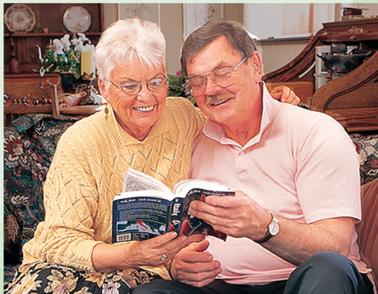


SELF-HELP GUIDE

For New York State Employees



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 • Corinda Crossdale, Director

The *Guide* is also sponsored by the New York State Family Benefits Program, jointly funded through the negotiated agreements between the State of New York and CSEA, PEF, UUP, DC-37, NYSCOPBA, GSEU, and Council 82. GOER contributes on behalf of M/C employees.

Updated as of
January 2016

You may also find the *Self-Help Guide* online at
www.worklife.ny.gov/preretirement/selfhelpguide/
This *Guide* and the online *Guide* are updated each year in January.

Pre-Retirement Planning for New York State Employees

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. The *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.

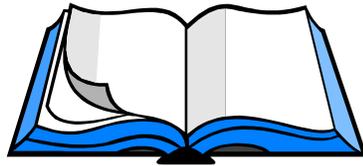
We thank and acknowledge all the persons and organizations that have contributed information, expertise, guidance, and assistance in the development and updating of this Self-Help Guide.

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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 of your individual questions, or 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 is 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, 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.

- Contact the right agencies as the actual date gets closer if you are not planning to retire in the next year. Some material in the *Guide* might change as law, policy, or programs change.

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.***

Chapter 1

Retirement Planning

Overview

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. And, they 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 to take 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 any 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 Sheets* in each section 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 that 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?"

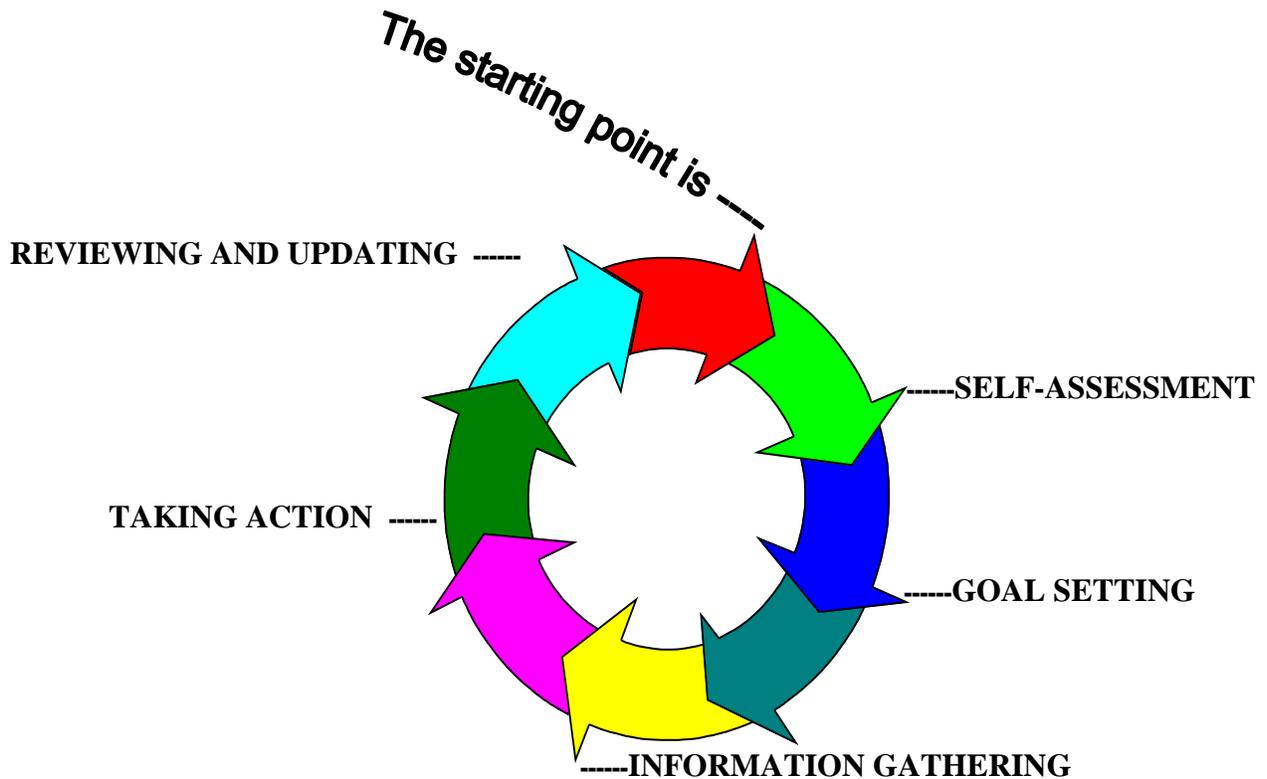
Keep track of the progress you are making by putting your action target dates on a calendar. Take a look at that calendar on a regular basis to check on how you are doing, and to see if you need to change your plans or target dates.

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 or aims help make a plan clearer to understand and easier to do. People who write down their goals are likely to reach them. Organize all the work you need to do before you retire by completing a copy of this outline for each of your goals. Read about goals in *Retirement Planning* before you use the outline.

GOALS: _____

TARGET DATE:

RELATED WORK: Write down all the tasks or jobs that need to be done to reach your goal. 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

WEB SITES:

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.*)

An article that is helpful with personal goal planning can be found at:
<http://www.learningjourneychallenge.com/notebookjournal/wp-content/uploads/2011/12/goal-tips.pdf>

PUBLICATIONS:

Anthony, Mitch, *The New Retirementality: Planning Your Life and Living Your Dreams at Any Age You Want*, Dearborn Trade Press, 4th Edition.

Burgett, Gordon, *How to Plan a Great Second Life: Why Not Live Fully Every Day of Your Extra 30 years?* Communication Unlimited, 2005.

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.

