform, 2017

# Chapter 4

# Housing Options

## Overview

*In this chapter you will look at your options when it comes time to think about your housing accommodations in retirement and will learn information about special housing programs.*

### HOUSING

Most people don't pick up their roots and move to other places after retirement. Only about 5 to 10 percent of today's retirees move from their home states. For many, the ideal retirement location is their hometown. Also, older Americans spend an average of 80 percent of their time at home.

A decision on retirement housing can be challenging. Deciding whether to relocate or whether to move to a smaller, easier-to-keep home can take a lot of thinking on your part. In making the decision give yourself enough time, get plenty of information, and think about your needs and those of people close to you. No matter where you choose to live, from the Adirondacks to the Appalachians, your retirement will be best where you feel content and comfortable. You'll want to consider the following before making a change:

- **Cost of Living** - Can you afford to stay where you are on your retirement income?
- **Taxes** - Taxes can take a big bite out of your retirement budget. Check the income, sales, and property taxes where you live and compare them to areas you're interested in. Several states have no personal income tax, but they may not offer as many services as New York. Individual communities may have user fees or taxes for services you are now getting free. There is no New York State income tax on your pension check if you maintain your New York State residency. Some states do not tax public sector retirement income. If you move to another state, find out what the laws of that state are. A helpful guide to do so, available from the AARP, is called *Your Retirement State Tax Guide*. Most states offer some tax relief for retirees, and this guide lists them.

A chart from RPEA (Retired Public Employees Association) which outlines all states and taxes applicable to them is at the end of this chapter.

- **Climate** - It's easy to generalize about the advantages of year-round sunshine compared to harsh winters. Some people think the best plan is to have both a winter and summer place, to get away from the cold weather for part of the year. But financially that may be a tall order. Not everyone minds the cold and some look forward to the change of seasons. For those considering a move to a warmer climate it's important to try it out in advance during all seasons. That perfect vacation spot may not be so enjoyable at other times of the year. You'll want to weigh a few months of snow shoveling and high heating bills for six to nine months of lawn mowing, and high air conditioning bills. Has your doctor suggested a change in climate as a way to help correct a health problem?

Investigate air pollution levels, toxic waste sites, and clean water supply. You may have personal health conditions that force you to stay away from high-altitude locations or places with high levels of air pollution.

- **Family & Friends** – It's important to stay connected to people you care about. Is it better for you to be able to do this in person? You may think about moving to be closer to loved ones, but by moving after retiring you are also leaving behind others who have been very close and important to you. Are you able to spend some extra money on visiting family and friends if you move far away? Knowing someone in the area you move to or finding people with the same backgrounds and interests are important in your adjustment to a new location.
- **Services** - Before you make a move, even within your own area, think about what consumer services are available. How about shopping, banking, restaurants, specialty stores, hair care, and repair services? Having a church or synagogue nearby may be important. Don't forget quality medical care. How easy would it be for you to change doctors? The more rural and rustic your retirement dream home may be, the more likely you are to face problems finding quality medical facilities.
- **Transportation** - If you live in the suburbs or in a rural area, you may be used to getting around by driving. Perhaps you depend a lot on a spouse, neighbor, or family member to drive you around. If something happens to this person, or to you, do you have other ways of getting around? Are you comfortable securing a ride with Uber or Lyft? As you get older, would it be advisable to live near public transportation? Cities often offer good public transportation if you are comfortable living in the city.
- **Activities** - In retirement it's important to have things that will keep you usefully busy. Starting with recreation and leisure, will it be easy for you to get to the kinds of things you enjoy? Moving to a retirement spot may give you many recreational choices, but are they the kind that you want? How often would you use the tennis court or golf course? If you are more interested in art, reading, or card playing, find out if there's a local museum, a good library, or a card club.

Volunteer and educational opportunities often give retirees a sense of doing something meaningful. Look at the place you are thinking about for community groups, colleges, and other continuing education possibilities.

- **Safety** - Needless to say, you want to live in a safe and secure place. Worrying about crime can be worse than fear of poor health or poverty. A structured retirement community or apartment complex with very good security can be appealing, or a small rural town may seem safer. Checking out the crime rate, the amount of fire and police protection, and the response time of a local emergency squad in a community may be helpful before you move.
- **Regionalism** - Do you live in an area where certain cultures, customs, or even regional or ethnic foods are important to you? If so, then you should also think about that before you move.
- **Adaptation** - As you consider finding the best place to live in retirement, it's important to think about how well you adapt to change. Are you the kind of person who looks for challenges and would find it exciting to live someplace else and meet new people and do new things? Or are you someone who likes to keep things the same, and feels better with things you know? Knowing yourself and what you like is an important part of deciding to move.

## **MOVING**

Where do you go for information to help you make your personal decisions about housing? Are you comfortable searching web? Try your local library for books, pamphlets, brochures, and newspapers. Subscribe to a local newspaper of a community you are interested in.

Local chambers of commerce, real estate agents, and state tourism departments are good sources of information. Many state tourism agencies are connected to a 1-800 telephone network that will help you get information on an area in which you are interested. Of course, a trial run in your chosen retirement spot can give you a better idea of what to expect than you can get from books. Visit the community at different times of the year and think about it as if you were living there.

## **STAYING PUT**

If you have already decided to stay where you are, it's important to look at the house or apartment you live in. Picture yourself there for another 20 years.

The best time to make changes to your home is now, before you retire, while you still have a regular paycheck. Keep in mind that you are likely to stay home more in retirement and will want to be comfortable and secure. Now may be the time to do weatherization, add a half bath, or lower the storage cabinets. What you invest in these projects will depend on whether you own or rent your residence, and how long you intend to remain in your current home.

You may even want to consider converting a big house into a two-family home so that you can live on one level and rent the other for income, if local zoning laws allow.

The idea of a "home to grow old in" may help you make changes to your home now that will make life easier for you if your physical abilities change.

## **MONEY MATTERS FOR HOME OWNERS**

If you want to stay where you are, you may want to think about converting some of the equity, or cash value you have built into your home, into cash. Your home is probably the most valuable thing you own.

The usual way to tap into this equity is to sell your house and relocate. Another alternative is Home Equity Conversion Mortgage (HECM), which allows older homeowners to continue living in their homes while using their home's accumulated equity. HECM payments, together with interest and fees, are charged as loans against the home's value and are not repaid until the homeowner dies, transfers title to the house, or at a specified future due date.

Home Equity Conversion Mortgage plans are not to be confused with home equity loans which require an immediate repayment schedule.

One type of HECM specifically for homeowners aged 60 and over is called a reverse mortgage.

Through a reverse mortgage, a financial lender makes cash loan payments to a homeowner in regularly scheduled payments or in periodic amounts through a line of credit. The older homeowner retains the title to the home and retains responsibility for taxes and upkeep. Reverse mortgages vary in costs, length of term, and program features.

For information about Fannie Mae's Home Keeper reverse mortgage program and a list of lenders offering these mortgages: Customer Education Group, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC, 20016: (800) 232-6643 [www.fanniemae.com](http://www.fanniemae.com)

For information about the U.S. Department of Housing and Urban Renewal's HECM Program and reverse mortgage counselors: U.S. Department of Housing and Urban Development, 451 7th Street S.W., Washington, DC 20410  
[https://www.hud.gov/program\\_offices/housing/sfh/hecm/hecmhome](https://www.hud.gov/program_offices/housing/sfh/hecm/hecmhome)

Another type of HEC is a property tax deferral program, which is a public program operated by municipalities and which allows municipalities flexibility in program rules and operation. Variations of this program include: (1) an older homeowner's property taxes are not paid until the homeowner dies, sells the home, or moves, with payment of deferred taxes made through the sale of the home; (2) an older homeowner's property tax payments are regularly made by a financial lender and charged as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A third type of HEC is a deferred payment loan program, which is typically operated by a local government or community agency for low-income homeowners and which charge little or no interest. A financial lender makes payments to a homeowner for repairing or rehabilitating his home, charging the loans as a lien against the home's equity, with repayment of the accumulated lien made when the homeowner dies or transfers title to the home.

A fourth type of HEC is called a sale leaseback. Under this arrangement, the older homeowner sells the home to an investor (or, more often, to a son or daughter) who rents the home back to the older seller on a long-term or lifetime lease. The older seller receives a down payment plus monthly payments that exceed his rental charges. This allows the seller to have an additional amount of spendable income and allows him to continue living in his home. The buyer has title to the home and is responsible for taxes and upkeep.

## **RETIREMENT HOUSING ALTERNATIVES**

The overwhelming preference of older people is to age in their own homes and communities. However, complete independence during the later years may be compromised as longevity is associated with increasing changes in the physical, social, emotional, mental, and financial status of older persons.

Aging-related changes may persuade an older person to consider relocating to a more supportive living environment. A variety of retirement housing alternatives are available in New York State to accommodate older people as their needs change during the later years.

Retirement housing alternatives may be developed by public or private organizations. They may be priced at market rates or subsidized by government assistance to be affordable by persons with specified income limits. Housing alternatives might or might not include a variety of activities, supportive assistance, supervision, personal/health care services, and nursing care.

If such features are included, they might be included as part of the monthly charge or rent, and services/assistance might be charged separately. The extent of service provision does not preclude residents from privately purchasing these services and assistance from community service agencies. If a category/alternative is licensed by New York State, its' specific name and definition are stated in law.

### **Senior Housing Developments**

These are multi-unit apartment buildings, condominiums, cooperatives, single family home complexes, and mobile home parks that are restricted to persons over a specified age (defined variously as 55, 60, 62, or 65). Typically, these were not originally planned to include activities, supportive assistance, or personal/health care. Many have incrementally added these features as residents have aged and required help to continue aging in place.

Monthly charges or rents usually do not include the costs of services. Senior housing may be subsidized or non-subsidized.

### **Naturally Occurring Retirement Communities (NORCs)**

These are geographic areas or multi-unit apartment buildings that are NOT restricted to persons over a specified age, but which have evolved over time to include a significant number (typically, over 50 per cent) of residents who are aged 60 or older. As the number of elderly tenants has grown, many NORCs have added activities, supportive assistance, and services to meet resident's needs. Monthly charges or rents typically do not include the costs of these activities/services. NORCs may be subsidized or non-subsidized.

### **Supportive Housing**

These are multi-unit housing buildings (private rooms or full apartments) that are restricted to persons over a specified age and that include supportive assistance (congregate meals, housekeeping, transportation, laundry, emergency response systems, and resident services coordinator). Typically, monthly charges include rent and supportive services.

Supportive housing does not require licensure or certification by a public agency as personal care services (help with eating, bathing, dressing, grooming, toileting, transferring) are not provided or included in the monthly charge. Supportive housing residents may contract privately with community home care agencies to receive personal care and home health care services. Supportive housing may be subsidized or non-subsidized.

### **Shared Housing Alternatives**

Shared housing arrangements can be intergenerational (age-integrated) or restricted to older persons. The benefits of home sharing include: sharing costs and upkeep tasks, mutual support and assistance, companionship, continued aging-in-place, and facilitated caregiving by family members. Local zoning laws may specify the conditions under which shared housing alternatives may be established. Below are listed four shared housing alternatives.

## **Shared Living Residence**

An age-integrated or age-restricted residence that is shared by a small group (3 to 10) of unrelated persons who share the living expenses and tasks of running the household. Residents have private bedrooms, but share the kitchen, dining, and living rooms. A shared living residence may be owned/sponsored by a community organization and rented to residents. Additional supportive and household assistance for residents will vary according to the independence level of the residents. No government licensure or certification is required unless personal care is charged for or provided by the sponsoring organization. Shared living residences may be subsidized or non-subsidized.

## **Accessory Apartment**

A single family home is modified to include a complete, private apartment for use by an older person (typically, an elderly relative); or, an elderly person may convert part of her own home into an accessory apartment for use by another person in order to have additional income, help with the upkeep of the house, and have the security of having a housemate while maintaining the privacy of a private living unit.

## **Elder Cottage (or ECHO Housing)**

A small (apartment-sized), detached home for use by an older person which is temporarily sited on private property that contains the primary residence of a younger family member.

An Elder Cottage utilizes the water, electric, and sewer systems of the primary home. It provides security for the older person, privacy for both the older person and the younger family, and facilitates the caregiving efforts of the younger family.

## **Match-Up Home Sharing**

A homeowner or apartment renter with extra room shares his home with another person in exchange for rent and/or services, or as a mutually supportive arrangement to share companionship, expenses, assistance, and household tasks. Sharing may be intergenerational, or for older persons only. Match-up home sharing may occur informally but is often a formal program operated by a community agency which assumes responsibility for screening participants, matching for compatibility, assisting in drawing up agreements for living together, and helping with conflict resolution.

## **Enriched Housing Program**

This service program is licensed by the New York State Department of Health, and provides congregate meals, housekeeping, homemaking, transportation, social activities, supervision, and personal care for individuals aged 65 and over. The program operates in multi-unit apartment buildings. An entire building may be licensed to provide Enriched Housing services to all residents or the program may be licensed to provide Enriched Housing services to a specified proportion of residents in a senior or family apartment development.

Both the rent and the cost of services/care are included in one monthly charge. Residents can use private resources to pay for monthly charges; those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

### **Adult Homes**

Adult Homes, for adults of all ages, are licensed by the State Department of Health to provide room, meals, supportive services, personal care, and 24-hour supervision to five or more adults. Room and services are included in one monthly charge, which may be paid with private resources or subsidized through federal and state SSI Programs for those below a specified income level.

### **Family Type Homes**

Family Type Homes, for adults of all ages, are certified by County Departments of Social Services. These are typically a single-family home in which the homeowner provides supportive services, meals, supervision, and personal care to four or fewer adults who are unrelated to the homeowner/operator. Rent and care are included in one monthly charge. Charges may be paid with private resources, or those below a specified income level are eligible for subsidization through the federal and state Supplemental Security Income (SSI) Programs.

### **Assisted Living Program**

Adult Home operators and Enriched Housing operators are eligible to be approved by the State Department of Health to provide personal and health-related services (in addition to routine supportive services) to their residents who are assessed as being nursing-home-eligible. Room/rent and all services may be paid with private resources or, for those below a specified income level, may be subsidized through SSI for residential supportive services and through the Medicaid Program for personal care and health-related services.

### **Dementia Care Facilities**

These multi-unit developments are licensed by the State Department of Health as Enriched Housing Programs or Adult Homes. Their physical layouts, programmatic aims, staffing, and care plans are designed to address the needs of people with Alzheimer's disease or other dementia conditions.

### **Continuing Care Retirement Communities (CCRCs)**

These multi-level communities are restricted to persons over a specified age and include independent living units (apartments and/or cottages), social activities, congregational meals, supportive assistance, and personal care all on one campus. Nursing home care is also included, but may be provided on or off campus. Residents pay for housing, activities, meals, services, and nursing care, with a one-time entry fee and regular monthly charges. They may also use long-term care insurance. A community's independent living units may be structured as a cooperative, condominium, or rental arrangement.

# RETIREMENT CHECKLIST

## *Housing Options*

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I examined the various housing options? **YES** **NO**

---

2. If I do move, do I know where I'd like to go and why? **YES** **NO**

---

3. Can I afford to live where I want? **YES** **NO**

---

4. Have I explored with others the options of moving or staying where I am when I retire? **YES** **NO**

---

5. Would my house pass a "safety test" allowing for the needs of a physically limited resident? **YES** **NO**

---

6. Would a person 20 years older than me be able and willing to keep up with my normal household chores and maintenance? **YES** **NO**

---

## NYS PENSION TAXATION BY STATE

The following taxability information was obtained from the web sites and tax publications of the various states. States enact, amend, and repeal laws; therefore, if you consider moving to another state, you should verify this information with that state's Tax Department or office.

The information in the table below was reviewed and found to be accurate, as of **01/2020**. This table was prepared by Retired Public Employees Association, Inc. (RPEA) and printed with their permission.

Check the web site: <https://rpea.org/retirement-planning/pension-tax-by-state/>

State	Income Tax	Tax NY Pension	Tax Deferred Comp	Tax Social Security	Comments
Alabama	Yes	No	Yes	No	NYS pension exempt as a defined benefit plan. Tax info: 334-242-1170 or <a href="http://revenue.alabama.gov">revenue.alabama.gov</a>
Alaska	No	No	No	No	No income tax. Tax info: 907-269-6620 or <a href="http://tax.alaska.gov">tax.alaska.gov</a>
Arizona	Yes	Yes	Yes	No	Tax info: 800-352-4092 or <a href="http://azdor.gov">azdor.gov</a>
Arkansas	Yes	Yes	Yes	No	Exclude up to \$6,000 of pension and annuity income; traditional IRA qualifies; tax info: 501-682-1100 or <a href="https://www.dfa.arkansas.gov/services/category/taxes/">https://www.dfa.arkansas.gov/services/category/taxes/</a>
California	Yes	Yes	Yes	No	Tax info: 800-852-5711 or <a href="http://ftb.ca.gov">ftb.ca.gov</a>
Colorado	Yes	Yes	Yes	Yes	Pension/social security deduction; Over 65 exclude up to \$24,000; Tax info: 303-238-7378 or <a href="http://colorado.gov/pacific/tax">colorado.gov/pacific/tax</a>
CT	Yes	Yes	Yes	Yes	Less than \$50,000 (single) and \$60,000 (married), you can subtract Social Security. If above these amounts, complete worksheet to determine tax. Info: 860-297-5962.
D.C.	Yes	Yes	Yes	No	DC tax info: 202-727-4829.
Delaware	Yes	Yes	Yes	No	60 and over, exclusion up to \$12,500; under age 60, exclusion limited to \$2,000. Tax info: 302-577-8200 or <a href="http://revenue.delaware.gov">revenue.delaware.gov</a>
Florida	No	No	No	No	No income tax. Tax info: 800-352-3671 or 850-488-6800 or <a href="https://floridarevenue.com/taxes/Pages/default.aspx">https://floridarevenue.com/taxes/Pages/default.aspx</a>
Georgia	Yes	Yes	Yes	No	Retirement income exclusion from \$35,000 to \$65,000. Tax info: 404-417-6501 or 877-423-6177 or <a href="http://Dor.georgia.gov/taxes">Dor.georgia.gov/taxes</a>
Hawaii	Yes	No	Yes	No	Employer funded pension plans exempt, these self-funded plans may be fully or partly taxable. Tax info: 800-222-3229 or <a href="http://Tax.hawaii.gov">Tax.hawaii.gov</a>
Idaho	Yes	Yes	Yes	No	Tax info: 800-972-7660 or <a href="http://tax.idaho.gov">tax.idaho.gov</a>
Illinois	Yes	No	No	No	Tax info: 800-732-8866 or <a href="https://www2.illinois.gov/rev/Pages/default.aspx">https://www2.illinois.gov/rev/Pages/default.aspx</a>
Indiana	Yes	Yes	Yes	No	May have county tax; call 317-232-2240 or <a href="http://In.gov/dor">In.gov/dor</a>

Iowa	Yes	Yes	Yes	No	Pension/retirement income exclusion \$6,000 or \$12,000 based on filing status and age; SS not taxed but included in worksheets; tax info: 515-281-3114 or <a href="http://Tax.iowa.gov">Tax.iowa.gov</a>
Kansas	Yes	Yes	Yes	Yes	If federal income is less than \$75,000, Social Security is exempt. Tax info: 785-368-8222 or <a href="http://ksrevenue.org">ksrevenue.org</a>
Kentucky	Yes	Yes	Yes	No	Exclusion reduced to \$31,110 for pension and annuity. Tax info: 502-564-4581 or <a href="http://revenue.ky.gov">revenue.ky.gov</a>
Louisiana	Yes	Yes	Yes	No	Over 65 retirement income exclusion up to \$6,000 (single).
Maine	Yes	Yes	Yes	No	Deduct up to \$6,000 of pension and annuity income; reduced by social security received. Tax info: 207-626-8475 or <a href="http://maine.gov/revenue">maine.gov/revenue</a>
Maryland	Yes	Yes	Yes	No	Over 65, taxable pension and annuity exclusion up to \$30,600. Tax info: 800-638-2937 or <a href="http://Taxes.marylandtaxes.com/individual_taxes/">Taxes.marylandtaxes.com/individual_taxes/</a>
MA	Yes	Yes	Yes	No	Reciprocal pension exclusion with NY: if over 59 1/2, can exclude up to \$20,000. Tax info: 617-887-6367 or <a href="http://mass.gov">mass.gov</a>
Michigan	Yes	Yes	Yes	No	Allowable exclusions depend on your age: \$51,570 (single). 517-636-4486 or <a href="http://michigan.gov/taxes">michigan.gov/taxes</a>
Minnesota	Yes	Yes	Yes	Yes	“Over 65 subtraction,” schedule with age and income requirements. Tax info: 800-652-9094 or <a href="http://Revenue.state.mn.us">Revenue.state.mn.us</a>
MS	Yes	No	No	No	Retirement income and Social Security not taxable. Tax info: 601-923-7700 or <a href="http://Dor.ms.gov">Dor.ms.gov</a>
Missouri	Yes	Yes	Yes	Yes	Deduct public pension up to \$37,720 or maximum social security benefit, if Missouri income is less than \$85,000 (single) and \$100,000 (married). Tax info 573-751-3505.
Montana	Yes	Yes	Yes	Yes	Pension exclusion up to \$4,180. *Social Security worksheet to determine taxable amount. Tax info: 866-859-2254 or <a href="http://Revenue.mt.gov">Revenue.mt.gov</a>
Nebraska	Yes	Yes	Yes	Yes	Tax info: 800-742-7474 or <a href="https://revenue.nebraska.gov/">https://revenue.nebraska.gov/</a>
Nevada	No	No	No	No	No income tax. Tax info: 866-962-3707 or <a href="http://Tax.nv.gov">Tax.nv.gov</a>
NH	Yes	No	No	No	5% tax on interest & dividends. Tax info: 603-230-5000 or <a href="http://Revenue.nh.gov">Revenue.nh.gov</a>
New Jersey	Yes	Yes	Yes	No	\$40,000 (single), \$60,000 (joint). Tax info: 609-292-6400 or <a href="http://state.nj.us/treasury/taxation">state.nj.us/treasury/taxation</a>
New Mexico	Yes	Yes	Yes	Yes	Up to \$8,000 exclusion. Tax info: 505-827-0700 or <a href="http://Tax.newmexico.gov">Tax.newmexico.gov</a>
New York	Yes	No	Yes	No	Up to \$20,000 exclusion for pension, annuity or Def. Comp. Tax info: 518-457-5181 or <a href="http://tax.ny.gov">tax.ny.gov</a>
North Carolina	Yes	Yes	Yes	No	Bailey Settlement Only. Tax info: 877-252-3052 or <a href="http://Dorn.com">Dorn.com</a>
N. Dakota	Yes	Yes	Yes	Yes	Tax info: 701-328-1247 or <a href="http://nd.gov/tax">nd.gov/tax</a>

Ohio	Yes	Yes	Yes	No	Tax info: 800-282-1780 <a href="http://tax.ohio.gov">tax.ohio.gov</a>
Oklahoma	Yes	Yes	Yes	No	Tax info: 405-521-3160 or <a href="http://tax.ok.gov">tax.ok.gov</a>
Oregon	Yes	Yes	Yes	No	Tax info: 800-356-4222 or <a href="http://Oregon.gov/dor">Oregon.gov/dor</a>
PA	Yes	No	No	No	Commonly recognized retirement benefits are not taxable for PA purpose if you retired and met the requirements for under your employer's plan. Tax info: 717-787-8201 or facts line 888-PATAXES or <a href="http://Revenue.pa.gov">Revenue.pa.gov</a>
Rhode Island	Yes	Yes	Yes	Yes	In 2017, tax break re: Social Security. Tax info: 401-222-1040 or <a href="http://www.tax.ri.gov/">http://www.tax.ri.gov/</a>
South Carolina	Yes	Yes	Yes	No	Retirement income deduction up to \$3,000 until age 65. At 65, up to \$10,000. All residents over 65, are eligible for an income tax deduction of \$15,000, reduced by retirement income deduction. Tax info: 844-898-8542 or <a href="http://Dor.sc.gov">Dor.sc.gov</a>
S. Dakota	No	No	No	No	No income tax. Tax info: 605-773-3311 or <a href="http://Dor.sd.gov">Dor.sd.gov</a>
Tennessee	Yes	No	No	No	Hall Income tax on bonds, interest & dividends from stock. Tax info: 615-253-0600 or <a href="http://tennessee.gov/revenue">tennessee.gov/revenue</a>
Texas	No	No	No	No	No income tax. Tax info 800-248-4093 or <a href="https://comptroller.texas.gov/taxes/">https://comptroller.texas.gov/taxes/</a>
Utah	Yes	Yes	Yes	Yes	Retirement tax credit, with income limits. Tax 800-662-4335.
Vermont	Yes	Yes	Yes	Yes	Tax info: 802-828-2865 or <a href="http://Tax.vermont.gov">Tax.vermont.gov</a>
Virginia	Yes	Yes	Yes	No	Over 65 exclusions up to \$12,000. Previously taxed retirement plans can be subtracted. Tax info: 804-367-8031 or <a href="https://www.tax.virginia.gov/">https://www.tax.virginia.gov/</a>
WA	No	No	No	No	No income tax. Tax info 800-647-7706 or <a href="http://dor.wa.gov">dor.wa.gov</a>
West Virginia	Yes	Yes	Yes	Yes	Seniors tax relief may exclude up to \$8,000. Tax info: 800-982-8297 or <a href="http://Tax.wv.gov">Tax.wv.gov</a>
Wisconsin	Yes	Yes	Yes	No	Exclude up to \$5,000 of retirement income, with income requirement. Tax info: 608-266-2486 or <a href="http://revenue.wi.gov">revenue.wi.gov</a>
Wyoming	No	No	No	No	No income tax. Tax info: 307-777-5542 or <a href="http://revenue.state.wy.us">revenue.state.wy.us</a>

# RESOURCES

## *Housing Options*

### **WEBSITES:**

Housing Resources  
Housing options for older people in New York State.

<https://aging.ny.gov/programs/housing>

A non-profit agency in the Capital District area helping seniors and persons with disabilities to keep their homes and their independence.

[www.theumbrella.org/](http://www.theumbrella.org/)

A national directory of retirement homes, assisted & independent living facilities, senior citizen apartments, nursing homes and more.

[www.seniorhousing.net](http://www.seniorhousing.net)

These sites offer nationwide resources for senior living.

[www.retirementliving.com](http://www.retirementliving.com)

[www.aarp.org](http://www.aarp.org)

### **ASSOCIATIONS:**

Local Chamber of Commerce – particularly useful for those considering a move to a new community; can provide a wide variety of materials about the community.

Cornell Cooperative Extension Program offers a series of "how to books" directly related to retirement housing options, both for the retiree who plans to remain in present housing, and those considering a major move. Cooperative Extension can be contacted through its individual county offices located @ [www.cce.cornell.edu](http://www.cce.cornell.edu)

### **PUBLICATIONS:**

Anderson, Kai, *Retire on Real Estate: Building Rental Income for a Safe and Secure Retirement*, 2017.

Fuller, Annette, *America's 100 Best Places to Retire*, 6<sup>th</sup> Edition, Vacation Publications, 2018

Howells, John, *Where to Retire: America's Best & Most Affordable Places*, Globe Pequot Press, 2019.

Keller, Max, *Home to Home: The Step By Step Senior Housing Guide-Senior Planning Workbook*, Savor Publishing, 2019

Maso, Diane Twohy, *Your Senior Housing Options*, CreateSpace Independent Publishing Platform, 2015.

McCloud, Ace, *Senior Living: Senior Housing: Senior Retirement*, CreateSpace Independent Publishing Platform, 2016.

Pfau, Wade, *Reverse Mortgages: How to use Reverse Mortgages to Secure Your Retirement*, Retirement Researcher Media, 2018.

# Chapter 5

## Employment Considerations

### Overview

*This chapter will help you look at the job market as a retiree; help you identify job skills and interests.*

#### EMPLOYMENT CONSIDERATIONS

In the past few years, a new trend has been emerging among retirees: returning to work. Many are starting new careers after leaving government service; others are returning to school to further their education. Many State retirees report they wish they knew how to find work.

You have developed many marketable skills on the job, in the home, and in the community. There are jobs that are part-time, temporary, or seasonal that have the flexibility retirees seek in employment. Many retirees find working is a way to meet their needs for friends and staying connected to people, accomplishment, leadership, and as a way to develop a neglected talent.

Some employers may be hesitant to hire older workers because of the accelerated costs for the company in health insurance premiums. As a retiree from NYS government, (and with your health insurance in effect) you may elect to waive your rights to health insurance from a new employer, thereby potentially increasing the likelihood of being hired.

If you decide to re-enter public employment (any employer who pays into the State Retirement System), there is a maximum you can earn before it affects your retirement allowance. If you are not yet age 65, your earnings are limited to \$35,000 for the calendar year 2020. The maximum amount may increase every few years so be sure to check with the Retirement System (OSC). You may also apply for permission to exceed this amount if need be. For more information, get a copy of the booklet “**Public Employment after Retirement**” from your personnel office or the Retirement System.

Consider alternatives to retirement from work. New York State employees have a number of work options: flex-time, part-time work, and voluntary work reduction, to name a few. Consult your personnel office for work options that might be best for you.

## RESUMES

A resume serves many purposes. Its main purpose is to secure an interview. A resume also serves as a structure for the interview process and reminds the interviewer of you after you're gone.

As you prepare to retire from New York State government you should spend some time preparing an updated resume in the event you seek employment in the future. The resume you prepare will be different from the ones you had previously prepared largely due to two factors:

- The experience and skills you have gathered since your previous resumes.
- Your status as an “older worker.” (Most of the experts in the field seem to agree that those 45 and older are part of the *older workforce*.)

A resume should be tailored to the job you are seeking. Gone are the days when an applicant sent out the same photocopied resume to many job postings. Each job application will most likely warrant a slightly different version of your resume. Know what the potential employer is looking for and be sure to emphasize those skills in your resume. Most former retirees will choose a functional (organized by skills and functions) format for their resume rather than chronological. For tips on writing resumes and cover letters you may wish to visit the NYS Department of Labor's web site at: <https://www.labor.ny.gov/careerservices/findajob/sampcovr.shtm>

Resume tips for the *older worker*:

- Remove all indicators of your age, i.e., the year you graduated from school or the total number of years worked (instead list number of years in a certain position or years spent using a skill such as years directing a team of 6 accountants) and the year any awards were received (unless they were in the last 10).
- Create a “strengths” section to emphasize your ability to work independently or to fit in with an intergenerational team already into a project.
- List your education **after** your experience. Since your formal education probably took place some years ago, it is better to emphasize your abilities by listing them first.
- Emphasize the positive attributes of age, including accumulated experience, perspective, consistent achievement, maturity, judgment, and increasing responsibility.
- If you are able to work on a short cycle or project basis, part-time, flexible hours, weekends, or holidays be sure to mention this in the resume.
- Date your resume in small type at the bottom right hand corner of the page. This enables the employer to see it is up to date and will help you in your record keeping as well.

Power words to consider using in your resume include:

conducted	negotiated	designed	selected
supervised	trained	managed	originated
delivered	initiated	implemented	innovated
planned	presented	created	edited
instituted	coordinated	analyzed	researched
developed	completed	organized	produced
wrote			

Remember, there are few rules in resume writing. You should choose a format that most favorably presents your job history as it relates to your current objective. Present the highlights of your career, not the whole story. It is meant to be a marketing piece not your life history.

## WORK SATISFACTION

Satisfaction is a very personal feeling. What may be satisfying to one person may be dissatisfying to someone else. When choosing a new job or career it is helpful to know what makes you feel satisfied. Go through this list of reasons for work satisfaction.

Rate these for the job you now hold, giving three points to your most important concerns, two for your less important, and one point for those that matter the least to you. Then complete this list again in a different color ink, listing what would be most important to you in a job after retirement.

	CURRENT	RETIREMENT
Chance to help society as a whole		
Chance to help other people individually		
Chance to meet new people		
Opportunity to be part of a team		
Opportunity to exercise leadership		
Can prove my competence		
Can assume responsibility, make decisions		
Pushes me to operate at a high-energy level		
No pressure with deadlines or competition		
Gives me recognition		
Exercise my reasoning facilities and problem-solving ability		
Shows immediate results of my efforts		
Allows me to create order, set up systems		
Involves social status and prestige		
Offers variety, change		
Allows for creativity and originality		
Provides strong supervision		
Allows for independence		
Chance to learn and grow		
Uses my precision skills		
Offers stability, security		
Provides me with an audience		
Offers a high earning potential		
Challenges my abilities		
Involves a field that interests me		

## WORK VALUES INVENTORY

The Work Values Inventory can help you assess your needs and find out what would be important to you in a retirement job. Complete this inventory based on what will be important to you in retirement, not what is important to you now. For example, you may enjoy having a lot of responsibility on the job now, and at the same time, you may be looking forward to having less responsibility once you retire.

Mark the work values in each column that are most important to you. If a value is not important mark the *middle* box. When looking for a paid job or volunteer work, choose the position that satisfies more of your work values.

		<b>IMPORTANCE</b>					
		VERY	MODERATE	NOT	MODERATE	VERY	
Work for an organization	<input type="checkbox"/>	Self-employed					
Work alone	<input type="checkbox"/>	Work with people; potential for close interpersonal relationships with coworkers.					
Structured environment: definite job descriptions, responsibilities, policies	<input type="checkbox"/>	Unstructured environment; work on own initiative; make own decisions, opportunities for creativity					
Close supervision	<input type="checkbox"/>	No supervision					
Low level of responsibility: no need to make tough decisions	<input type="checkbox"/>	High level of responsibilities making key decisions, have power and authority					
Short hours	<input type="checkbox"/>	Job responsibilities demand time investment					
Guaranteed regular hours	<input type="checkbox"/>	Flex, temp, or seasonal work					
Variety of duties every day	<input type="checkbox"/>	Perform similar functions continuously					
Work involving risk-taking, and with high degree of challenge/adventure	<input type="checkbox"/>	Work offering security and steady employment					
Fast-paced, busy every minute, high pressure work	<input type="checkbox"/>	Slow-paced, low-pressure work					
Visible end products; specific achievable goals	<input type="checkbox"/>	Few tangible end products; long-range goals					
Work indoors in pleasing and comfortable working environment	<input type="checkbox"/>	Work outdoors in natural environment					
Work opportunities in any geographic area of the U.S.	<input type="checkbox"/>	Work concentrated in specific geographic areas					
Work for large agency or organization; e.g., government agency	<input type="checkbox"/>	Work for small organization; e.g., family business					
Work involves high degree of prestige and status	<input type="checkbox"/>	Work offers low degree of prestige and status					
Work offers many opportunities for advancement and professional development	<input type="checkbox"/>	Work offers few opportunities for advancement and professional development					
Place of work is near residence	<input type="checkbox"/>	Live 1/2 hour or more from place of work					
High level of involvement with machinery	<input type="checkbox"/>	Low level of involvement with machinery					
Early retirement	<input type="checkbox"/>	Opportunity for continued work after age 65					
Involves frequent travel	<input type="checkbox"/>	Involves little or no travel					

# RETIREMENT CHECKLIST

## *Employment Considerations*

As you approach retirement it is useful to determine what you know, what you've already done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Have I considered another job following retirement?	<b>YES</b>	<b>NO</b>
<hr/>		
2. Do I understand the possible impact that working after retirement could have on my retirement income?	<b>YES</b>	<b>NO</b>
<hr/>		
3. Do I have any skills I could develop through education?	<b>YES</b>	<b>NO</b>
<hr/>		
4. Have I explored volunteer fields as a way to widen my daily activity and lead to a possible job?	<b>YES</b>	<b>NO</b>
<hr/>		
5. Have I looked at my personal "network," friends, family and business contacts, as a resource in looking for work?	<b>YES</b>	<b>NO</b>
<hr/>		
6. Do I have a resume that is current?	<b>YES</b>	<b>NO</b>
<hr/>		

# RESOURCES

## *Employment Considerations*

### **WEBSITES:**

The NYS Dept. of Labor.

<https://www.labor.ny.gov/home/>

Job Seekers: register to search for a new job or just to see what's out there.

[www.jobsonline.com](http://www.jobsonline.com)

New York Business Express is the state's primary online guide to help you start, run, and grow a business in New York.

<https://www.businessexpress.ny.gov/>

New York State Joint Commission on Public Affairs.

[www.jcope.ny.gov](http://www.jcope.ny.gov)

Search jobs and personalize career tools.

[www.monster.com](http://www.monster.com)

Retirement jobs for people over 50.

[www.RetirementJobs.com](http://www.RetirementJobs.com)

Create, edit and share your resume in minutes using this free resume builder.

<https://www.resume.com>

Glassdoor is one of the world's largest job and recruiting sites.

<https://www.glassdoor.com/index.htm>

ZipRecruiter is another site to search for jobs. <https://www.ziprecruiter.com/jobs/search>

### **PUBLICATIONS:**

Alboher, Marci, *The Encore Career Handbook: How to Make a Living and a Difference in the Second Half of Life*, Workman Publishing Company, 2012.