Yogev, Sara, *For Better or Worse...But Not for Lunch!* McGraw-Hill Professional Publishing, 2001.

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

OTHER SOURCES:

Alliance for Retired Americans
815 16th Street, N.W. 4th floor
Washington, D.C. 20006
Phone: 1-202-637-5399
www.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
Phone: 1-888-687-2277
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
Retiree Membership Local 1000
AFSCME, AFL-CIO, 143 Washington
Avenue, Box 7125 Capitol Station
Albany, New York 12224
www.cseany.org

Council 82 -New York State Law
Enforcement Officers Union AFSCME,
AFL-CIO
63 Colvin Avenue
Albany, NY 12206
Phone: 1-800-724-0482
www.council82.org

Gray Panthers NYC Office
244 Madison Ave.
#396
New York, NY 10016
Phone: 1-917-535-0457
www.graypanthersnyc.org

The Gray Panthers mission is to improve life for all ages by working for social and economic justice and peace for all people.

National Asian Pacific Resource Center on
Aging-Melbourne Tower
1511 Third Ave., Ste. 914
Seattle, WA 98101
Phone: 1-800-336-2722
www.napca.org

National Caucus and Center on Black
Aged, Inc.
1220 L Street, NW, Ste. 800
Washington, D.C. 20005
Phone: 202-637-8400
www.ncba-aged.org

National Council on the Aging
1901 L Street, N.W. 4th Fl.
Washington D.C. 20036
Phone: 202-479-1200
Fax: 202-479-6674
www.ncoa.org

The NCOA is involved in improving conditions and opportunities for older people. The NCOA publishes a bi-monthly membership magazine entitled *Perspective on Aging*.

National Indian Council on Aging
10501 Montgomery Blvd. NE
Suite 210
Albuquerque, New Mexico 87111
Phone: 505-292-2001
www.nicoa.org

National Institute of Mental Health
6001 Executive Blvd.
Room 8184, MSC 9663
Bethesda, MD 20892
Phone: 1-888-615-6464
www.nimh.nih.gov

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

National Institute on Aging
Building 31, Room 5c27
31 Center Drive, MSC 2292
Bethesda, MD 20892
Phone: 301-496-1752
www.nia.nih.gov

New York State Correctional Officers & Police
Benevolent Association, Inc. (NYSCOPBA)
102 Hackett Blvd., 2nd floor
Albany, NY 12209
Phone: 1-888-484-7279
www.nyscopba.org

New York State Office for the Aging
Public Information Office
2 Empire State Plaza
Albany, NY 12223-1251
www.aging.ny.gov

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

Sr. Citizen's Help Line: 1-800-342-9871

New York State Retirees – PEF
Membership Benefits Division
1168-70 Troy-Schenectady Rd.
Albany, NY 12212-2414
Phone: 1-800-342-4306
www.pef.org

Older Women's League
1025 Connecticut Ave, NW Suite 701
Washington, D.C. 20036
Phone: 1-877-653-7966
www.owl-national.org

Retired Public Employees Association
435 New Karner Road
Albany, NY 12205
Phone: 1-800-726-7732
www.rpea.org

Veteran's Administration 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. Also, consult your
local telephone directory.

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 the Aging
162 Washington Ave., 6th Floor
Albany, NY 12207-2069
Phone: 518-447-7177
FAX: 518-447-7188

Allegany Co. Office for the Aging
6058 Route 19N
Belmont, NY 14813
Phone: 585-268-9390
FAX: 585-268-9657

Broome Co. Office for the Aging
Broome County Office Bldg.
60 Hawley Street, 4th Floor
P.O. Box 1766
Binghamton, NY 13902-1766
Phone: 607-778-2411
FAX: 607-778-2316

Cattaraugus Co. Dept. for the Aging
One Leo Moss Drive, Suite 7610
Olean, NY 14760-1101
Phone: 716-373-8032
FAX: 716-701-3730

Cayuga Co. Office for the Aging
160 Genesee Street
Auburn, NY 13021-3483
Phone: 315-253-1226
FAX: 315-253-1151

Chautauqua Co. Office for the Aging
7 North Erie Street
Mayville, NY 14757-1027
Phone: 716-753-4471
FAX: 716-753-4477

Chemung Co. Office for the Aging
425 Pennsylvania Ave.
P.O. Box 588
Elmira, NY 14902-0588
TDD: 607-737-5347 (at DSS)
Phone: 607-737-5520
FAX: 607-737-5521

Chenango Co. Area Agency on Aging,
County Office Bldg. 5 Court Street
Norwich, NY 13815-1794
Phone: 607-337-1770
FAX: 607-337-1749

Clinton Co. Office for the Aging
135 Margaret Street, Suite 105
Plattsburgh, NY 12901-2966
Phone: 518-565-4620
FAX: 518-565-4812

Columbia Co. Office for the Aging
325 Columbia Street
Hudson, NY 12534 -2514
Phone: 518-828-4258
FAX: 518-822-0010

Cortland Co. Area Agency on Aging
County Office Bldg.
60 Central Ave.
P.O. Box 5590
Cortland, NY 13045-2746
Phone: 607-753-5060
FAX: 607-758-5528

Delaware Co. Office for the Aging
6 Court Street
Delhi, NY 13753-1066
Phone: 607-746-6333
FAX: 607-746-6227

Dutchess Co. Office for the Aging
27 High Street
Poughkeepsie, NY 12601-1962
Phone: 845-486-2555
FAX: 845-486-2571

Erie Co. Dept of Senior Services
Erie County Office Bldg
95 Franklin Street, Room 1329
Buffalo, NY 14202-3985
Phone: 716-858-8526
FAX: 716-858-7259

Essex Co. Office for the Aging
100 Court Street
PO Box 217
Elizabethtown, NY 12932-0217
Phone: 518-873-3695
FAX: 518-873-3784

Franklin Co. Office for the Aging
355 West Main Street, Suite 447
Malone, NY 12953-1119
Phone: 518-481-1526
FAX: 518-481-1635