Bolles, Richard N., *What Color Is Your Parachute? 2020: A Practical Manual for Job-Hunters and Career-Changers*, Ten Speed Press, Berkeley, Ca. 2019.

Collamer, Nancy, *Second-Act Careers: 50+ Ways to Profit from Your Passions during Semi-Retirement*, (1<sup>st</sup> edition), Ten Speed Press, 2013.

DeCarlo, Laura, *Resumes for Dummies, 8<sup>th</sup> Edition*, John Wiley & Sons Inc., 2019.

Griffo, Ilana, *Mind Your Business: A Workbook to Grow Your Creative Passion into a Full-time Gig*, Paige, Tate & Co., 2019.

Haberkorn, Tony & Elizabeth O'Neal, *Best Job Search Tips for Age 60-Plus: A Practical Work Options Resource for Baby Boomers*, Baypointe Publishers, 2017.

Hannon, Kerry, *Great Jobs for Everyone 50+: Finding Work that Keeps You Happy and Healthy...and Pays the Bills*, (updated edition), Wiley, 2017.

Hill, Beverly, *Middle Age Career Change: How to Turn Your Life Passion into a Career*, November 2015

McGraw Hill, *Resumes for 50+ Job Hunters*, (3<sup>rd</sup> edition), McGraw Hill, 2009.

Williams, Mary Ellen, M.A., *Land the Job You Love: 10 Surefire Strategies for Jobseekers Over 50*, CreateSpace Independent Publishing Platform, 2010.

## **OTHER SOURCES:**

Today there are more resources than ever to assist you in finding a job. Many of these can be found at local libraries, including computer resume programs and job listings on the Internet, as well as pamphlets and other job search materials. Information about jobs and continuing education may also be found at most universities and community colleges.

Local libraries house Job Information Centers that store many books, pamphlets, test announcements, classified ads, computer job listings, and other job search materials. Also, regional centers give free resume writing and review services, and have people who can work with you on a one-to-one basis.

New York State Department of Labor, through its statewide Community Service Centers, gives free resume review, vocational testing, and job announcement services.

Private career and life planning services offer testing that may help in new career choices. Consult your local directory for listings in your area. In many communities, the Cornell Cooperative Extension and/or local high schools offer courses on starting a business, as well as others such as computer literacy, which may increase your desirability in today's job market.

If you wish to start your own business, consult the Federal Small Business Administration at <https://www.sba.gov/>

Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington, D.C. 20416  
1-800-827-5722

For New York State (Region II)  
26 Federal Plaza Suite 3108  
New York, NY 10278  
United States  
Phone: 212-264-1450

# Chapter 6

## Budgeting and Financial Planning

### Overview

*This chapter encourages you to set personal financial goals; plan financially for retirement; examine your financial readiness for retirement; understand the importance of the budgeting process; use budget worksheets; and understand the method of determining how much you need to save or invest to reach your retirement goals.*

#### **BUDGETING & FINANCIAL PLANNING**

In planning for retirement, the first question you probably should ask yourself is, "Can I afford to retire?" The easy answer is, "Sure, anybody can." The realistic answer depends on how long you will be retired and on what kind of lifestyle you want.

#### **LIFE EXPECTANCY AND RETIREMENT**

Before deciding that the answer is "Yes, I can afford to retire," it's important to think about how long you need to plan for in retirement. None of us knows how long we will live. But, many people don't realize their retirement could last 25 years or more. Table 1 is a Life Expectancy Chart to help you make an educated estimate on the length of your retirement.

<b>Age</b>	<b>Male</b>	<b>Female</b>
55	25.52	28.85
60	21.61	24.60
65	17.92	20.49
70	14.40	16.57
75	11.18	12.97
80	8.34	9.74
85	5.94	7.01

**\*Source: Social Security Administration 2016**

Individual circumstances can make a difference. How long you live is affected by your lifestyle, economic status, state of health, and whether you keep physically fit. Genetic factors, race, and family history can also make a difference.

Planning for retirement means planning for age 85 as well as age 65. In our society people are living longer. Keep this in mind when you think about your finances as well as leisure, housing, and other aspects of your plan.

## **FINANCIAL GOALS**

When making decisions about your retirement expenses, you need to figure out what you are going to do in retirement and how you plan to live. Have you taken some of those necessary self-assessment steps and set some goals? Have you outlined activities and figured out what you are going to do with your time? Next, it's important to list those personal goals in dollar terms.

Most people who retire want to be able to live the same way they did before retirement. If you don't do some financial planning, it is hard to know if that's possible, or if you will need to make some changes in your lifestyle.

## **PLAN FOR WHAT YOU NEED**

For most people, it is unrealistic to plan for income equal to what they earned the year before retirement. Few people have the financial resources to replace their salaries. Depending on your income, you should be able to keep your standard of living in retirement with an income between 60 percent and 80 percent of your former pre-tax earnings. This is a concept called "Equivalent Retirement Income." The higher your pre-retirement income, the smaller the percentage you will need, mostly because of lower taxes in retirement. If in retirement your income is lower, then your tax liability should also drop.

A rule of thumb to follow is that if your gross earnings are \$50,999 to \$70,000 a year, you should aim for an equivalent retirement income of 60 percent, while someone grossing \$20,000 to \$30,000 ought to aim for 80 percent. Seventy-five percent of your current salary is often used as a guide to determine retirement income needs.

There are some other changes in expenses you can look forward to in retirement. You should not have any work-related expenses, which can account for 5 percent of a person's budget. See the worksheet "How Much Does it Cost You to Go to Work?" to figure out what your savings might be. Unless you work, you won't owe Social Security payroll taxes anymore. Your housing costs will go down also as your mortgage, if you have one, is paid off. Look carefully at your life insurance coverage and see if you can cut back if you have children who are grown. Perhaps you are over-insured, and you can cash in a policy and buy an annuity to add to your monthly retirement income. Don't overlook the many off-peak time and senior citizen discounts available. If you are no longer working full-time, you'll have chances to take advantage of travel and entertainment discounts offered. The qualifying age can range from 55 to 65. Don't be shy about asking for an age-related discount. The money you save will be your own.

## **PLANNING YOUR FINANCIAL INDEPENDENCE FOR TOMORROW**

Many of us look forward to retirement because of the freedom from work it can give us. But to enjoy that freedom to its fullest, you need financial security. That requires financial planning.

## **WHEN TO RETIRE**

When you retire depends on two things: 1) when you want to stop working regularly, and 2) when you can afford to stop working.

The second question is not simple. But, there are a series of action steps you can take one at a time to eliminate some of the guesswork. As part of your financial planning, you should build a good base including:

- An emergency fund of three to six months of your current take-home pay
- Protection in the form of life, health, and property insurance;
- Knowledge of what you'll receive in retirement income (estimates can be requested for pensions and Social Security); and
- Home ownership with some equity.

## **INCOME NEEDED**

The most common concern of future retirees is “How much income will I need to maintain my lifestyle after I retire?” After you decide how you want to live in retirement, you'll need to figure out how much money you'll need.

An important step in planning for financial independence in retirement is to take a look at where you stand financially. The best way to do this is by preparing a personal balance sheet, or net worth statement. Net worth is the total value of everything you own – your assets – and all that you owe – your liabilities. A sample Net Worth Sheet, and other worksheets are included for you at the end of this chapter. Your completed statement will show you if you have sufficient financial resources to keep up the retirement lifestyle you want. If you don't, you can use the statement to help you plan extra savings and/or investments to meet future needs.

When you add up your net worth, you may be pleasantly surprised at the value of your assets. However, not all assets can be used as retirement income. For example, assets such as a car and home furnishings cannot be considered a possible source of retirement income.

A house or other property is an asset which could be used for future income. It is important your net worth statement show the amount of your assets available for retirement income.

As you fill in the asset side of the form, be sure to use actual market value or the amount you would receive if you sold that item.

## **BUDGETING PROCESS**

When thinking about your financial readiness for retirement, it's best not to make it a guessing game. Part of your process should include planning a household budget. The word “budgeting” may sound as unpleasant as “dieting” to some. Most of us live on a cash flow system from paycheck to paycheck, not keeping track of where the money goes. It may be challenging to create a budget, but the result will be worthwhile.

To prepare for your retirement years, you must know and be in control of your monthly expenses. You must know whether you can meet these expenses on your retirement income or whether you must put more money in the bank right now.

The first step in budgeting is to determine your total current income. In addition to salary or wages of family members, include interest or dividends from savings and investments, and any other income such as that from rental property.

Now, you need to figure out where your money goes. Therefore, you need to determine your current expenses. Worksheet 1, "*Estimated Monthly Cost of Living*," will help you do this on a monthly basis. A good time to complete this step is when you're figuring out your income taxes and have all your financial records on hand. Major monthly expenses such as housing, utilities, and installment payments are easy to track. However, what about those unrecorded out-of-pocket expenses? Before you get started, it might be a good idea to begin saving receipts and marking down all cash spent. Do this for a month or two. Look at your spending and see if there are patterns. The only way to know where to cut back on expenses is to know exactly where all your money is going.

You will notice there are two columns in Worksheet 1. The first one is for you to calculate your current monthly expenses. The second is for you to forecast as if you were retired. Don't deal with future dollars just yet. Think ahead to the retirement goals you are setting and assign a cost to them. If you were to retire tomorrow or next week, how would things change? Would you be moving and making changes in your housing costs? How about transportation? Perhaps these expenses will go down if you are no longer going back and forth to work or paying for parking. Food costs can go down if you have more time at home to cook and use fewer expensive convenience foods. Clothing expenses may change if you no longer have to dress for work. Medical expenses, however, may go up as health insurance rates increase. Some long-term care costs are not paid for by Medicare or state health insurance. You will need to pay for these out of your budget or through private policies (See pages later in this section for information on Long-Term Care Insurance). Your recreation costs may increase depending on what you do with your leisure time. So, the second column involves an important step in the budgeting process, preparing a preliminary retirement budget.

There are no right or wrong amounts of money to spend on these categories. You should set up your spending on a pattern that shows what is important to you and will allow you to meet your goals.

Now fill out Worksheet 2, *Estimated Annual Cost of Living*, by using your monthly figures in the *After-Retirement* column on Worksheet 1. Add them up by category, multiply each by 12 and round off to the nearest hundred. Write these figures in the first column.

Unfortunately, these expenses will not stay the same from now until you retire, or during your retirement. The expenses on these two worksheets are based on today's prices. We all know that a dollar today may not be worth as much 10 or 20 years from now. This leads us to the next step in the budgeting process which is to adjust for cost of living increases.

To estimate your income needs at retirement, you need to predict what inflation will be. To do this, you need to determine when you'll retire and how long you may expect to live. Worksheet 3, *Inflation Factors*, can be used to estimate the inflation adjustment you need to make.

You can estimate future budget needs by using one inflation rate to adjust your total expenses for five years into the future, and another rate for 10 to 15 years.

The impact of inflation cannot be ignored. While Social Security benefits are currently tied to inflation rates, New York State retirement allowances are not, and do not go up unless the Legislature passes a specific law providing an increase. Inflation can seriously lower the purchasing power of a fixed income. The key is to plan for retirement income with inflation in mind. If your savings interest rates can beat inflation over the long run, you are ahead of the game.

As inflation goes up, so do interest rates and vice versa. Basically, your savings should earn enough interest at least to keep their buying power. For example, if it will take \$1,100 two years from now to buy what \$1,000 buys today; your investment should earn a rate of return that will give you \$100 in interest over two years.

## **SOURCES OF RETIREMENT INCOME**

To complete the steps in the budgeting process, you need to project sources and amounts of your retirement income. There are basically four sources of retirement income for retired New York State employees: Employee's Retirement System's retirement allowance (your pension), Social Security benefits, personal savings and investments, and earnings from post-retirement work. Each will be discussed in this *Guide* in more detail.

On Worksheet 4, *Estimated Annual Income After Retirement*, record the amounts of your retirement income from various sources. You can ask for benefit estimates from the New York State and Local Employees' Retirement System ( [www.osc.state.ny.us/retire/](http://www.osc.state.ny.us/retire/)) and Social Security ([www.ssa.gov](http://www.ssa.gov)) if you haven't already done so. Compare these figures to the annual expenses you estimated on Worksheet 2.

This completes the process of pulling together your financial profile or budget. It should help you to see whether you have spending or income gaps. If there are gaps, you can look at your savings and investment plans for solutions.

## **SAVINGS TIPS**

If you do not have a savings program, it's never too late to start. Don't forget about the magic of interest over a longer period. Table 2 can help you figure how much to save monthly at a given interest rate so you will have money ready when you want it.

If you feel you need to cut back on expenses and put more money away for your retirement nest egg, you may want to take advantage of payroll deduction plans available to you as a New York State employee. You can arrange to have a set amount deducted from your pay and deposited to the Credit Union or Deferred Compensation Plan or used to buy U.S. Savings Bonds.

<b>Table 2 -Monthly Savings to Reach a Goal</b>					
<b>Years to Achieve Goal</b>					
<b>Total \$ Needed</b>	<b>3</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>
<b>At 6% Rate of Return</b>					
\$ 5,000	\$120	\$ 74	\$ 31	\$ 17	\$ 11
10,000	240	149	63	36	23
15,000	360	223	96	54	34
20,000	480	297	126	72	45
<b>At 9% Rate of Return</b>					
\$ 5,000	\$115	\$ 66	\$ 26	\$ 13	\$ 7
10,000	230	132	51	26	15
15,000	345	197	77	39	22
20,000	460	263	102	52	30
<b>At 12% Rate of Return</b>					
\$ 5,000	\$110	\$ 60	\$ 21	\$ 10	\$ 5
10,000	220	121	43	20	10
15,000	330	182	64	30	15
20,000	440	242	86	40	20

## **DEFERRED COMPENSATION PLAN**

By joining the Deferred Compensation Plan, you can benefit from saving before-tax dollars. You pay no federal or state income taxes on your contribution, or on interest earned, until you withdraw money during retirement.

Additional features of the Deferred Compensation Plan such as the “catch-up” provision, investment option specifics, fees, and other detailed information can be found in Chapter 8 of this *Guide*. You may contact a representative by calling toll free at 1-800-422-8463.

**Table 3 - How Long Will Your Money Last?**

This chart shows how long your money will last if you withdraw a fixed amount each year. An \* means it will last indefinitely at that rate.

% of capital	Years money will last if invested at these rates:							
	5%	6%	7%	8%	9%	10%	11%	12%
8%	21	24	31	*	*	*	*	*
10%	15	16	18	21	27	*	*	*
12%	11	12	13	15	17	19	24	*
14%	10	10	11	12	12	14	15	18
16%	8	9	9	10	10	11	12	13
18%	7	7	8	8	9	9	10	10
20%	6	7	7	7	7	8	8	9

### SAVINGS ROUTINES THAT WORK

- **Pay yourself first.** Make savings part of your fixed expenses in your budget, much like your rent, mortgage, or utility payment.
- **Save windfall income.** Try to save tax refunds, bonuses, overtime pay, gift money, refunds, rebates, and money saved by using cents-off coupons.
- **Pay installments to yourself.** After you pay off an installment debt (car loan, furniture or appliance loan, etc.) continue to budget the loan payment, but put it in your savings account.
- **Collect loose change.** Every week (or more often) empty out your pocket or wallet and put the change in a savings jar. Every other week or once a month deposit the change in your savings account.
- **Try frugality.** Eliminate or cut back on something and put the money you don't spend in your savings.
- **Break a habit.** Every time you don't buy a bagel on break, or you don't spend money in the vending machine, save the money you didn't spend.
- **How long will my resources last?** In these first steps figuring your assets and projected income requirements, the question heard most is "How long will my money last?" Many retirees fear outliving their savings. The chart in Table 3 may help in figuring how long your money will last if you start drawing it out.

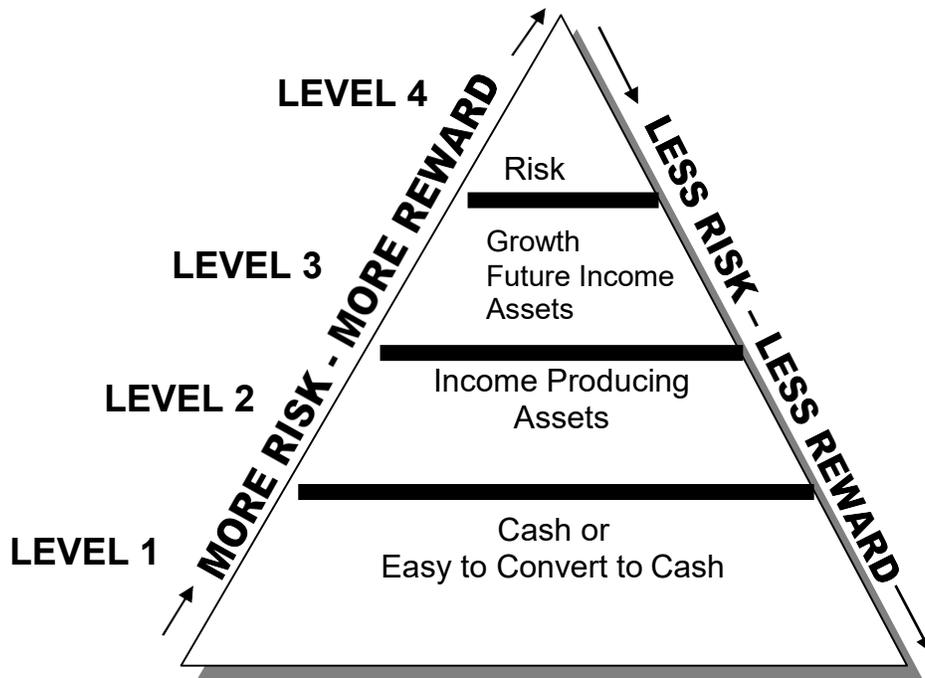
## WILL MY ASSETS PRODUCE THE REQUIRED INCOME?

The action question becomes *"What must I do with my finances to make my retirement a reality?"* The further you are from retirement, the less exact is the process, but you can start by looking over your assets (from your net worth sheet) and change your planning as you go. You may have saved or invested in the past. For future planning though, a clear distinction must be made between savings and investments. With savings, the first deposit (often all capital) stays the same and earns either fixed or variable interest. Some credit unions refer to the interest on savings as dividends.

On the other hand, the first capital of investments can go up or down in value and may or may not pay interest or dividends depending on current type, and on the economic and market condition.

Look carefully at the pyramid shown in Figure 1 as your guide for a good financial plan. Assets in Level 1 are used for meeting daily expenses and those in Level 2 can be used to give you a regular source of income. If you have assets in Level 3 or 4, you could be in greater danger of losing capital.

**FIGURE 1 – DISTRIBUTION OF RETIREMENT ASSETS**



Place your own assets on the pyramid to figure your present use of savings or investments. A checklist follows of the assets making up the four levels of the pyramid, and general statements on income tax results.

**Level 1***Cash or Easy to Convert Cash  
Amount*

\$\_\_\_\_\_ Savings and Checking Accounts  
 \_\_\_\_\_ Credit Union  
 \_\_\_\_\_ Money Market Accounts  
 \_\_\_\_\_ Certificates of Deposit  
 \_\_\_\_\_ Government Securities (*savings  
bonds, treasury bills, notes and  
bonds*)  
 \_\_\_\_\_ Life Insurance (*with cash value*)  
 \_\_\_\_\_ Other  
 \$\_\_\_\_\_ Total

Interest on these assets is taxable each year with the exception of interest on savings bonds and life insurance which is deferred until earnings are taken.

**Level 2***Income Producing Assets  
Amount*

\$\_\_\_\_\_ Investment Real Estate  
 \_\_\_\_\_ High Grade Corporate and  
Municipal Bonds  
 \_\_\_\_\_ Government National Mortgage  
Association (Ginnie Mae)  
 \_\_\_\_\_ Income Mutual Funds  
 \_\_\_\_\_ Blue Chip and Preferred Stocks  
 \_\_\_\_\_ Other  
 \$\_\_\_\_\_ Total

**Level 3***Growth Assets  
Amount*

\$\_\_\_\_\_ Real Estate Limited Partnership  
 \_\_\_\_\_ Growth Stock  
 \_\_\_\_\_ Growth Mutual Funds  
 \_\_\_\_\_ Real Estate Investment Trusts  
 \_\_\_\_\_ Other  
 \$\_\_\_\_\_ Total

Growth in value can be reinvested and deferred until earnings are taken. Interest, rent, and dividends are currently taxable each year. Real estate limited partnerships allow individuals depreciation for tax purposes.

**Level 4***High Risk Assets  
Amount*

\$\_\_\_\_\_ Commodities Futures  
 \_\_\_\_\_ Speculative Stocks  
 \_\_\_\_\_ Low Grade Bonds  
 \_\_\_\_\_ Collectibles  
 \$\_\_\_\_\_ Total

Growth in value can be reinvested and deferred until earnings are taken. Interest, rent, and dividends are currently taxable each year.

**TWO OTHER ASSETS NOT LISTED ARE:**

1. *Individual Retirement Account (IRA):* A retirement option which could use any of the above categories for saving or investment. In 2020, if you are covered by a qualified pension plan (including New York State Systems), an IRA contribution still can be made if your salary is under \$65,000 and you’re single, or under \$104,000 if you’re married. Over these income amounts, the contribution deduction is pro-rated. The remaining tax advantage is that the interest and dividends, etc., can defer tax until capital is received.

**Note: Contributions for IRA’s are subject to change in the coming years and should be checked with financial institutions.**

2. *Owning Your Home:* This investment gives service - a free place to live - rather than earnings. However, a home as an asset can be used, if necessary. It can be sold to gain money to invest; used as collateral for a loan to gain money to invest; used to apply for a reverse mortgage that allows a bank to make monthly payments to the owner in exchange for future ownership of the property.

As you look over your assets in the pyramid, two important questions about your retirement planning are: Which of these assets are available for your retirement income? Are the assets going up in value to give good working capital in the future?

**SHOULD I BE INVESTING?**

After you have figured how much you have, the next question is where to put those assets. The following conditions will probably have an impact on your decision.

Time is a very steady worker and you can use it to help increase your income. You have worked for your money and now your money should work for you. How long you keep it invested is an important factor. Table 4 shows the difference that time can make.

Inflation has already been discussed. Fixed rate savings by themselves cannot fight purchasing power that's going down. Your financial plan should be carefully balanced with some growth-oriented assets to give steady income that can grow to cover inflation.

You should not depend on any one source to provide all the income you will need during your retirement years. The more your income sources are diversified, or spread among different kinds of investments, the better your protection against inflation, the ups and down of the investment markets, and the legislative and regulatory changes affecting your pension and Social Security.

**Table 4**

<b>Value of \$1,000 investment for Specified Number of Years at Various Rates of Return</b>				
Annual Net Rate of Return (Compounded)	Number of Years \$1,000 is Invested			
	5	8	10	12
4%	\$1,217	\$1,369	\$1,480	\$1,601
6%	1,338	1,594	1,791	2,012
8%	1,469	1,851	2,159	2,518
10%	1,611	2,144	2,594	3,138

## How Much Does It Cost You to Go to Work?

*I spend the following amounts each year on these work expenses:*

- |  |          |   |          |
|--|----------|---|----------|
| 1. <b>Lunches</b>  | \$ _____ | 10. <b>Picking up the tab</b><br>(The times you say<br>"This one's on me.")   | \$ _____ |
| 2. <b>Coffee breaks</b>  | \$ _____ |   |          |
| 3. <b>Transportation</b>   | \$ _____ | 11. <b>Impulse buying</b><br>(When you pass shops on<br>your way home, or to work,<br>or during lunch hour, how<br>often do you buy<br>something you really<br>don't need?)                                     | \$ _____ |
| 4. <b>Union dues</b>   | \$ _____ |   |          |
| 5. <b>"Salary" taxes and<br/>deductions</b>  | \$ _____ |   |          |
| 6. <b>Work clothing or<br/>uniforms</b><br>(This is only the beginning.<br>You know of many other<br>office and work expenses –<br>they add up. Now find out<br>these "hidden"<br>expenses.)                                 | \$ _____ | 12. <b>Home repairs</b> (How<br>much do you spend<br>on work you could<br>do yourself if<br>you had time?)  | \$ _____ |
| 7. <b>Collections</b><br>(When a fellow worker<br>gets engaged, married, has<br>a baby, gets a pro- motion,<br>gets sick, gets well,<br>celebrates a birthday,<br>retires - isn't someone<br>always taking a<br>collection?) | \$ _____ | 13. <b>Personal grooming</b><br>(How much extra does<br>it cost you to look<br>good five days a<br>week?)   | \$ _____ |
| 8. <b>Laundry and dry<br/>cleaning</b>   | \$ _____ | 14. <b>Domestic help</b> (When<br>your job pre- vents you<br>from doing all the<br>laundry and<br>housework yourself.)  | \$ _____ |
| 9. <b>Holidays</b><br>(Cards and gifts for<br>fellow workers)  | \$ _____ | 15. <b>Shopping</b><br>(You may lack time to<br>comparison shop and take<br>advantage of sales and<br>specials, so your outlay for<br>food, clothes, and household<br>products are higher. How<br>much higher?) | \$ _____ |

## Net Worth Sheet

<b>Assets</b>	<b>Liabilities</b>
<b>What You Own</b>	<b>What You Owe</b>
<b>Cash:</b>	<b>Current Bills:</b>
Cash on hand \$ _____	Rent \$ _____
Checking accounts _____	Utilities _____
Savings accounts _____	Charge accounts _____
Money-market funds _____	Credit cards _____
Life insurance cash value _____	Insurance premiums _____
Money owed you _____	Alimony _____
	Child support _____
	Other bills _____
<b>Marketable Securities:</b>	<b>Taxes:</b>
Stocks _____	Federal _____
Bonds _____	State _____
Government securities _____	Local _____
Mutual funds _____	Taxes on investments _____
Other investments _____	Other _____
<b>Personal Property:</b>	<b>Mortgages:</b>
Automobiles _____	Homes _____
Household furnishings _____	Other properties _____
Art, antiques, other collectibles _____	
Clothing, furs _____	
Jewelry _____	
Other possessions _____	
<b>Real Estate:</b>	<b>Debts to Individual Loans:</b>
Homes _____	Auto _____
Other properties _____	Education _____
	Improvement _____
	Life insurance _____
	Other _____
<b>Pension:</b>	
Vested portion of company plan _____	
Vested benefits _____	
IRA _____	
Keogh _____	
<b>Long-term assets:</b>	
Equity in business _____	
Life insurance _____	
Annuities _____	

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<b>Total Assets:</b>	\$ _____	<b>Total Liabilities:</b>	\$ _____
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Total Assets minus Total Liabilities equals Net Worth \$ \_\_\_\_\_

Date \_\_\_\_\_

## Worksheet 1

### Estimated Monthly Cost of Living

Monthly Average Shelter	Now	After Retirement
Rent	\$	\$
Mortgage payments	\$	\$
Real estate taxes	\$	\$
Insurance	\$	\$
<b>Household Expenses and Maintenance</b>		
House repair, yard care	\$	\$
Water, electric, gas, fuel oil	\$	\$
Cell phone,	\$	\$
Waste, disposal, other	\$	\$
TV, cable, Internet	\$	\$
<b>Home Improvement and Upkeep</b>		
Furniture, fixtures	\$	\$
Floor coverings	\$	\$
Laundry supplies, equipment	\$	\$
Kitchen equipment	\$	\$
Garden, yard equipment, supplies	\$	\$
<b>Auto and Transport</b>		
Monthly portion of purchase price	\$	\$
Repairs	\$	\$
Gas and oil	\$	\$
License and driver registration	\$	\$
Insurance	\$	\$
Other transportation	\$	\$
<b>Food</b>		
Food at home	\$	\$
Food away from home	\$	\$
Liquor and food for entertaining	\$	\$
<b>Clothing</b>		
New clothing for all in household	\$	\$
Laundry not done at home	\$	\$
Dry cleaning	\$	\$
Shoe repair	\$	\$

	<b>Monthly Average</b>	
	<b>Now</b>	<b>After Retirement</b>
Cosmetics and toiletries	\$	\$
Barber and beauty shop	\$	\$
Stationery, postage	\$	\$
<b>Medical and Health</b>		
Medicine and drugs	\$	\$
Doctor, dentist, eye specialist	\$	\$
Eyeglasses, hearing aides	\$	\$
Health insurance premiums	\$	\$
<b>Recreation and Other</b>		
Books, newspapers, magazines	\$	\$
Club memberships, dues	\$	\$
Movies, sports events, concerts	\$	\$
Sports and hobby equipment, supplies	\$	\$
Vacations, celebrations, weekend trips	\$	\$
Adult continuing education	\$	\$
Pets: cost, food, license	\$	\$
Contributions	\$	\$
Gifts	\$	\$
<b>Taxes, Interest, Insurance</b>		
U.S., State and local income tax	\$	\$
Personal property tax	\$	\$
Interest on loans	\$	\$
Life insurance premiums	\$	\$
Property insurance (not house)	\$	\$
<b>Savings, Investments</b>		
Banks, savings, and loan	\$	\$
Company pension, profit sharing plans	\$	\$
Stocks, bonds, real estate	\$	\$
Retirement: Keogh, IRA Deferred Compensation	\$	\$
<b>Total Monthly Costs Now</b>	\$	
<b>Total Monthly Costs After Retirement</b>		\$

## Worksheet 2

### Estimated Annual Cost of Living

Now multiply by 12 the totals of monthly cost after retirement (Worksheet 1) to get your annual cost of living if you were retired.

	Totals, if you were retired now ( <i>Round off</i> to even hundreds)	Inflation Factor	Your Budget
Shelter	\$ _____	_____	\$ _____
Household expenses and maintenance	\$ _____	_____	\$ _____
Home improvement and upkeep	\$ _____	_____	\$ _____
Automobile and upkeep	\$ _____	_____	\$ _____
Food	\$ _____	_____	\$ _____
Clothing	\$ _____	_____	\$ _____
Personal	\$ _____	_____	\$ _____
Medical and health	\$ _____	_____	\$ _____
Recreation and other	\$ _____	_____	\$ _____
Taxes, interest, insurance	\$ _____	_____	\$ _____
Savings, investments	\$ _____	_____	\$ _____
Any future irregular expense ( <i>new roof, new car, new furnace</i> )	\$ _____	_____	\$ _____
<b>Total</b>	<b>\$ _____</b>	_____	<b>\$ _____</b>

Worksheets 1, 2, 3 & 4 from CEH Topics, Dept. of Consumer Economics and Housing, NYS  
College of Human Ecology, Cornell University, Ithaca, NY 14853

## Worksheet 3 Inflation Factors

1. Choose from the left-hand column the number of years into the future you want to project.
2. Choose a rate of inflation from the top row. This cannot be predicted accurately and will vary from year to year.
3. Find the appropriate inflation factor that matches your assumed inflation rate and years into the future.  
*For example, 5 years and 4 percent inflation yields a factor of 1.2.*
4. Write this factor in the second column Inflation Factor on Worksheet 2, under "Total." Multiply your total estimated retirement expenses by the inflation factor to get your inflated retirement expenses.  
*For example: \$18,000 X 1.2 = \$21,600*

YEARS	PERCENT RATE OF INFLATION							
	3%	4%	5%	6%	7%	8%	10%	12%
2	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.3
3	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4
4	1.1	1.2	1.2	1.3	1.3	1.4	1.5	1.6
5	1.2	1.2	1.3	1.3	1.4	1.5	1.6	1.8
8	1.3	1.4	1.5	1.6	1.7	1.9	2.1	2.5
10	1.3	1.5	1.6	1.8	2.0	2.2	2.6	3.1
12	1.4	1.6	1.8	2.0	2.3	2.5	3.1	3.9
15	1.5	1.8	2.1	2.4	2.8	3.2	4.2	5.5
18	1.7	2.0	2.4	2.9	3.4	4.0	5.6	7.7
20	1.8	2.2	2.6	3.2	3.9	4.6	6.7	9.6
25	2.1	2.5	3.4	4.3	5.2	6.8	10.8	17.0

## Worksheet 4

### Estimated Annual Income After Retirement

**1. Social Security**

Man's at age \_\_\_\_\_ \$ \_\_\_\_\_

Woman's at age \_\_\_\_\_ \_\_\_\_\_

**2. Pensions and Employer Benefits**

Company \$ \_\_\_\_\_

State or Federal government \_\_\_\_\_

Veteran's \_\_\_\_\_

Union or other \_\_\_\_\_

Profit-sharing \_\_\_\_\_

Deferred pay \_\_\_\_\_

Other \_\_\_\_\_

**3. Savings and Investments**

IRA \$ \_\_\_\_\_

Keogh \_\_\_\_\_

Savings account (interest) \_\_\_\_\_

Money market (interest) \_\_\_\_\_

Treasury securities (interest) \_\_\_\_\_

Mutual funds (dividends, capital gains) \_\_\_\_\_

Stocks (dividends) \_\_\_\_\_

Bonds (interest) \_\_\_\_\_

Real estate (rent) \_\_\_\_\_

Farm/business rent or installment payments \_\_\_\_\_

Home equity conversion \_\_\_\_\_

Annuities \_\_\_\_\_

Other \_\_\_\_\_

**4. Earnings**

Salary, wages \$ \_\_\_\_\_

Commissions, royalties, fees \_\_\_\_\_

Partnership income \_\_\_\_\_

**5. Assets which could be liquidated** *Profits would then be invested in interest/dividend earning instruments. Interest then becomes part of income. Alternatively, a portion of the principal could be spent per year.*

Real estate \$ \_\_\_\_\_

Mutual funds \_\_\_\_\_

Stocks \_\_\_\_\_

Bonds \_\_\_\_\_

Antiques, collectibles \_\_\_\_\_

Farm/business \_\_\_\_\_

Anticipated gifts or inheritance \_\_\_\_\_

**TOTAL for 1 to 5** \$ \_\_\_\_\_

**6. Possible deductions from income**

Federal income tax \_\_\_\_\_

State/city income tax \_\_\_\_\_

Social security tax \_\_\_\_\_

**TOTAL for 1-6** \$ \_\_\_\_\_

**Total Net Income** \$ \_\_\_\_\_

*(1 to 5 minus 6)*

*(1 to 5 minus 6)*

## IS LONG-TERM CARE INSURANCE FOR YOU?

This question should be addressed by employees as they plan for the possibility of a long-term stay in a nursing home, assisted living facility, or extended home care. Medicare does not pay for custodial care and many people who can't afford the cost will have to resort to spending down their assets. Each state has different requirements for spend down so before making any spend down plans, consult with an elder law attorney. If one spouse is in a nursing home, however, Medicaid allows the other to keep much more in monthly income and assets. Check with your attorney. To protect your assets, you could obtain Long-Term Care (LTC) insurance that will partially or fully reimburse you for the cost of such care. Is the purchase of such insurance worth it for you? Here are some guidelines to make the right choice for your situation.

Do you have enough assets to protect to make the cost of the insurance worth it and do you have enough income to pay the cost of the insurance indefinitely without impacting your lifestyle? More importantly, do you have someone or an organization you would like to leave these assets to upon your death?

The second question is the easy part. If you have no need to pass on assets, it's probably safe to pass up the insurance and pay the cost of LTC out of your income and savings. After these are depleted, you can go on Medicaid. If you have assets you would like to pass on to others, how valuable should the assets be before you consider insurance? Experts are not in agreement on this issue but we can provide some guidelines.

First add up your assets that would be used to pay for LTC. These would include bank accounts, CDs, stocks, and bonds, mutual funds, market value of real estate (except your home), insurance policies (with cash value) IRAs, deferred compensation accounts, and valuable personal property. Then take the monthly cost of a nursing home and (the statewide monthly average for nursing home care in 2020 was \$8,365.) add to this monthly cost any other costs for support of a spouse or maintenance of a home, less your expected monthly income from all sources. This result will be the monthly amount you will have to pay from your assets. Then divide this amount into the total assets available. You will then know how long your assets will pay for a nursing home stay. If you have enough assets to last more than 29 months, you may wish to self-insure. If you have less than 10 months of assets, don't bother with the insurance, there are other ways to transfer the assets to your heirs. In this situation, rely on Medicaid to pay for your long-term care.

Everyone's financial situation is unique, and experts do not always agree on the best way to determine if LTC insurance is worthwhile. However, financial experts have several ways of determining if you should consider LTC insurance. One guideline is not to pay more than 5% of your yearly income for the insurance or 1% of the value of your assets. Another is to total your assets without counting the value of your house. If this does not exceed \$100,000, it's probably not worth purchasing insurance.

To obtain information about protecting your assets, talk to your financial planner, elder law attorney, or county Office for the Aging before making a decision. Be advised some of these experts may be biased toward solutions that will result in them earning money over and above any consulting fee. Veterans should contact the V.A. concerning LTC benefits.

So, you must weigh the cost of LTC insurance against the value of the assets you wish to protect and the chance you will require a long stay in a nursing home, assisted living facility, or extensive home care. One way to evaluate this is to review your health status and your family history. Have you or your parents or siblings experienced the types of afflictions that lead to the need for long-term care? Some of these conditions are arthritis, Alzheimer's disease, stroke, dementia, Parkinson's disease, diabetes, and obesity.