Fulton Co. Office for the Aging
19 N. William St
Johnstown, NY 12095-2534
Phone: 518-736-5650
FAX: 518-762-0698

Genesee Co. Office for the Aging,
Batavia-Genesee Senior Center
2 Bank Street
Batavia, NY 14020-2299
Phone: 585-343-1611
FAX: 585-344-8559

Greene Co. Dept. for the Aging
411 Main Street
Catskill, NY 12414
Phone: 518-719-3555
FAX: 518-719-3798

Hamilton *See Warren/Hamilton
Herkimer Co. Office for the Aging
County Office Bldg., Suite 1101
109 Mary Street
Herkimer, NY 13350-2924
Phone: 315-867-1121
FAX: 315- 867-1448

Jefferson Co. Office for the Aging
175 Arsenal Street
Watertown, NY 13601-2546
Phone: 315-785-3191
FAX: 315-785-5095

Lewis Co. Office for the Aging
7660 State Street
Lowville, NY13367-0408
Phone: 315-376-5313
FAX: 315-376-5105

Livingston Co. Office for the Aging
Livingston County Campus Bldg. 8
Mt. Morris, NY 14510-1601
Phone: 518-243-7520
FAX: 518-243-7516

Madison Co. Office for the Aging
138 Dominick Bruno Blvd.
Canastota, NY 13032
Phone: 315-697-5700
FAX: 315-697-5777

Monroe Co. Office for the Aging
435 East Henrietta Rd.
3rd floor, West (Faith wing)
Rochester, NY 14620
Phone: 585-753-6280
FAX: 585-753-6281

Montgomery Co. Office for the Aging
135 Guy Park Ave
Amsterdam, NY 12010-0052
Phone: 518-843-2300 Ext 223
FAX: 518- 843-7478

Nassau Co. Dept. of Senior Citizen Affairs
60 Charles Lindbergh Blvd.
Uniondale, NY 11553
Phone: 516-227-8900
FAX: 516-227-8972

New York City Dept. for the Aging
2 Lafayette Street –7th Floor
New York, NY 10007-1392
Phone: 212-639-9675
FAX: 212-442-1095

Niagara Co. Office for the Aging
111 Main Street, Suite 101
Lockport, NY 14094-3718
Phone: 716-438-4020
FAX: 716-438-4029

Oneida Co. Office for the Aging
235 Elizabeth Street
Utica, NY 13501
Phone: 315-798-5456
FAX: 315-798-6444

Onondaga Co. Dept. of Aging & Youth,
Civic Center 13th Floor
421 Montgomery Street
Syracuse, NY 13202
Phone: 315-435-2362
FAX: 315-435-3129

Ontario Co. Office for the Aging
3010 County Complex Dr.
Canandaigua, NY 14424-9502
Phone: 585-396-4040
FAX: 585-396-7490

Orange Co. Office for the Aging
18 Seward Ave.
Middletown, NY 10940
Phone: 845-615-3700
FAX: 845-346-1191

Orleans Co. Office for the Aging
County Administration Bldg.
14016 Route 31 West
Albion, NY 14411-9382
Phone: 585-589-3191
FAX: 585-589-3193

Oswego Co. Office for the Aging
County Office Complex
70 Bunner Street, PO Box 3080
Oswego, NY 13126-3080
Phone: 315-349-3484
FAX: 315-349-8413

Otsego Co. Office for the Aging
Meadows Office Complex, Suite 5
140 Co Hwy 33W
Cooperstown, NY 13326-1129
Phone: 607-547-4232
FAX: 607-547-6492

Putnam Co. Office for the Aging
110 Old Route 6, Bldg. A
Carmel, NY 10512-2196
Phone: 845-808-1700
FAX: 845-225-1915

Rensselaer Co. Dept. for the Aging
1600 Seventh Ave.
Troy, NY 12180-3798
Phone: 518-270-2730
FAX: 518-270-2737

Rockland Co. Office for the Aging
Robert L. Yeager Health Center
Bldg. B., Pomona, NY 10970-0350
Phone: 845-364-2110

St. Lawrence Co. Office for the Aging
80 State Highway 310, Suite 7
Canton, NY 13617 -1497
Phone: 315-386-4730
FAX: 315-386-8636

Saratoga Co. Office for the Aging
 152 West High Street
 Ballston Spa, NY 12020-3528
 Phone: 518- 884-4100
 FAX: 518-884-4104

Schenectady Co. Office for the Aging
 Schaffer Heights
 107 Nott Terrace- 2nd Fl.- Ste. 202
 Schenectady, NY 12308 –3170
 Phone: 518-382-8481
 FAX: 518-382-0194

Schoharie Co. Office for the Aging
 113 Park Place, Suite 103
 Schoharie, NY 12157
 Phone: 518-295-2001
 FAX: 518-295-2015

Schuyler Co. Office for the Aging
 323 Owego Street, Unit 7
 Montour Falls, NY 14865-9625
 Phone: 607-535-7108
 FAX: 607-535-6832

Seneca Co. Office for the Aging
 1 DiPronio Dr.
 Waterloo, NY 13165-1681
 Phone: 315-539-1765
 FAX: 315-539-1923

Steuben Co. Office for the Aging
 3 E. Pulteney Square
 Bath, NY 14810-1510
 Phone: 607-664-2298
 FAX: 607-664-2371

Suffolk Co. Office for the Aging
 H. Lee Dennison Bldg.- 3rd Floor
 100 Veterans Memorial Highway
 PO Box 6100
 Hauppauge, NY 11788-0099
 Phone: 631-853-8200
 FAX: 631- 853-8225

Sullivan Co. Office for the Aging
 Sullivan County Government Center
 100 North Street P.O. Box 5012
 Monticello, NY 12701
 Phone: 845-807-0241
 FAX: 845-807-0260

Tioga Opportunities, Inc.
 Dept. of Aging Services
 Countryside Community Center
 9 Sheldon Guile Blvd
 Owego, NY 13827-1062
 Phone: 607-687-4120
 FAX: 607-687-4147