*(The information above has been adapted/updated from the article on Long-Term Care by Tom Lally from the Retired Public Employees Association, Inc. ([RPEA Newsletter](#), Vol. 34, Issue 4 November 2010))*

# RETIREMENT CHECKLIST

## *Budgeting & Financial Planning*

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "Yes or No." Next, for each "No" answer you gave, write down a few words in the space "I need to..." that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Do I figure out my net worth annually?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

2. Have I figured out my current income and expenses to work out a budget?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

3. Have I tried to figure out what my living expenses will be after retirement?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

4. Is my spouse/partner familiar with our financial situation?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

5. Will I try to live on my projected retirement income to see how I can keep my standard of living?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

6. Have I reviewed my insurance policies to see whether they fit my current and future needs?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

7. Do I understand the various methods available to make my money earn more?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

8. Do I understand how long-term care insurance could protect my assets?	<b>YES</b>	<b>NO</b>
<b>I need to...</b>		

---

# RESOURCES

## *Budgeting and Financial Planning*

### WEBSITES:

Q&A session on durable powers of attorney and revocable living trusts. From the Family Caregiver Alliance.

[www.caregiver.org](http://www.caregiver.org)

The American Savings Education Council web site features “Saving Tools” with a variety of worksheets to help with retirement planning and saving. [www.choosetosave.org/asec/](http://www.choosetosave.org/asec/)

Making a Living Trust: Can You Do It Yourself? <https://www.nolo.com/legal-encyclopedia/making-living-trust-yourself-29736.html>

Find FAQs on wills and estate planning issues, read overviews of living trusts and probate, and peruse news updates on related issues.

<https://www.nolo.com/legal-encyclopedia/new-york-estate-planning>

### PUBLICATIONS:

Alford, Ted, *Charting an Early Retirement: Simple Planning & Investing Strategies*, Retirement Planning Press, 2017.

Bryant Quinn, Jane  
*How to Make Your Money Last: The Indispensable Retirement Guide*, Simon and Shuster, January 2017.

Clifford, Denis, *Plan Your Estate*, (14<sup>th</sup> edition), Quicken WillMaker, 2018.

FC&A, *Sitting Pretty On a Fixed Income, Personal Finance for Seniors*, FC&A Publishing, 2016.

Gitman, Lawrence J., *Personal Financial Planning*, South-Western Thomson Learning, January 2013.

Glover, Ryan, CFP., *Preparing for Retirement: A Comprehensive Guide to Financial Planning*, (1st edition), Tarheel Advisors LLC, 2013.

Hinden, Stan, *How to Retire Happy: Everything You Need to Know About the 12 Most Important Decisions You Must Make Before You Retire*, McGraw-Hill Co., Dec. 2013.

Ramsey, Dave, *The Total Money Makeover*, Nelson Books, 2013.

### OTHER RESOURCES:

For information on the **NYS Deferred Compensation Plan**, contact the administrative agency or refer to Chapter 8 of this *Guide*.

NYS Deferred Compensation Plan  
1520 Crescent Road  
Clifton Park, NY 12065  
1-800-422-8463  
[www.nysdcp.com](http://www.nysdcp.com)

# WHAT YOU SHOULD KNOW ABOUT FINANCIAL PLANNERS

## New York State Department of Law

Whether saving for the purchase of a home, the future educational needs of children, or for retirement, more and more Americans are consulting financial planners in order to realize their financial goals. It's estimated that well over 10 million Americans consult financial planners today and that 400,000 firms and individuals now claim to offer financial planning services in the United States.

New York State does have an "investment advisor" law which provides that those giving securities investment advice for compensation – in other words those advising clients which securities they should buy, sell, or hold – register with the Attorney General. Information concerning the "advisor's" background, experience, and how securities are recommended to clients is on file with the Attorney General's office. These people must also register with the Securities and Exchange Commission (SEC). While some people calling themselves "financial planners" do register under this law, many do not.

Under New York State's Martin Act, the Attorney General has the power to regulate and prohibit fraud in the offer and sale of securities and commodities within New York State and originating from the State, and to put fraudulent financial planners out of business.

## BE INFORMED

When considering a financial planner, the best defense against fraud and mismanagement is education. Know answers to the following questions:

### *What is a financial planner?*

A financial planner is someone trained to design short-or long-term financial strategies for clients including plans for taxes, retirement, savings, tuition, estates, family budgets, and, often, investments. Financial planners may come from diverse backgrounds and include accountants, lawyers, insurance brokers, bankers, and securities brokers. Several colleges now offer accredited training in the financial planning field, requiring the completion of a course on investment planning and leading to a title of Certified Financial Planner (CFP) or a degree as a Chartered Financial Consultant (ChFC). Several trade associations keep lists of those who have completed such courses.

### ***How do I know whether I need a financial planner?***

You may wish to hire a financial planner if you have doubts about your own ability to make financial decisions, manage debt, or plan for your short-or long-term goals such as retirement or education costs.

### ***How do I choose a financial planner?***

In simple terms, choose a financial planner the way you would choose a doctor, a lawyer, or any other professional specialist. Get recommendations from friends or other professional advisers you use. Then ask the financial planner these questions:

- What is the financial planner’s training and how long has the individual been working in the community? Beware of planners who operate out of small offices with post office box addresses. They may be fly-by-night operators running “boiler rooms” or Ponzi schemes—paying one investor with the investment money of another.
- Will the planner provide you with references of three or more clients counseled for at least 2 years? A relatively new customer may be able to offer glowing recommendations but may not have been with the planner long enough to offer a balanced assessment of the planner’s performance.
- If the planner will be giving you investment advice, will the planner provide a sample investment plan for someone like you? Will you be provided with a written plan stating an investment strategy for you, and will the planner review the plan with you on a regular basis? If not, the planner may be investing your money in ways more beneficial to the planner’s financial interest than to yours, and the plan may be the same for everybody, regardless of individual needs.
- If the planner offers investment advice, is he or she (or their firm) registered with the Attorney General and the United States Securities and Exchange Commission as an investment advisor. Obtain a copy of the planner/advisor’s “ADV” filing. Most important, how does the financial planner charge for services? Does the planner receive hourly or flat fees, or does the planner make money from commissions on the sale of investment products, stocks, bonds, commodities, art, coins, real estate, etc.? Many investors incorrectly assume financial planners are offering objective investment advice. You should know whether or not your financial planner will be making money from commissions on investments you make.

## FOR MORE INFORMATION

If you have questions about a financial planner or investment advisor, including details of any background information or enforcement actions relating to the advisor, please contact the Investor Bureau and Securities Bureau of the Attorney General (see listing last page). For additional information, you may also contact your local Better Business Bureau.

### **Other Resources:**

#### ***American College of Financial Services***

270 S. Bryn Mawr Avenue  
Bryn Mawr, Pennsylvania 19010  
888-263-7265  
<http://www.theamericancollege.edu/>

#### ***Certified Financial Planner Board of Standards, Inc.***

1425 K Street NW #800  
Washington, DC 20005  
800-487-1497  
[www.cfp.net](http://www.cfp.net)

#### ***Financial Planning Association***

7535 E Hampden Avenue, Ste. 600  
Denver, CO 80231  
800-322-4237  
[www.plannersearch.org](http://www.plannersearch.org)

#### ***Financial Planning Association of Metro NY***

535 Fifth Avenue, 4th Floor  
New York, NY 10017  
800-322-4237 ext. 7187  
<https://www.fpametrony.org/>

#### ***Financial Planning Association of Central NY***

209 Second St  
Liverpool, NY 13088  
315-513-8901  
<http://www.fpacny.org/>

#### ***Financial Planning Association of Northeastern NY***

P.O. Box 11565  
Loudonville, NY 12211-0565  
518-458-7774  
<https://www.fpa-neny.org/>

#### ***The National Association of Personal Financial Advisors***

8700 W. Bryn Mawr Avenue, Ste. 700N  
Chicago, IL 60631  
888-333-6659  
<https://www.napfa.org/>

#### ***U.S. Securities and Exchange Commission Office of Investor Education & Advocacy***

100 F Street, NE  
Washington, DC 20549  
800-732-0330  
<https://www.sec.gov/investor>

**OFFICE OF THE ATTORNEY GENERAL  
INFORMATION & COMPLAINT LINE:**

1-800-771-7755

[www.ag.ny.gov](http://www.ag.ny.gov)

**EXECUTIVE OFFICES**

The Capitol  
Albany, New York 12224-0341 ----- 518-776-2000

New York City Office  
28 Liberty Street  
New York, New York 10271-0332 ----- 212-416-8000

**REGIONAL OFFICES**

44 Hawley Street, 17<sup>th</sup> Floor  
Binghamton, New York 13901-4433----- 607-251-2764

55 Hanson Place, Suite 1080  
Brooklyn, New York 11217-1523 ----- 718-560-2040

Main Place Tower, Suite 300A, 350 Main Street  
Buffalo, New York 14202-3473 ----- 716-853-8400

300 Motor Parkway, Suite 230  
Hauppauge, New York 11788 ----- 631-231-2424

200 Old Country Road, Ste. 240  
Mineola, New York 11501-4241----- 516-248-3302

163 West 125<sup>th</sup> Street, Suite 1324  
New York, New York 10027-8201 ----- 212-364-6010

43 Durkee Street, Suite 700  
Plattsburgh, New York 12901-2818 ----- 518-562-3288

One Civic Center Plaza, Suite 401  
Poughkeepsie, New York 12601-3157----- 845-485-3900

144 Exchange Boulevard  
Rochester, New York 14614-2176----- 585-546-7430

615 Erie Boulevard W. Suite 102  
Syracuse, New York 13204 ----- 315-448-4800

207 Genesee Street, Room 508  
Utica, New York 13501-2812 ----- 315-864-2000

Dulles State Office Building 317  
Washington Street  
Watertown, New York 13601-3744 ----- 315-523-6080

440 South Broadway  
White Plains, New York 10601-5008 ----- 914-422-8755



# Chapter 7

## Legal Affairs

### Overview

*In our complex world, there are many situations where older New Yorkers may need legal assistance. Senior citizens experience many of the same legal problems as the rest of the population, but often have need for assistance in the following areas:*

- Housing: Landlord/tenant, home ownership;
- Public Benefits: Social Security, SSI, Medicare, Medicaid;
- Consumer: Debt collections, fraud, and other scams;
- Employment: Pensions and age discrimination;
- Personal Decision-Making: Powers of attorney, health care proxies;
- Long-Term Care: Paying for nursing home care, residents' rights;
- Estate Planning: Wills, trusts, estate taxes, probate;
- Family: Divorce, grandparent visitation.

#### **HOW DO I FIND AN ATTORNEY?**

Get recommendations from friends, business associates, coworkers, professionals, or other people whose judgment you respect. Most local bar associations operate a referral service and can provide you with a list of attorneys from which to choose. Some membership organizations offer legal service plans or have fee-reduction agreements with local attorneys.

#### **ARE THERE LEGAL PROGRAMS FOR THE ELDERLY?**

There is a Legal Assistance Program for the elderly funded under Title III of the Federal Older Americans Act. These programs serve those who are in greatest economic and social need. These programs do not have specific financial eligibility limits and services cannot be conditioned on an individual's ability or willingness to pay. Nonetheless, Title III Legal Assistance Programs must be targeted to certain needy populations. These programs generally establish priority subject areas which reflect the needs of these target populations.

Civil legal services programs, funded for the most part by the Legal Services Corporation, provide legal advice and representation to indigent persons, including the elderly. These programs are required to limit their services to those who meet strict income guidelines. Legal Services Corporation programs also establish priority areas of law and refer those with other problems elsewhere.

#### **WHAT CAN I EXPECT FROM MY ATTORNEY?**

Your attorney should always treat you with courtesy and concern for your needs. You should be told what will be done, why it will be done, and how much it will cost you. You will not be guaranteed a result, but you should be informed of possible results. Your attorney should involve you in decision making and must keep you informed of the progress in your case.

You should receive an explanation of how fees are figured and how and when you are expected to pay for services. In short, your attorney should be able to talk with you so that you can be a partner in the handling of your legal matter.

### **HOW CAN I HELP MY ATTORNEY HELP ME?**

An attorney's advice will be based upon the law as applied to the facts. If your attorney does not know as much as possible about your matter, then the advice you receive will not be as useful. Therefore, always provide as much information as possible, even if the facts make your case seem worse. If your attorney asks you for documents or other information, get them as soon as possible.

Also, make sure you understand what is happening. If you don't, ask questions. You should respect your attorney's professional opinion, but you also should be aware of your choices and feel free to voice your opinions. Remember, you should be a full partner in managing your legal affairs, and a good attorney will welcome your interest in the handling of your matter

### **DO I ALWAYS NEED AN ATTORNEY?**

No, there are many steps you can take to resolve legal matters on your own. But be careful! You do not want the \$250 you save in attorney's fees to end up costing you \$1,500 to fix because you did it wrong when you did it yourself. Therefore, obtain as much information as you can before you attempt to handle a legal matter on your own. The more information you have, the better able you will be to decide if you need help from a professional. Also, if you decide you do need help, it will be far less expensive if you already know some of the issues involved and can help gather material and information with your attorney.

Other ways you can do it yourself involve the use of small claims court for minor disputes and the use of the Community Dispute Resolution Center Program. Your local city, town, or village court should have more information about these alternatives. They are quite often very successfully used without great expense or difficulty.

## **MEDICAID ELIGIBILITY & PAYING FOR NURSING HOME CARE**

### **WHAT IS MEDICAID?**

The Medical Assistance Program, Medicaid, was established by Title XIX of the Social Security Act as a joint federal/state endeavor. Each state operates and partially funds its program to pay for necessary medical care for low income persons.

The federal government shares the cost of Medicaid with the states and has set guidelines within which the states may determine eligibility criteria, benefits to be covered, benefit levels, and administrative procedures.

Medicaid and Medicare are often confused but differ significantly. Medicare is available regardless of financial need. Medicaid, on the other hand, is available only to those with limited income and resources. While Medicaid pays for a variety of services, our focus here is solely on eligibility for institutional, (i.e., nursing home) long-term care services.

## **I. ELIGIBILITY DETERMINATION**

An applicant for Medicaid must meet three general tests and if successful, will be deemed eligible based on:

- Circumstances
- Resources
- Income

### **PART ONE – ELIGIBILITY BASED ON CIRCUMSTANCE**

An applicant for Medicaid will meet this eligibility test if the applicant is either:

**Categorically needy:** An applicant is categorically needy if eligible for or receiving home relief, aid to dependent children, SSI, or other specified forms of assistance; or,

**Medically needy:** An applicant is medically needy if:

- 1) net available income and resources do not meet the cost of necessary medical care and services available under the Medicaid program; and,
- 2) 65 years of age or older or meets some other specified criteria.

Our focus will be on those who are medically needy and 65 years of age or older.

### **PART TWO - ELIGIBILITY BASED ON RESOURCES**

A medically needy applicant for Medicaid will meet this eligibility test if the applicant's available resources are less than, or equal to an amount set by the NYS Department of Health (DOH). Keep in mind that even one dollar over this amount will make the applicant ineligible for Medicaid.

The resource limit will vary by the size of the applicant's household. Typically, the household size is either one or two persons when the elderly apply for assistance in paying for long-term care.

In addition, an institutionalized person is entitled to keep a small amount for personal needs.

### **PART THREE - ELIGIBILITY BASED ON INCOME**

Again, a medically-needy Medicaid applicant will meet this eligibility test if the applicant's income is less than, or equal to an amount set by DOH. Even one dollar over this amount will make the applicant ineligible for Medicaid.

As with resources, the income limit will vary by size of the applicant's household. The income limits for one and two households are different.

In addition, Medicaid applicants may keep an additional small sum of money, per month.

For up to date information on Medicaid in N.Y. State visit:

[https://www.health.ny.gov/health\\_care/medicaid/#trusts](https://www.health.ny.gov/health_care/medicaid/#trusts)

## **II. RESOURCES & INCOME**

### **WHAT IS A RESOURCE?**

In simplest terms, a resource is property of any kind. A resource may be "liquid" such as cash, or property that can readily be converted to cash. It may be "non-liquid," meaning that it may not be easily converted to cash. Resources include both real and personal property, and tangible as well as intangible property.

## **WHAT IS INCOME?**

Income means any payment from any source. It includes not only payments of money, but "payments" in goods and services. Income can be a payment made on a one-time basis or on a recurring basis. Income can be earned, such as compensation received as a result of working, such as wages, tips, bonuses, and commissions. Income can also be unearned, such as dividends, interest, and pension benefits.

## **ARE ALL RESOURCES AND INCOME TAKEN INTO CONSIDERATION WHEN DETERMINING MEDICAID ELIGIBILITY?**

No. In determining an applicant's eligibility for Medicaid, resources and income must be both *countable* and *available*.

## **WHAT ARE NON-COUNTABLE RESOURCES AND INCOME?**

New York uses a combination of disregards and exemptions in determining non-countable resources and income. Lists of some, but not all, non-countable resources and income are set out below.

### **NON-COUNTABLE RESOURCES**

- Life insurance policies;
- A homestead and property contiguous to it;
- Qualifying burial or funeral plans, or trusts;
- An automobile;
- Clothing and personal effects;
- Household furniture, appliances and equipment; and
- Tools and equipment necessary for the applicant's trade or business

### **NON-COUNTABLE INCOME**

- Federal energy assistance payments;
- Food stamp coupons;
- Retroactive benefits under the SSI program;

By definition, if a resource or type of income is not disregarded or exempt, it is countable. A complete list of non-countable (disregarded or exempt) resources and income can be found in the New York State regulations at 18 NYCRR §§ 360-4.6, 360-4.7.

## **WHAT ARE AVAILABLE RESOURCES AND INCOME?**

Basically, if you can get your hands on it, a countable resource or source of income will be treated as if you've got it. Thus, when applying for Medicaid, they are treated as available to you.

## **III. SPOUSAL IMPOVERISHMENT**

### **ARE THERE ANY RESOURCE AND INCOME SET-ASIDES FOR A HEALTHY SPOUSE?**

Until the passage of the Medicaid Catastrophic Coverage Act (MCCA) of 1988, obtaining Medicaid benefits for one spouse often meant impoverishing the community spouse as well as the institutionalized spouse. The spousal impoverishment provisions of the MCCA, as amended by the Family Support Act of 1988 allows limited income and resource protection for the community spouse. The income and resource limits are indexed for inflation, and thus are increased from year to year.

## **RESOURCE PROTECTION**

The amount the spouse may keep may be increased to an amount determined at a fair hearing or by court order. In determining the division of resources, the rule of "what's his is hers, and what's hers is his" applies. The institutionalized spouse may transfer resources to the community spouse to raise the community spouse to the applicable minimum. Only countable resources are considered.

## **INCOME PROTECTION**

The community spouse is also entitled to keep a monthly income. This amount is known as the "Minimum Monthly Maintenance Needs Allowance." The rule applied for income allocation is "what's his is his, and what's hers is hers." Again, the institutionalized spouse may allocate income to bring the community spouse up to the Minimum Monthly Maintenance Needs Allowance. Alternatively, where the community spouse has income that is less than the Minimum Monthly Maintenance Needs Allowance, that spouse can appeal in a fair hearing for a higher resource allowance that is adequate to generate the income necessary to equal the Minimum Monthly Maintenance Needs Allowance.

## **ELIGIBILITY STANDARD**

After making allocations for resource and income protection, the one-person income and resource standards are used to determine the institutionalized spouse's eligibility for Medicaid.

## **IV. TRANSFER OF RESOURCES**

If I have resources and income in excess of the Medicaid eligibility limits, can I transfer them to meet those eligibility limits?

Transfers are not generally prohibited. However, a transfer of countable resources for less than fair market value will result in a period of ineligibility. A transfer for fair market value could result in exchanging one countable resource for another.

The federal and state statutes and regulations governing Medicaid spell out the types of transfers that will result in a denial of benefits. Likewise, certain transfers are specifically recognized as permissible and even desirable.

## **PROHIBITED TRANSFERS**

The most basic example of a prohibited transfer would be one made:

- For less than fair market
- Within 36 months of institutionalization or application for Medicaid, whichever is later.

Such a transfer would be presumed to have been made to qualify for nursing home care, and would result in a period of ineligibility for Medicaid. This is known as the 36-month rule.

## **NOT ALL TRANSFERS MADE WITHIN 36 MONTHS OF INSTITUTIONALIZATION ARE PROHIBITED**

There is no penalty for transferring:

- Non-countable resources, such as an automobile;
- A home if it is transferred to:

- 1) A spouse; or,
  - 2) A child who is certified blind, certified permanently and totally disabled, or under the age of 21; or,
  - 3) A sibling with an equity interest in the applicant's home, and who has resided there for one year prior to the applicant's institutionalization; or,
  - 4) A son or daughter who resided in the applicant's home for two years prior to institutionalization, and who provided care that allowed the applicant to remain at home.
- Countable resources between spouses or to another for the sole benefit of the community spouse;
  - Countable resources to an applicant's blind or disabled child;
  - Countable resources to the community spouse for support as ordered by a court;
  - Countable resources with the intention of the resources subsequently being sold for fair market value; or,
  - Exclusively for a reason other than to qualify for Medicaid.

### **PENALTY PERIODS**

A period of ineligibility will be imposed if a prohibited transfer is made. The period of ineligibility is equal to:

- 1) The uncompensated value of the transferred resources, divided by;
- 2) The average cost of care to a private patient for skilled nursing facility services in the applicable region. **REMEMBER:** A prohibited transfer is one for less than fair market value. Therefore, the uncompensated value equals the fair market value of the resource minus the compensation received, if any.

### **NEW YORK'S HEALTH CARE PROXY LAW**

Theresa Marie Schindler was born on December 3, 1963 and lived with or near her parents in Pennsylvania until she married Michael Schiavo on November 10, 1984. Michael and Theresa moved to Florida in 1986. They were happily married and both were employed. They had no children.

On February 25, 1990, their lives changed. Theresa, age 27, suffered a cardiac arrest as a result of a potassium imbalance. Michael called 911 and Theresa was rushed to the hospital. She never regained consciousness.

From May 1998 until April 2005, Theresa Schiavo was the subject of numerous legal and political battles. Although the Florida courts had ruled there was clear and convincing evidence to support the removal of life supports, attempts were made by the Florida legislature and the U.S. Congress to maintain Ms. Schiavo's existence.

Theresa Schiavo had not appointed a health care agent. It would be mere speculation to say that if she had, everything would have been different. However, many of these battles took place because of the uncertainty over who had the authority to make health care decisions. Certainly, the appointment of a health care agent would have provided a more certain decision-making mechanism and clarified just who had the authority to make decisions on her behalf.

New York's Health Care Proxy Law was enacted on July 1, 1990 and signed into law July 22, 1990. The law became effective on January 18, 1991.

The Health Care Proxy Law grants competent adults the right to appoint someone they trust to make decisions about medical treatment on their behalf when they are no longer able to make such decisions for themselves. The person appointed to make health care decisions is known as a health care agent.

The mechanism for appointing a health care agent is intended to be as straightforward and as simple as possible. The legal requirements are minimal. An attorney is not needed.

Nonetheless, appointing a health care agent will significantly change the way in which health care decisions will be made on behalf of an adult who loses decision-making capacity. To appreciate just how significant a change it is, a brief review of the pre-existing law is in order.

### The Right to Refuse Medical Treatment:

#### *Standards for Decision-Making on Behalf of Those Who Have Lost Capacity*

### **A. DECISION-MAKING STANDARDS UNDER NEW YORK CASE LAW**

The New York Court of Appeals, in 1981, decided companion cases raising the issues of:

1. the right of New Yorkers to refuse life sustaining treatment, and
2. the standard that must be met before life-sustaining treatment may be withdrawn or withheld.

In the absence of a legally appointed health care agent, the decisions in these cases still govern how health care decisions will be made on behalf of an adult who has lost the capacity to make those decisions.

In *Matter of Eichner v. Dillon* and *Matter of Storar*, the Court of Appeals ruled that the right of competent adults to refuse medical treatment, including life sustaining treatment, is protected under both the Due Process Clause of the State Constitution and the common law right of informed consent. Such treatment may be withheld, however, only if there is clear and convincing evidence of the patient's wishes.

The State of Missouri also required clear and convincing evidence before allowing life-sustaining medical treatment to be withdrawn or withheld from an incompetent adult patient. The clear and convincing evidence standard was challenged when the family of Nancy Cruzan asked the U.S. Supreme Court to decide whether there is a right under the federal constitution to refuse medical treatment.

### **B. THE CRUZAN DECISION**

Nancy Cruzan was 25 years old in 1987 when an automobile accident left her in a coma in what is known as a persistent vegetative state. She was not expected to regain consciousness. She could have lived for 30 or more years on artificial nutrition and hydration, i.e., feeding tubes.

Nancy Cruzan's parents sought to have her feeding tubes removed, claiming statements made by their daughter were evidence that she would not want to continue existence by such means. The Missouri Supreme Court, in *Cruzan v. Director, Missouri Department of Health*, found the statements

made by Nancy Cruzan to be too offhand to constitute clear and convincing evidence of her wishes with respect to artificial nutrition and hydration.

On appeal, the U.S. Supreme Court ruled that competent adults do have a constitutionally protected liberty interest in refusing life-sustaining treatment, including artificial nutrition and hydration. At the same time, however, the Court specifically affirmed each state's authority to adopt reasonable standards for allowing health care decisions to be made on behalf of others. The clear and convincing evidence standard was found to be a reasonable one.

The Supreme Court's decision left the door open for Nancy's parents to present new evidence that would meet the clear and convincing evidence standard. On the basis of this new evidence, the Missouri Courts allowed the removal of life supports.

The one exception concerns decisions about artificial nutrition and hydration. The principal's wishes regarding the use of feeding tubes must be reasonably known to the agent. If the principal's wishes regarding artificial nutrition and hydration are not reasonably known and cannot be reasonably ascertained, the agent lacks authority to make decisions regarding these measures.

### **C. DECISION-MAKING STANDARD FOR THE HEALTH CARE AGENT**

As already noted, the health care proxy law grants competent adults the right to appoint a health care agent to make decisions about medical treatment on their behalf when they are no longer able to make such decisions for themselves. Clear and convincing evidence of the principal's wishes, the standard required by New York case law, is not required for decisions made by a health care agent acting pursuant to the health care proxy law. The law expressly allows a health care agent to make decisions based on reasonable knowledge of the principal's wishes.

The reasonable knowledge standard allows consideration of the principal's religious and moral beliefs. If those wishes are not reasonably known or cannot be ascertained with reasonable diligence, the agent must decide based on a judgment about the principal's best interests.

### **D. DECISIONS ABOUT ARTIFICIAL NUTRITION AND HYDRATION**

A health care agent may make decisions about artificial nutrition and hydration only if the principal's wishes are reasonably known to the agent. If the principal's wishes regarding artificial nutrition and hydration are not reasonable known and cannot be reasonably ascertained, the agent lacks authority to make decisions regarding these measures. Any doubt concerning a health care agent's reasonable knowledge of the principal's wishes regarding artificial nutrition and hydration can be eliminated if the principal states those wishes on the health care proxy itself. Space is expressly provided for this purpose on the proxy form developed by the Department of Health.

## **OBLIGATIONS OF HEALTH CARE PROVIDERS UNDER THE HEALTH CARE PROXY LAW**

### **A. THE INDIVIDUAL HEALTH CARE PROVIDER**

Health care providers have the same obligation to respond to the agent's decision as they would to decisions made by the patient, if competent. An individual who is a health care provider may refuse to honor an agent's decision only if:

- 1) the individual provider would not honor that same decision if made by the patient, and,
- 2) the decision is contrary to the individual provider's religious or sincerely held moral beliefs. The individual provider must promptly inform both the health care agent and the hospital of his or her refusal to honor the agent's decision.

In such event, responsibility for the patient must be transferred to another individual health care provider.

## **B. HEALTH CARE FACILITIES**

A hospital, residential health care facility, or mental hygiene facility may refuse to honor the decision of a health care agent if:

- 1) the health care facility would not honor the same decision if made by the patient; and
- 2) the decision is contrary to a formally adopted policy that is expressly based on religious beliefs and sincerely held moral convictions central to the facility's operating principles; and
- 3) the facility has informed the patient or the agent of such policy prior to or upon admission, if reasonably possible; and
- 4) the facility would be permitted by law to refuse to honor the decision if made by the principal.

If these conditions are met, the patient must be transferred promptly to another, reasonably accessible hospital, residential health care facility, or mental hygiene facility that will honor the agent's decision. If such transfer is not affected, the hospital, residential health care facility, or mental hygiene facility must seek judicial relief or honor the agent's decision.

## **C. FILLING OUT THE FORM**

The Department of Health's health care proxy form contains simple to follow instructions on how to fill it out, along with answers to several common questions about the law. Again, use of this form is not mandatory.

## **D. QUESTIONS AND ANSWERS**

The health care proxy form and instructions, along with these Questions & Answers, addresses many questions that have been raised concerning health care proxies.

**Q.** Do I need a lawyer to fill out a health care proxy form?

**A.** No. The health care proxy law has very minimal legal requirements. The form designed by the Department of Health asks for all the required information and provides space for optional information as well. Use of this form is not mandatory.

**Q.** What are the legal requirements for designating a health care agent?

**A.** The health care proxy form must:

- Identify the principal (person making the appointment);
- Identify the person being appointed as health care agent;
- State that the principal intends the agent to have authority to make health care decisions on the principal's behalf; and,
- Be signed and dated by the principal in the presence of two adult witnesses who also must sign the proxy.

- Another person may sign on behalf of the principal if the principal is unable to do so, provided the signing is at the principal's direction, in the principal's presence, and in the presence of two adult witnesses.

**Q.** What optional information can I provide?

- A.** You can direct your health care agent to make health care decisions in accordance with specific instructions that you state on the form. You may provide that your agent's authority expires upon a specified date or upon the occurrence of a certain condition. If no such date or condition is specified, the agent's authority remains in effect until revoked.

Also, unless your agent knows your wishes concerning the use of feeding tubes, your agent will not be allowed to make decisions about the use of feeding tubes.

**Q.** If I want to provide instruction concerning the use of feeding tubes, how should I state my wishes?

- A.** State your wishes as clearly and as simply as possible. The Department of Health has provided some sample language you could use for stating specific instructions about a variety of treatments that you may or may not desire. However, use of this language is not mandatory.

**Q.** Is a health care agent limited to authorizing the termination of life sustaining medical treatment?

- A.** No. A health care agent can make decisions to continue such treatment. Therefore, the health care proxy law is just as valuable for those who want treatment continued as for those who want to refuse it.

**Q.** Are there any limits on the types of medical treatment for which my health care agent can make decisions?

- A.** A health care agent is subject to the express limitations placed in the health care proxy by the principal. Also, if the principal's wishes regarding the use of feeding tubes is not reasonably known, the agent may not make decisions regarding these measures.

Otherwise, a health care agent has the authority to make any and all health care decisions on the principal's behalf that the principal could make.

**Q.** Can I give instructions for organ donation as part of my health care proxy?

- A.** A health care proxy may include the principal's wishes or instructions regarding organ and tissue donation. Failure to state wishes or instructions shall not be construed to imply a wish not to donate.

**Q.** Is a health care proxy form the same as a living will?

- A.** No. Generally speaking, a living will is a document in which an individual gives directions about health care to be followed in the event the individual has a terminal illness and is unable to provide further instructions.

The health care proxy law establishes a decision-making process. It does not require individuals to make a written statement regarding decisions about specific health care treatment in advance. The agent can make those decisions when the time comes.

- Q.** Should I discuss the appointment of an agent with anyone before I fill out the form?
- A.** Appointing a health care agent is an important decision. You should discuss it with your family, close friends, your doctor, and certainly with the person you are appointing.
- Q.** Does the health care proxy form have to be notarized?
- A.** No, it does not. However, it must be signed in the presence of two witnesses.
- Q.** Can I appoint more than one person to act as agent?
- A.** You can name a substitute or fill-in agent to act if the person you appoint as your principal health care agent is unable or unwilling to act. However, you cannot have two health care agents acting on your behalf at the same time.
- Q.** What should I do with the health care proxy form after it is filled out?
- A.** Copies of the form should be given to your health care agent, substitute agent, if any, and your doctor. Give a copy to hospital officials at the time of admission, if possible. Carry a copy with you. Put a copy away for safe-keeping. You may want to give a copy to family and close friends as well. These people should be notified of any subsequent changes in your wishes regarding medical treatment. Remember to notify them also if you decide to revoke a health care proxy.
- Q.** How long will the authority of my health care agent last?
- A.** You may provide that the health care proxy expires upon a specified date or upon the occurrence of a certain condition. The health care agent's authority would also terminate on that date or upon the occurrence of that condition. Otherwise, the agent's authority remains until the health care proxy is revoked.
- Q.** How do I revoke a health care proxy?
- A.** A health care proxy can be revoked by:
- Notifying the agent or a health care provider, orally or in writing, or by some other act evidencing an intent to revoke the proxy; or,
  - Executing a subsequent health care proxy; or,
  - Where the health care agent is the principal's spouse, upon divorce or legal separation from the spouse.
- Q.** If I executed a health care proxy prior to the January 18, 1991 effective date of the health care proxy law, will it be effective?
- A.** A health care proxy executed prior to January 18, 1991 became effective on January 18, 1991.

If you have questions not discussed here, you may contact the following agencies for further information:

NYS Office for the Aging  
2 Empire State Plaza  
Albany, NY 12223-1251  
1-844-NYSOFA1 or  
1-844-697-6321  
<https://aging.ny.gov/>

NYS Department of Health  
Corning Tower  
Empire State Plaza  
Albany, NY 12237  
[www.health.ny.gov](http://www.health.ny.gov)

NYS Task Force on Life  
and the Law  
90 Church Street, 4th Floor  
New York, NY 10007  
(212) 417-5444  
[https://www.health.ny.gov/  
regulations/task\\_force/](https://www.health.ny.gov/regulations/task_force/)

## **WORD ABOUT LIVING WILLS**

A living will is another type of advance directive that is used for health care decision making when a patient loses decision making capacity. Instead of appointing an individual to make decisions on the patient's behalf, a living will contains the patient's written instructions regarding health care.

Unlike most other states, New York does not have a living will statute. Thus, there is no standard form for a living will and no legislation directing its enforcement. The New York Court of Appeals, however, has indicated that a living will may be used to establish clear and convincing evidence of a patient's wishes regarding health care.

Also, Department of Health regulations require medical facilities to assess advance directives other than a health care proxy and allow, but not require, such facilities to seek a court determination that any individual advance directive has been expressed in a clear and convincing manner.

## **ESTATE PLANNING-DO I NEED A WILL?**

Yes. If not, New York State has prepared one for you—but it might not say what you want. You should see a lawyer to talk about the terms of your estate plan. There are choices to be made, and a lawyer can help make sure that you consider as many of them as possible. Even though you might not have to do any estate tax planning (because of recent helpful changes in the estate tax rates) there are still important things to be decided—such as your choice of guardians for any minor children, the executor of your will, and special provisions for ill or disabled beneficiaries.

The cost of a will is determined by how complicated it is. Drawn properly and reviewed periodically to keep it up to date, a will can save loved ones a great deal of time, trouble, and money.

## **LEGAL PREPARATION FOR AGING OR INFIRMITY**

Also, you might have to look to others for help in the management of your legal affairs, if you are infirm or aged. A lawyer can talk with you about joint checking or savings accounts, powers of attorney, or appointment of a conservator. Each of these actions involves certain practical risks and problems which must be fully considered with the help of your lawyer.

# RETIREMENT CHECKLIST

## *Legal Affairs*

As you approach retirement it is useful to determine what you know, what you've done, and what you still need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space next to it that will help you find the answers. You may want to use the same space to record other personal questions about this topic.

1. Do I understand estate exemptions and marital deductions as they apply to my estate?	<b>YES</b>	<b>NO</b>
<hr/>		
2. Is my will up-to-date?	<b>YES</b>	<b>NO</b>
<hr/>		
3. Do I understand the impact of joint ownership on my will?	<b>YES</b>	<b>NO</b>
<hr/>		
4. Am I satisfied with my attorney?	<b>YES</b>	<b>NO</b>
<hr/>		
5. Do others know where to find all my important papers?	<b>YES</b>	<b>NO</b>
<hr/>		
6. Am I familiar with my tax status after retirement?	<b>YES</b>	<b>NO</b>
<hr/>		

# RESOURCES

## *Legal Affairs*

Consider the following initial resources to get a sound, professional evaluation of your legal needs:

Union Legal Plan - contact your union representative or union headquarters directly to get an overview of the benefit package afforded to you as a State employee and union member.

New York State Bar Association (NYSBA) - is a volunteer organization of attorneys that offers a wide range of free services. Along with a series of publications which address specific legal issues, the Bar Association can also offer an unbiased legal referral service. The NYSBA is represented on a county-by-county level across New York State and can be found listed in the phone book or:

New York State Bar Association  
1 Elk Street  
Albany, New York 12207  
518-463-3200  
[www.nysba.org](http://www.nysba.org)

Know Your Rights Pamphlets Series:

- Buying and Selling Real Estate
- Rights of Residential Owners and Tenants
- If You Have an Auto Accident
- Divorce & Separation in New York State
- Your Rights as a Crime Victim
- Your Rights if Arrested

Elder Law Section Pamphlets:

- 17 Benefits for Older New Yorkers 2016
- Why Your Medicaid Application Should be Entrusted to an Elder Law Attorney
- Why You Need a Will
- Living Wills and Health Care Proxies
- Long Term Care Insurance

Local Legal Mediation Panels - can be located through local district attorney's office or the NYS Attorney General's Office, and offers an alternative to costlier legal fees, and court appearances in matters such as neighborhood disputes and consumer complaints.

American Association of Retired People (AARP) - has a diversified list of publications and services available to its members.  
1 888-687-2277  
[www.aarp.org](http://www.aarp.org)

### *New York State Agencies:*

NYS Office for the Aging  
2 Empire State Plaza  
Albany, NY 12223-1251  
<https://aging.ny.gov/>

County Offices for the Aging may provide free legal consultations directly or provide referrals to other local sources of legal advice. Chapter 1 of this Guide has a county-by-county listing of area Agencies on Aging. A toll-free Senior Citizen's Help Line is also available by calling: 1-800-342-9871.

NYS Office of the Attorney General  
The Capitol  
Albany, NY 12224-0341  
General Help Line: 800-771-7755  
Healthcare Hotline: 800-428-9071  
Medicaid Fraud Unit: 212-417-5397  
<https://ag.ny.gov>

NYS Division of Human Rights

Headquarters:

One Fordham Plaza 4th Floor  
Bronx, NY 10458  
718-741-8400

Upstate Office:

Agency Building 1  
Empire State Plaza  
Albany, NY 12220  
518-474-2705  
1-888-392-3644

<https://dhr.ny.gov/>

NYS Department of Financial Services

Consumer Hotline 1-800-342-3736

[www.dfs.ny.gov](http://www.dfs.ny.gov)

Department of State

Division of Consumer Protection

Corning Tower  
5 Empire State Plaza, Suite 2101  
Albany, NY 12223-1556  
518-474-8583  
1-800-697-1220

<http://www.dos.ny.gov/consumerprotection/>

Office of Victim Services

Albany Office:

AE Smith Building  
80 S. Swan Street, 2<sup>nd</sup> Fl.  
Albany, NY 12210  
518-457-8727

Brooklyn Office:

55 Hanson Place 10<sup>th</sup> Fl.  
Brooklyn, NY 11217  
718-923-4325

Victims Services Hotline: 1-800-247-8035

[www.ovs.ny.gov](http://www.ovs.ny.gov)

Older Americans Act

<https://acl.gov/about-acl/authorizing-statutes/older-americans-act>

**PUBLICATIONS:**

Clifford, Denis, *Estate Planning Basics*, (6<sup>th</sup> edition), Nolo Press, 2020.

Clifford, Denis, *Make Your Own Living Trust*, (8<sup>th</sup> edition), Nolo Press, 2019.

Clifford, Denis, *Plan Your Estate*, (14<sup>th</sup> edition), Quicken WillMaker, 2018.

Cullen, Melanie, *Get It Together: Organize Your Records So Your Family Won't Have To*, 2018.

Lambe, Paul, *The Estate Plan Workbook: Get Your Final Wishes on Paper, Your Will, Your Personal Care and Property - Power of Attorney decisions*, Paul Lambe, 2018.

Simple Start Guides, *Final Wishes: Estate Planning; Legal Documents, Personal Wishes & Instructions*, Simple Start Guides, 2019.

Taft, Neil, *Your Grandparent Rights: How to Protect Your Relationship With Your Grandkids*, 2018.



# Chapter 8

## NYS Deferred Compensation Plan



[www.nysdcp.com](http://www.nysdcp.com)

**We gratefully acknowledge the cooperation of the New York State Deferred Compensation Plan who provided the information contained in this chapter, and who are entirely responsible for its contents.**

# Overview

*The Deferred Compensation Plan (the Plan) is a voluntary retirement savings program, created by Federal and state law, enabling public employees to defer a portion of their gross pay. The following provides an overview of the Plan. For greater detail on the Plan and its benefits, visit the Plan Website at [www.nysdcp.com](http://www.nysdcp.com) or call the Plan HELPLINE at 1-800-422-8463.*

## WHAT DOES DEFERRED COMPENSATION MEAN TO ME?

It means that you may defer a portion of your salary on a pre-tax, or after-tax basis. The amount of your salary that you defer pre-tax to the Plan is not subject to current Federal or New York State income taxes. The result is that the amount that you are investing for your retirement is greater than the reduction in your take-home-pay. Pre-tax deferrals reduce your taxable income and, therefore, lower your Federal or New York State income taxes. You, therefore, are building greater retirement savings for your future. The amount you contribute to a Roth account comes out of your paycheck after New York State and Federal taxes. Roth contributions may be eligible for tax-free withdrawals.

Suppose you earn \$1,500 per pay period. And, let us assume you would like to put \$100 per pay period to the Plan. Instead of withholding taxes based on \$1,500, your employer would calculate your income tax withholding based on \$1,400 because your \$100 is not subject to current Federal or New York State income tax withholding. Thus, at the end of the year, your IRS Form W-2 will reflect \$36,400 of taxable wages instead of \$39,000.

<b>Sample 2020 Paycheck Analysis</b>			
	<b>Not Participating</b>	<b>Moderate Participation</b>	<b>Maximum Participation</b>
Federal Withholding Allowance	S-1	S-1	S-1
State Withholding Allowance	S-1	S-1	S-1
Gross Salary	\$1,500.00	\$1,500.00	\$1,500.00
Plan Deferrals	\$0.00	\$100.00	\$750.00*
Taxable Salary	\$1,500.00	\$1,400.00	\$750.00
Social Security	\$115.00	\$115.00	\$115.00
Federal Income Tax	\$184.00	\$161.00	\$75.00
NY State Income Tax	\$66.00	\$60.00	\$6.00
Regular Savings	\$100.00	\$0.00	\$0.00
Take Home Pay	\$1035.00	\$1064.00	\$554.00

**(Please note, salary deferrals to the Plan are not exempt from income taxes in some states. If you are not a New York State resident, please check the income tax status of deferred compensation deferrals in your state.)**

**\* Based on the 2020 contribution limit of \$19,500 spread over 26 pay periods**

<b>SAVING MORE USING DEFERRED COMPENSATION (PRE-TAX)</b> (*Note: assumes person filing as single with one withholding allowance, total includes Federal, State and Social Security Taxes)				
<b>Gross Salary</b>	<b>Def. Comp. Savings</b>	<b>Taxable Income</b>	<b>Withholding*</b>	<b>Take Home</b>
\$1,500	\$138	\$1,362	\$327	\$1,035

Another way of looking at this is that you can take home the same \$1,035 you would have by saving with after-tax dollars, and save \$38 more per pay period (\$138 vs. \$100) by saving with pre-tax dollars through deferrals to the Plan.

If you are a Tier 3 or Tier 4 member with less than 10 years of service, contributions to the Plan will be calculated after your contribution to the Retirement System. In addition, if your health contributions are taken on a before-tax basis, your Plan contributions will be based on the remaining salary.

For most people, deferred compensation is a good way to use your income earning years as a direct means to supplement your pension and Social Security benefits when you retire and build a bright financial future. Later in this chapter we'll discuss how to know if the Plan is right for you.

Let's look at how much could be accumulated in your Plan Account if you participated in an investment option under the Plan that earns a seven percent annual return.

<b>Cash Value Accumulation Chart</b> Illustration of Accumulation Based on Contribution Amount			
<b>Year</b>	<b>\$75 per pay period or \$1,950/year</b>	<b>\$100 per pay period or \$2,600/year</b>	<b>\$150 per pay period or \$3,900/year</b>
5	\$11,617	\$15,489	\$23,234
10	\$27,911	\$37,214	\$55,821
15	\$50,763	\$67,684	\$101,527
25	\$127,770	\$170,360	\$255,540
<i>Based on 7% annual return. This is not a guarantee or indication of future investment returns under any investment option available under the Plan. Each Plan distribution is taxable as ordinary income when you receive it.</i>			

## **COMMONLY ASKED QUESTIONS**

### **Does this mean that income taxes will never have to be paid on my Plan contributions?**

No. Qualified distribution from the Roth portion of your account can be tax-free. When withdrawn, the entire pre-tax withdrawal, (including earnings) will be subject to Federal, New York State, and local income taxes. If you reside outside of New York State, distributions will be subject to the income tax laws of your state of residence.

### **How does contributing to the Plan affect my income taxes?**

Your taxable income is reduced by the amount you defer, with the exception of Roth contributions. For example, if your salary is \$39,000 and you defer \$2,000, your income for income tax purposes will be \$37,000 on your IRS Form W-2.

### **What other benefits are there besides income tax reductions?**

Building a supplemental retirement savings means that you will have greater financial independence and you won't have to rely only on Social Security and your pension for retirement income.

### **Am I still eligible for an Individual Retirement Account (IRA deduction)?**

Participation in the Plan does not affect your eligibility for an IRA deduction.

However, if either you or your spouse are an active participant in a tax qualified retirement plan, including the New York State and Local Employees' Retirement System, you are eligible for a full IRA deduction only if your adjusted gross income is less than an amount described in Federal law.

### **Does contributing to the Deferred Compensation Plan affect my eligibility for a Roth IRA?**

No. Participation in the Plan does not affect your eligibility for a Roth IRA because contributions to a Roth IRA are not deductible for Federal income tax purposes.

### **How is the Deferred Compensation Plan different from an IRA?**

The Plan differs from an IRA in a number of ways. It offers you the convenience of setting some retirement savings aside a little bit at a time through payroll deductions. This may help you keep the discipline you need to save for your retirement.

In addition, the Plan allows you to defer larger amounts than you can contribute to an IRA (up to 100 percent of your includible compensation or \$19,500 for 2020, whichever is less). Your eligibility to make before-tax salary deferrals to the Plan are not limited by any income test like that imposed on deductible contributions to an IRA.

There are no penalties if you leave employment before age 59 <sup>1</sup>/<sub>2</sub> and receive a distribution from the Plan. Once you have a severance from employment and the Plan receives a termination of employment notice, you will be permitted to take a distribution as long as a balance of \$500 remains in the account for 45 days after a severance from employment. If you wish, you may leave the balance of your Plan account to continue to grow even after you have left employment, up to age 70 <sup>1</sup>/<sub>2</sub> when the law requires you to begin receiving Required Minimum Distributions.

Lastly, the Plan provides you a convenient place to consolidate retirement assets that you may have in a 401(k) or 403(b) plan, an IRA, or another governmental deferred compensation plan. The Plan accepts direct rollovers from eligible retirement plans. If you want, you have the option to roll over your Plan assets to another governmental deferred compensation plan, 401(k) or 403(b) plan, or an Individual Retirement Account (IRA). The tax consequences, distribution options, investment options, and participation costs in each may differ from the Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your Plan assets.

**Do deferrals affect my Social Security taxes or pension contributions?**

No. Your Social Security taxes and pension contributions, if any, will be calculated on the basis of your gross wages.

**Will participation in the Plan reduce my Social Security benefits?**

No. Your Social Security benefits will not be reduced because of your participation in or your benefits from the Plan.

**Do deferred compensation benefits affect eligibility for Medicaid?**

Please contact Medicaid to get the most up to date information.

**How do I know if participation in the Plan is right for me?**

It is usually advantageous to participate in the Plan for most people who have sufficient cash on hand to cover emergencies and for individuals who would like to build savings for retirement.

**Is the Plan good for those close to retirement?**

It may be, depending on your situation. The Plan offers you an opportunity to defer the payment of Federal and New York State income taxes on your Plan account until as late as April 1 of the year following the year you reach age 70 1/2 or as long as you're still working for the State or a participating local government employer, whichever is later.

If you are nearing retirement, you may be eligible to defer a larger amount through either the Retirement Catch-Up or Age 50 and Over Catch-Up provision.

**Is there a time when I must withdraw money from my Plan account?**

You are not required to withdraw your money from the Plan until you are age 70 1/2 or until you leave employment with New York State or a local participating employer, whichever is later.

**CONTRIBUTIONS, INVESTMENT OPTIONS, SPECIAL CIRCUMSTANCES**

**How much may I contribute from my paycheck?**

You may defer up to \$19,500 from your salary in 2020. Salary deferrals are made as a percentage of your salary from one percent of your compensation to 100 percent of your includible compensation.

### **Can I change my deferral amount?**

Yes. You may increase, decrease, or suspend your deferral rate by calling the HELPLINE at 1-800-422-8463 or by accessing the Transaction section of the Plan Website, [www.nysdcp.com](http://www.nysdcp.com). All changes will be implemented as soon as possible in the month following the month you make the request. However, because of payroll timeframes, your deferral change may not occur for up to two payrolls.

### **Are there any times when I can defer more to my Plan account?**

Yes, there are three time periods when you can defer more to the Plan than the regular contribution limits would allow.

If you are age 50 or over or will become age 50 during 2020, you may defer an additional \$6,500 through the Age 50 and Over Catch-Up provision. The ability to make additional deferrals through the Age 50 and Over Catch-Up is available to you every year you are at least 50 years old, except the years in which you are making Retirement Catch-Up deferrals. However, if the maximum deferral permitted under the Age 50 and Over Catch-Up provision is greater than your Retirement Catch-Up amount, you may make deferrals up to the Age 50 and Over Catch-Up maximum deferral.

The second time period you may make deferrals in excess of the regular deferrals is during your Retirement Catch-Up period. Retirement Catch-Up deferrals may be made during the three consecutive calendar years prior to your Retirement Catch-Up Age. Your Retirement Catch-Up Age is an age that you choose that is no earlier than the year during which you may retire under your employer's retirement plan without a reduction in benefits. Retirement Catch-Up Age may be no later than the year in which you turn 70<sup>1/2</sup>. If you are a police officer or a firefighter, Retirement Catch-Up Age may be no earlier than age 40.

The amount you may defer through the Retirement Catch-Up provision is the difference between the amounts you were eligible to defer while an employee of the State or a Participating Employer and your actual deferrals to the Plan. In 2020, you may contribute up to an additional \$19,500 dependent upon your Retirement Catch-Up amount. Assistance and paperwork are required to determine the exact amount you are permitted to defer under this special Retirement Catch-Up rule.

There is also a special provision for individuals who are called away from their regular job to perform duty in the United States military. If you return to your employer after a period of qualified military service, you will have a limited right to make up deferrals to the Plan that you could have made if you had been working for your regular employer. Please call the HELPLINE at 1-800-422-8463 and speak to a HELPLINE Representative for assistance.

### **When I leave employment, may lump sum payments for accrued but unused vacation leave be deferred to the Plan?**

Yes, provided, that those deferrals are received by the Plan no later than 75 calendar days after your last day of employment, or within the calendar year you terminated employment.

### **What happens to the money that is withheld from my paycheck?**

When you become a participant in the Plan, you will select how you want your deferrals to be invested. Payroll deferrals are invested in your investment selections within two days after they are received by the Plan.

## **What are my investment choices?**

The Plan offers 29 high quality investment options, which include a stable income fund, retirement date funds, bonds, and domestic and foreign stock mutual funds. This array of options gives you the ability to fully diversify your portfolio.

In addition, a Mutual Fund Window is available to you once your account balance is in excess of \$10,000 that allows you to invest up to 50% of your Plan assets in approximately 3200 mutual funds. Additional information can be obtained by calling the HELPLINE. How do I know what investments to choose?

In order to determine an asset allocation that suits your needs, you need to consider a number of factors including investment objective, risk tolerance and time horizon. The Plan Website features Morningstar Guidance Online and Ibbotson Allocation tools, retirement calculators, and a number of other educational resources to assist you to create a fully diversified portfolio.

## **What are the costs associated with the Plan?**

The fee structure is a combination of a \$20 annual fee, paid in two \$10 semiannual installments, and an asset-based fee calculated on a percentage of the participant's account balance. The asset-based fee, estimated to be three-tenths of 1 percent (\$3 per \$10,000 of account value), will be charged only on accounts with balances in excess of \$20,000. Account assets subject to the asset-based fee are capped at \$200,000. These fees will be deducted from participant's accounts in April and October of each year. Fees will be deducted pro-rata from each of the participant's investment options.

## **What if I start deferring to the Plan in the middle of the year at a rate designed to produce maximum contribution by year-end, but which, if made for a full year, would result in excess deferrals?**

Your payroll deductions may be automatically cut off when you reach your maximum deferral amount. For the following calendar year, your deferral rate will resume at that prior deferral rate unless you contact the Plan to specify a smaller deferral rate per pay period.

## **Can I roll assets into the Plan?**

Yes, if you have other retirement accounts in a former employer's 401(k), 403(b), deferred compensation plan, or in an Individual Retirement Account you can roll those assets into the Plan. The benefits of consolidating assets in the Plan will depend on your individual situation. Call the HELPLINE for additional information.

## **When can funds be withdrawn from the Plan?**

There are seven conditions under which funds may be withdrawn.

- 1) Separation from service, including regular retirement, regardless of age.
- 2) Attainment of age 70 <sup>1</sup>/<sub>2</sub>, even if stillemployed.
- 3) Severe unforeseeable emergency.
- 4) If your Plan Account balance is no more than \$5,000 **AND** you have not contributed to the Plan in the last two years **AND** you have not received a distribution under this provision before.

- 5) Death.
- 6) Loans.
- 7) In-Service Distributions of assets rolled in from another eligible retirement plan, except another governmental deferred compensation plan.

### **What is separation from service?**

Separation means you have left employment due to retirement, voluntary termination, or involuntary termination of employment from your employer.

### **What is an unforeseeable emergency?**

To meet the federal tax rules, the Plan has a strict definition of unforeseeable emergency. In general, your emergency expense must result from a situation that you could not have planned for, such as uninsured medical expenses or a natural disaster. Also, you'll have to submit written proof that you don't have any other means to pay for your emergency expense. Buying a home or sending a child to college does not meet the Plan's definition of an unforeseeable emergency. The process prescribed by law to qualify for an emergency withdrawal request is as follows:

**Step One:** You must submit an Emergency Withdrawal Form to the Plan and evidence that you have incurred this financial loss, including all supporting documentation and canceled checks of uninsured expenses. You must show that you have used other available savings and liquid assets to satisfy the emergency, to the extent that the use of those assets would not create an unnecessary hardship in itself.

**Step Two:** The Plan will determine, in accordance with the Plan's claim procedure, whether the emergency qualifies under the federal guidelines described above.

**Step Three:** Your request may be approved only for the amount necessary to satisfy the financial emergency. Since an unforeseeable emergency withdrawal is a taxable distribution, the amount withdrawn to cover the emergency will be a sum, which when reduced by taxes withheld on such withdrawals, should leave you with the funds needed to pay for the unforeseeable emergency.

Usually, a decision to approve or deny your emergency withdrawal request will be rendered within one week of your submission of all the required paperwork, although the Plan allows for up to sixty (60) days. If approved, you will receive the funds within 10 to 14 business days thereafter.

**Step Four:** Denials by the Plan may be appealed to the Review Committee. If your request for an emergency withdrawal is denied, your letter of denial will contain information about how to request an appeal and the time limits for doing so.

Deferrals to the Plan will be discontinued for six months after the approval of the unforeseeable emergency withdrawal request.

### **Does the Plan have a loan program?**

Yes. The Plan permits participants currently employed by the State or who are on an approved leave of absence to take out a loan. Only one loan may be outstanding at a time and cannot exceed the lesser of 50% of your Plan account balance or \$50,000. The minimum loan is \$1,000 for account balances of \$2,000 or more.

Loans for general purposes must be repaid, with interest, within 5 years. The repayment schedule may be extended up to 15 years if the loan is for the purchase of a primary residence. The interest rate is the prime rate as published in *The Wall Street Journal*, plus 1%.

Loan repayments are automatically deducted from your checking or savings account or you may pay via check directly to the Plan. Loan repayments are deposited in your Plan account according to your most recent investment allocation. Contact the HELPLINE for additional information about the loan program, including the loan origination fee, insufficient fund fee, default implications and default fees.

### **What are in-service distributions of rollover assets?**

Participants who have rolled assets into their Plan account are able to withdraw those assets from the Plan prior to leaving public service. If your Plan account holds assets that were rolled over from a 401(k), 403(b), or an IRA, those assets are still subject to the distribution rules of the former plan(s). This means that any assets that were rolled over from a 401(k), 403(b), or an IRA may be withdrawn at any time, subject to the distribution rules of the former plan, which could include a 10% early distribution penalty if you take a distribution prior to age 59 <sup>1</sup>/<sub>2</sub>. Please know that your assets that started and grew in your regular Plan account or were rolled over from another 457 deferred compensation plan are not eligible for a withdrawal until you leave public service, become age 70 <sup>1</sup>/<sub>2</sub>, or are needed for an unforeseeable emergency withdrawal.

### **What happens if I retire or terminate employment?**

Once you separate from service and the Plan is notified of your terminated status, you may choose how and when you would like your benefit payments to begin. The earliest permissible date for withdrawal is the day after you separate from service.

### **What if I leave my current employer and take a job with another employer?**

If you leave your current employer, you have two options. If you take a job with another employer that maintains a deferred compensation plan or eligible retirement plan that accepts transfers, you may elect to have all or a portion of your Plan account balance transferred directly to that employer's plan. In the case of such a transfer, the amount transferred is not currently taxable to you.

You also have the option to leave your assets in the Plan. You won't be able to make additional deferrals to your Plan account, but you will be eligible to receive benefit payments.

### **Do I have to take my money out of the Plan when I separate from service?**

No. You can leave your assets with the Plan until age 70 <sup>1</sup>/<sub>2</sub> when you must begin "Required Minimum Distributions". In fact, you can continue to make investment changes, and roll assets into the Plan even though you are no longer contributing to the Plan.

### **What happens if I am still employed at age 70 <sup>1</sup>/<sub>2</sub>?**

If you continue to work for your participating employer past age 70 <sup>1</sup>/<sub>2</sub>, you are eligible to receive benefit payments from your Plan account. You may also continue to make salary deferrals to your Plan account. Once you leave service, you are required to start taking your Required Minimum Distribution by December 31<sup>st</sup> of the calendar year that you separate from service.

## **What happens to my Plan account if I stop deferring to the Plan?**

Your Plan account continues to accumulate tax-deferred earnings until benefits are paid to you.

## **RECEIVING YOUR BENEFITS**

### **How do I receive my benefits and what are my benefit payment options?**

There are numerous ways in which you may receive your benefit payments. You may take a one-time full withdrawal of your Plan account, a partial withdrawal of your Plan account, establish a regular periodic payment of benefits, or defer receiving your benefits until age 70 <sup>1</sup>/<sub>2</sub>. As long as there is a balance in your account, you may change your payment option by contacting the HELPLINE or an Account Executive to obtain the required forms. Benefit payments can be increased or decreased or additional partial withdrawals may be taken in addition to your regular periodic payments at any time you need additional funds. Up to 12 periodic payments may be taken in each year and each must be at least \$100.

You also have the option to defer receiving your benefits until a later date, but only until you reach age 70 <sup>1</sup>/<sub>2</sub>. If you choose this option, benefit payments must begin no later than April 1 in the calendar year after you become age 70 <sup>1</sup>/<sub>2</sub>. Each of the benefit payment options previously discussed will be available to you should you choose this option.

When you become age 70 <sup>1</sup>/<sub>2</sub>, your total annual benefit payment must equal or exceed the Federal Required Minimum Distribution (RMD). An additional benefit payment will be sent to you in December of any year in which your total periodic payments do not meet or exceed your RMD.

### **When will my benefit payments begin?**

Once you have a severance from employment and the Plan receives a termination of employment notice, you will be permitted to take a distribution as long as a balance of \$500 remains in the account for 45 days after a severance from employment.

### **When do I pay income taxes?**

Amounts held under the Plan as pre-tax are not taxable until you receive them. Upon distribution, your pre-tax benefits will be subject to Federal, New York State, and local income taxes. Qualified Roth distributions are not subject to income tax. If you reside outside of New York State, distributions will be subject to the income tax laws of your state of residence.

### **How are benefit payments taxed on a Federal basis?**

The Plan is required to withhold 20% of all lump sum distribution and periodic payments of less than 10 years for Federal income tax purposes. The Plan is not required to withhold Federal income tax from periodic payments of 10 years or more or direct rollovers; however, participants will be required to pay Federal income taxes, if applicable.

## **How does New York State tax benefit payment options?**

The Plan will withhold state income taxes from distributions at the request of the participant. Benefit payments from the Plan are eligible for the New York State income tax deduction applicable to private retirement plans and eligible retirement plans (such as 401(k), 403(b), and Individual Retirement Accounts).

To be eligible for this deduction, the Plan participant must be at least age 59 <sup>1</sup>/<sub>2</sub> and the benefit payments must be in the form of periodic payments (non-lump sum payments) over at least two consecutive calendar years. The deduction is limited to \$20,000 per year per spouse.

## **Upon my death, what is my beneficiary entitled to?**

Upon your death, the amount remaining in your Plan account will be paid to your named beneficiary. If you did not name a beneficiary, the amount remaining will be paid to your spouse, if you have a spouse, or to your estate. The date when a beneficiary must begin to receive benefit payments and the maximum period over which benefit payments may be made depends on:

- the age of the Plan participant when he or she died.
- whether the Plan participant was receiving benefits from the Plan.
- whether you are the Participant's spouse, another individual, or the representative of a non-individual charity, trust, or institution.

In all instances, the earliest a beneficiary may begin to receive benefit payments is 45 days after the date of death. Beneficiaries should review the instructions in the Death Benefit Distribution Claim application carefully so that they are aware of the maximum benefits that they are entitled to receive and the manner in which they may receive them.

## **How do I get more information?**

The Plan's toll-free HELPLINE is designed to be the primary contact for employees and participant inquiries concerning the Plan. The HELPLINE consists of dedicated full-time staff who are licensed and FINRA-registered Representatives. To speak to a HELPLINE Representative, call 1-800- 422-8463. Representatives are available from 8:00 am to 11:00 pm Eastern Time, Monday through Friday, and 9:00 am to 6:00 pm on Saturday, except holidays

There are 17 Account Executives across New York State. They are available to educate and assist participants as well. You may reach your Account Executive by contacting the HELPLINE.

# RETIREMENT CHECKLIST

## *Deferred Compensation Plan*

As you approach retirement it is useful to determine what you know, what you've done, and what you need to find out or do.

Read each of the questions below and circle your answer, "YES" or "NO." Next, for each "NO" answer you gave, write down a few words in the space provided that will help you find the answers. You may want to use the same space to record other personal questions.

- |    |   |            |           |                |
|----|---|------------|-----------|----------------|
| 1. | Do I participate in the NYS<br>Deferred Compensation Plan?  | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |
| 2. | If "NO" to Question Number 1, do I<br>know the benefits of joining now?   | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |
| 3. | Do I know the maximum amount I<br>am eligible to defer to the Plan?   | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |
| 4. | Am I aware of the benefit payment<br>options I can elect?   | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |
| 5. | Am I aware of how taxes will be withheld<br>once I start receiving payments?  | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |
| 6. | Am I aware of the transactions I can<br>make to my account by accessing<br>the web site at <a href="http://www.nysdcp.com">www.nysdcp.com</a> ? | <b>YES</b> | <b>NO</b> | <hr/><br><hr/> |



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# **Chapter 9**

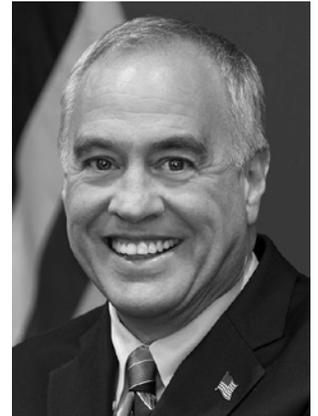
## **Your Retirement Benefits: Employees' Retirement System**

Office of the New York State Comptroller  
**Thomas P. DiNapoli**

# Table of Contents

A Message from State Comptroller Thomas P. DiNapoli .....	9-3
Your NYSLRS Membership .....	9-5
Service Credit.....	9-9
Final Average Salary .....	9-15
Retirement Plans .....	9-21
Preparing for Your Retirement.....	9-31
Applying for Your Service Retirement Benefit. ....	9-45
After You Retire .....	9-51
Death Benefits .....	9-55
Survivor's Benefit Program .....	9-63
Your Obligations .....	9-65
NYSLRS Forms.....	9-66

# A Message from State Comptroller Thomas P. DiNapoli



Dear Member:

This book describes your New York State and Local Retirement System (NYSLRS) benefits and can be a valuable resource — especially as you approach retirement. We also offer other resources to help you understand your benefits so you can successfully plan for retirement.

Use these resources to get details about your NYSLRS account and your benefits:

- Sign in to *Retirement Online*. It's a convenient and secure way to review your NYSLRS benefits. You can also use *Retirement Online* to update your address and your beneficiaries and to apply for a loan. Register or learn more at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).
- Review your Member Annual Statement, which provides your NYSLRS membership details to you every summer.
- Request a pension benefit estimate when you are within 18 months of retirement.

Visit our website ([www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire)) for these general pre-retirement planning resources:

- Read your retirement plan booklet and other publications that outline and explain your benefits.
- Use our online Benefit Projection Calculator. Most members can use it to estimate what their pensions will be when they retire.
- Subscribe to our blog, *New York Retirement News*, like us on Facebook and follow us on Twitter for tools, quick tips and information on a variety of retirement topics.
- Sign up for *E-News*, our monthly email newsletter, for the latest NYSLRS news. It includes a special section dedicated to pre-retirement planning.

I am joined by a staff of dedicated professionals who are as committed as I am to helping you make informed decisions about your future. I encourage you to contact us with any questions you might have.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, slightly stylized font.

Thomas P. DiNapoli  
State Comptroller

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# Your NYSLRS Membership

*As a public servant in New York State and a member of one of the world's largest public pension systems, you are covered by a retirement plan that provides important benefits. Whether you have just joined or have been a member your entire career, it is important to know about these benefits.*

*The New York State and Local Retirement System (NYSLRS) is a defined benefit-plan. Your retirement benefit will be based on factors such as your tier, retirement plan, service credit, final average salary (FAS) and age at retirement.*

*This publication explains your rights and obligations as a member. It clarifies the factors that affect your retirement benefits and provides you with examples of how those benefits are determined. It also takes you step-by-step through the retirement process and provides information about a variety of post-retirement matters.*

*Please contact us whenever you have questions about your benefits.*

## STAY INFORMED

Your retirement benefits are an important part of a solid financial plan. They can help you and your beneficiaries achieve financial security in retirement or in the event of disability or death. Use these tips to help you understand your benefits and stay informed.

- Access your NYSLRS retirement information, update your address and more using *Retirement Online*. It's a convenient and secure way to review your benefits and conduct transactions in real time. Learn more about *Retirement Online* at [www.osc.state.ny.us/retire/retirement\\_online/customers.php](http://www.osc.state.ny.us/retire/retirement_online/customers.php), and register today.
- Review your Member Annual Statement carefully and notify us of any errors promptly.
- Visit our website ([www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php)) frequently to learn about your benefits, download forms, read informative booklets and brochures, and get tips on preparing for retirement.
- Attend a pre-retirement presentation to learn about the retirement process and discuss post-retirement issues. At your employer's request, we offer these presentations designed for members within five years of retirement eligibility.
- Make an appointment to visit any of our consultation sites ([www.osc.state.ny.us/retire/consultation\\_site\\_offices/index.php](http://www.osc.state.ny.us/retire/consultation_site_offices/index.php)), where you can meet with an information representative to discuss special concerns or request specific information.
- Notify us if your mailing address changes. This is especially important if you leave public employment before you are eligible to retire.
- Contact us ([www.contactNYSLRS.com](http://www.contactNYSLRS.com)) if you have questions about your benefits.
- Subscribe to our blog, *New York Retirement News* ([www.nyretirementnews.com](http://www.nyretirementnews.com)), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on Facebook ([www.facebook.com/nyslrs](http://www.facebook.com/nyslrs)) and follow us on Twitter ([www.twitter.com/nyslrs](http://www.twitter.com/nyslrs)) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our email newsletter ([www.osc.state.ny.us/retire/e-news/sign-up/index.php](http://www.osc.state.ny.us/retire/e-news/sign-up/index.php)), for the latest NYSLRS news and information dedicated to pre-retirement planning.
- Read your member newsletter for current retirement information and updates on your benefits.

## CONTACT US

If you have any questions or you need more information, we're glad to help.

- **Email:** [www.emailNYSLRS.com](http://www.emailNYSLRS.com);
- **Call:** 1-866-805-0990, or 518-474-7736 in the Albany, New York area;
- **Fax:** 518-473-5590; or
- **Write:**

NYSLRS  
110 State Street  
Albany, NY 12244-0001

## RETIREMENT CONSULTATIONS

Retirement consultations are available at locations throughout the State. To schedule an appointment, contact our Call Center toll-free at 1-866-805-0990 (518-474-7736 in the Albany, New York area).

Appointments are needed for individual consultations at all sites. However, with the exception of our New York City site, members do not need an appointment to drop off forms, pick up information or have something notarized. Our Albany office hours are 8:30 am – 4:30 pm. Office hours at all other sites are 9:00 am – noon and 1:00 pm – 4:00 pm. All sites are closed on legal holidays.

When visiting any of our sites, please bring photo identification and any recent Retirement System correspondence. If you require special accommodations, contact our Call Center at least two weeks in advance of your visit and we will make a reasonable effort to meet your needs.

### Consultation Site Offices

City/ Village	Address	Monthly Visiting Days
Albany	110 State St.	Every Business Day
Binghamton	Binghamton State Office Building 44 Hawley St., Room 606	Every Tuesday
Buffalo	Walter J. Mahoney State Office Building 65 Court St., Room 500	Every Business Day
Canton	SUNY at Canton (off Route 68) Campus Center, 2nd Floor	First Thursday
Hauppauge	330 Motor Pkwy., Suite 107	Every Business Day
Middletown	Hudson Valley DDSO 42 Rykowski Ln.	Second and Fourth Thursday
New York City	59 Maiden Ln., 30th Floor Entrance located between William St. and Nassau St.	Every Tuesday and Wednesday
Plattsburgh	County Center, County Clerk's Office 137 Margaret St., 1st Floor	First and Third Thursday
Pomona	Dr. Robert L. Yeager Health Center 50 Sanatorium Rd., Building A, 7th Floor	First and Third Friday
Poughkeepsie	Eleanor Roosevelt State Office Building 4 Burnett Blvd.	Second and Fourth Friday
Rochester	NYS DOT Building 1530 Jefferson Rd., Henrietta	Every Thursday
Syracuse	620 Erie Blvd. West, Suite 113	Every Friday
Utica	Utica State Office Building 207 Genesee St., Ground Floor	First, Second, Third and Fourth Monday
Watertown	Jefferson County Human Services Building 250 Arsenal St., Lower Level Conference Room	First Wednesday
White Plains	Clarence D. Rappleyea Building 123 Main St., 1st Floor	Every Wednesday

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**Note:** Always check our website ([www.osc.state.ny.us/retire/consultation\\_site\\_offices/index.php](http://www.osc.state.ny.us/retire/consultation_site_offices/index.php)) for the most current consultation site schedule as locations and monthly visiting days can change.

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## YOUR MEMBERSHIP TIER

Members are categorized into different tiers based on their date of membership. There are six tiers in the Employees' Retirement System (ERS). Tier status determines the following:

- Contribution requirements;
- Benefit eligibility;
- Servicecrediting;
- Formula used to calculate your final average salary;
- Loan provisions;
- Vesting requirements;
- Death benefit coverage; and
- Formula used to calculate your retirement benefit.

You are in:	If you joined:
Tier 1	Before July 1, 1973
Tier 2	July 1, 1973, through July 26, 1976
Tier 3	July 27, 1976, through August 31, 1983
Tier 4	September 1, 1983, through December 31, 2009
Tier 5	January 1, 2010, through March 31, 2012
Tier 6	April 1, 2012, or after

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**Note:** There is no Tier 4 for New York State correction officers. If you joined July 27, 1976, through December 31, 2009, you are a Tier 3 member. Security hospital treatment assistants (SHTAs) under the jurisdiction of the Office of Mental Health who joined September 1, 1983, through December 31, 2009, and elected the Article 14-CO plan before January 1, 1990, or within one year of becoming employed in this title, are also Tier 3 members. SHTAs who joined during this same period and did not elect this plan are in Tier 4.

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## TIER REINSTATEMENT

If you had a previous membership in this System, or any of the following public retirement systems, your service may be recredited and your date of membership and tier restored. However, an earlier tier of membership does not always result in a better benefit. Please contact us regarding your previous membership and the potential for reinstatement.