Tompkins Co. Office for the Aging
 320 N. Tioga Street
 Ithaca, NY 14850-4210
 Phone: 607-274-5482
 FAX: 607-274-5495

Ulster Co. Office for the Aging
 1003 Development Ct.
 Kingston, NY 12401
 Phone: 845-340-3456
 FAX: 845-340-3583

Warren/Hamilton Counties Office for
 the Aging
 1340 State Route 9
 Lake George, NY 12845
 Phone: 518-761-6347
 FAX: 518-745-7643

Washington Co. Office for the Aging
 383 Broadway
 Fort Edwards, NY 12828
 Phone: 518-746-2420
 FAX: 518-746-2418

Wayne Co. Office for the Aging
 1519 Nye Rd., Suite 300
 Lyons, NY 14489-9111
 Phone: 315-946-5624
 FAX: 315-946-5649

Westchester Co. Dept of Senior Programs
 & Services
 9 South First Ave., 10th Fl.
 Mt. Vernon, NY 10550-3414
 Phone: 914-813-6400
 FAX: 914-813-6399

Wyoming Co. Office for the Aging
 8 Perry Avenue
 Warsaw, NY 14569
 Phone: 585-786-8833
 FAX: 585-786-8832

Yates Co. Area Agency on Aging
417 Liberty Street, Suite 1116
Penn Yan, NY 14527
Phone: 315-536-5515
FAX: 315-536-5514

St. Regis Mohawk Office for the Aging
St. Regis-Mohawk Indian Reservation
29 Business Park Road
Hogansburg, NY 13655-9704
Phone: 518-358-2963
FAX: 518-358-3071

Seneca Nation of Indians Office for the Aging
28 Thomas Indian School Drive
Irving, NY 14081-9505
Phone: 716-532-5778
FAX: 716-532-5077

NYS Office for the Aging
2 Empire State Plaza
Albany, NY 12223-1251
1-800-342-9871 (Help Line or TDD)
Phone: 518-474-5731
www.aging.ny.gov

NYS Association of Area Agencies on Aging
272 Broadway
Albany, NY 12204-2717
Phone: 518-449-7080
FAX: 518-449-7055
www.nysaaaa.org

OTHER STATES' OFFICES FOR THE AGING:

- Connecticut Commission on Aging
210 Capitol Ave.
Hartford, CT 06106
Phone: 860-240-5200
Fax: 860-240-5204
www.coa.state.ct.us
- Massachusetts Executive Office of Elder Affairs
1 Ashburton Place, 5th Fl.
Boston, Ma. 02108
Phone: 617-727-7750
www.mass.gov/elders/

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

Chapter 2

Lifestyle Changes

Overview

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 recreation 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.

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 recreation 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.

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.” 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* 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, even the slight chance of winning the lottery. These events will have an effect on 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 are often angry or glad about other people. Many times you may be so frustrated with other people that you think you'd be happier alone.

In spite of these feelings, when something happens that makes you very happy, you can't wait to tell someone about it! People need people. The ties you make and keep with other people are important to your healthy survival.

Take time to do the activity 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. Do you have more men or women's names? 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 actually 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 want to share them 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 achievement, power, and affiliation answers you have.

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

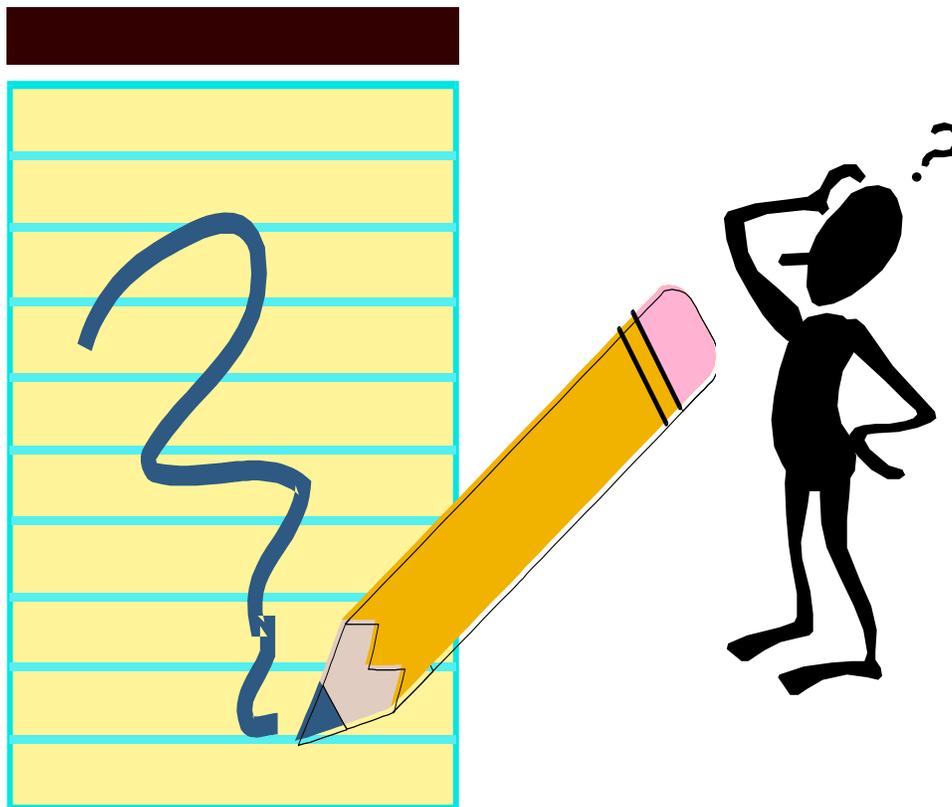
PERSONAL NEEDS INVENTORY

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>1. Intimacy: 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> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | <p>4. Assistance: People who provide tangible services to make resources available. People whose assistance is not limited by time or other boundaries. People I can depend upon in a crisis.</p> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
| <p>2. Sharing: 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> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | <p>5. Guidance: 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> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |
| <p>3. Self-Worth: 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> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> | <p>6. Challenge: People who make me think. People who make me explain. People who question my reasoning. People who challenge me to grow.</p> | <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> |

RETIREMENT CHECKLIST

Lifestyle Changes

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.