- New York State and Local Police and Fire Retirement System
- New York State Teachers' Retirement System
- New York City Employees' Retirement System
- New York City Board of Education Retirement System
- New York City Police Pension Fund
- New York City Fire Department Pension Fund
- New York City Teachers' Retirement System

# Service Credit

*As a member, you earn service credit for your public employment while on the payroll of a participating employer in NYSLRS. Your service credit is a key factor in determining your eligibility and/or the calculation of death benefits, vested rights, service retirement, disability retirement and member loans. Since your benefits are directly related to your service credit, it is important to make sure you have credit for all your allowable service.*

## SERVICE CREDITING

The number of hours that constitute a standard workday is established by your employer and, for Tier 2, 3, 4, 5 and 6 members, must be at least six hours per day, 30 hours per week. Your workdays are reported to us by your employer(s). Generally, 260 workdays per year are equivalent to full-time credit, except for members employed in an educational setting (see bulleted information below).

- A full year of service credit is given for full-time service.
- Part-time employment, except as noted below, is credited as the lesser of: number of days worked ÷ 260 days **or** annual earnings reported ÷ (State's hourly minimum wage × 2,000).
- Institutional teachers may receive full service credit if they work at least 200 days each year. Institutional teachers are teachers who work in New York State run institutions such as developmental centers or prisons.
- For teachers in New York State schools for the blind or deaf, 180 days is considered full-time.
- Ten-month school district employees who work at least 180 days in the school year receive credit for a full year.
- College employees who work full-time (170 days per year) for the academic year receive a full year of service credit.

Regardless of your membership tier, credit is not given for leaves of absence without pay or for any period of time you do not receive salary. There may be exceptions if you are on sick leave at half-pay or receiving workers' compensation benefits.

You can check your total service credit using *Retirement Online*. Visit our NYSLRS home page at [www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php), then click "Register" or "Sign In."

## ARTICLE 19 SERVICE CREDIT

If you are an eligible Tier 1 or 2 member whose membership date is prior to July 27, 1976, you will receive an additional month of service credit for each year of credited service you have at retirement, up to a maximum of 24 months. This additional service credit will be included in your benefit calculation at retirement.

To be eligible for an increased retirement benefit under Article 19, you must have been in active service continuously from April 1, 1999, through and including October 1, 2000. Active service means:

- Being paid on the payroll;
- On a leave of absence with pay;
- On an authorized leave without pay; or
- Any period of time between school terms and any time between September 1, 2000, and October 1, 2000, for teachers or other employees who work the school year.

Those **not** eligible for the additional service credit provided by Article 19 include:

- Members who retire under a special 20-year plan that allows for service retirement without regard to age.
- Members in employment certified as consisting of 50 percent or more in criminal law enforcement who retire under a plan that allows for service retirement without regard to age on completion of 25 years of credited service. However, Article 19 benefits do apply to correction officers.
- Members of the New York State and Local Police and Fire Retirement System (PFRS).

## UNUSED, UNPAID SICK LEAVE

Unused, unpaid sick leave may be added to your credited service and used in your benefit calculation if you are a New York State employee or if your employer has chosen to offer the optional sick leave benefit provided by Section 41(j) of Retirement and Social Security Law (RSSL). To be eligible for this benefit, you must retire directly from public service or within a year of separating from service.

The additional credit is determined by dividing your total unused, unpaid sick leave days by 260. For most members, the maximum number of sick leave days allowable is 165. For most Tier 6 members, it's 100 days. However, for some members employed by New York State, the maximum is 200 days. Check your Member Annual Statement to see if your employer offers this benefit.

Example	
For a member whose full-time day is 8 hours	
$\frac{\text{\# hours unused sick leave}}{\text{full-time hours per day}}$	= # days additional service credit
$\frac{1320}{8}$	= <b>165 days additional service credit</b>
$\frac{\text{\# days additional service credit}}{260}$	= additional service credit
$\frac{165}{260}$	= <b>.63 of a year additional service credit</b>

Credit for your unused sick leave at retirement cannot be used to:

- Qualify for vesting. For example, if you have four years and ten months of service credit and you need five years to be vested, your sick leave credit cannot be used to reach the five years.
- Qualify for a better retirement benefit calculation. For example, if you have 19½ years of service credit but your pension will improve substantially if you have 20 years, your sick leave credit cannot be used to reach the 20 years.
- Increase your pension beyond the maximum amount payable under your retirement plan.
- Meet the service credit requirement to retire under a special 20- or 25-year plan.

## CREDIT FOR YOUR PAST SERVICE

Legislative changes in 2000 allow for the crediting of most previous public employment.

- **Prior Service** — Prior service is any period of time you received salary from a public employer before that employer elected to participate in NYSLRS.
- **Service Before Your Date of Membership** — You may receive credit for working for a participating public employer in New York State before you joined NYSLRS (including Comprehensive Employment and Training Act (CETA) service).
- **Service From a Previous Membership** — If you previously were a member of NYSLRS, or another public retirement system in New York State, your service may be recredited and your date of membership and tier restored.
- **Military Service** — You may be able to get retirement credit for service in the U.S. armed forces.

### To Apply

Submit a Request to Purchase Service Credit (Including any Military Service) (RS5042) form. See page 9-66 for a description and a link to the form on our website. You can also submit an email (using our secure email form), or a letter, that includes the complete details of the service you'd like credited.

**Email:** [www.emailNYSLRS.com](http://www.emailNYSLRS.com)

**Mail:** NYSLRS  
Member and Employer Services Bureau  
110 State Street  
Albany, NY 12244-0001.

### Military Service Credit

To find out if you qualify, please send us a copy of your Certificate of Release or Discharge from Active Duty (DD-214) along with your request. If your military records were destroyed in the 1973 fire at the National Personnel Records Center (NPRC), we will also accept a certificate of military service.

You can request a copy of your records from the National Archives and Records Administration:

**Website:** [www.archives.gov/veterans/military-service-records](http://www.archives.gov/veterans/military-service-records)

**Fax:** 314-801-9195

**Address:** National Personnel Records Center  
1 Archives Drive  
St. Louis, MO 63138-1002

Veterans who have left the armed forces, but maintain reserve status, should contact the reserve component of the appropriate branch of service.

Veterans currently in the National Guard should contact the Adjutant General's Office of New York State. In most cases, recently discharged National Guard members will not be able to get their military records from NPRC until six months after discharge because of the required processing.

For more information about getting credit for your military service, visit our Military Service Credit page at [www.osc.state.ny.us/retire/members/military-service-credit.php](http://www.osc.state.ny.us/retire/members/military-service-credit.php).

## **All Types of Service Credit**

Some things to remember:

- Even if you included past service on your membership application, you must make this formal request to receive credit for it.
- Make your request well before you expect to retire. This gives us sufficient time to get salary and service records from your employer(s), and it allows you ample time to pay for the credit, if necessary.
- Tier 2, 3, 5 and 6 members need two years of service credit in their current memberships before they can claim credit for previous service.
- Members may need at least five years of service credit in their current memberships before they can claim credit for military service. It depends on the particular statute governing the service.

To establish eligibility for a vested retirement benefit, you must request credit for your previous service while on the payroll of a participating employer. If you receive notice of an associated cost after you've left payroll, you must pay the full amount within 30 days.

## PAYING FOR YOUR CREDIT

There will generally be a cost to claim credit for your previous service. We will send you a letter indicating the amount of previous service credit you are eligible to receive and any applicable cost.

- **Mandatory Service** — If you are covered by a plan that requires contributions (Tier 3, 4, 5 and 6 members), and if no or insufficient contributions were made to NYSLRS, you may owe mandatory payments associated with your past service. In that case, we notify you of the amount due. You may make a single lump sum payment to cover the cost for this service, or you may request that we notify your employer to begin payroll deductions to cover the cost.
- **Optional Service** — If you are seeking credit for military service or public employment before your membership date, any associated payments are optional. Your cost letter will provide payment options and a due date, after which your cost would have to be recalculated. The cost accumulates 5 percent interest compounded annually.

Please review your options carefully before making a decision, and contact us ([www.contactNYSLRS.com](http://www.contactNYSLRS.com)) with any questions you have. You may also want to use our online benefit projection calculator at [www.osc.state.ny.us/retire/members/projecting-your-pension.php](http://www.osc.state.ny.us/retire/members/projecting-your-pension.php). Try calculating your benefit with and without the available credit to help you determine if making the purchase is right for you.

If there is a cost to secure credit for optional past service, there are three ways you can make payment:

1. A single lump sum to cover the entire cost of the past service;
2. Payroll deductions (you may make additional payments if you want to pay off the balance sooner);  
or

A trustee-to-trustee transfer from one of the allowable plans below (for optional service only).

408(a) or 408(b) Individual Retirement Account
403(a) Annuity Plan
403(b) Tax-Sheltered Annuity
401(a) or 401(k) Qualified Defined Benefit or Contribution Plan
457 Governmental Deferred Compensation Plan

Transfers from Roth IRAs, inherited IRAs or inherited Roth IRAs are not permitted.

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**Note:** If you decide on payroll deductions, the payment period cannot exceed the amount of service credit being purchased. For example, if you are purchasing three years of service credit, payroll deductions can be made for up to three years, or until your date of retirement, whichever comes first. At the time of retirement, the total cost must be paid in full or you will receive credit only for that part of your previous service that was paid for. Any mandatory service that has not been paid for by your date of retirement will cause a **permanent** reduction to your monthly benefit.

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# Final Average Salary

*Your final average salary (FAS) is an important factor in the calculation of your retirement benefit. For ERS members in Tiers 1 through 5, FAS means the average of the three highest consecutive years of earnings in covered public employment. For Tier 6 members, it is the average of the five highest consecutive years of earnings. This is usually the last years of employment immediately before retirement. However, if there is a consecutive three- or five-year period\* of usable earnings earlier in a member's career that will result in a higher FAS, we will use that higher FAS to calculate the benefit. We do the FAS comparison automatically at the time of your retirement. The earnings used in the FAS calculation may be subject to certain limitations based on the date you joined NYSLRS.*

*\* Not always a calendar or a fiscal year.*

# THREE-YEAR FINAL AVERAGE SALARY

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## Tiers 1, 2, 3, 4 and 5

A three-year FAS is the average of the wages earned during any three consecutive years of service when earnings were highest. This is usually the last three years of employment.

The FAS calculation can include, but is not limited to, the following types of payments earned during the FAS period:

- Regular salary;
- Holiday pay;
- Longevity;
- Overtime;\* and
- Vacation pay (up to 30 days for members who joined prior to April 1, 1972, or after July 26, 1976, if the FAS is based on the earnings three years immediately preceding retirement).

In most cases, the following payments **cannot** be included in the FAS:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for deferred compensation;
- Any payments made for time not worked; and
- Lump sum payments for accumulated vacation if you joined April 1, 1972 through July 26, 1976.

A sample FAS calculation for a member with full-time service and no breaks in employment during the FAS period is provided below:

Example	
Date of Retirement 3/9/2018	
Earnings Period	Usable Earnings
Year 1: 3/9/2017 – 3/8/2018	\$ 46,723
Year 2: 3/9/2016 – 3/8/2017	\$ 44,912
Year 3: 3/9/2015 – 3/8/2016	<u>\$ 42,336</u>
	\$ 133,971 ÷ 3 =
	<b>\$ 44,657 FAS</b>

*\* For Tier 5 members, the total amount of overtime and compensatory overtime that can be included in your FAS calculation is limited.*

## LIMITATIONS

### Tier 1

Tier 1 members who joined prior to June 17, 1971, are not subject to a limitation. If your date of membership is June 17, 1971, or later, a limitation may apply to the calculation of your FAS. The earnings in any one year used in your FAS calculation cannot exceed the earnings of the previous 12 months by more than 20 percent. Earnings in excess of 20 percent will be excluded from the calculation.

A 20 percent increase in salary from one year to another is unusual. Therefore, most Tier 1 members are not affected by this limitation.

Example		
Tier 1 Member who joined on or after 6/17/71		
Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\$38,000 \times 1.2 = 45,600$	\$ 45,600
Year 2: \$38,000	$\$37,000 \times 1.2 = 44,400$	\$ 38,000
Year 3: \$37,000	$\$33,000 \times 1.2 = 39,600$	<u>\$ 37,000</u>
Year 4: \$33,000		
		\$ 120,600 ÷ 3 =
		<b>\$ 40,200 FAS</b>

The earnings in Year 1 exceed the earnings in the previous year by more than 20 percent, therefore, the FAS is limited and only the Earnings Allowed can be used in the calculation.

### Tier 2

The earnings in any one year of your FAS calculation cannot exceed the average earnings of the previous two years by more than 20 percent. Earnings in excess of the 20 percent limitation will be excluded from the calculation. Few Tier 2 members are affected by this limitation.

Example		
Tier 2 Member		
Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\frac{(\$38,000 + \$37,000)}{2} \times 1.2 = 45,000$	\$ 45,000
Year 2: \$38,000	$\frac{(\$37,000 + \$33,000)}{2} \times 1.2 = 42,000$	\$ 38,000
Year 3: \$37,000	$\frac{(\$33,000 + \$32,000)}{2} \times 1.2 = 39,000$	<u>\$ 37,000</u>
Year 4: \$33,000		
Year 5: \$32,000		
		\$ 120,000 ÷ 3 =
		<b>\$ 40,000 FAS</b>

The earnings in Year 1 exceed the average of the earnings in the previous two years by more than 20 percent, therefore, the FAS is limited and only the Earnings Allowed can be used in the calculation.

## Tiers 3, 4 and 5

The earnings in any one year used in the FAS calculation cannot exceed the average earnings of the previous two years by more than 10 percent. Earnings in excess of the 10 percent limitation will be excluded from the calculation. As a result, Tier 3, 4 and 5 members are more likely to be limited in the amount of salary used in their FAS calculation.\*

A lump sum payment for up to 30 days of unused accumulated vacation may be included in the FAS calculation if the total compensation in that 12-month period does not exceed the 10 percent limitation. \*\*

Example			
Tier 3, 4 or 5 Member			
Actual Earnings		Limit	Earnings Allowed
Year 1: \$47,000	$\frac{(38,000 + 37,000)}{2}$	1.1 = 41,250	\$ 41,250
Year 2: \$38,000	$\frac{(37,000 + 33,000)}{2}$	1.1 = 38,500	\$ 38,000
Year 3: \$37,000	$\frac{(33,000 + 32,000)}{2}$	1.1 = 35,750	\$ <u>35,750</u>
Year 4: \$33,000			
Year 5: \$32,000			
			\$ 115,000 ÷ 3 =
			<b>\$ 38,334 FAS</b>

The earnings in Years 1 and 3 exceed the average of the earnings in the previous two years by more than 10 percent, therefore, the FAS is limited and only the Earnings Allowed can be used in the calculation.

\* Tier 5 members are limited in their allowable overtime earnings.

\*\* A lump sum vacation payment will be added into the last year's earnings.

# FIVE-YEAR FINAL AVERAGE SALARY

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## Tier 6

A five-year FAS is the average of the wages earned during any five consecutive years of service when earnings were the highest. This is usually the last five years of employment.

The five-year FAS calculation can include, but is not limited to, the following types of payments earned during the FAS period:

- Regular salary;
- Holiday pay;
- Longevity pay; and
- Overtime pay.\*

In most cases, the following payments **cannot** be included in the FAS:

- Unused sick leave;
- Payments made as a result of working your vacation;
- Wages in excess of the Governor's salary (currently \$179,000);
- Lump sum payments for deferred compensation;
- Any payments made for time not worked;
- Any form of termination pay;
- Payments made in anticipation of retirement;
- Lump sum payments for accumulated vacation; and
- For members paid by three or more participating employers, wages paid by more than two of those employers.

*\* For Tier 6 members, the total amount of overtime and compensatory overtime that can be included in the calculation of your FAS is limited.*

## LIMITATIONS

The earnings in any one year used in the FAS calculation cannot exceed the average earnings of the previous four years by more than 10 percent. Earnings in excess of the 10 percent limitation will be excluded from the calculation. As a result, Tier 6 members are likely to be limited in the amount of salary used in their FAS calculation.

### Example

#### Tier 6 Member

Actual Earnings	Limit	Earnings Allowed
Year 1: \$47,000	$\frac{(38,000 + 37,000 + 33,000 + 32,000)}{4} \times 1.1 = 38,500$	\$ 38,500
Year 2: \$38,000	$\frac{(37,000 + 33,000 + 32,000 + 31,000)}{4} \times 1.1 = 36,575$	\$ 36,575
Year 3: \$37,000	$\frac{(33,000 + 32,000 + 31,000 + 30,000)}{4} \times 1.1 = 34,650$	\$ 34,650
Year 4: \$33,000	$\frac{(32,000 + 31,000 + 30,000 + 29,000)}{4} \times 1.1 = 33,550$	\$ 33,000
Year 5: \$32,000	$\frac{(31,000 + 30,000 + 29,000 + 28,000)}{4} \times 1.1 = 32,450$	\$ <u>32,000</u>
Year 6: \$31,000		
Year 7: \$30,000		
Year 8: \$29,000		
Year 9: \$28,000		
		\$ 174,725 ÷ 5 =
		<b>\$ 34,945 FAS</b>

The earnings in Years 1, 2 and 3 exceed the average of the earnings in the previous four years by more than 10 percent, therefore, the FAS is limited and only the Earnings Allowed can be used in the calculation.

# Retirement Plans

*Your retirement plan describes the formula used to calculate your retirement benefit. All calculation examples shown in this section represent the Single Life Allowance payment option, which provides the maximum amount payable for your lifetime.*

*Some ERS members are in retirement plans that allow for retirement, regardless of age, after a specific number of years. These special plans cover job titles such as Corrections Officers, Security Hospital Treatment Assistants, Sheriffs, Undersheriffs and Deputy Sheriffs. If you are in a special plan, you should review your plan booklet for retirement benefit calculation information. Plan booklets are available on our Publications page at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).*

## SERVICE RETIREMENT ELIGIBILITY

To be eligible to collect a retirement benefit, a member must meet one of the following criteria:

- Tier 1 members age 55 or older;
- Tier 2, 3, and 4 members age 55 or older with five or more years of credited service; or
- Tier 5 and 6 members age 55 or older with ten or more years of credited service.

## BENEFIT REDUCTIONS

Your age at retirement could directly impact the calculation of your retirement benefit. Members who meet one of the following criteria can retire with no age-based reduction to their benefits:

- Tier 1 members age 55 or older;
- Tier 2, 3, 4 and 5 members who retire at the age of 62 or older;
- Tier 6 members who retire at age 63 or older; or
- Tier 2, 3, and 4 members who retire between the ages of 55 and 62 with 30 or more years of service credit.

Retirement benefits for members who retire under a regular plan and do not meet one of the criteria listed above will be permanently reduced based on their age on their date of retirement.

Benefit reduction percentages for each tier of membership are provided below. Please note that these reductions are prorated by the month. For example, the pension benefit of a Tier 4 member with less than 30 years of service who retires at the age of 55 years and 6 months old would be permanently reduced by 25.5 percent.

### Benefit Reduction Charts

Age at Retirement	Tiers 2, 3 & 4 Reduction	Tier 5 Reduction	Tier 6 Reduction
63	-	-	0%
62	0%	0%	6.5%
61	6%	6.66%	13.0%
60	12%	13.33%	19.5%
59	15%	18.33%	26.0%
58	18%	23.33%	32.5%
57	21%	28.33%	39.0%
56	24%	33.33%	45.5%
55	27%	38.33%	52.0%

## **TIERS 1 & 2**

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### **Section 75-h (State) and Section 75-i (Local)**

#### **SERVICE RETIREMENT BENEFIT**

- If you retire with 20 or more years of service credit, your guaranteed service retirement benefit will be 1/50th (2 percent) of your FAS for each year of service credit.
- If you made contributions to NYSLRS, your benefit will include an annuity purchased by the contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid balance may be subject to federal income taxes.
- Under this plan, the pension portion of your retirement benefit cannot exceed 75 percent of your FAS (with 37½ or more years of service). However, if you are eligible for the additional service credit provided by Article 19 (see page 9-10), your benefit cap is raised to 79 percent of your FAS.
- Tier 2 members who retire before age 62 with less than 30 years of service are subject to a benefit reduction. (See page 9-22 for reductions.)
- With less than 20 years of service, your benefit will be calculated under either Section 75-d (State) or Section 75-e (local). (See page 9-25 for more information.)

If your service credit at retirement exceeds 37.5 years (or 39.5 years if you are eligible for Article 19 service), you may qualify for a higher retirement benefit under Section 75-f or 75-g. (See page 9-25 for calculation information.)

- For New York State employees employed by the State on March 31, 1970, the benefit provided by Section 75-h would be compared to the benefit provided by Section 75-f.
- For employees of local government employers, the benefit provided by Section 75-i would be compared to the benefit provided by Section 75-g.
- Sections 75-f and 75-g provide an annual benefit equal to 50 percent of your FAS for 25 years of service credit plus 1.66 percent of your FAS for each year of service credit over 25 years, with no cap.

<b>Examples</b>	
<b>Tier 1   Age 55</b>	
28 years of service FAS = \$43,500	
$\frac{28 \times \$43,500}{50}$	= \$ 24,360 per year \$ 2,030 per month

<b>Examples</b>	
<b>Tier 2   Age 55</b>	
30 years of service FAS = \$43,500	
$\frac{30 \times \$43,500}{50}$	= \$ 26,100 per year \$ 2,175 per month

<b>Tier 2   Age 55</b>	
28 years of service FAS = \$43,500	
$\frac{28 \times \$43,500}{50}$	= \$ 24,360
	- <u>6,577 *</u>
	\$ 17,783 per year
	\$ 1,482 per month
* 27 percent benefit reduction at age 55.	

# TIERS 1 & 2

## Section 75-f (State) and Section 75-g (Local)

### SERVICE RETIREMENT BENEFIT

- With 25 or more years of service credit, your service retirement benefit will be 50 percent of your FAS, plus 1/60th (1.66 percent) for each year of service credit over 25 years.
- Tier 2 members who retire before age 62 with less than 30 years of service are subject to a benefit reduction. (See page 9-22 for reductions.)
- If you made contributions to NYSLRS, your benefit will also include an annuity purchased by your contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid balance may be subject to federal income taxes.
- With less than 25 years of service credit, State and local employees covered by this plan will have their benefit calculated under Section 75-d and 75-e respectively.

Examples	
Tier 1   Age 55	
29 years of service FAS = \$43,500	
$\frac{25 \times \$43,500}{50}$	= \$ 21,750
$\frac{4 \times \$43,500}{60}$	= + 2,900
	\$ 24,650 per year
	\$ 2,054 per month

Examples	
Tier 1 or 2   Age 61	
43 years of service FAS = \$43,500	
$\frac{25 \times \$43,500}{50}$	= \$ 21,750
$\frac{18 \times \$43,500}{60}$	= + 13,050
	\$ 34,800 per year
	\$ 2,900 per month

29 years of service FAS = \$43,500	
$\frac{25 \times \$43,500}{50}$	= \$ 21,750
$\frac{4 \times \$43,500}{60}$	= + 2,900
	\$ 24,650
	- 6,655 *
	\$ 17,995 per year
	\$ 1,499 per month

\* 27 percent benefit reduction at age 55.

# TIERS 1 & 2

## Section 75-d (State) and Section 75-e (Local)

### SERVICE RETIREMENT BENEFIT

At retirement, you will receive a pension equal to:

- 1/60th (1.66 percent) of your FAS for each year of service credit earned.
- Tier 2 members who retire before age 62 with less than 30 years of service are subject to a benefit reduction. (See page 9-22 for reductions.)
- If you made contributions to NYSLRS, your benefit will include an annuity purchased by your contributions and the interest earned. However, if you retire with an outstanding loan against those contributions, the annuity portion of your benefit will be permanently reduced and a portion of the unpaid balance may be subject to federal income taxes.

#### Examples

**Tier 1 | Age 55**

or

**Tier 2 | Age 62**

17 years of service

FAS = \$43,500

$$\frac{17 \times \$43,500}{60} = \begin{array}{l} \$ 12,325 \text{ per year} \\ \$ 1,027 \text{ per month} \end{array}$$

**Tier 2 | Age 55**

17 years of service

FAS = \$43,500

$$\frac{17 \times \$43,500}{60} = \begin{array}{r} \$ 12,325 \\ - \quad 3,327^* \\ \hline \$ 8,998 \text{ per year} \\ \$ 750 \text{ per month} \end{array}$$

\* 27 percent benefit reduction at age 55.

# TIERS 3 & 4

## Article 15

### SERVICE RETIREMENT BENEFIT

- If you retire with less than 20 years of service credit, your pension will equal 1/60th (1.66 percent) of your FAS for each year of service.
- With 20 to 30 years of service credit, your service retirement benefit will equal 1/50th (2 percent) of your FAS multiplied by your years of credited service.
- For each year of credited service beyond 30 years, the benefit will increase by 3/200ths (1.5 percent) of your FAS.
- With less than 30 years of credit, if you choose to retire before age 62, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

Examples	
Age 62	
17 years of service FAS = \$43,500	
$\frac{17 \times \$43,500}{60}$	= \$ 12,325 per year \$ 1,027 per month
Age 55	
17 years of service FAS = \$43,500	
$\frac{17 \times \$43,500}{60}$	= \$ 12,325
	- 3,327 *
	\$ 8,998 per year
	\$ 750 per month
* 27 percent benefit reduction at age 55.	

Examples	
Age 62	
22 years of service FAS = \$43,500	
$\frac{22 \times \$43,500}{50}$	= \$ 19,140 per year \$ 1,595 per month
Age 55	
22 years of service FAS = \$43,500	
$\frac{22 \times \$43,500}{50}$	= \$ 19,140
	- 5,167 *
	\$ 13,973 per year
	\$ 1,164 per month
* 27 percent benefit reduction at age 55.	
Age 55 Over 30 Years of Service	
32 years of service FAS = \$43,500	
$\frac{30 \times \$43,500}{50}$	= \$ 26,100
$(1.5\% \times 2^{**}) \times 43,500$	= + 1,305
	\$ 27,405 per year
	\$ 2,283 per month
In this example, the member has more than 30 years of service. Therefore there is no benefit reduction.	
** Number of years over 30.	

# TIER 5

## Article 15

### SERVICE RETIREMENT BENEFIT

- If you retire with less than 20 years of service credit, your pension will equal 1/60th (1.66 percent) of your FAS for each year of service.
- With 20 to 30 years of service credit, your service retirement benefit will equal 1/50th (2 percent) of your FAS multiplied by your years of credited service.
- For each year of credited service beyond 30 years, the benefit will increase by 3/200ths (1.5 percent) of your FAS.
- If you choose to retire before age 62, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

#### Examples

##### Age 62

17 years of service  
FAS = \$43,500

$$\frac{17 \times \$43,500}{60} = \$ 12,325 \text{ per year}$$
$$= \$ 1,027 \text{ per month}$$

##### Age 55

17 years of service  
FAS = \$43,500

$$\frac{17 \times \$43,500}{60} = \$ 12,325$$
$$- \quad \underline{4,724}^*$$
$$= \$ 7,601 \text{ per year}$$
$$= \$ 633 \text{ per month}$$

\* 38.33 percent benefit reduction at age 55.

#### Examples

##### Age 62

2 years of service  
AS = \$43,500

$$\frac{22 \times \$43,500}{50} = \$ 19,140 \text{ per year}$$
$$= \$ 1,595 \text{ per month}$$

##### Age 55

2 years of service  
AS = \$43,500

$$\frac{22 \times \$43,500}{50} = \$ 19,140$$
$$- \quad \underline{7,336}^*$$
$$= \$ 11,804 \text{ per year}$$
$$= \$ 983 \text{ per month}$$

38.33 percent benefit reduction at age 55.

##### Age 55

32 years of service  
FAS = \$43,500

$$\frac{30 \times \$43,500}{50} = \$ 26,100$$
$$(.015 \times 2^{**}) \times 43,500 = + \quad \underline{1,305}$$
$$= \$ 27,405$$
$$- \quad \underline{10,504}^*$$
$$= \$ 16,901 \text{ per year}$$
$$= \$ 1,408 \text{ per month}$$

\* 38.33 percent benefit reduction at age 55.

\*\* Number of years over 30.

# TIER 6

## Article 15

### SERVICE RETIREMENT BENEFIT

- If you retire with less than 20 years of service credit, the benefit equals 1/60th (1.66 percent) of your FAS for each year of service.
- If you retire with 20 years of service credit, the benefit equals 35 percent of your FAS.
- You will receive an additional 2 percent of your FAS for each year of service credit in excess of 20 years.
- If you choose to retire before age 63, your benefit will be subject to a reduction. (See page 9-22 for reductions.)

Examples	
<b>Age 63</b>	
17 years of service FAS = \$43,500	
$\frac{17 \times \$43,500}{60}$	= \$ 12,325 per year \$ 1,027 per month
<b>Age 63</b>	
22 years of service FAS = \$43,500	
$\$43,500 \times .35$ (20 years)	= \$ 15,225
$\frac{2 \times \$43,500}{50}$	= + 1,740
	\$ 16,965 per year \$ 1,413 per month

Examples	
<b>Age 55</b>	
17 years of service FAS = \$43,500	
$\frac{17 \times \$43,500}{60}$	= \$ 12,325
	- 6,409 *
	\$ 5,916 per year \$ 493 per month
* 52 percent benefit reduction at age 55.	
<b>Age 55</b>	
22 years of service FAS = \$43,500	
$\$43,500 \times .35$ (20 years)	= \$ 15,225
$\frac{2 \times \$43,500}{50}$	= + 1,740
	\$ 16,965
	- 8,821 *
	\$ 8,144 per year \$ 678 per month
* 52 percent benefit reduction at age 55.	

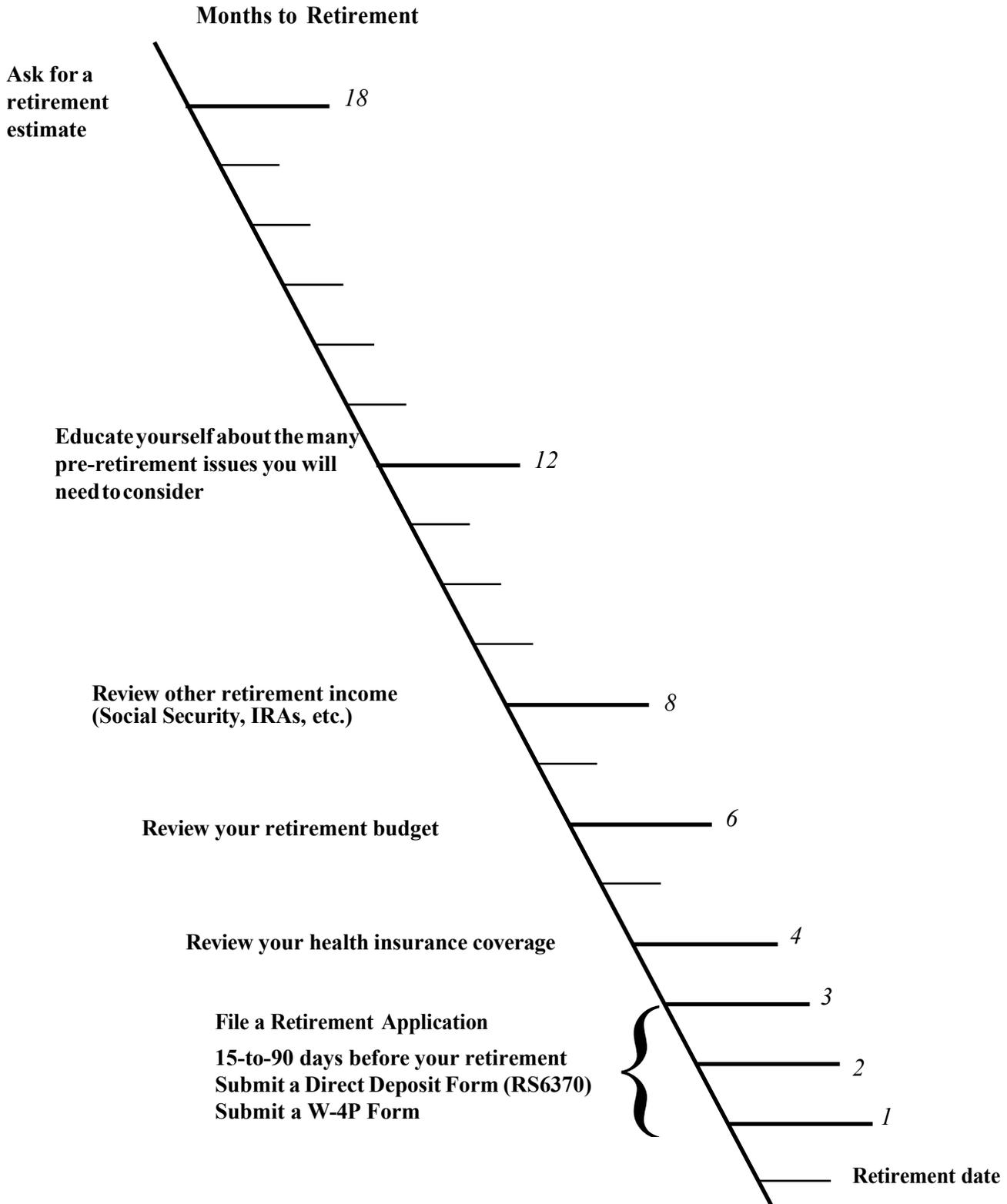
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# Preparing for Your Retirement

*Retirement is one of the biggest life changes that most people will ever experience. One of the keys to minimizing the uncertainty that can occur during the retirement process is to plan ahead. Properly preparing for your retirement will provide you with the tools and information you'll need to make educated decisions about your benefits. It will also make the process easier to understand and less stressful when it's time to retire.*

# COUNTDOWN TO RETIREMENT

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For more information, be sure to read our publication, *How Do I Prepare to Retire?* (VO1709).

## UNDERSTANDING YOUR BENEFIT

It's never too early to start planning for your retirement. One of the most important things you should do to prepare is review how much your pension benefit could be. We offer a variety of ways for you to obtain a projection of your future retirement benefits.

When planning for your retirement, you should use more than one — and possibly all — of the methods listed below, depending on where you are in your career.

### Review your Member Annual Statement

For most members, a projection of your future pension benefit is provided each year on your Member Annual Statement. Each statement may include up to three benefit projections based on different possible dates of retirement. While, in most cases, these benefit calculations are conservative, they are an effective planning tool that you can use throughout your entire career.

### Use our Benefit Projection Calculator

Most members, regardless of age, can use the benefit calculator on our website to project what their approximate pension could be based on retirement dates they choose. The calculator also projects benefit amounts under the various payment options available to you at retirement. Visit our website at [www.osc.state.ny.us/retire/members/projecting-your-pension.php](http://www.osc.state.ny.us/retire/members/projecting-your-pension.php) to use the calculator. This service is currently not available to members enrolled in certain plans and to Tier 5 or 6 members.

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**Note:** These benefit projections are based entirely on salary and service credit information you enter — not Retirement System records. So it's important that you contact us to confirm the information we have in our records for you is accurate and complete **before you make any final decisions regarding your retirement.**

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### Request a Benefit Projection from our Call Center

Most members, regardless of age, with five or more years of service credit are eligible to request a benefit projection by contacting our Call Center. These benefit projections are based on your salary and service reported by your employer(s) to date. Actively employed members age 50 or older can also request a benefit calculation that projects additional service credit based on a date of retirement up to five years into the future. In most cases, these projections will be mailed to your home address the next business day. This benefit projection method is a great tool for vested members who are considering leaving the payroll before they are old enough to collect their retirement benefits and for those members who will be eligible to retire within five years. If you decide not to retire, you may request a new benefit projection whenever your circumstances change.

### Speak with an Information Representative

We offer you the opportunity to speak with an Information Representative to obtain a projection of your retirement benefits. This consultation service is available at locations throughout New York State. To request a benefit projection or to schedule an appointment, contact our Call Center toll free at 1-866-805-0990, or 518-474-7736 in the Albany, New York area.

## Request an Estimate

If you are within five years of your first eligible date of retirement and have not received credit for all your public service in New York State, you can request an estimate. An estimate provides information about your retirement benefits and the approximate amount you can expect to receive annually and monthly under each of the standard retirement options (sample estimates are provided on pages 9-41 through 9-44).

You can receive this information by submitting a Request for Estimate form (RS6030) or by writing to our Benefit Calculations and Disbursement Services Bureau. See page 9-66 for a description and a link to the form on our website.

Your request must include an estimated date of retirement, the name and birth date of your intended pension beneficiary (if applicable) and a list of your entire public employment history, including military service. The date of retirement on your request cannot be more than five years in the future.

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**Note:** An estimate can take a number of months to complete, so we recommend you submit your request at least nine to 18 months before your estimated date of retirement.

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Be sure to review your estimate carefully and report any inconsistencies to us as soon as possible. If you decide not to retire, you may request a new estimate whenever your circumstances change.

## LOCATE PROOF OF YOUR BIRTH DATE

We must have proof of your birth date before any benefits can be paid. In most cases, a photocopy of the document is acceptable — but if you send us the original, we will return it to you.

Please send us a copy of one of the following:

- Birth certificate;
- New York State driver's license issued on or after January 1, 2005;
- Passport or passport card;
- A Marriage Certificate, if it shows the age on a given date or the date of birth;
- Certificate of Release or Discharge from Active Duty (DD-214);
- Baptismal certificate;
- Enhanced driver's license; or
- Naturalization papers.

If you do not have one of these documents readily available, now is the time to hunt them down or arrange to get a replacement. This is especially important if you have to write to an out-of-state registry or a foreign country for an acceptable document. If you intend to choose a retirement option that provides a lifetime benefit to a beneficiary (one of the Joint or Pop-Up options), we also require proof of your beneficiary's birth date.

The National Center for Health Statistics' website contains information for each state on where to write for vital records, such as your birth certificate, and the cost. Visit their site at [www.cdc.gov/nchs/w2w.htm](http://www.cdc.gov/nchs/w2w.htm).

If you are unable to provide one of these documents, please contact us for information about alternative types of proof that are acceptable.

You may forward proof of your and/or your beneficiary's birth dates to us any time before your retirement date. Be sure to include your name, address and retirement account number (registration number or NYSLRS ID) with any documents you want included in your records. Your registration number can be found on your latest Member Annual Statement.

## COMMIT TO PAYING OFF YOUR NYSLRS LOANS

Many members take advantage of our loan program. However, it may be to your advantage, as you near retirement, to commit to paying off (or at least substantially reducing) your NYSLRS loan balances. Some of the remaining balance at retirement may be subject to federal income tax.

If you are a Tier 1 or 2 member with outstanding loans at retirement, your pension will not be affected, but if you are entitled to an annuity (in addition to your pension benefit), it will be permanently reduced.

If you are a Tier 3, 4, 5 or 6 member with an outstanding loan balance at retirement, your pension will be **permanently** reduced.

You can check your current loan balance using *Retirement Online*. Visit our NYSLRS home page at [www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php), then click “Register” or “Sign In.”

You may pay off your loan sooner by increasing the loan payment deducted from your salary. Send us a letter indicating the amount you would like your payments increased to — we will notify your payroll department. Or you may send additional payments directly to us — be sure to write “loan payment” on your check or money order. Additional payments should not be submitted more than once a month. Send your letter and/or payments, along with your name, address and registration number to:

NYSLRS  
Loan Unit  
110 State Street  
Albany, NY 12244-0001

## REVIEW YOUR DOMESTIC RELATIONS ORDER

The New York State Court of Appeals has determined that retirement benefits are considered marital property and can be divided between you and your ex-spouse when the marriage ends. If you divorce, your retirement benefits could be affected in any of the following ways:

- Your ex-spouse may be entitled to a portion of your pension.
- You may be required to name your ex-spouse as beneficiary of any pre-retirement death benefit payable.
- You may be required to elect a retirement option that provides a continuing benefit to your ex-spouse in the event of your death.
- Your ex-spouse may be entitled to a portion of your cost-of-living adjustment.

Any division of your benefits must be stated in the form of a domestic relations order (DRO) — a court order that gives us specific instructions on how your benefits should be divided. We will also need a certified copy of your divorce decree. We highly recommend your attorney send us a proposed DRO for review prior to its entry in court. Orders that are vague, contain inconsistent or contradictory provisions, or are contradictory to plan requirements or New York State law will be rejected. A DRO does not allow for a distribution of your pension until you actually retire, die or terminate membership.

NYSLRS offers an easy-to-complete online DRO template. The template is not required, but because the review process is simplified for all submissions using the DRO template, we can complete our review faster if you use it. We will also honor a properly drawn DRO issued by a New York State court.

We will honor an out-of-state order if you submit a notarized statement to us:

- Consenting to the laws of New York State;
- Authorizing us to make payments from your retirement benefit in accordance with the provisions of the order; and
- Releasing us from any liability whatsoever as a consequence of any payments based upon that order.

For more information about our online DRO template and how divorce may affect retirement benefits, please visit our Divorce and Your Benefits page at: [www.osc.state.ny.us/retire/members/divorce/index.php](http://www.osc.state.ny.us/retire/members/divorce/index.php). If you have any questions, you or your legal representative should email our Matrimonial Bureau at [dro@osc.state.ny.us](mailto:dro@osc.state.ny.us). Inquires may also be faxed to 518-474-7794.

## REVIEW OTHER INCOME SOURCES

A sound financial plan is crucial for a comfortable retirement. At least eight months before you plan to retire, review other sources of retirement income such as savings, investments, a pension from private employment, proceeds from a deferred compensation plan or perhaps income from post-retirement employment.

Experts tell us you will need at least 70 to 80 percent of your pre-retirement income to maintain your current standard of living. The average retiree receives about 35-40 percent of his or her post-retirement income from Social Security. If your earnings have been below average, Social Security may replace more of your income, while an above average income means a lower percentage will be replaced.

The Social Security Administration (SSA) offers many tools to help guide you through the retirement process, including ways to estimate your benefit, which could help you determine the best time to start receiving it. You can view your personal Social Security Statement online or you can request that a statement be mailed to you by completing a form. Visit the SSA's website at [www.ssa.gov](http://www.ssa.gov) to find out more about your Social Security Statement.

## **PREPARE A RETIREMENT BUDGET**

Once you determine what your expected income will be, it's time to prepare a budget. Having a budget allows you to decide how you want to spend your money and helps you keep your long-term goals in focus.

You will need to determine how you spend your money, so it is a good idea to keep track of your expenses over a month or two. Don't forget to include expenses that occur periodically, such as car insurance or property and school taxes. You will also want to include money you set aside for an emergency fund or save for future goals. We have included a set of work sheets to help you in your budget preparation on pages 9-38 to 9-40.

## **REVIEW YOUR HEALTH INSURANCE COVERAGE**

We do not administer health insurance programs for retirees. Before you retire, check with your employer's health benefits administrator to determine your eligibility for post-retirement coverage for yourself and your family. The administrator will be able to provide you with information concerning the type of coverage available, the cost and how much you must pay.

If you are not eligible for coverage through your employer after retirement or you need supplemental coverage, visit [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov) well in advance of retiring for more information on health insurance options available to you and your family.

For New York State employees and retirees, the New York State Department of Civil Service administers the New York State Health Insurance Program (NYSHIP). Your health benefits administrator should be able to answer your questions about your coverage as a retiree. You can also visit the Department of Civil Service's website at [www.cs.ny.gov](http://www.cs.ny.gov) or call them at 1-800-833-4344 or 518-457-5754 to learn more.

# MONTHLY INCOME WORKSHEET

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<b>Source</b>	<b>Present</b>	<b>Anticipated</b>
New York State Retirement Income	\$ _____	\$ _____
Social Security Amount	_____	_____
Yield from Savings	_____	_____
Dividends from Stocks, Mutual Funds	_____	_____
Life Insurance Income	_____	_____
Salary	_____	_____
Real Estate	_____	_____
Other Sources	_____	_____
<b>TOTAL</b>	<b>\$ _____</b>	<b>\$ _____</b>

# MONTHLY EXPENSES WORKSHEET

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Item	Present	Anticipated
<b>SHELTER</b>		
Rent	\$ _____	\$ _____
Mortgage Payments	_____	_____
Real Estate Taxes	_____	_____
Insurance	_____	_____
<b>HOUSEHOLD MAINTENANCE</b>		
Repairs, House & Grounds	_____	_____
Water, Electricity, etc.	_____	_____
Fuel	_____	_____
Telephone	_____	_____
Waste Disposal	_____	_____
Hired Help	_____	_____
Other	_____	_____
<b>HOME PURCHASES</b>		
Furniture & Fixtures	_____	_____
Equipment, Household & Yard	_____	_____
Other	_____	_____
<b>AUTOMOBILE &amp; TRANSPORTATION</b>		
Monthly Car Payment	_____	_____
Repairs	_____	_____
Gas & Oil	_____	_____
License & Registration	_____	_____
Insurance	_____	_____
Other Transportation	_____	_____
<b>TOTAL (Enter on next page)</b>	<b>\$ _____</b>	<b>\$ _____</b>

**Monthly Expenses Worksheet(Continued)**

<b>Item</b>	<b>Present</b>	<b>Anticipated</b>
TOTAL (From previous page)	\$ _____	\$ _____
<b>MEDICAL &amp; HEALTH</b>		
Medicines & Drugs	_____	_____
Doctor, Dentist, etc.	_____	_____
Hospital	_____	_____
Insurance Premiums	_____	_____
Other	_____	_____
<b>CLOTHING</b>		
New Clothing	_____	_____
Dry Cleaning, Laundering	_____	_____
Other	_____	_____
<b>FOOD</b>		
Food at Home	_____	_____
Food Away From Home	_____	_____
<b>TAXES &amp; INSURANCE</b>		
Federal	_____	_____
State & Local	_____	_____
Life Insurance Premiums	_____	_____
<b>SAVINGS &amp; INVESTMENTS</b>		
Savings, Stocks, IRAs	_____	_____
Other	_____	_____
<b>PERSONAL CARE</b>		
	_____	_____
<b>TOTAL</b>	<b>\$ _____</b>	<b>\$ _____</b>

# SAMPLE ESTIMATE: TIER 1 AND 2

## ESTIMATE

Name:  
Date:

Reg. No.:  
Soc. Sec. No.:

This is an estimate. It is not a guarantee of any kind, nor is it a presentation of the exact amounts you will receive when you retire.

Shown below are the amounts payable under the various options and a brief description of the options. The figures in the estimate are based on the following:

Retirement Date Used: June 30, 2016  
Type of Retirement: Section 75h  
Date of Birth: January 25, 1957

Total service: 36.80 Years  
Final Average Salary: \$41,300  
Contributions Plus Interest: \$0

Beneficiary on File:  
Beneficiary Date of Birth: March 22, 1954

Single Life Allowance (Option 0)	This maximum lifetime retirement allowance pays <b>\$2,533</b> per month. There is no form of payment to any beneficiary after your death.
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Annual Pension: \$30,396 + Annual Annuity: \$0 = Annual Allowance: \$30,396

Description of Cash Refund Contributions (Option 1/2)	If a member dies before receiving annuity payments equal to member contributions including interest, the balance will be paid to the beneficiary. Since you have no member contributions on deposit, this option would not apply to you.
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Cash Refund Initial Value (Option 1)	This reduced lifetime allowance pays <b>\$2,419</b> per month. If you die before receiving allowance payments equal to \$393,445 the remainder will be paid to your beneficiary. If your beneficiary dies first, we will pay your Estate or another beneficiary you may name. Since each allowance payment reduces the Initial Value, there will be no remainder to your beneficiary if you die after January 18, 2028.
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AVAILABLE TO TIER 1 MEMBERS ONLY

Annual Pension: \$29,034 + Annual Annuity: \$0 = Annual Allowance: \$29,034

Joint Allowance Full (Option 2)	This reduced lifetime allowance pays <b>\$2,258</b> per month. If you die before your beneficiary, we will pay your beneficiary <b>\$2,258</b> per month for life. If your beneficiary dies first payments will stop at your death. Your beneficiary cannot be changed after the last day of the month in which you retire.
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Annual Pension: \$27,104 + Annual Annuity: \$0 = Annual Allowance: \$27,104

Joint Allowance Half (Option 3) This reduced lifetime allowance pays **\$2,387** per month. If you die before your beneficiary, we will pay your beneficiary **\$1,194** per month for life. If your beneficiary dies first, payments will stop at your death. Your beneficiary cannot be changed after the last day of the month in which you retire.

Annual Pension: \$28,654 + Annual Annuity: \$0 = Annual Allowance: \$28,654

Five Year Certain This reduced lifetime allowance pays **\$2,513** per month. If you die within five years of retirement, payments of **\$2,513** per month will be continued to your beneficiary for the remainder of the five year period. You may change your beneficiary any time before June 30, 2019. If you live for more than five years after retirement, all payments stop at your death.

Annual Pension: \$30,161 + Annual Annuity: \$0 = Annual Allowance: \$30,161

Ten Year Certain This reduced lifetime allowance pays **\$2,464** per month. If you die within ten years of retirement, payments of **\$2,464** per month will be continued to your beneficiary for the remainder of the ten year period. You may change your beneficiary any time before June 30, 2024. If you live for more than ten years after retirement, all payments stop at your death.

Annual Pension: \$29,578+ Annual Annuity: \$0 = Annual Allowance: \$29,578

Pop-Up Joint Allowance Full This reduced lifetime allowance pays **\$2,217** per month. If you die before your beneficiary, we will pay **\$2,217** per month to your beneficiary for life. If your beneficiary dies first, your allowance will be changed to \$2,533 per month for life. Your beneficiary cannot be changed after the last day of the month in which you retire.

Annual Pension: \$26,611+ Annual Annuity: \$0 = Annual Allowance: \$26,611

Pop-Up Joint Allowance Half This reduced lifetime allowance pays **\$2,364** per month. If you die before your beneficiary, we will pay **\$1,182** per month to your beneficiary for life. If your beneficiary dies first, your allowance will be changed to **\$2,533** per month for life. Your beneficiary cannot be changed after the last day of the month in which you retire.

Annual Pension: \$28,377 + Annual Annuity: \$0 = Annual Allowance: \$28,377

# SAMPLE ESTIMATE: TIER 3 & 4 ARTICLE 15

## ESTIMATE

Name:

Reg. No.:

Date:

Soc. Sec. No.:

This estimate is not a presentation of the exact amounts you will receive when you retire.

Shown below are the amounts payable under the various options and a brief description of the options. The figures in the estimate are based on the following:

Retirement Date Used: July 26, 2018

Total Service: 32.15 Years

Type of Retirement: Article 15

Final Average Salary: \$42,800

Date of Birth: August 17, 1957

Contributions Plus Interest: \$30,586

Beneficiary on File:

Beneficiary Date Of Birth: March 8, 1959

Single Life Allowance (Option 0)	This maximum lifetime retirement allowance pays <b>\$2,254</b> per month. There is no form of payment to any beneficiary after your death.
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Annual Allowance: \$27,049

Joint Allowance Full (Option 1)	This option provides a reduced retirement allowance of <b>\$1,989</b> per month. It is based on your life expectancy and the life expectancy of your beneficiary. If you die before your beneficiary, your beneficiary will receive the same monthly allowance for life. If your beneficiary dies before you, all payments will stop at your death. Only one beneficiary may be named and the beneficiary cannot be changed.
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Annual Allowance: \$23,971

Joint Allowance Partial (Option 2)	This option provides a reduced monthly retirement allowance. It is based on your life expectancy and the life expectancy of your beneficiary. If you die before your beneficiary, a percentage of your retirement allowance will be paid to your beneficiary for life. If your beneficiary dies before you, all payments will stop at your death. Only one beneficiary may be named and the beneficiary cannot be changed.
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### ANNUAL ALLOWANCES

### MONTHLY ALLOWANCES

75%	\$24,671	\$2,056
50%	\$25,417	\$2,118
25%	\$26,208	\$2,184

Five Year  
Certain  
(Option 3)

This option provides a reduced lifetime retirement allowance of **\$2,242** per month. If you die within five years of retirement, payments of **\$2,242** per month will be continued to your beneficiary for the remainder of the five year period. You may change your beneficiary(ies) at any time before September 27, 2009. If you live more than five years after retirement, all payments stop at your death.

Annual Allowance: \$26,903

Ten Year  
Certain  
(Option 4)

This option provides a reduced lifetime retirement allowance of **\$2,211** per month. If you die within ten years of retirement, payments of **\$2,211** per month will be continued to your beneficiary for the remainder of the ten year period. You may change your beneficiary(ies) any time before September 27, 2018. If you live more than ten years after retirement, all payments stop at your death.

Annual Allowance: \$26,530

Pop-Up Joint  
Allowance Full  
(Option 5)

This reduced lifetime allowance pays **\$1,973** per month. If you die before your beneficiary, we will pay **\$1,973** per month to your beneficiary for life. If your beneficiary dies first, your allowance will be changed to **\$2,254** per month for life. Your beneficiary cannot be changed after the last day of the month in which you retire.

Annual Allowance: \$23,671

Pop-Up Joint  
Allowance Half  
(Option 5)

This reduced lifetime allowance pays **\$2,104** per month. If you die before your beneficiary, we will pay **\$1,052** per month to your beneficiary for life. If your beneficiary dies first, your allowance will be changed to **\$2,254** per month for life. Your beneficiary cannot be changed after the last day of the month in which you retire.

Annual Allowance: \$25,248

# Applying for Your Service Retirement Benefit

*Applying for your service retirement benefit is relatively easy, especially if you have taken the proper steps to prepare for your retirement. However, it is important you know exactly what your responsibilities are. It will also help if you understand how we will be handling our part of the process.*

*Remember — we are here to help if you need us. If you have any concerns or questions about applying for your service retirement benefit, please contact our Call Center to speak with a customer service representative.*

## FILING YOUR RETIREMENT APPLICATION

You must file a completed Application for Service Retirement form (RS6037) with us to receive your retirement benefit. See page 9-67 for a description and a link to the form on our website.

Retirement applications, and many other documents, are required by law to be filed with the Office of the State Comptroller within specific time limits. Your retirement application must be on file with us for at least 15 days, but not more than 90 days, before your retirement date. The 15-day filing requirement is waived if you are over age 70 at retirement.

For your application to be considered as “filed with the Comptroller,” it must be received by our Albany office, one of our consultation sites or another office of the State Comptroller. **Giving your employer the form does not mean that you have “filed with the Comptroller.”**

Instead of visiting our offices to file time-sensitive documents, you can fulfill the filing requirement by mailing your application to us. If you mail your retirement application or option election form using “Certified Mail — Return Receipt Requested,” the postmark date will serve as the date of filing. If you mail your application or option election form using regular mail, and you die between the time you mail it and the time we receive it, a *legible* postmark will serve as the filing date.

We will send you a confirmation letter approximately two to three weeks after we receive your retirement application. We will also notify your employer you have filed for retirement. If you received an estimate or benefit projection from us within the past 18 months, our letter will include an Option Election form for you to choose how you want your retirement benefit paid based on the information supplied in that estimate or projection. Also included will be a W-4P form, enabling you to have federal taxes withheld each month, and a Direct Deposit Enrollment Application (RS6370), so you can have your pension deposited directly into the bank account of your choice.

We will send a new estimate of your retirement benefits **only if** you have not received an estimate or benefit projection from us within the last 18 months or if your retirement plan calculation recently changed. Included with this estimate will be an Option Election form for you to choose how you want your retirement benefit paid.

## **DETERMINE YOUR FEDERAL WITHHOLDING**

Your NYSLRS pension is subject to federal income tax. A W-4P form (Withholding Certificate for Pension or Annuity Payments) will be mailed to you with your retirement confirmation letter. A W-4P form enables you to have federal taxes withheld from your monthly benefit. If you have questions, visit our Taxes and Your Pension page at [www.osc.state.ny.us/retire/retirees/tax\\_services\\_information.php](http://www.osc.state.ny.us/retire/retirees/tax_services_information.php).

You can also use our federal tax withholding calculator. By entering your anticipated monthly benefit, whether you are single or married, and the number of dependents you claim, the calculator will show you how much federal tax will be withheld from your retirement benefit. Of course, if you have other sources of taxable income besides your pension, you may want to have more withheld — check with your tax adviser to determine the appropriate amount.

If you do not submit a completed W-4P form to us, we can still process your retirement application. But, when we pay your monthly benefit, the amount of federal tax withheld will be based on the status “married with three dependents.” This may or may not be adequate for your needs. You can, however, change your federal withholding tax status anytime. Refer to page 9-68 for a description and a link to the form on our website.

Your pension is not subject to New York State income tax. If you are planning to move to another state after you retire, check with that state’s tax department to see if your retirement benefit is taxable there. You can also visit the Retired Public Employees Association’s website at [www.rpea.org](http://www.rpea.org). There you will find a complete list of states that tax and do not tax your New York State retirement benefit.

## **CHOOSING A PENSION PAYMENT OPTION**

At retirement, you must decide how you want your retirement benefit paid. You can choose from several options, all of which will provide you with a monthly benefit for life. For example, you may elect the Single Life Allowance, which provides the maximum amount payable during your lifetime, with nothing payable to a beneficiary upon your death. Or you may choose a smaller monthly benefit to provide for a payment to a designated beneficiary after your death.

## **FILING YOUR OPTION ELECTION**

You must file your Option Election form (unless notified otherwise, as in the case of disability retirement) before the first day of the month following your retirement date. You have up to 30 days after your pension benefit becomes payable to change your selection. We do not expect you to select your payment option if you have not received an estimate or benefit projection, showing the amounts payable under each available option, within the past 18 months. In that case, we will mail you an estimate after we receive your retirement application, and with your estimate we will let you know the due date for your Option Election form.

If your election is not timely, by law we must process your retirement as if you had selected:

- Tier 1 or 2 members, the Cash Refund — Contributions option; or
- Tier 3, 4, 5 or 6 members, the Single Life Allowance option.

Option Election forms can be downloaded from our Forms page at [www.osc.state.ny.us/retire/forms/index.php](http://www.osc.state.ny.us/retire/forms/index.php).

### **Single Life Allowance (Option 0)**

This option provides the maximum benefit payment to you each month for the rest of your life. Under this selection, all payments cease upon your death. When you die (even if it is soon after retiring), nothing will be paid to any beneficiary.

### **Cash Refund — Contributions**

(Available only to members with annuity savings contributions on deposit)

This option will provide you with a reduced monthly benefit for your lifetime. At your death, the unpaid balance of your accumulated annuity savings contributions will be paid to your beneficiary or your estate. If all of your accumulated annuity savings contributions have been expended, all payments will cease upon your death. The mandatory contributions made by Tier 3 (Article 14), 5 and 6 members are not annuity savings contributions.

### **Cash Refund — Initial Value**

(Available only to Tier 1 members)

This option will provide you with a reduced monthly benefit for your lifetime. It guarantees that if you die before receiving retirement benefit payments that equal the initial value of your benefit, the balance of the initial value will be paid to your beneficiary or estate. “Initial value” is an actuarial term for the value of your retirement benefit at the time of retirement.

If you live long enough, you will receive your initial value amount and more in your monthly benefit. However, if you die after the full initial value amount has been paid out to you, no benefit is payable to your beneficiary.

### **Five Year Certain**

This option will provide you with a reduced monthly benefit for your lifetime, with the additional guarantee that if you live for less than five years after retirement, payments in the same amount you were receiving (without COLA) will be made to your beneficiary for the balance of the five-year period. You may change your beneficiary anytime within the five-year period.

## **Ten Year Certain**

This option will provide you with a reduced monthly benefit for your lifetime, with the additional guarantee that if you live for less than ten years after retirement, payments in the same amount you were receiving (without COLA) will be made to your beneficiary for the balance of the ten-year period. You may change your beneficiary anytime within the ten-year period.

## **Joint Allowance — Full\***

This option will provide you with a reduced monthly benefit for your lifetime and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive the same monthly amount you were receiving (without COLA) for life. If your beneficiary dies before you, all payments will cease upon your death.

## **Joint Allowance — Half\***

(Available to Tier 1 and 2 members)

This option will provide you with a reduced monthly benefit for your lifetime and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive one-half of the monthly benefit you were receiving (without COLA) for life. If your beneficiary dies before you, all payments will cease upon your death.

## **Joint Allowance — Partial\***

(Available to Tier 3, 4, 5 and 6 members)

This option will provide you with a reduced monthly benefit for your lifetime, and is based on your birth date and that of your beneficiary. After your death, your beneficiary will receive a specific percentage of your benefit (without COLA) which you select (75, 50 or 25 percent) for his or her lifetime. If your beneficiary dies before you, all payments will cease upon your death.

## **Pop-Up/Joint Allowance — Full\***

This option will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, we will continue paying the same monthly amount you were receiving (without COLA) to your beneficiary for life. If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement, and all payments will cease upon your death.

## **Pop-Up/Joint Allowance — Half\***

This option will provide you with a reduced monthly benefit for your lifetime. If you die before your beneficiary, we will pay one-half of the monthly amount you were receiving (without COLA) to your beneficiary for life. If your beneficiary dies first, your benefit will be increased to the amount you would have received if you had selected the Single Life Allowance at retirement, and all payments will cease upon your death.

## Alternative Option

If the options described here do not meet your needs, we will consider written requests for other payment methods. These requests must be outlined in detail by you and then approved by us for legal and actuarial soundness.

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**Note:** If you choose one of the following retirement options, you may change your *pension beneficiary* designation after the last day of the month in which you retire:

- Cash Refund— Contributions
- Cash Refund — Initial Value
- Five or Ten Year Certain
- Alternative Option (depending on the terms of payment)

To do this, complete a Pensioner Designation of Beneficiaries form (RS4411), available on our website at [www.osc.state.ny.us/retire/forms/rs4411.pdf](http://www.osc.state.ny.us/retire/forms/rs4411.pdf).

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*\*If you elect this option, you must submit proof of your beneficiary's birth date. You can designate only one beneficiary and you cannot change your designation after your retirement. If your beneficiary is your spouse at the time of your death, he or she will be eligible for 50 percent of your COLA. For more information on COLA, see page 9-52.*

## PARTIAL LUMP SUM (PLS) PAYMENT OPTION

Chapter 135 of the Laws of 2014 allows eligible members to elect to receive a partial lump sum (PLS) payment at retirement. If you elect a PLS payment, your monthly benefit will be permanently reduced. To be eligible for the PLS payment, your county employer must first adopt a resolution to provide this option to its eligible employees and you must:

- Be employed as a sheriff, undersheriff, deputy sheriff or county correction officer;
- Retire under a plan that allows for retirement after 20 or 25 years of creditable service;
- Have been eligible to retire for at least one full year prior to your actual date of retirement; and
- Retire with a service retirement benefit (not a disability retirement).

Depending on the number of years you have been eligible to retire, your choice of the PLS payment can be either 5, 10, 15, 20, or 25 percent of the actuarial value of your retirement benefit at the time of retirement.

For more detailed information, including the taxability of a PLS payment, please refer to our publication, [www.osc.state.ny.us/retire/publications/vo1750.php](http://www.osc.state.ny.us/retire/publications/vo1750.php).

# After You Retire

*The retirement process doesn't stop once you reach your date of retirement. There is still work to be done and a number of things you should know ahead of time to ensure that you are prepared for what happens next.*

## **PENSION PAYMENTS**

For most members, you will receive your first pension payment at the end of the month following your retirement month. If you have a domestic relations order on file, or if you have not submitted your proof of date of birth or pension payment option form, your first payment may be delayed.

Sign up for our Direct Deposit Program and have your retirement benefits deposited directly into your bank account. Direct deposit is quick and safe. In most cases, your money is available immediately; no waiting for a check in the mail.

To sign up, complete a Direct Deposit Application (RS6370) and return it to us. Be sure to attach a voided check or have a bank representative complete section three of the form. Refer to page 9-67 for a description and a link to the form on our website.

If you do not enroll in direct deposit, your pension check will be mailed on the second-to-last business day of each month for that month.

If you have questions about when you will receive your first pension payment, please contact us ([www.contactNYSLRS.com](http://www.contactNYSLRS.com)).

## **FINAL CALCULATION LETTER AND RETROACTIVE PAYMENTS**

When we complete your benefit calculation we will mail you a letter explaining how we determined your retirement benefit. This final calculation letter will provide you with the amount of the benefit you will be receiving each month for the remainder of your life. It will also provide you with the total amount of the pension you have earned up to that point and the total amount already paid to you.

If the total amount of the pension you have earned up to that point exceeds the total amount you were paid, we will issue you a retroactive payment to make up the difference (less federal withholding, if applicable).

## **COST-OF-LIVING ADJUSTMENTS**

Once you meet the eligibility requirements, including age and number of years retired, your retirement benefit will permanently increase each year. This adjustment, subject to pension caps and limitations, is 50 percent of the previous year's annual rate of inflation, but never less than 1 percent or more than 3 percent of your benefit. The adjustment percentage is applied only to the first \$18,000 of your Single Life Allowance, even if you selected a different option at retirement.

You will begin receiving cost-of-living adjustments (COLAs) when you are:

- Age 62 or older and retired for five or more years;
- Age 55 or older and retired for ten or more years (generally applies to members in special plans that allow for retirement, regardless of age, after a specific number of years); or
- Receiving a disability pension for five or more years.

Also eligible:

- The beneficiary of a deceased member who has been receiving the accidental death benefit for five or more years; and
- The spouse of a deceased retiree who is receiving a lifetime benefit (under an option elected by the retiree at retirement) is entitled to one-half the COLA amount that would have been paid to the retiree, when he or she would have met the eligibility criteria.

## THINKING OF RETURNING TO WORK?

Your earnings may be limited if you return to work after retiring. The Retirement and Social Security Law regulates post-retirement employment for all members of NYSLRS. The rules and restrictions differ depending on:

- The type of retirement you are receiving (service or disability);
- The employer you will be working for (private, public, federal government, yourself, etc.);
- Your date of membership and tier; and
- Your age.

Violating the rules can result in the loss, suspension or reduction of your retirement benefit. For more information on post-retirement employment, please visit our website, contact us, or read our booklet, *What If I Work After Retirement?* (VO1648) available on our website at [www.osc.state.ny.us/retire/publications/vo1648.php](http://www.osc.state.ny.us/retire/publications/vo1648.php).

## ORGANIZE YOUR LEGAL AND FINANCIAL PAPERS

If you have not already done so, now is the perfect time to organize all your important papers and legal documents — it is surprising how many you can accumulate over a lifetime. Having your important papers organized will help family members keep your financial and legal matters in order during an extended vacation or severe illness or, in the event of your death, settle your estate. We have included the worksheet, *Where My Assets Are* (VO1848), on the next page, to help you with this task.

It is important that you store this information in a safe but accessible location — preferably not in a safe deposit box because any items kept there will not become available until a probate judge orders the box to be opened under court supervision. Be sure to keep it updated and let the executor of your estate or a trusted relative or friend know where it can be found.

# WHERE MY ASSETS ARE

One problem survivors often have is finding documents and valuable papers. You can assist them by filling out this form. Give copies to your loved ones, executor, lawyer and anyone else who will need this information. You should review and update this information periodically.

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 NYSLRS ID No. \_\_\_\_\_ NYSLRS Registration No. \_\_\_\_\_

**My valuable papers and assets are stored in these locations (address plus where to look)**

A. Residence \_\_\_\_\_  
 B. Safe Deposit Box \_\_\_\_\_  
 C. Other \_\_\_\_\_

ITEM	LOCATION:	A	B	C	ITEM	LOCATION:	A	B	C
My will (original)		___	___	___	Retirement plans		___	___	___
Power of attorney		___	___	___	Deferred compensation/IRA		___	___	___
Spouse's will (original)		___	___	___	Titles and deeds		___	___	___
Safe combination		___	___	___	Notes (mortgages)		___	___	___
Trust agreements		___	___	___	List of stored and loaned items		___	___	___
Life insurance		___	___	___	Auto ownership records		___	___	___
Health insurance policy		___	___	___	Birth certificate		___	___	___
Homeowner's policy		___	___	___	Military discharge papers		___	___	___
Car insurance policy		___	___	___	Marriage certificate		___	___	___
Employment contracts		___	___	___	Children's birth certificates		___	___	___
Partnership agreements		___	___	___	Divorce/separation records		___	___	___
List of checking/savings accounts		___	___	___	Health care proxy		___	___	___
List of credit cards		___	___	___	Other: _____		___	___	___
Brokerage account records		___	___	___	_____		___	___	___

**Important Names, Addresses and Phone Numbers**

New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001, or toll-free at 1-866-805-0990  
 518-474-7736, in the Albany, New York area.

Attorney \_\_\_\_\_  
 Accountant \_\_\_\_\_  
 Insurance Agent \_\_\_\_\_  
 Copies Given to \_\_\_\_\_  
 Date Prepared \_\_\_\_\_

**Note:** Please be sure to tell your beneficiaries to notify NYSLRS upon your death to determine what benefits may be due.

VO1848 (Rev. 4/17)



Office of the New York State Comptroller  
 Thomas P. DiNapoli, State Comptroller

# Death Benefits

*It's important that you understand your death benefit coverage at various points during your membership.*

*In addition to knowing how and when you become covered by a particular benefit, you should also keep your beneficiary information up to date with NYSLRS. If we should ever have to pay a death benefit on your behalf, having accurate information in your records will ensure that we will be able to contact and pay the beneficiary — or beneficiaries — you have chosen.*

# TIER 1

---

## ORDINARY DEATH BENEFIT

### Eligibility

- You must have at least one year of service.
- You must be younger than age 55.
- Payable upon death in active service.

### Benefit

- One month's salary for each year of service (not to exceed 36 years).
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

#### Example

#### Tier 1, Age 54

Years of service: 34

Last year's salary: \$43,500

$$\frac{34 \times \$43,500}{12} = \text{\$ 123,250 (lump sum)}$$

## ALTERNATIVE DEATH BENEFIT

### Eligibility

- You must have at least one year of service.
- You must be age 55 or older.
- Payable upon death in active service.

### Benefit

- Equals the initial value of your pension benefit under the Non-contributory Retirement Plan (Section 75-c).
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.
- Comparison between ordinary and alternative benefit is made and the greater benefit is paid.

#### Example

##### Tier 1, Age 55

Years of service: 34

Last year's salary: \$43,500

$$\frac{34 \times \$43,500}{60} = \$24,650 \times 13.954^* = \mathbf{\$ 343,966}$$

**(lump sum)**

\* Annuity factor for member age 55

## **ACCIDENTAL DEATH BENEFIT**

### **Eligibility**

- No minimum service required.
- Your death is the result of an on-the-job accident not due to your own willful negligence.
- Payable by law to certain beneficiaries, in the following order:
  - First, to your surviving spouse for life or until remarriage.
  - Second, if no surviving spouse, to your dependent children until they reach age 18.
  - Third, if neither surviving spouse, nor dependent children, to dependent parent(s) for life.

### **Benefit**

- Annual benefit equals 50 percent of your final average salary reduced by any workers' compensation payments payable.
- Paid as a monthly benefit.
- Nontaxable.

## TIERS 2, 3, 4, 5 & 6

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### ORDINARY DEATH BENEFIT

#### Eligibility

- You must have at least one year of service.
- Available at any age.
- Reductions apply if you are still working on or after the age of 61.
- Payable upon death in active service.

#### Benefit

- Equals your last year's earnings multiplied by your years of service, not to exceed three years of earnings, plus contributions with interest.
- Paid as a lump sum.
- Usable earnings may be limited by Section 130 of Civil Service Law.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

#### Example

Age 54

Years of Service: 25

Last Year's Earnings: \$43,500

3 x \$43,500 = **\$130,500 (lump sum)**

## ACCIDENTAL DEATH BENEFIT

### Eligibility

- No minimum service required.
- Death is result of an on-the-job accident not due to your own willful negligence.
- Payable by law to certain beneficiaries, in this order:
  - First, to your surviving spouse for life or until remarriage.
  - Second, if no surviving spouse, to your dependent children until they reach:
    - Age 18 for Tier 2 members.
    - Age 25 for Tier 3, 4, 5 and 6 members.
  - Third, if neither surviving spouse nor dependent children, to dependent parent(s) for life.

### Benefit

- Annual benefit equals 50 percent of your final average salary reduced by any workers' compensation payments payable.
- Paid as a monthly benefit.
- Nontaxable.

#### Example

Final Average Salary: \$43,500

50% of \$43,500 = **\$21,750 (annually)**

## POST-RETIREMENT DEATH BENEFIT

### Eligibility

- You retire directly from payroll or within one year of leaving covered employment.

### Benefit

- Equals 50 percent of the ordinary death benefit if your death occurs within one year from your date of retirement.
- Equals 25 percent of the ordinary death benefit if your death occurs within two years from your date of retirement.
- Equals 10 percent of ordinary death benefit payable at age 60 or at your retirement, if your death occurs more than two years from your date of retirement.
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

#### Example

Pre-Retirement Death Benefit: \$130,500

50% of \$130,500 = **\$65,250**  
(1st year of retirement)

25% of \$130,500 = **\$32,625**  
(2nd year of retirement)

10% of \$130,500 = **\$13,050**  
(3rd year and thereafter)

# OUT-OF-SERVICE DEATH BENEFIT

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## All Tiers

An out-of-service death benefit may be payable under one of the following scenarios if you leave public employment:

- With **at least one year** of service credit, the full amount of the ordinary death benefit plus contributions (if any) with interest is payable if:
  - You did not terminate your membership;
  - You are not gainfully employed; and
  - Your death occurs within one year of terminating employment.
- With **ten or more years** of service credit, 50 percent of the ordinary death benefit, plus contributions (if any) with interest is payable if:
  - Your death occurs more than one year after terminating employment; or
  - You become employed within the first year of discontinuing public employment.

Out-of-service death benefits are paid as a lump sum. Up to the first \$50,000 is paid as group term life insurance, and is not taxable.

# Survivor's Benefit Program

*This program is available to New York State retirees only. The benefit is paid in a lump sum upon your death if certain eligibility requirements have been met.*

## **ELIGIBILITY**

- You must have at least ten years of full-time State service within the last 15 years immediately prior to leaving or retiring from State service.
- You must:
  - Retire directly from any retirement system or pension plan supported by State funds;
  - Retire directly from the State University optional retirement program after age 55, and begin receiving your benefit within 90 days of your last day on the payroll; or
  - Leave State service after age 62.