1. Have I looked into activities that will fill my time in retirement? **YES NO** _____

2. Do I know how to locate volunteer jobs in my community? **YES NO** _____

3. Are there activities from my past that I might be doing again? **YES NO** _____

4. Have I considered what changes would take place in my retirement activities if I am single? **YES NO** _____

5. Have I considered joining organizations that provide services for people over 55 years of age? **YES NO** _____

6. Do I expect that my family, friends, and former coworkers will make time to socialize with me after I retire? **YES NO** _____

RESOURCES

Lifestyle Changes

WEB SITES:

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

www.thirdage.com

www.2young2retire.com

www.suddenlysenior.com

PUBLICATIONS:

Day, Barbara, & Wagner, Tricia, *How to Enjoy Your Retirement Activities from A to Z*, (3rd edition), Vanderwyk & Burnham Publishing, 2006.

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*, (4th edition), McGraw-Hill, 2012.

Otterbourg, Robert K., *Kiplinger's Retire & Thrive: how more than 50 people redefined their retirement lifestyles*, (4nd edition), Kaplan Publishing, 2006.

Zelenski, Ernie J., *How to Retire Happy, Wild, and Free: Retirement Wisdom That You Won't Get from Your Financial Advisor*, Visions International Publishing, 2009.

Smith, Mary Helen, & Smith, Shuford, *The Retirement Sourcebook*, Lowell House, 1999.

Smith, Mary Helen, & Smith, Shuford, *101 Secrets for a Great Retirement: Practical, Inspirational, & Fun Ideas for the Best Years of Your Life*, McGraw-Hill, 2000.

OTHER SOURCES:

Educational Pursuits:

American Association for Adult and Continuing Education

10111 Martin Luther King, Jr. Hwy
Suite 200C

Bowie, MD 20720

Phone: 301-459-6261

www.aaace.org

Higher Education Services Corporation

99 Washington Avenue

Albany, New York 12255.

Phone: 518-473-1574

1-888-697-4372

www.hesc.ny.gov

Information on grants, loans, and scholarships.

Excelsior College Examinations

7 Columbia Circle

Albany, NY 12203

1-888-647-2388 or

Phone: 518-464-8500

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 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.

www.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:
<https://www.coursera.org/>
www.shawguides.com

Seniornet:

Seniornet is an organization for older adults (50+) who have an interest in learning about and using computers. People join through sites, where classes and other activities take place, or as independent members. The sense of community is formed online, through the newsletter, and for many members, at the sites. For more information and a list of publications, visit their web site: www.seniornet.org

Institutes for Learning in Retirement: (ILR)

An ILR is an educational cooperative. Under the auspices of a college or university, older learners form a mini-college, creating educational and social programs that are designed and managed by members.

The very first ILR, The Institute for Retired Professionals (IRP), was established in 1962 at the New School for Social Research in New York City. By the early 1980s there was growing interest in the creation of a national association of ILRs. Elderhostel, a national, non-profit organization dedicated to fostering college-level educational opportunities for older learners, collaborated with a number of individuals and institutions involved in the ILR movement to establish the Elderhostel Institute Network.

The following is a list of the current affiliates of the Elderhostel Institute Network in New York State (as of January 2002):

Quest: A Community for Lifelong Learning in Manhattan Center for Worker Education

25 Broadway, 7th Fl.
New York, NY 10004-1010
Phone: 212-925-6625 x 229
FAX: 212-925-0963
E-mail: questonline@yahoo.com
www.questcontinuingednyc.org

**Adult Learning Institute
Columbia-Green Community College**

4400 Rte. 23
Hudson, NY 12534
Phone: 518-828-4181x 3431
FAX: 518-828-8543
E-mail: ali@sunycgcc.edu
www.sunycgcc.edu

Professionals and Executives in Retirement (PEIR)

Hofstra University

UCCE, University College Hall

Hempstead, NY 11549

Phone: 516-463-4824

FAX: 516-463-4833

E-mail: uccepeir@hofsta.edu

www.hofstra.edu

Academy for Learning in Retirement

@ Saratoga Springs

SUNY Empire State College

2 Union Avenue

Saratoga Springs, NY 12866

Phone: 518-587-2100 X 415

FAX: 518-581-8306

E-mail: Jo-Ellen.Unger@esc.edu

www.esc.edu/alr

The Center for Continuing Adult Learning, Inc.

Hartwick College & SUNY at Oneonta

31 Maple Street

PO Box 546

Oneonta, NY 13820

Phone: 607-441-7370

FAX: 607-436-9682

E-mail: ccaloneonta@stny.rr.com

<http://external.oneonta.edu/ccal>

Learning in Retirement at Iona College

Iona College

715 North Avenue

New Rochelle, NY 10801

Phone: 914-633-2675

FAX: 914-633-2277

www.iona.edu/About/Iona-in-Community/Learning-in-Retirement.aspx

Center for Creative Retirement

Southampton College

Long Island University

Continuing Education Department

Southampton, NY 11968

Phone: 518-287-8316

E-mail: contstudies@southampton.liu.edu

Molloy Institute for Learning in Retirement – Molloy College

1000 Hempstead Avenue

PO Box 5002

Rockville Centre, NY 11571-5002

Phone: 516- 678-5000 x 6880

FAX: 516-256-2233

E-mail: mloventhal@molloy.edu

Center for Lifetime Study

Marist College

3399 North Road – Dyson Hall

Poughkeepsie, NY 12601-1387

Phone: 845-575-3000 x 2011

FAX: 845-575-3262

E-mail: jodi.delahoyde@marist.edu

Institute for Retired Professionals

New School University

66 West 12th Street

New York, NY 10011

Phone: 212-229-5682

FAX: 212-229-5872

E-mail: MarkowiM@newschool.edu

Institute for Learning in Retirement

SUNY-Farmingdale

Whitman 211

Route 110

Farmingdale, NY 11735

Phone: 631-420-2161

FAX: 631-420-2161

E-mail: maryellen.lostritto@farmingdale.edu

Osher Lifelong Learning Institute at State

University of NY-Stony Brook

SBS Building, Room N-227

Stony Brook, NY 11794-4310

Phone: 631-632-7063

FAX: 631-632-9046

E-mail: Janet.mclean@stonybrook.edu or

Laura.west.@stonybrook.edu

**Mohawk Valley Institute for Learning
in Retirement SUNY – Institute of
Technology at Utica-Rome**
Room A010, Kunsella Hall
PO Box 3050
Utica, NY 13504-3050
Phone: (315) 792-7192
FAX: (315) 792-7278
E-mail: mvilr@sunyit.edu
<https://www.sunyit.edu/mvilr>

**Union College Academy for
Lifelong Learning-Union College**
Lamont House
Schenectady, NY 12308
Phone: (518) 388-6072
FAX: (518) 388-6686
E-mail: damariov@union.edu

**LYCEUM
Binghamton University**
Box 6000
Binghamton, NY 13902-6000
Phone: (607) 777-2587
FAX: (607) 777-6041
E-mail: lyceum@binghamton.edu

**LIFE (Learning is Forever)
Mount Saint Mary College**
330 Powell Avenue Desmond Campus
Newburgh, NY 12550
Phone: (845) 565-2076
FAX: (845) 565-4918
E-mail: laubach@msmc.edu

**Lifetime Learning Institute at Bard
Bard College**
PO Box 5000
Annandale on the Hudson, NY 12504
Phone: (845) 758-9099
E-mail: jbeuttler@webjogger.net

**Stimulating Opportunities after
Retirement (SOAR)
SUNY Potsdam**
Office of Continuing Education
206 Raymond Hall
Potsdam, NY 13676
Phone: (315) 267-2690
FAX: (315) 267-3088
E-mail: soar@potsdam.edu or
hessnl@potsdam.edu

Volunteer Opportunities:

The National Senior Service Corps, established in 1973, 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 publicly and privately-funded entity 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 and 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 special needs;

- The Senior Companion Program, which reaches out to adults who need extra assistance to live independently; and
- Seniors for Schools, which trains volunteers to provide literacy services in elementary schools.

For more information on Senior Corps programs and volunteer opportunities, go to www.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.

VolunteerMatch

385 Grove Street
San Francisco, CA 94102
Phone: (415) 241-6868
FAX: (415) 241-6869
<http://volunteermatch.org/index.jsp>

Volunteer Centers:

If you are a new volunteer or haven’t worked as a volunteer in a long time, volunteer centers can help you get started. At a volunteer center you will be interviewed about your interests, your skills, and how much time you can give. After you find a job through a center you will be called to see if you are happy with the job. If you aren’t, you will be helped to find a new one. Following are some volunteer centers in New York State.

Albany Human Resources

112 State Street Room 660
Albany, NY 12207
Phone: (518) 447-5510
FAX: (518) 447-5586
www.albanycounty.com

Voluntary Action Center- United Way of Broome County

PO Box 550
Binghamton, NY 13902-0550
Phone: (607) 729-2592
FAX: (607) 729-2597
E-mail: unitedway@tier.net

Long Island Volunteer Center 58 Hilton Avenue

Hempstead, NY 11550-2122
Phone: (516) 564-5482
FAX: (516) 564-5481
E-mail: LIVolunteerCtr@aol.com

Eastern Niagara United Way

Niagara Voluntary Action Center
41 Main Street, Lockview Plaza
Lockport, NY 14094
Phone: (716) 434-1190
FAX: (716) 434-2759

Mayor’s Voluntary Action Center

49-51 Chambers Street, Suite 1231
New York, NY 10007
Phone: (212) 788-7550
FAX: (212) 788-7570
E-mail: hheller1@cityhall.nyc.gov

The Volunteer Action Center of Rockland County

Building B
Robert L. Yeager Health Center
Pomona, NY 10970
Phone: (845) 364-2114
FAX: (845) 364-2348
E-mail: anderson@volunteeractioncenter.org

Tri-County United Way
696 Upper Glen Street
Queensbury, NY 12804-2018
Phone: (518) 793-3136
FAX: (518) 793-5784
E-mail: tcuwny@adelphia.net

United Way of Central New York, Inc.
518 James Street
PO Box 2129
Syracuse, NY 13203-2238
Phone: (315) 428-2211
FAX: (315) 428-2227

Volunteer Center of Mohawk Valley
401 Columbia Street
Utica, NY 13502-3413
Phone: (315) 735-4463
FAX: (315) 793-3389
E-mail: volctr@dreamscape.com

Volunteer Center of United Way
470 Mamaroneck Ave, Ste 204
White Plains, NY 10605-1839
Phone: (914) 948-4452
FAX: (914) 948-3032

To locate The Volunteer Action Center in your area consult the list above or call: 1-800-879-5400.

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.

Enterprise Works/VITA (Volunteers in Technical Assistance)
1100 H Street NW
Suite 1200
Washington, DC 20005
Phone: (202) 639-8660
www.enterpriseworks.org

They need scientists, technicians, engineers, educators, and business professionals to work overseas to combat poverty.

SCORE Association
409 3rd Street, S.W.
6th Floor
Washington, D.C. 20024
1-800-634-0245
www.score.org

Travel and Tourism:

Elderhostel
75 Federal Street
Boston, MA 02100
Toll-Free 1 (877) 426-8056 or
Phone: (617) 426-7788
9am – 9pm EST
www.elderhostel.org

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

Academy for Life Long Learning
Empire State College
Travel Opportunities
<https://www.esc.edu/all/travel-opportunities/>

NYS Department of Economic Development

Varied information about all state regions

Vacation information: www.iloveny.com

1-800-CALL NYS or info@iloveny.com

National Park Service

U.S. Department of Interior

Washington D.C. 20240

www.nps.gov

Golden Age and Golden Eagle Passport program information available through this agency at: U.S. Department of Interior, Chief Office of Public Affairs

P.O. Box 37127, Washington, D.C. 20036

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:

www.eldertreks.com

www.walkingtheworld.com

<http://www.homeexchange50plus.com/>

www.grandtravel.com

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

Chapter 3

Health and Wellness

Overview

This chapter will describe ways to support a healthy lifestyle. Sections include: keep 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, and how you handle stress.