## **BENEFIT**

- Equals \$3,000.
- Payable as a lump sum.

## **FILING**

- Contact us or your human resources office to file the appropriate form for this benefit.

## **BENEFICIARIES**

- If you select the Single Life Allowance (Option 0) at retirement, you must name a beneficiary for this benefit by completing the Survivor's Benefit Program form (RS6355) available from NYSLRS and your human resources office.
- If you selected any retirement option other than the Single Life Allowance, your survivor's benefit beneficiary(ies) is the same as your retirement option beneficiary(ies).
- If you wish to change your beneficiary after you retire, please contact our Call Center.

# Your Obligations

## **NOTIFY US IF YOUR ADDRESS CHANGES**

The United States Postal Service usually will not forward pension checks to another address. Having your correct address on file also ensures you will receive the tax information, newsletters and statements we send you.

*Retirement Online* is the fastest and easiest way to update your address with NYSLRS. Visit our NYSLRS home page at [www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php), then click “Register” or “Sign In.”

## **KEEP YOUR BENEFICIARIES CURRENT**

By keeping your beneficiary designation up to date, you ensure that your loved ones receive any post-retirement death benefit due to them when you die. Your death benefit beneficiaries can be changed at any time — contact our Call Center and we will send you a form to make the change, or, if you are not yet retired, submit a Designation of Beneficiary form (RS5127). Refer to page 9-68 for a description and a link to the form on our website.

You can update your beneficiary information using *Retirement Online*. Visit our NYSLRS home page at [www.osc.state.ny.us/retire/index.php](http://www.osc.state.ny.us/retire/index.php), then click “Register” or “Sign In.”

## **READ OUR PUBLICATION, *A Guide For Retirees (VO1705)***

This publication provides information about other benefits you may be entitled to and the services we offer to retirees. It is available on our Publications page at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php), or from our Call Center.

## **KEEP YOUR BENEFICIARIES INFORMED**

Your family or a friend will need to notify us when you die so potential benefits can be paid to your designated beneficiaries. They may contact our Call Center or notify us by mail. Either way, they must supply us with a certified copy of your death certificate.

# NYSLRS Forms

## Request to Purchase Service Credit (Including any Military Service)

[www.osc.state.ny.us/retire/forms/rs5042.pdf](http://www.osc.state.ny.us/retire/forms/rs5042.pdf)

Use this form to request credit for your public service before you became a member of NYSLRS. We will send you a letter indicating the amount of previous service credit you are eligible to receive and the cost, if applicable.

For more information on service credit, please see pages 9-9 through 9-14.

Office of the New York State Comptroller  
**NYSLRS**  
 New York State and Local Retirement System  
 110 State Street, Albany, New York 12248-0001

**Request to Purchase Service Credit (Including any Military Service)**  
**RS 5042**  
 (Rev. 9/11)

Name: \_\_\_\_\_ Former Name (if applicable) \_\_\_\_\_  
 Registration Number: \_\_\_\_\_ Social Security Number: \_\_\_\_\_  
 Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ Current Employer: \_\_\_\_\_ Current Department: \_\_\_\_\_

This form is to request additional retirement service credit. In order to receive such credit, you must have been employed by a participating employer of NYSLRS, one of the retirement systems shown below, or have been in the military. **IMPORTANT:** If you are requesting military service, please include a copy of your DD-214, Certificate of Release or Discharge from Active Duty. The form must clearly show the Character of Service box.

Former public employer (i.e. State, County, City, Town, School, Authority, etc.)	Department or Agency of that employer	Title	From					To					
			Mo	Day	Year	Mo	Day	Year					

If you are or were a member of a New York State or City Retirement System, please indicate which system(s) below:  
 New York State Teachers' Retirement System     New York City Teachers' Retirement System  
 New York State and Local Employees' Retirement System     New York City Board of Education Retirement System  
 New York State Police & Fire Retirement System     New York City Police Pension Fund  
 New York City Employees' Retirement System     New York City Fire Pension Fund

Have you received credit for the public employment or military service you are requesting in any other retirement system?  
 Yes  No (If yes, indicate which system(s)) \_\_\_\_\_

Are you requesting or are you eligible to receive a retirement allowance based on this service?  Yes  No

Current Home Address: \_\_\_\_\_ Apt. # \_\_\_\_\_ Floor \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Contact (Telephone or E-mail Address): \_\_\_\_\_ Phone \_\_\_\_\_ E-mail \_\_\_\_\_

I request credit for this service as provided for by the Retirement and Social Security Law. I understand that I will be provided with the cost for this service. If this service is optional to purchase, I will receive credit only in proportion to the amount of that cost I pay to the Retirement System.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

See Side 2 for additional instructions.

## Request for Estimate (RS6030)

[www.osc.state.ny.us/retire/forms/rs6030.pdf](http://www.osc.state.ny.us/retire/forms/rs6030.pdf)

Use this form to request an estimate. An estimate provides information about your retirement benefits and the approximate amount you can expect to receive annually and monthly under each of the standard retirement options. The date of retirement on your request cannot be more than five years in the future and you must have at least five years of service credit.

Your request must include an estimated date of retirement, the name and birth date of your intended pension beneficiary (if applicable) and a list of your entire public employment history, including military service. It's important to note that an estimate can take a number of months to complete, so we recommend you submit your request at least nine to 18 months prior to your estimated date of retirement.

For more information on preparing for retirement, please see pages 9-31 through 9-44.

(Note: This is a two-page form; please submit both pages.)

Office of the New York State Comptroller  
**NYSLRS**  
 New York State and Local Retirement System  
 110 State Street, Albany, New York 12248-0001

**Request for Estimate**  
**RS 6030**  
 (Rev. 6/11)

Please print plainly or type.  
 Complete items 1 through 12.  
 This request must be signed by member requesting information.  
 All information is subject to verification.

**NOTE: THIS IS NOT A RETIREMENT APPLICATION**

**INFORMATION ABOUT YOU**

1. Name (First, Middle Initial, Last) \_\_\_\_\_ 2. Address \_\_\_\_\_  
 3. Social Security Number\* \_\_\_\_\_  
 4. Registration Number \_\_\_\_\_  
 5. Estimated Date of Retirement: From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_ Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_ 7. Home Telephone Number ( ) \_\_\_\_\_  
 Work Telephone Number ( ) \_\_\_\_\_

(Social Security Number required. (See statement on reverse side))

**INFORMATION ABOUT YOUR PUBLIC EMPLOYMENT AND MEMBERSHIP(S)**

8. To the best of your ability, please complete the following record of your PUBLIC SERVICE, including service in the armed forces.

EMPLOYER (Indicate whether State, County, City, Town, Village, etc.)	Department or Agency	Title or Position	FROM					TO					
			Mo	Day	Year	Mo	Day	Year					

9. Are you a member of both the NYS and Local Employees' Retirement System and the NYS and Local Police and Fire Retirement System, or any other Public Retirement System?  
 Yes - Under what System? \_\_\_\_\_ What Registration Number? \_\_\_\_\_  
 No

10. Have you ever been a member of the NYS and Local Employees' Retirement System, the NYS and Local Police and Fire Retirement System, or any other Public Retirement System under a different name or registration number?  
 Yes - Under what Name? \_\_\_\_\_ What System? \_\_\_\_\_ What Registration Number? \_\_\_\_\_  
 No

**YOU MUST COMPLETE OTHERSIDE**

## Application for Service Retirement (RS6037)

[www.osc.state.ny.us/retire/forms/rs6037.pdf](http://www.osc.state.ny.us/retire/forms/rs6037.pdf)

Complete this form and file it with us to receive your retirement benefit. Your retirement application must be on file with us at least 15 days, but not more than 90 days, before your retirement date. The 15-day filing requirement is waived if you are over age 70 at retirement. For your application to be considered as filed with the Comptroller, it must be received by either our Albany office or another office of the State Comptroller. **Giving your employer the form does not mean that you have “filed with the Comptroller.”**

As an alternative to visiting our offices to file these time-sensitive documents personally, you can fulfill the filing requirements by mailing the document to us. We will consider it filed when it is delivered to us by the Post Office. If you are concerned about meeting a filing deadline, you can mail the document via “Certified Mail — Return Receipt Requested.” When we receive the document, it will be considered as having been filed on the same date it was mailed.

For more information on applying for your service retirement benefit, please see pages 9-45 through 9-50.

(Note: This is a two-page form; please submit both pages.)

Office of the New York State Comptroller  
**NYSERS**  
New York State and Local Retirement System  
103 State Street, Albany, New York 12242-0001

Proof of your date of birth is required before a benefit can be paid. If it is not immediately available, for this application now and submit proof as soon as possible. The delay in filing this document will delay payment of your advance, including any advance payments. THE APPLICATION MUST BE ON FILE WITH THE RETIREMENT SYSTEM FOR AT LEAST 15 DAYS BUT NOT MORE THAN 90 DAYS BEFORE YOUR RETIREMENT CAN BECOME EFFECTIVE.

Items 1-14 MUST be completed. Please print plainly or type. The application must be signed and notarized on reverse side.

1. NAME		2. SOCIAL SECURITY NUMBER	
3. ADDRESS		4. TELEPHONE NUMBER	
		HOME: ( )	
		WORK: ( )	
5. FOR UNITED STATES TAX WITHHOLDING AND REPORTING PURPOSES (PLEASE CHECK ONE)			
I AM A: <input type="checkbox"/> U.S. CITIZEN <input type="checkbox"/> RESIDENT ALIEN <input type="checkbox"/> NONRESIDENT ALIEN			
6. REGISTRATION NUMBER		7. DATE OF BIRTH	
		8. EFFECTIVE RETIREMENT DATE	

\*Social Security Number Required (see explanation on reverse side)  
\*\*The effective retirement date is the first day of your retirement, not the last day worked. If you do not choose an Effective Retirement Date, we will subject to your approval, establish the earliest possible retirement date.

**9. INFORMATION ABOUT YOUR PUBLIC EMPLOYMENT**  
To the best of your ability, please complete the following record of ALL PUBLIC EMPLOYMENT, including service in the ARMY or NAVY. YOU MAY BE ABLE TO RECEIVE CREDIT FOR MILITARY SERVICE AND PUBLIC EMPLOYMENT WHICH PREVIOUSLY HAS NOT BEEN AVAILABLE SINCE YOU WILL NOT BE ABLE TO CLAIM ANY SUCH SERVICE AFTER YOUR RETIREMENT BECOMES EFFECTIVE. YOU MUST PROVIDE INFORMATION AT THIS TIME.

EMPLOYER <small>(Indicate whether State, county, city, town, village, etc.)</small>	DEPARTMENT OR AGENCY	TITLE OF POSITION	SERVICE FROM TO

**10. RETIREMENT APPLICATION.** If you were previously a member of any public retirement system in New York State you may be eligible to have credit for your previous membership date and/or. Transfer for her retirement, please complete this section.

**FORMER MEMBERSHIP INFORMATION:**  
PLEASE CHECK THE FIRST RETIREMENT SYSTEM YOU WERE A MEMBER OF:  
 New York State Teachers Retirement System  New York City Board of Education Retirement System  
 New York State and Local Employees Retirement System  New York City Teachers Retirement System  
 New York State and Local Police and Fire Retirement System  New York City Police Pension Fund  
 New York City Employees Retirement System  New York City Fire Pension Fund

PLEASE COMPLETE THE FOLLOWING (if known):  
 Former Registration Number: \_\_\_\_\_ Date of Membership: \_\_\_\_\_  
 Former Name (if applicable): \_\_\_\_\_  
 Have you received credit for this former membership in any other retirement system? Yes  No   
 If Yes, what Retirement System? \_\_\_\_\_  
 Are you receiving or eligible to receive a retirement allowance based on this service? Yes  No

**YOU MUST COMPLETE HERE**

## Electronic Funds Transfer Direct Deposit Enrollment Application (RS6370)

[www.osc.state.ny.us/retire/forms/rs6370.pdf](http://www.osc.state.ny.us/retire/forms/rs6370.pdf)

Use this form to have your monthly retirement benefit electronically deposited into the checking or savings account of your choice. This form is also used to change the bank where your benefit is deposited.

For more information on the Direct Deposit Program, please see page 9-52.

(Note: This is a two-page form; please submit page 1.)

Office of the New York State Comptroller  
**NYSERS**  
New York State and Local Retirement System  
103 State Street, Albany, New York 12242-0001

RECEIVED

**Electronic Funds Transfer  
Direct Deposit  
Enrollment Application**  
**RS 6370**  
Rev. 0/01

(See Reverse Side for Information and Instructions)

**SECTION 1 - TO BE REVIEWED AND CORRECTED BY PENSIONER**  
Name: \_\_\_\_\_ (Print, Last, First, Middle Initial) Retirement #: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Preferred Telephone: (\_\_\_\_\_) \_\_\_\_\_ (Please Provide) Registration #: \_\_\_\_\_

**SECTION 2 - TO BE COMPLETED BY PENSIONER**  
I hereby request all future benefits which become payable to me from the New York State and Local Retirement Systems (NYSERS) be transferred to my account via Electronic Funds Transfer (EFT) Direct Deposit to:  
 Account Type: \_\_\_\_\_  
 Checking (attach voided check to Section 3, or have Section 3 completed by your Financial Institution)  
 Savings (Section 3 MUST be completed by the Financial Institution)  
 If your checks do not have your name imprinted on them, Section 3 MUST be completed by the Financial Institution.  
 NYSERS is authorized to continue making such benefit payments to said financial institution or any of its successors and NYSERS reserves without notice herein to the contrary. I agree the NYSERS shall have no liability or responsibility for loss occasioned by erroneous information supplied by myself, my duly authorized representative, or the financial institution.  
 I hereby authorize and direct the financial institution, on my behalf, my joint account holder, if any, and my estate to charge my account for amounts paid to which I have not entitled. I also agree, on behalf of myself, my joint account holder, if any, and my estate, that such amounts will be returned to the NYSERS.  
 By making this request, I hereby represent the account identified herein (and as may later be modified) is not a trust.  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signature of Joint Holder (if any): \_\_\_\_\_ Date: \_\_\_\_\_

**SECTION 3 - TO BE COMPLETED BY YOUR FINANCIAL INSTITUTION IF DIRECTING FUNDS INTO A SAVINGS ACCOUNT OR IF A VOIDED CHECK IS NOT ATTACHED. THE ABOVE PENSIONER'S NAME MUST APPEAR ON THE ACCOUNT.**  
 Name of Account (Full Title of Account): \_\_\_\_\_  
 Check account type in number 2 is correct:  Yes  No  
 Transfer/ABA Number (ACH Format - 9 Digits): \_\_\_\_\_ Depositor's Account Number (EFT Format - General 17 Digits): \_\_\_\_\_  
 Name of Financial Institution: \_\_\_\_\_  
 Address: \_\_\_\_\_ Telephone: (\_\_\_\_\_) \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_  
 I, an representative of the above named financial institution, agree to abide by the NACHA Rules and Regulations. Amounts paid to account holder to which I have not entitled will be returned to NYSERS. Liability shall be limited as prescribed in the NACHA Rules and Regulations.  
 Bank Officer Signature: \_\_\_\_\_  
 Bank Officer (Please Print): \_\_\_\_\_

# Withholding Certificate for Pension or Annuity Payments (W-4P)

[www.osc.state.ny.us/retire/forms/form\\_w-4p.pdf](http://www.osc.state.ny.us/retire/forms/form_w-4p.pdf)

Use this form to have federal taxes withheld from your monthly retirement benefit. You may also use this form to make adjustments to your federal income tax withholding. If you are not sure how much should be withheld, read through our *Taxes and Your Pension* page and use the federal tax withholding calculator on our website at [www.osc.state.ny.us/retire/retirees/tax\\_services\\_information.php](http://www.osc.state.ny.us/retire/retirees/tax_services_information.php).

If you do not submit a completed W-4P form to us, the amount of federal tax withheld will default to the status “married with three dependents” when we pay your monthly benefit. This may or may not be adequate for your needs. However, you can change your federal withholding tax status anytime.

For more information on determining your federal withholding, please see page 9-47.

# Designation of Beneficiary (RS5127)

[www.osc.state.ny.us/retire/forms/rs5127.pdf](http://www.osc.state.ny.us/retire/forms/rs5127.pdf)

Use this form to change your beneficiary information. By keeping your beneficiary designation up to date, you ensure that your loved ones receive any post-retirement death benefit due to them when you die. If you are not yet retired, your death benefit beneficiaries can be changed at any time using this form. This form must show all beneficiaries because it will supersede any previous form already on file.

For more information on death benefits, please see pages 9-55 through 9-62.

(Note: This is a two-page form; please submit both pages.)

# **Chapter 10**

## **Health Insurance Coverage and Related Benefits**

**New York State Department of Civil Service, Employee Benefits Division  
518-457-5754 or 1-800-833-4344 (United States, Canada, Puerto Rico, Virgin Islands)**

[www.cs.ny.gov/employee-benefits](http://www.cs.ny.gov/employee-benefits)

**We gratefully acknowledge the cooperation of the New York State Department of Civil Service, Employee Benefits Division, who provides the information contained in this chapter and who is solely responsible for its contents.**

The New York State Health Insurance Program (NYSHIP) provides health insurance benefits to State employees through The Empire Plan or NYSHIP-approved Health Maintenance Organizations (HMOs). As you plan for retirement, you have important decisions to make about these benefits. This guide outlines these decisions and answers many benefit questions such as:

*What must I do before my retirement date?*

*What choices must I make before I leave the payroll?*

*Am I eligible to continue health insurance after I retire?*

*How do sick leave credits affect the cost of my health insurance?*

*How does Medicare affect my NYSHIP coverage?*

*Can I continue other benefits such as life insurance, dental and vision care?*

*What happens to my dependents' benefits if I predecease them?*

## ***ELIGIBILITY FOR HEALTH INSURANCE BENEFITS IN RETIREMENT***

*You must meet three eligibility requirements to continue New York State Health Insurance Program (NYSHIP) coverage for yourself and your eligible dependents after you retire. You must meet all three eligibility requirements.*

**Minimum Service Period:** First, you must have completed a minimum service period, which is determined by the date on which you last entered State service, and you must have served a minimum of one year with the employer from whose service you will retire.

**Note:** All New York State agencies count as the same employer for this requirement.

If you **last entered state service** on or after April 1, 1975, you must have at least **10 years** of NYSHIP benefits-eligible State service or at least 10 years of combined NYSHIP benefits-eligible service with the State, one or more Participating Employers (such as the Thruway Authority or Metropolitan Transportation Authority) and/or Participating Agencies (such as towns or school districts) that participate in NYSHIP.

If you **last entered state service** before April 1, 1975, you must have had at least **five years** of NYSHIP benefits-eligible State service, or at least five years of combined NYSHIP benefits-eligible service with the State, one or more Participating Employers (such as the Thruway Authority or Metropolitan Transportation Authority) and/or Participating Agencies (such as towns or school districts) that participate in NYSHIP.

**Note:** The service period does not need to be continuous. An employee will meet this requirement even if there are breaks in service, as long as the service minimums referenced above are met.

**Retirement system requirements for retirement and NYSHIP requirements for continuation of health insurance in retirement are different.** For example, some employees with five years of full-time service, or its equivalent, can vest their pensions. However, in order to continue your health insurance coverage as a retiree, most retirees must have 10 years of NYSHIP benefits-eligible service. See the following information on continuing your coverage as a vestee, and read your NYSHIP documents for complete information.

Not all employment counts toward achieving eligibility for health insurance in retirement. For example, periods of less-than-full-time employment will count toward the requirement only if you were eligible for NYSHIP health insurance with an employer contribution during that employment. Not all Participating Agency or Participating Employer service counts. Periods of leave without pay, when you are required to pay the full cost of your health coverage, do not count.

Talk with your Health Benefits Administrator (HBA) early in your planning for retirement to make sure that you meet the service requirements for health insurance as a retiree. **Ask your HBA to assist you with calculating your service time.**

**Qualify for Retirement:** Second, you must qualify for retirement as a member of a retirement system administered by New York State (such as the New York State and Local Retirement System [NYSLRS]), which comprises the Employees' Retirement System [ERS] and the Police and Fire Retirement System

[PFRS] or the New York State Teachers' Retirement System [NYSTRS]) or any of its political subdivisions.

If you are not a member of a retirement system administered by the State or a New York State political subdivision, or you are enrolled in the State University of New York Optional Retirement Program with a plan sponsor such as TIAA, you must satisfy **one** of the following conditions:

- Meet the age requirement of the New York State and Local Retirement System (NYSLRS) retirement tier in effect at the time you last entered service
- Be qualified to receive Social Security disability payments

**Enrollment in NYSHIP:** Third, you must be enrolled in NYSHIP as an employee or as a dependent at the time of your retirement. For example, if you were on leave and canceled your health coverage, then retire, you would not be eligible for health coverage as a retiree.

If you are not currently enrolled in NYSHIP, but wish to establish eligibility for coverage as a retiree, you must be enrolled prior to the date you retire. You may be subject to a late enrollment period of five biweekly pay periods. You will not be able to defer your retiree coverage if you are not enrolled prior to your retirement.

If you are enrolled in NYSHIP as a dependent, ask your HBA about use of sick leave accruals and the Dual Annuitant Sick Leave Credit Option as well as other provisions, such as deferred health insurance coverage, that may affect you.

**Note:** Participation in the New York State Opt-out Program while an active employee satisfies the requirement of enrollment. However, retirees may not continue to participate in the Opt-out Program.

***I am retiring because of a disability. How does that affect my eligibility for NYSHIP?***

If you have been approved for a disability retirement from a retirement system administered by New York State or any of New York State's political subdivisions, you have met the requirement of qualifying for retirement as a member of a New York State public retirement system. For a disability retirement that is not work-related, you must meet the minimum service requirement to be eligible for NYSHIP as a retiree. For a disability retirement resulting from a work-related illness or injury, the minimum service period requirement is waived. In either case, you must be enrolled in NYSHIP on the effective date of your disability retirement either as an employee or a dependent to be eligible to continue coverage in NYSHIP as a retiree.

To maintain NYSHIP eligibility, you must continue your health insurance coverage while you wait for a decision on your disability retirement. If you do not maintain continuous coverage, or if you fail to make the required premium payments, coverage could end permanently.

If you have not continued your coverage while on leave or while in vestee or COBRA status and a retroactive disability retirement is granted, call the Employee Benefits Division right away to ask about reinstating coverage. You must apply in writing to the Employee Benefits Division within one year of the date of the letter from the retirement system granting your disability retirement, and you must provide the Employee Benefits Division with a copy of your disability retirement approval letter.

If you do not apply in writing within one year, the Employee Benefits Division will not reinstate your coverage unless you provide medical documentation that you were unable to apply during that time. Contact the Employee Benefits Division for more information.

***Can I end my employment before retirement age and still be eligible to continue NYSHIP coverage?***

If your employment with the State ends before you are eligible to apply for a pension and you vest (secure rights to) your state pension, contact your HBA before your last day of work to determine if you are eligible to continue health insurance coverage as a vestee. You must have 10 years of NYSHIP benefits-eligible service and be enrolled in NYSHIP either as an enrollee or dependent at the time you leave the payroll.

If you are eligible to continue coverage as a vestee but do not elect this coverage or if you enroll as a vestee and fail to make the required premium payments, coverage for you and any dependents will be terminated permanently.

As a vestee, you must pay the full cost of the premium (both the State and employee share). You will receive a monthly billing statement. If you fail to make timely premium payments, your health insurance coverage may be canceled for nonpayment. You may not reenroll as a vestee at a later date and you lose your eligibility for coverage as a retiree.

**Note:** To be eligible for coverage as a retiree, you must maintain continuous NYSHIP coverage from the time you leave the payroll until you are eligible to collect your pension. If your spouse or domestic partner is eligible for NYSHIP coverage in their own right, you may be able to continue coverage as a dependent under your spouse or domestic partner's NYSHIP policy. This is most likely a less expensive alternative to full-share vestee coverage.

***I am eligible to retire but don't want to start collecting my pension yet. Can I still have health insurance coverage?***

If you are eligible to retire and delay collecting your State pension, you may continue your NYSHIP coverage as a retiree if you meet the eligibility requirements. Ask your HBA about "constructive retirement." With this option, you must pay the health insurance premium (if any) directly to the Employee Benefits Division.

***RETIREE COST/SICK LEAVE CREDIT***

***What portion of the cost of health insurance must I pay as a retiree?***

The amount you must contribute toward the cost of your health insurance coverage as a retiree will be based upon your salary grade (or equivalent) at the time of retirement. Retiree premium payments are collected monthly, rather than biweekly. You may be able to use accumulated sick leave accruals to reduce your monthly premiums.

***How will I pay for my health insurance as a retiree?***

When you retire, you will pay your share of the NYSHIP premium through deductions from your monthly retirement check or by making monthly payments directly to the Employee Benefits Division.

If you elect to have your premiums deducted from your pension check, it may take several months for the Employee Benefits Division to receive the retirement number assigned to you by the retirement system and begin taking monthly deductions. Once your eligibility for retiree benefits has been confirmed by the Employee Benefits Division, you will be billed directly each month for your share of the premium until deductions from your pension check begin.

It is important to pay your monthly bill until pension deductions begin or risk having your health insurance coverage canceled for nonpayment. If your coverage is canceled for nonpayment, you may later reenroll in coverage. However, in most cases, you will be subject to a three-month waiting period before coverage becomes effective.

***What is sick leave credit?***

Sick leave credit is the actuarial value of your unused sick leave calculated at the time you retire. It is then applied as a credit to reduce the cost of your NYSHIP premium — either The Empire Plan or a NYSHIP HMO.

**Note:** Sick leave credit does not apply to judges, justices and other enrollees who are not entitled to accumulate sick leave.

Sick leave credit can be applied toward your NYSHIP premium only if you retire directly from active employment, Leave Without Pay status, Preferred List coverage or if you are approved for disability retirement retroactive to your last date of employment. Sick leave credit may not be applied toward health insurance premium costs while you are in vested status or after retiring from vested status.

Employees earn sick leave each biweekly pay period if they are in full-pay status for seven out of 10 days in a biweekly pay period. The rate at which employees earn sick leave depends on the percentage of time they work, their bargaining unit, date of hire and whether they participate in the Income Protection Plan (IPP).

Most employees can use a maximum of 200 days (165 days for PBA and PIA) of unused sick leave to calculate sick leave credit. See your HBA for details. **Using your sick leave credit for health insurance will not affect the value of your sick leave for pension purposes.**

To estimate the value of your sick leave credit, see below or visit NYSHIP Online at [www.cs.ny.gov/employee-benefits](http://www.cs.ny.gov/employee-benefits). Choose your group and plan, if prompted. From the NYSHIP Online homepage, select Planning to Retire? and choose Sick Leave Credit Calculator.

***How will my sick leave credit be calculated?***

Your sick leave credit is calculated by dividing the total dollar value of your sick leave by your actuarial life expectancy in months. The formula used to calculate your sick leave is as follows:

$$\begin{array}{l} \text{Hours of Unused Sick} \\ \text{Leave} \end{array} \times \text{Hourly Rate of Pay} = \text{Total Dollar Value of Sick Leave}$$
$$\text{Total Dollar Value of Sick Leave} \div \text{Life Expectancy in Months} = \text{Your Monthly Sick Leave Credit}$$

The result of this calculation is a lifetime monthly sick leave credit used to reduce your share of the monthly NYSHIP premium for as long as you are enrolled in NYSHIP. If the NYSHIP premium rises, the monthly premium you pay also may rise. Each year you will receive the publication entitled *NYSHIP Rates & Information for Retirees of New York State* to notify you of any changes to your monthly premium. In addition, you will receive a personalized sick leave credit insert with the annual *Rates & Information*, so you can calculate the amount you will pay in the new calendar year by subtracting your monthly sick leave credit from the new monthly premium.

If your monthly sick leave credit does not fully cover your share of the monthly premiums, you must pay the difference. Payments are remitted directly to the Department of Civil Service or taken via pension deduction. If the credit is equal to or exceeds your share of the monthly premiums, you will pay nothing. If the credit exceeds your share of the monthly premium, you will not receive the difference.

**Note:** Sick leave credit cannot be combined with or transferred for another employee's use. Only sick leave accrued by the enrollee (contract holder) may be used to reduce that same enrollee's (contract holder's) premium.

## ***CHOICES TO BE MADE BEFORE YOU LEAVE THE PAYROLL***

### ***Can I defer my retiree health insurance coverage and the use of my sick leave credit?***

When you retire, you may defer (delay) the start of your retiree health insurance coverage and the use of your sick leave credit **if you are enrolled in other health insurance coverage at the time of your retirement**. If you choose to defer health insurance coverage, you must make that election **before** your retirement date by completing Form PS-406.2, *Enrollment Form for Employees Eligible to Defer Health Insurance Coverage and Sick Leave Credit Calculation Indefinitely in Retirement*. For assistance with deferring retiree health coverage, contact your HBA.

There may be advantages to delaying the start of your NYSHIP retiree coverage. During the period of deferment, you do not have to pay the NYSHIP premium. The value of your sick leave credit may be higher at the time you elect to begin your retiree coverage because it will be calculated when you are older. If you defer your coverage, you may reenroll in NYSHIP coverage at any time without a waiting period.

If you have **family** coverage in effect at retirement and you die while your coverage is deferred, your spouse/domestic partner and any other eligible dependents who were covered at the time of retirement may be eligible to reenroll in NYSHIP coverage as dependent survivors. **They must write to the Employee Benefits Division requesting reenrollment in NYSHIP within 90 days of your death.** Eligibility requirements for your dependents to reenroll in NYSHIP are the same as if you had continued your coverage into retirement. If you had individual coverage in effect at retirement, your dependents will not be eligible under NYSHIP as dependent survivors.

### ***How can I ensure that my dependent survivors can continue to use my sick leave credit toward their health insurance premiums if I die?***

Before you retire, you may specify that you want your dependent survivors to use your monthly sick leave credit toward their NYSHIP premium if you die. This is called the Dual Annuitant Sick Leave Credit Option. You do not have to have family coverage at the time of retirement to choose this option,

but your dependents **must be enrolled** under your NYSHIP health insurance coverage at the time of your death. **Your sick leave election has no effect on your survivors' rights to continue NYSHIP health insurance coverage as dependent survivors. Only the amount of premium they are required to pay will be affected.**

If you choose the Dual Annuitant Sick Leave Credit Option, 70 percent of your sick leave credit will be used to offset your premium for as long as you live. Your eligible dependents who outlive you may continue to use 70 percent of the monthly credit to offset the cost of their NYSHIP premium.

For example, suppose your monthly sick leave credit is \$26.61. If you choose the Dual Annuitant Sick Leave Option, your monthly sick leave credit will be 70 percent of \$26.61, or \$18.63. The same amount (\$18.63 per month in this example) will be available to your dependents in the event of your death, as long as they remain eligible for NYSHIP and are enrolled as dependent survivors.

**Note:** The credit cannot be used to reduce COBRA premiums. It cannot be combined with your dependent's own sick leave credit, even if your dependent was also employed by the State.

To elect the Dual Annuitant Sick Leave Credit Option, submit Form PS-405, *Dual Annuitant Sick Leave Credit Election*, to your HBA **before your retirement date**. If you do not indicate your choice before your retirement becomes effective, the full value of your sick leave credit (up to a maximum of 200 days for most employees or 165 days for PBA and PIA) will be applied to your premium automatically and no sick leave credit will be available to your dependent survivors. This means that your survivors may be eligible to continue their health insurance, but none of your sick leave credit will be available to offset their portion of the NYSHIP premium. For more information, refer to your *NYSHIP General Information Book*, or contact your HBA.

Once you elect the Dual Annuitant Sick Leave Credit Option, you may not discontinue it. If your dependent(s) dies before you, you will continue to have the 70 percent sick leave credit to offset your NYSHIP premium.

## ***MEDICARE AND YOUR NYSHIP COVERAGE***

### ***What is Medicare?***

Medicare is a federal health insurance program for people who:

- Are 65 or older

OR, regardless of age:

- Have received Social Security Disability Insurance (SSDI) benefits for 24 months
- Have completed Medicare's waiting period for up to three months due to end-stage renal disease (ESRD)
- Are receiving SSDI benefits due to amyotrophic lateral sclerosis (ALS)

*If I'm enrolled in NYSHIP, do I have to enroll in Medicare too?*

**Yes. NYSHIP requires all enrollees to be enrolled in Medicare Parts A and B when first eligible for primary Medicare coverage (Medicare pays first, before NYSHIP). Your covered dependents must also be enrolled when first eligible for primary Medicare coverage.**

As an **active** employee, if you or your dependents are eligible for Medicare, it is in most cases secondary to NYSHIP coverage, so enrollment is **not** required.

**There are two exceptions:**

- Domestic partners: Regardless of the enrollee's employment status, Medicare is primary for a domestic partner age 65 and older.
- End-stage renal disease (ESRD): If you or your dependent is eligible for Medicare due to ESRD, contact Medicare at the time of diagnosis. Medicare becomes primary to NYSHIP when Medicare's 30-month coordination period is completed.

**If you and/or your dependents are eligible for Medicare when you are retired, Medicare will become primary to NYSHIP and therefore enrollment in Medicare Parts A and B is required.**

Requirements for enrolling in Medicare apply to both Empire Plan and NYSHIP HMO enrollees and dependents. Requirements for enrolling in Medicare also apply if you or your dependent has NYSHIP coverage and coverage under another employer plan.

If you or your dependent is eligible for Medicare coverage that is primary to NYSHIP, but you fail to enroll when first eligible, **you will be responsible for the full cost of services that Medicare would have covered had the Medicare-eligible person been enrolled.**

*When should I contact Medicare?*

If you are planning to retire, and you or your spouse is 65 or older or eligible for Medicare coverage due to disability, contact your Social Security Administration office **three months before** active employment ends to arrange for Medicare Parts A and B coverage. If you are receiving Social Security benefits you may automatically receive a Medicare card about three months before you become eligible for Medicare. It will show both Medicare Parts A and B coverage, with the option to decline Medicare Part B. Do not decline! Be sure to enroll in Medicare Part B or your overall benefits will be reduced.

NYSHIP will no longer be your primary insurer soon after you retire. Be sure you are enrolled in Medicare Parts A and B at that time. Your coverage as a retiree begins after a 28-day runout period of your active coverage. Medicare becomes primary the first of the month following this runout. **Your domestic partner must be enrolled in Medicare as of the first day of the month in which they turn 65 whether you are an active or retired employee.** If diagnosed with end-stage renal disease, please contact the Employee Benefits Division for more information of when you should enroll in Medicare Parts A and B.

If you retire before you or your dependent reaches age 65, Medicare generally becomes primary to NYSHIP on the first day of the month in which you/your dependent reaches age 65 (or if the birthday falls on the first of the month, Medicare will become effective on the first day of the month preceding the 65<sup>th</sup> birthday). Contact the Social Security Administration three months before the month in which you or your dependent becomes eligible to enroll in Medicare. If after you retire, you or your dependent becomes eligible for Medicare due to disability, you must enroll in Medicare Parts A and B when first eligible. Persons eligible for Medicare due to end-stage renal disease should refer to the *NYSHIP General Information Book* and contact the Employee Benefits Division to determine when Medicare becomes primary.

**If you do not apply three months prior to the month of the 65<sup>th</sup> birthday (or three months prior to the date of your retirement if you are older than 65), you may be subject to a waiting period before Medicare becomes effective. During that waiting period, you will have a reduction in benefits that could be very costly for you.**

### *Is there a cost for Medicare?*

In most circumstances, there is no cost for Medicare Part A. There are some individuals who do not qualify for Medicare Part A at no cost. These individuals are not required to take Medicare Part A and may keep NYSHIP as their primary coverage for Medicare Part A benefits. If the Social Security Administration tells you that you must pay for Part A, contact the Employee Benefits Division.

Most Medicare enrollees pay a standard Medicare Part B premium amount set annually by the federal government. The Social Security Administration deducts the Medicare Part B premium from your monthly Social Security benefit. If you don't receive Social Security, you pay the Medicare Part B premium directly to the Centers for Medicare and Medicaid Services (CMS). If you pay Medicare premiums directly to CMS, be sure to make timely payments. Failure to pay premiums, will result in the cancellation of your Medicare coverage, which will significantly reduce your overall benefits and may result in the cancellation of your NYSHIP coverage.

Most Medicare enrollees with Medicare Part D coverage pay a standard premium amount set annually by the federal government. If you are covered under The Empire Plan with Empire Plan Medicare Rx coverage, or a NYSHIP Medicare Advantage plan, this premium is included in your NYSHIP premium.

In addition to the standard premiums for Medicare Parts B and D, Medicare enrollees with a higher Modified Adjusted Gross Income (MAGI) pay an additional Income-Related Monthly Adjustment Amount (IRMAA), a Medicare premium amount adjusted for their income, for Medicare Part B coverage and a separate IRMAA for Medicare Part D coverage.