After smoking, lack of physical activity, along with poor eating habits, is the largest underlying cause of death in the U.S., according to the National Institutes of Health. 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

- Better ability to fight off colds and other illness
- Arthritis relief
- 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. 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:

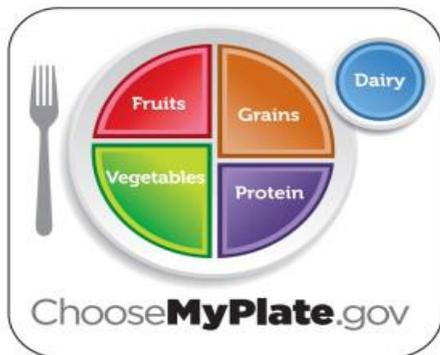
- **Pump yourself up.** Keep reminding yourself of all the good things that come with physical activity. Make a list, post it where it's obvious, and review it every day.
- **Do what feels good.** Choose an activity you like. That way, you're more likely to stick with it. Try combining exercise with another activity: lift weights or do sit-ups 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 stay with it. Many shopping malls are open early for walkers who want level sidewalk 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

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](http://www.usda.gov)) and Health and Human Services ([HHS](http://www.hhs.gov)). They provide authoritative advice for Americans ages 2 and older about consuming fewer calories, making informed food choices, 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 “Choose**MyPlate**” and the new *2010 Dietary Guidelines for Americans*.

These new **2015-2020 Dietary Guidelines** focus on balancing calories with physical activity, and encourage Americans to consume more healthy foods like vegetables, fruits, whole grains, fat-free and low-fat dairy products, seafood, and to consume less sodium, saturated and trans- fats, added sugars, and refined grains.

The four key components of these recommendations are: Build a Healthy

Plate; Cut Back on Foods High in Solid Fats, Added Sugars and Salt; Eat the Right Amount of Calories for You; and Be Physically Active Your Way.

Build a Healthy Plate

- Make half your plate fruits and vegetables.
- Eat red, orange, and dark-green vegetables, such as tomatoes, sweet potatoes, and broccoli, in main and side dishes.
- Eat fruit, vegetables, or unsalted nuts as snacks—they are nature’s original fast foods.
- Switch to skim or 1% milk.
- Make at least half your grains whole. Choose 100% whole-grain cereals, breads, crackers, rice, and pasta.

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.
- Choose 100% fruit juice instead of fruit-flavored drinks.
- Make major sources of saturated fats—such as cakes, cookies, ice cream, pizza, cheese, sausages, and hot dogs—occasional choices, not everyday foods.
- Select lean cuts of meats or poultry and fat-free or low-fat milk, yogurt, and cheese.

- 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 www.ChooseMyPlate.gov 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 www.chooseMyPlate.gov

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

If you're past age 50, you should get a flu shot every year. Once you reach age 65, you should 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

- sexual problems or sexually transmitted diseases
- prescriptions and any over-the-counter medicines, including supplements and herbs you are taking
- alcohol use
- quitting smoking

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

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.
- Too much red meat means too much fat and too many calories. Limit the amount of red meat in your diet.

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 of 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, 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 check, and a complete inner and outer eye exam.

A free catalog that has products for people with different types of vision problems can be obtained from:

The American Foundation for the Blind
2 Penn Plaza, Suite 1102
New York, NY 10121

For someone who is legally blind, the *Talking Books* program is available. Participation requires documentation from

an ophthalmologist. Arrangement for this service can be made through your library.

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 remove 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:

The Deafness Research Foundation
641 Lexington Avenue, 15th Fl.
New York, NY 10022-4503

or

Self-Help for Hard of Hearing People
7910 Woodmont Avenue
Bethesda, MD 20814-7022

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 writing to:

The American Society for Geriatric Dentistry
Loyola University
2160 First Avenue
Maywood, Illinois 60153

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. Medical evidence suggests that minorities tend to develop chronic illness at a younger age and at a higher rate. 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.

Cigarette Smoking

If you never smoke, enter a score of 10 for this section and go to the next section on *Alcohol and Drugs*.

- | | | | |
|--|---|---|---|
| 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

- | | | | |
|--|---|---|---|
| 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 (for example, 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

- | | | | |
|--|---|---|---|
| 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

- | | | | |
|--|---|---|---|
| 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 |
| 4. I use part of my leisure time participating in individual, family, or team activities that increase my level of fitness (such as gardening, bowling, golf, and baseball). | 2 | 1 | 0 |

Exercise/Fitness Score: _____

Stress Control

- | | | | |
|--|---|---|---|
| 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. | 2 | 1 | 0 |
| 5. I participate in group activities (such as religious and community organizations) or hobbies that I enjoy. | 2 | 1 | 0 |

Stress Control Score: _____

Safety

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

RESOURCES

Health & Wellness

WEB SITES:

The NYS Office for the Aging
Aging Well
www.aging.ny.gov

The Federal Government
Healthfinder
www.healthfinder.gov

The USA Dept. of Health & Human
Services web site directory
www.health.gov

The Mayo Clinic
www.mayohealth.org

The Women's Health Information
Center
www.nchealthywoman.org

International Council on Active Aging
www.icaa.cc/Index.asp

American Association of Retired Persons
www.aarp.com

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Wei, Jeanne Y. M.D. & Levkoff, Sue, ***Aging Well: The Complete Guide to Physical and Emotional Health***, John Wiley & Sons, 2001.

Physical Fitness

Calvano, Christine D., ***Strength Training Over 50: Stay Fit***, Barron's Education Series, 2005.