Retirees with incomes below the MAGI threshold are not responsible for any additional premium. For details regarding the income levels and premiums associated with IRMAA, visit [www.medicare.gov](http://www.medicare.gov) or call Medicare at 1-800-MEDICARE (1-800-633-4227).

### *Will NYSHIP reimburse me for my Medicare premiums?*

When Medicare is primary to NYSHIP, NYSHIP reimburses you for the standard Medicare Part B premium (excluding any penalty for late enrollment) and any IRMAA you must pay for Medicare Part

B, unless you receive reimbursement from another source, or your Medicare premium is being paid by another entity on your behalf. **You are not entitled to reimbursement for any Medicare Part D IRMAA costs.** Failure to pay Medicare Part D IRMAA will result in the termination of your Empire Plan or Medicare Advantage plan coverage.

If you have Family coverage under NYSHIP, NYSHIP also must reimburse you for the standard Medicare Part B premium and any Medicare Part B IRMAA imposed for any Medicare-primary dependent, provided the dependent is not reimbursed by another source or the premium is not paid by another entity.

If you receive a pension check, any reimbursement for the standard Medicare Part B premium will be added to your pension check. If you make direct payments to the Employee Benefits Division, reimbursements will be credited toward your monthly NYSHIP premium payments. If your Medicare reimbursement exceeds your health insurance premium, you will receive a quarterly refund check for the difference from the Office of the State Comptroller.

If you and/or your dependent are subject to the additional IRMAA cost for Medicare Part B, you will receive information regarding how to apply for reimbursement after the end of each year.

### ***Can I enroll in more than one Medicare plan?***

**You can be enrolled in only one Medicare plan\* at a time.** Therefore, enrolling in a Medicare Advantage or Medicare Part D plan outside of your NYSHIP coverage will terminate your NYSHIP benefits for you and any covered dependents. If your dependent enrolls in a Medicare Part D plan or Medicare Advantage plan outside of NYSHIP, their NYSHIP coverage will be terminated.

\* If you are currently enrolled in another plan as a dependent or through private insurance, check with that plan before you become Medicare eligible to determine if the plan will enroll you in a Medicare product. Many plans will automatically enroll you in Medicare Part D or a Medicare Advantage plan when you become Medicare eligible. If you enroll in almost any other additional Medicare plan, even one that does not include a Medicare Part D plan, you will be disenrolled from your NYSHIP Medicare plan (including The Empire Plan or a Medicare Advantage plan, if enrolled through a NYSHIP HMO).

### ***Who do I contact if I have more questions about Medicare?***

For more information on Medicare reimbursement and how Medicare affects NYSHIP benefits, see your *NYSHIP General Information Book, Planning for Retirement, Medicare & NYSHIP*, other plan documents and your Health Benefits Administrator.

If you have any questions about your Empire Plan coverage, call 1-877-7-NYSHIP (1-877-769-7447), 24 hours a day, seven days a week (TTY: 1-800-863-5488). If you have questions about your NYSHIP HMO coverage, including prescription drug coverage, contact your NYSHIP HMO.

For information on Medicare benefits and claims, call 1-800-MEDICARE (1-800-633-4227). To enroll in Medicare, call the Social Security Administration at 1-800-772-1213. If you have any questions regarding the coordination of Medicare with NYSHIP, call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

## ***CHANGES AFTER RETIREMENT***

***Will my health insurance benefits change because I retire? Will my option (The Empire Plan or a NYSHIP HMO) change?***

Your retiree benefits under The Empire Plan or a NYSHIP HMO may differ somewhat from those you received as an active employee. Retirees are billed once a month instead of over the course of 26 bi-weekly pay periods. Before you retire, ask your HBA for retiree information for The Empire Plan. If you are enrolled in a NYSHIP HMO, contact your NYSHIP HMO about retiree coverage.

You are eligible to change your NYSHIP option at retirement (or any other time once in a 12-month period). If you do not change your NYSHIP option at the time of retirement, you will continue coverage under the same NYSHIP option you had as an active employee.

There are certain events in which you may be eligible to change your NYSHIP option more than once in a 12-month period. Please see pages 4 and 5 of your *NYSHIP General Information Book* for more information.

HMO enrollees: You **must** change to another plan as soon as you no longer live or work in your HMO's NYSHIP-approved geographic service area. If you are enrolled in a Medicare Advantage HMO, you must change to another plan as soon as you no longer live in your Medicare Advantage HMO's NYSHIP-approved geographic service area.

As a retiree, you are no longer held to the annual Option Transfer Period. However, you may only change your NYSHIP option once during a 12-month period unless you experience a qualifying life event. You will receive information in the mail near the end of each calendar year, including summaries of all NYSHIP options available to you and their costs.

***After I retire, may I cancel NYSHIP coverage and later reenroll?***

After you retire, you may cancel your NYSHIP coverage and reenroll at a later date. Under most circumstances, you will be subject to a waiting period of up to three months before your coverage again becomes effective. Upon reenrolling, you will receive the same monthly sick leave credit you had, if any, before you canceled your coverage.

**Note:** If you die during the period of time that your NYSHIP coverage is canceled, your dependents will not be eligible for dependent survivor coverage.

***If I have NYSHIP coverage as a dependent through my spouse/domestic partner, can I reinstate my own coverage as a retiree?***

If you have NYSHIP coverage as a dependent through your spouse/domestic partner and otherwise meet eligibility requirements for coverage as a retiree, you may establish coverage as a retiree at any time. Ask your HBA for a copy of Form PS-410, *State Sick Leave Credit Preservation*, before you leave State service. This document preserves your sick leave information.

Notify the Employee Benefits Division in writing if a pending divorce or other change requires that you reactivate your NYSHIP coverage in your own name (and attach a copy of Form PS-410 if you will be enrolled as a retiree for the first time).

***If I return to State employment after I retire, how does this affect my NYSHIP coverage?***

If you return to work in a benefits-eligible position with a State agency and you or your dependent(s) is eligible for Medicare, NYSHIP will be primary to Medicare for you and for your Medicare-eligible dependent(s). (Exception: Your domestic partner is age 65 or older or you or your dependent is Medicare-eligible because of end-stage renal disease and no longer in the Medicare coordination period.)

During any period when NYSHIP coverage is primary to Medicare coverage, your reimbursement for the Medicare premium will stop.

If you begin working for an employer other than the State and continue your NYSHIP retiree coverage, Medicare pays primary to NYSHIP whether or not you have health insurance coverage through that other employer's group plan. Coverage through your current employer would be primary to Medicare and NYSHIP.

Ask your HBA for complete information and a copy of the NYSHIP publication *Back to Work for New York State*, or call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

## ***DEPENDENT SURVIVOR COVERAGE***

***If I die, will my dependent survivors be eligible for health insurance under NYSHIP?***

If you had at least 10 years of service with a New York State public employer, NYSHIP protects your **enrolled** dependents in the event of your death. Your dependent survivors must send a copy of your death certificate to the New York State and Local Retirement System (NYSLRS) or the New York State Teachers' Retirement System (NYSTRS) and to the Employee Benefits Division.

**Note:** Your qualified dependent survivors are eligible for dependent survivor coverage whether or not you choose Dual Annuitant Sick Leave Credit.

Dependent survivor coverage and eligibility limitations are explained in your NYSHIP *General Information Book*. Make sure your family knows to call the Employee Benefits Division for information on dependent survivor coverage.

## ***DENTAL AND VISION BENEFITS***

***Can I continue dental and vision coverage after retirement?***

Dental and/or vision coverage is available through the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) when you retire. Dental coverage is also available through the direct pay dental plan offered to New York State retirees by EmblemHealth.

COBRA entitles an individual and/or covered dependent to continue certain benefits at group rates for a limited period of time after coverage would otherwise end.

## **COBRA**

M/C, PEF, NYSCOPBA, Council 82, PBA, PIA and APSU employees who receive dental and vision benefits through the State-administered plan will automatically receive information on continuing dental and vision coverage under COBRA.

If you do not receive an application for COBRA coverage within 30 days of retiring, write to the Employee Benefits Division for an application.

Send your name, last four digits of your Social Security number, address, telephone number with area code and reason for requesting the application to:

COBRA Unit  
New York State Department of Civil Service  
Employee Benefits Division  
Albany, NY 12239

You must request continuation coverage under COBRA no later than 60 days after your coverage would otherwise end (or within 60 days from the date you are notified of eligibility for COBRA due to a reduction in your hours or termination of employment, whichever is later). If you do not continue coverage under COBRA, your employee dental and vision coverage will end 28 days after the last day of the last payroll period in which you worked.

Employees who receive dental and vision benefits through a union Employee Benefit Fund may be eligible to continue coverage through their union Employee Benefit Fund under COBRA. Contact your union Employee Benefit Fund for information and to find out when your benefits end.

## **DENTAL PLAN FOR RETIREES**

As a retiree, you may choose to enroll in the EmblemHealth Direct Pay Preferred Dental Plan offered to New York State retirees. You should automatically receive an enrollment form after you retire. If you applied for dental coverage through COBRA, you should also receive this enrollment form at the end of the 36-month COBRA period. If you do not receive the form, call EmblemHealth at 1-800-947-0101.

If you wish to enroll in the group retiree dental plan, you must do so at the time of your retirement or at the end of your COBRA eligibility. These are your only opportunities to enroll.

**Note:** Dental and vision benefits are not part of your health insurance and do not continue automatically. Also, sick leave credit cannot be used to reduce the premium for these benefits.

## ***OTHER BENEFITS***

### ***How can I continue hearing aid coverage after retirement?***

If you are an Empire Plan enrollee, a hearing aid benefit is part of the retiree Empire Plan benefits package.

If you are enrolled in an NYSHIP HMO, check whether hearing care coverage is part of your current benefit package. If your current NYSHIP HMO coverage includes a hearing benefit, you continue to be eligible for it as a retiree. Confirm with your NYSHIP HMO if this benefit changes upon eligibility for primary Medicare coverage.

### ***If I am enrolled in the State's long term care program, can I continue it after retirement?***

The New York State Public Employee and Retiree Long Term Care Insurance Plan (NYPERL) expired on April 30, 2016. If you purchased long term care insurance through NYPERL prior to this date, your long term care insurance will continue without interruption after retirement and without any change in benefits as long as you pay your premium and have not exhausted your lifetime benefit amount. If you have questions, contact NYPERL toll free at 1-866-474-5824.

### ***If I was enrolled in an Income Protection Plan, will it continue after retirement?***

Your eligibility for enrollment under the Income Protection Plan ends when you retire. Eligibility ends on your last day on the payroll as an active employee.

If you are receiving Income Protection Plan benefits when you retire, you may continue to receive benefits in accordance with the Income Protection Plan rules.

### ***Can I continue life and accident and sickness insurance?***

If your position is assigned to a negotiating unit that provides life/accident and sickness insurance through a union Employee Benefit Fund and you have coverage under that program, contact your union Employee Benefit Fund for information about your right to continue that insurance.

If you are an M/C employee with accident and sickness insurance, there are no conversion rights for this coverage. You may not continue it when you retire.

### ***If I am enrolled in the M/C Life Insurance Program, can I continue it after retirement?***

You may continue your M/C Life Insurance as a retiree if you fall into one of the following categories:

- You retire as a member of a retirement system administered by New York State (such as the New York State and Local Retirement System [NYSLRS] or the New York State Teachers' Retirement System [NYSTRS]) or any of its political subdivisions
- You are eligible to retire from one of the retirement systems listed above, but choose to defer receipt of the pension when you separate from service

- You are not a member of any retirement system administered by the State or its political subdivisions, but on the date of your separation from service you met the age and service requirements of the retirement plan appropriate for you if you had joined the retirement system at the time of first employment

If you are not eligible to continue participation in the M/C Life Insurance Program, your life insurance coverage will terminate on the last day of the coverage period for which a contribution was made. At that time, you may be eligible to convert to a standard direct-pay policy with the carrier.

If you are enrolled in the group life insurance program for M/C employees, you may choose to continue in the program, cancel your coverage or convert to a direct-pay policy. If you choose to remain in the program, you may continue both personal and dependent life insurance in retirement, subject to the age-related life insurance reductions. Your HBA will give you information about continuing coverage, canceling your coverage or converting to a direct-pay policy.

## ***WHAT STEPS SHOULD I TAKE BEFORE I RETIRE?***

***Talk with your agency's HBA.***

Here are some things to discuss:

- Make sure you meet the minimum service period requirements for continuing benefits in retirement. For health insurance, be sure to check if any part-time or local government service will count toward your minimum service requirement.
- If you do not meet the requirements to continue coverage, COBRA or a direct-pay policy will allow you to continue health insurance benefits for a limited period of time. Read the chapters on COBRA Continuation of Coverage and Direct-Pay Conversion Contracts in your NYSHIP *General Information Book* and benefit materials. Ask your HBA for details.
- Make sure you are eligible to draw your pension or meet the retirement qualifications for your retirement system.
- Make sure you are enrolled in NYSHIP coverage in your own right or as a dependent.
- Make sure the information on your enrollment record, such as dates of birth, addresses and spelling of names, is accurate and up to date.
- Ask your HBA to explain the benefits you will have as a retiree, especially if there are any differences from your employee coverage.
- Ask your HBA to provide information about the Dual Annuitant Sick Leave Credit Option (through which your sick leave credit can be applied toward your surviving dependent's premium). The Dual Annuitant Sick Leave Credit Option must be requested before your retirement date.
- If you meet the requirements for continuing benefits in retirement, but do not want your health insurance to continue after you retire, you should defer your coverage. Ask your HBA for

information about deferred health insurance coverage. This election must be made **before** your retirement date. **Note:** Proof of other coverage is required to defer your coverage and calculation of your sick leave credit.

- Ask your HBA for the latest publications on health insurance and other benefits information available to retirees.

***Contact your Social Security Administration Office.***

If you or a dependent (other than your domestic partner) is already 65 or older or otherwise eligible for Medicare, call your Social Security Administration office three months before you retire to enroll in Medicare Parts A and B. Medicare-eligible enrollees and dependents must be enrolled in Medicare Parts A and B when Medicare becomes primary to NYSHIP. Remember, Medicare becomes primary to NYSHIP on the first day of the month after your active employer group coverage ends.

If Medicare eligibility is based on end-stage renal disease, Medicare becomes primary after completion of a 30-month coordination period, regardless of employment status. If you turn 65 during the coordination period, Medicare is still secondary to NYSHIP until your coordination period ends. After you retire, when you or a dependent reaches age 65, Medicare goes into effect on the first day of the month of reaching age 65, or the first of the month prior if the birthday is the first of the month. Plan to sign up three months before turning 65, or otherwise becoming eligible for primary Medicare coverage.

***If you are moving:***

- Before you retire, notify your HBA of any address or phone number change, and check with your agency to see if you need to change your health insurance option.
- After you retire, report enrollment and address changes by writing to: New York State Department of Civil Service, Employee Benefits Division, Albany, NY 12239.

***Where can I get more information?***

Here are some additional sources of information on continuing health insurance and related benefits in retirement:

- Talk to your HBA. After you retire, the Employee Benefits Division will serve as your HBA. To speak to a representative, call 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) on regular business days between 9 a.m. and 4 p.m. Eastern time.
- The Department of Civil Service website, [www.cs.ny.gov](http://www.cs.ny.gov), provides information on retiree benefits. Choose Retirees from the top navigation, then Health Benefits.
- Medicare, which is jointly administered by the Social Security Administration and the Centers for Medicare & Medicaid Services (CMS), can be reached at 1-800-MEDICARE (1-800-633-4227) for benefits and claims information. Call the Social Security Administration at 1-800-772-1213 to enroll in Medicare.

The following resources can be found on the NYSHIP Online portion of the Department of Civil Service website:

- The NYSHIP *General Information Book* for retirees, vestees, dependent survivors and employees covered under Preferred List provisions provides information on NYSHIP and coordinating benefits with Medicare.
- The *Empire Plan Certificate*, or your NYSHIP HMO contract (available from your NYSHIP HMO), provides details of plan coverage.
- The *Empire Plan At A Glance* for New York State retirees is a brief summary of Empire Plan benefits and responsibilities.
- Retiree *Health Insurance Choices* provides option transfer information and brief descriptions of all NYSHIP options.
- NYSHIP *Rates & Information for Retirees of New York State* provides information about service areas and premium rates of all NYSHIP options.
- The *Medicare & NYSHIP* booklet explains how NYSHIP and Medicare work together to provide health benefits. There is also a companion video for this booklet on our website.
- *Welcome to EBD* helps you stay in touch with the Employee Benefits Division after you retire.
- *On the Road with The Empire Plan* is a handy guide to Empire Plan benefits when traveling.
- *Back to Work for New York State* is for State retirees who return to work for New York State and want to understand their health insurance status.

## ***RETIREMENT CHECKLIST for Health Insurance***

As you approach retirement, it is useful to determine what you know, what you've done and what you need to find out or do.

Read each of the statements below and circle YES or NO based on your current understanding or knowledge of the situation. For each NO response, consult the text of this self-help guide, your HBA or the Employee Benefits Division to obtain an answer. You may want to use the same space to record other personal questions about this topic.

1. I have the minimum service time necessary to retire with health insurance benefits.

**YES NO**

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2. I am eligible to collect a pension or meet the retirement qualifications for my retirement system.

**YES NO**

---

3. I am currently enrolled in NYSHIP. **YES NO**
- 

4. I am sure that I am eligible to continue my health insurance as a retiree.

**YES NO**

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5. I know what to do to continue my health insurance coverage when I retire.

**YES NO**

---

6. I know what my health insurance premium will be after retirement and how I will pay it.

**YES NO**

---

7. I understand the process by which my unused sick time, if any, is converted to a credit and used to reduce my health insurance premium.

**YES NO**

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8. I have tried to estimate my sick leave credit.

**YES NO**

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9. I have considered whether or not to choose the Dual Annuitant Sick Leave Credit Option.

**YES NO**

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10. I understand how Medicare interacts with my NYSHIP coverage, and I, and/or my dependents, have contacted the Social Security Administration to enroll in Medicare, if eligible.

**YES NO**

---

11. I know when, why and how I must vest my health insurance, if I so choose.

**YES NO**

---

12. I understand what happens to my dental and/or vision coverage after my retirement.

**YES NO**

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13. I understand my M/C Life Insurance benefits in retirement.

**YES NO**

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# Chapter 11

## Social Security and Medicare



[www.socialsecurity.gov](http://www.socialsecurity.gov)

1-800-772-1213

1-800-325-0778 TTY

**We gratefully acknowledge the cooperation of the New York State Deferred Compensation Plan who provided the information contained in this chapter, and who are entirely responsible for its contents.**

# Overview

*This chapter will:*

- *describe benefit eligibility;*
- *explain the benefit application process;*
- *describe estimation of benefits; and*
- *explain Medicare benefits*

## **SOCIAL SECURITY**

Social Security reaches almost every family, and at some point, touches the lives of nearly all Americans. When you work, you pay taxes into Social Security. We use the tax money to pay benefits to:

- People who have already retired;
- People who are disabled;
- Survivors of workers who have died; and
- Dependents of beneficiaries.

The money you pay in taxes isn't held in a personal account for you to use when you get benefits. We use your taxes to pay people who are getting benefits now. Any unused money goes to the Social Security trust funds, not a personal account with your name on it.

### **Social Security is more than retirement**

Many people think of Social Security as just a retirement program. Most of the people receiving benefits are retired, but others receive benefits because they're:

- Disabled;
- A spouse or child of someone getting benefits;
- A divorced spouse of someone getting or eligible for Social Security;
- A spouse or child of a worker who died;
- A divorced spouse of a worker who died; or
- A dependent parent of a worker who died.

## **ELIGIBILITY**

### **How you become eligible for Social Security**

As you work and pay taxes, you earn Social Security "credits." In 2020, you earn one credit for each \$1,410 in earnings — up to a maximum of four credits a year. The amount of money needed to earn one credit usually goes up every year.

Most people need 40 credits (10 years of work) to qualify for benefits. Younger people need fewer credits to be eligible for disability benefits or for their family members to be eligible for survivor's benefits when the worker dies.

## BENEFITS

### What you need to know about benefits

Social Security benefits only replace some of your earnings when you retire, become disabled, or die. We base your benefit payment on how much you earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you didn't work, or had low earnings, your benefit amount may be lower than if you worked steadily.

### Retirement benefits

Choosing when to retire is one of the most important decisions you'll make in your lifetime. If you choose to retire when you reach your full retirement age, you'll receive your full benefit amount. We will reduce your benefit amount if you retire before reaching full retirement age.

### Full retirement age

If you were born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67. In 2020, if your birth year is 1953 or earlier, you're already eligible for your full Social Security benefit. Use the following chart to find out your full retirement age.

Year of birth	Full retirement age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

### Delayed retirement

If you choose to delay receiving benefits beyond your full retirement age, we'll increase your benefit a certain percentage, depending on the year of your birth. We'll add the increase automatically each month from the time you reach full retirement age, until you start taking benefits or reach age 70, whichever comes first. For more information on delayed retirement credits, go to [www.socialsecurity.gov/planners/retire/delayret.html](http://www.socialsecurity.gov/planners/retire/delayret.html).

### Early retirement

You may start receiving benefits as early as age 62. We reduce your benefits if you start early by about one-half of one percent for each month you start receiving benefits before your full retirement age. For example, if your full retirement age is 66 and two months, and you sign up for Social Security when you're 62, you would only get 74.2 percent of your full benefit.

**NOTE:** *The reduction will be greater in future years as the full retirement age increases.*

## **If you work and get benefits**

You can continue to work and still receive retirement benefits. Your earnings in (or after) the month you reach full retirement age won't reduce your Social Security benefits. In fact, working beyond full retirement age can increase your benefits. We'll have to reduce your benefits, however, if your earnings exceed certain limits for the months before you reach your full retirement age.

If you work, but start receiving benefits before full retirement age, we deduct one dollar in benefits for each two dollars in earnings you have above the annual limit. In 2020, the limit is \$18,240.

In the year you reach your full retirement age, we reduce your benefits by one dollar for every three dollars you earn over a different annual limit (\$48,600 in 2020) until the month you reach full retirement age.

Once you reach full retirement age, you can keep working, and we won't reduce your Social Security benefit, no matter how much you earn.

For more information about how work affects your benefits, read *How Work Affects Your Benefits* [www.ssa.gov/pubs/EN-05-10069.pdf](http://www.ssa.gov/pubs/EN-05-10069.pdf).

**NOTE:** People who work and receive disability or Supplemental Security Income payments have different earnings rules. They must immediately report all their earnings to Social Security no matter how much they earn.

## **Retirement benefits for widows and widowers**

If you're receiving widow's or widower's benefits, you can switch to your own retirement benefits as early as age 62, assuming your retirement benefit is more than the amount you receive on your deceased spouse's earnings. Often, you can begin receiving one benefit at a reduced rate and then switch to the other benefit at the full rate when you reach full retirement age. The rules are complicated and vary depending on your situation, so talk to a Social Security representative about the choices available to you.

For more information about retirement benefits, read *Retirement Benefits* [www.ssa.gov/pubs/EN-05-10035.pdf](http://www.ssa.gov/pubs/EN-05-10035.pdf).

## **Disability benefits**

If you can't work because of a physical or mental condition that's expected to last at least one year or result in death, you may be eligible for Social Security disability benefits.

Our disability rules are different from private or other government agency plans. Qualifying for disability from another agency or program doesn't mean you will be eligible for disability benefits from us. Having a statement from your doctor saying you're disabled doesn't mean you'll automatically be eligible for Social Security disability benefits.

For more information about Social Security disability benefits, read *Disability Benefits* [www.ssa.gov/pubs/EN-05-10029.pdf](http://www.ssa.gov/pubs/EN-05-10029.pdf).

You can apply for Social Security disability benefits on our website at [www.socialsecurity.gov/disabilityssi](http://www.socialsecurity.gov/disabilityssi).

If you become disabled, file for disability benefits as soon as possible, because it usually takes several months to process a disability claim. We may be able to process your claim more quickly if you have the following when you apply:

- Medical records and treatment dates from your doctors, therapists, hospitals, clinics, and caseworkers;
- Your laboratory and other test results;
- The names, addresses, phone, and fax numbers of your doctors, clinics, and hospitals;
- The names of all medications you're taking; and
- The names of your employers and job duties for the last 15 years.

## **YOUR BENEFITS MAY BE TAXABLE**

Some people who get Social Security will have to pay taxes on their benefits. About 40 percent of our current beneficiaries pay taxes on their benefits.

You may have to pay taxes on your benefits if you file a federal tax return as an "individual" and your total income is more than \$25,000. If you file a joint return, you may have to pay taxes if you and your spouse have a total income that is more than \$32,000.

For more information, call the Internal Revenue Service's toll-free number, **1-800-829-3676**.

## **BENEFITS FOR YOUR FAMILY**

When you start receiving Social Security retirement or disability benefits, other family members also may be eligible for payments. For example, benefits can be paid to your spouse:

- If they're age 62 or older; or
- At any age if they're caring for your child (the child must be younger than 16 or disabled and entitled to Social Security benefits on your record).
- Benefits can also be paid to your unmarried children if they're:
  - Younger than 18;
  - Between 18 and 19 years old, but in elementary or secondary school as full-time students; or
  - Age 18 or older and disabled (the disability must have started before age 22).

If you become the parent of a child (including an adopted child) after you begin receiving benefits, let us know about the child, so we can decide if the child is eligible for benefits.

## **How much can family members get?**

Each family member may be eligible for a monthly benefit that is up to half of your retirement or disability benefit amount. However, there is a limit to the total amount of money that can be paid to you and your family. The limit varies, but is generally equal to about 150 to 180 percent of your retirement or disability benefit.

## **If you're divorced**

If you're divorced, your ex-spouse may qualify for benefits on your earnings. In some situations, he or she may get benefits even if you aren't receiving them. To qualify, a divorced spouse must:

- Have been married to you for at least 10 years;
- Have been divorced at least two years in cases where you have not filed for benefits;
- Be at least 62 years old;
- Be unmarried; and
- Not be entitled to or eligible for a benefit on his or her own work that is equal to or higher than half the full amount on your record.

## **SURVIVORS BENEFITS**

When you die, your family may be eligible for benefits based on your work. Family members who can collect benefits include a widow or widower who is:

- 60 or older; or
- 50 or older and disabled; or
- Any age if he or she is caring for your child who is younger than 16 or disabled and entitled to Social Security benefits on your record.

Your children can receive benefits, too, if they're unmarried and:

- Younger than 18 years old; or
- Between 18 and 19 years old, but in an elementary or secondary school as full-time students; or
- Age 18 or older and disabled (the disability must have started before age 22).

Additionally, your parents can receive benefits on your earnings if they were dependent on you for at least half of their support.

## **One-time payment after death**

If you have enough credits, a one-time payment of \$255 also may be made after your death. This benefit may be paid to your spouse or minor children if they meet certain requirements.

## **If you're divorced and have a surviving ex-spouse**

If you're divorced, your ex-spouse may be eligible for survivor's benefits based on your earnings when you die. They must:

- Be at least age 60 years old (or 50 if disabled) and have been married to you for at least 10 years; or
- Be any age if they're caring for a child who is eligible for benefits based on your earnings; and
- Not be entitled to a benefit based on their own work that is equal or higher than the full insurance amount on your record; and
- Not be currently married, unless the remarriage occurred after age 60 or after age 50 if disabled.

Benefits paid to an ex-spouse won't affect the benefit rates for other survivors receiving benefits on your earnings record.

***NOTE:** If you're deceased and your ex-spouse remarries after age 60, he or she may be eligible for Social Security benefits based on either your work or their new spouse's work, whichever is higher.*

## How much will your survivors get?

Your survivors receive a percentage of your basic Social Security benefit — usually in a range from 75 to 100 percent each. However, there is a limit to the amount of money that can be paid each month to a family. The limit varies, but is generally equal to about 150 to 180 percent of your benefit rate.

## APPLYING FOR BENEFITS

### When you're ready to apply for benefits

You should apply for benefits about three months before the date you want your benefits to start. If you aren't ready to retire, but are thinking about doing so later, you should visit our website to use our informative retirement planner at [www.socialsecurity.gov/retire](http://www.socialsecurity.gov/retire). To file for disability or survivor's benefits, you should apply as soon as you're eligible.

You can apply for benefits on our website at [www.socialsecurity.gov/applyforbenefits](http://www.socialsecurity.gov/applyforbenefits).

You can get a quick and easy benefit estimate based on your Social Security earnings record at [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator).

You also can get more detailed benefit calculations at [www.socialsecurity.gov/planners](http://www.socialsecurity.gov/planners).

### What you will need to apply

When you apply for benefits, we will ask you to provide certain documents. The documents you'll need depend on the type of benefits you file for. Providing these documents to us quickly will help us pay your benefits faster. You must present original documents or copies certified by the issuing office — we can't accept photocopies.

Don't delay filing an application just because you don't have all the documents you need. We'll help you get them. Some documents you may need when you sign up for Social Security are:

- Your Social Security card (or a record of your number);
- Your birth certificate;
- Your children's birth certificates and Social Security numbers (if you're applying for them);
- Proof of U.S. citizenship or lawful immigration status if you (or a child) weren't born in the United States;
- Your spouse's birth certificate and Social Security number if he or she is applying for benefits based on your earnings;
- Your marriage certificate (if signing up on a spouse's earnings or if your spouse is signing up on your earnings);
- Your military discharge papers if you had military service; and
- Your most recent W-2 form, or your tax return, if you're self-employed.

We will let you know if you need other documents when you apply.

## HOW WE PAY BENEFITS

You must receive your Social Security payments electronically. One of the ways you can choose to receive your benefits is through direct deposit to your account at a financial institution. Direct deposit is a simple and secure way to receive your payments. Be sure to have your checkbook or account statement with you when you apply. We will need that information, as well as your financial institution's routing number, to make sure your monthly benefit deposit goes into the right account.

## CREATE AN ACCOUNT

### Online “my Social Security” account

You can now easily set up a secure online *my* Social Security account to access your *Social Security Statement* to check your earnings and get your benefit estimates. If you currently receive benefits, you can also:

- Get your benefit verification letter;
- Change your address and phone number;
- Request a replacement Medicare card;
- Request a replacement SSA-1099 or SSA- 1042S for tax season; or
- Start or change your direct deposit.

You can create a *my* Social Security account if you're age 18 or older, have a Social Security number, valid email, and U.S. mail addresses. To create an account, go to [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount). You will need to provide some personal information to confirm your identity, and then choose a username and password.

## MEDICARE

Medicare is our country's basic health insurance program for people age 65 or older and for many people with disabilities.

### Medicare has four parts

- Medicare Part A (hospital insurance) helps pay for inpatient hospital care and certain follow-up services.
- Medicare Part B (medical insurance) helps pay for doctors' services, outpatient hospital care, and other medical services.
- Medicare Part C (Medicare Advantage plans) are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through a private insurance company approved by Medicare to provide this coverage.
- Medicare Part D (Medicare prescription drug coverage) helps cover the cost of prescription drugs.

## **Who's eligible for Medicare Part A?**

Most people get Part A when they turn 65. You qualify for it automatically if you're eligible for Social Security or Railroad Retirement Board benefits. Or, you may qualify based on a spouse's (including a divorced spouse's) work.

If you get Social Security disability benefits for 24 months, you'll qualify for Part A.

If you get Social Security disability benefits because you have amyotrophic lateral sclerosis (Lou Gehrig's disease), you don't have to wait 24 months to qualify.

Also, someone with permanent kidney failure requiring dialysis or kidney replacement qualifies for Part A if they've worked long enough, or is the spouse or child of a worker who qualifies.

## **Who's eligible for Medicare Part B?**

Almost every person eligible for Part A can get Part B. Part B is optional and you usually pay a monthly premium. In 2020, the standard monthly premium is \$144.60. Some people with higher incomes pay higher premiums.

## **Who can get Medicare Part C?**

Anyone who has Medicare Part A and Part B can join a Medicare Advantage plan, which include:

- Medicare managed care plans;
- Medicare preferred provider organization (PPO) plans
- Medicare private fee-for-service plans; and
- Medicare specialty plans.

## **Who can get Medicare Part D?**

Anyone with Medicare Part A or Medicare Part B is eligible for prescription drug coverage. Medicare Part D is optional, and you pay an extra monthly premium for the coverage. Some people with higher incomes pay higher premiums. Many people get their Part D coverage through a Medicare Advantage plan.

## **Rules for higher-income beneficiaries**

If you have higher income, the law requires an adjustment to your monthly Medicare Part B (medical insurance) and Medicare prescription drug coverage premiums. Higher-income beneficiaries pay higher premiums for Part B and prescription drug coverage. This affects less than five percent of people with Medicare, so most people don't pay a higher premium.

To determine if you'll pay higher premiums, Social Security uses the most recent federal tax return the IRS provides to us. If you must pay higher premiums, we use a sliding scale to make the adjustments, based on your modified adjusted gross income (MAGI). Your MAGI is your total adjusted gross income and tax-exempt interest income.

If you file your taxes as "married, filing jointly" and your MAGI is greater than \$174,000, you'll pay higher premiums for your Part B and Medicare prescription drug coverage. If you file your taxes using a different status, and your MAGI is greater than \$87,000, you'll pay higher premiums. The following chart shows what you can expect to pay.

Modified Adjusted Gross Income	Part B monthly premium amount	Part D monthly premium amount
Individuals with a MAGI of \$87,000 or less Married couples with a MAGI of \$174,000 or less	2020 standard premium: \$144.60	Your plan premium
Individuals with a MAGI \$87,001 - \$109,000 Married couples with a MAGI \$174,001 - \$218,000	Standard premium + \$57.80	Your plan premium + \$12.20
Individuals with a MAGI \$109,001 - \$136,000 Married couples with a MAGI \$218,001 - \$272,000	Standard premium + \$144.60	Your plan premium + \$31.50
Individuals with a MAGI \$136,001 - \$163,000 Married couples with a MAGI \$272,001 - \$326,000	Standard premium + \$231.40	Your plan premium + \$50.70
Individuals with a MAGI \$163,001 - \$499,99 Married couples with a MAGI \$326,001 - \$749,999	Standard premium + \$318.10	Your plan premium + \$70.00
Individuals with a MAGI above \$500,000 Married couples with a MAGI above \$750,000	Standard premium + \$347.00	Your plan premium + \$76.40

### When should I apply for Medicare?

If you're not already getting benefits, you should contact Social Security about three months before your 65th birthday to sign up for Medicare. You should sign up for Medicare even if you don't plan to retire at age 65.

If you're already getting Social Security benefits or Railroad Retirement Board payments, we'll contact you a few months before you become eligible for Medicare and send you information. We'll automatically enroll you in Medicare Parts A and B. However, because you must pay a premium for Part B coverage, you can choose to turn it down.

We will **not** automatically enroll you in a Medicare prescription drug plan (Part D). Part D is optional and you must elect this coverage. For the latest information about Medicare, visit the website or call the toll-free number listed below.

If you don't enroll in Part B and Part D when you're first eligible, you may have to pay a late enrollment penalty for as long as you have Part B and Part D coverage. Also, you may have to wait to enroll, which will delay coverage.

You can read the *Medicare and You* (CMS Publication No. 10050) at [www.medicare.gov/publications](http://www.medicare.gov/publications). To enroll in Medicare prescription drug coverage or find more information about what Medicare covers please visit [www.medicare.gov](http://www.medicare.gov), or call 1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048).

## ACCOUNT SECURITY

### What should I do if I get a call claiming there's a problem with my Social Security number or account?

If there is a problem, we will mail you a letter with your Social Security number. Generally, we will only contact you if you have requested a call or have ongoing business with us. Recently, scams—misleading victims into making cash or gift card payments to avoid arrest for Social Security number problems—have skyrocketed.

Our employees will never threaten you for information or promise a benefit in exchange for personal information or money. Social Security employees also will not:

- Tell people that their Social Security number has been suspended.
- Promise a Social Security benefit approval, or increase, in exchange for information.
- Contact people to demand an immediate payment.
- Ask people for credit or debit card numbers over the phone.
- Require a specific means of debt repayment, like a prepaid debit card or gift card.
- Demand that people pay a Social Security debt without the ability to appeal the amount you owe.

Be cautious about providing personal information to someone who calls you and asks for:

- Cash;
- Retail gift cards;
- Prepaid debit cards; or
- Wire transfers.

Never provide payment to callers over the phone.

- If you receive a suspicious call or are unsure of the identity of someone alleging to be from Social Security: Hang up;
- Do not provide personal information, money, or retail gift cards; and
- Report details of the call to our [Office of the Inspector General](#).

## CONTACTING SOCIAL SECURITY

There are several ways to contact Social Security, including online, by phone, and in person. We're here to answer your questions and to serve you. For more than 80 years, Social Security has helped secure today and tomorrow by providing benefits and financial protection for millions of people throughout their life's journey.

## VISIT OUR WEBSITE

The most convenient way to conduct Social Security business from anywhere at any time, is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can:

- Create a *my* Social Security *account* to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and more;
- Apply for Extra Help with Medicare prescription drug plan costs;

- Apply for retirement, disability, and Medicare benefits;
- Find copies of our publications;
- Get answers to frequently asked questions; and
- So much more!

## **CALL US**

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.