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Chapter 4

Housing Options

Overview

Will encourage you to look at your options when it comes time to think about your housing accommodations in retirement, and will give 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** - A popular telephone commercial urges us to "reach out and touch someone." 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 phone calls and visits to 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. If you do not already own a home computer, you should consider buying one when you retire. Many people rely on e-mail to keep in touch.

E-mail is a wonderful way to stay in contact with children and grandchildren.

- **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? 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. Worry 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? 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 you 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 (HEC), which allows older homeowners to continue living in their homes while using their home's accumulated equity. HEC 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 plans are not to be confused with home equity loans which require an immediate repayment schedule.

One type of HEC 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 HomeKeeper reverse mortgage program and a list of lenders offering these mortgages: Customer Education Group, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, DC, 20016. www.fanniemae.com

For information about the U.S. Department of Housing and Urban Renewal's HECM Program and reverse mortgage counselors: Home Equity Information Center, AARP, 601 E Street, NW, Washington, DC, 20049; www.aarp.org/money/revmort/ Phone: 1 (888) 466-3487

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, congregate 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

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 **01/2016**. This table was prepared by Retired Public Employees Association, Inc. (RPEA) and printed with their permission.

Check the web site:

http://www.rpea.org/Tax_Info/tax_info.php

| STATE | INCOME TAX | PENSION BENEFITS INCLUDED IN TAXABLE INCOME | SOCIAL SECURITY BENEFITS TAXED | COMMENTS |
|---------------|------------|---|--------------------------------|--|
| Alabama | Yes | No | No | Pension not taxable |
| Alaska | No | No | No | No Income Tax |
| Arizona | Yes | Yes | No | No exclusion for N.Y. pension distributions |
| Arkansas | Yes | Yes | No | A \$6,000. exemption for retirement or disability income for distributions from public or private retirement systems. |
| California | Yes | Yes | No | Tax info 800-852-5711 or ftb.ca.gov |
| Colorado | Yes | Yes | Yes | Tax info 303-238-7378 or revenue.state.co.us |
| Connecticut | Yes | Yes | Yes* | *Social Security is excluded if line 1 of CT-1040 is \$50,000 or less for single filers or married filing separate or \$60,000 for married filing jointly. |
| D.C. | Yes | Yes | No | DC Tax Info 202-727-4829 or cfo.dc.gov |
| Delaware | Yes | Yes | No | 60 and over, exclusion up to \$12,500. Tax info 302-577-8200 or revenue.delaware.gov |
| Florida | No | No | No | No Income Tax. Tax info 800-352-3671 |
| Georgia | Yes | Yes | No | Tax info 404-417-2100 |
| Hawaii | Yes | No | No | Tax info 800-222-3229 or hawaii.gov/tax |
| Idaho | Yes | Yes | No | Tax info 800-972-7660 or tax.idaho.gov |
| Illinois | Yes | No | No | Tax info 800-732-8866 or revenue.state.il.us |
| Indiana | Yes | Yes | No | May have county tax. Call 317-232-2240 or ai.org.dor. |
| Iowa | Yes | Yes | Yes | Pension exclusion \$6,000 or \$12,000 based on filing status & age. Tax info 515- 281-3114 |
| Kansas | Yes | Yes | Yes | If federal income is less than \$75,000, social security is exempt. Tax info 785-368-8222 or ksrevenue.org |
| Kentucky | Yes | Yes | No | Exclusion up to \$41,110 for pension and annuity. Tax info 502-564-4581 or revenue.ky.gov |
| Louisiana | Yes | Yes | No | Over 65, retirement income exclusion up to \$6,000 (single). Tax info 225-219-0102 or rev.state.la |
| Maine | Yes | Yes | No | Deduct up to \$6,000 of pension & annuity income; cap reduced by social security received. Tax info 207-626-8475 or maine.gov/revenue. |
| Maryland | Yes | Yes | No | Over 65, taxable pension and annuity exclusion up to \$24,500 (reduced by social security received). Tax info 800-638-2937 |
| Massachusetts | 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 mass.gov |

| | | | | |
|--------------|------|-----|-----|---|
| Michigan | Yes | Yes | No | NYS pension taxed as "private" pension. Effective tax year 2009, allowable exclusions: \$45,120 (single); \$90,240 (joint). |
| Minnesota | Yes | Yes | Yes | "Over 65 subtraction," schedule with age and income requirements. Tax info 651-296-3781 or taxes.state.mn.us |
| Mississippi | Yes | No | No | Tax info (601) 923-7000 or mstc.state.ms.us |
| Missouri | Yes | Yes | Yes | May deduct the greater of \$6,000 or 20% of public pension, if Missouri AGI is less than \$85,000 (single) and \$100,000 (married). Tax info 573-751-3505 or dor.mo.gov/tax |
| Montana | Yes | Yes | Yes | Tax info 402-471-5729 or mt.gov/revenue |
| Nebraska | Yes | Yes | Yes | No exclusion for N.Y. pension distributions |
| Nevada | No | No | No | No Income Tax |
| New Hamp. | Yes* | No | No | *Interest & Dividends Taxed |
| New Jersey | Yes | Yes | No | Pension exclusion – Married Filing Joint -\$20,000. Married filing separate for- \$10,000. Single -\$15,000., at age 62 and over. |
| New Mexico | Yes | Yes | Yes | Age 65 exclusion up to \$8,000 |
| New York | Yes | No | No | N.Y. Pension exempt |
| N. Carolina | Yes | Yes | No | \$4,000. public pension exclusion per taxpayer |
| N. Dakota | Yes | Yes | Yes | Tax info 701-328-2770) or nd.gov/tax |
| Ohio | Yes | Yes | No | No exclusion for N.Y. pension distributions |
| Oklahoma | Yes | Yes | No | Retirement Exclusion up to \$10,000; amount must be included in AGI. Tax info 405-521-3160 or tax.ok.gov |
| Oregon | Yes | Yes | No | Over 62, retirement income credit |
| Pennsylvania | Yes | No | No | N.Y. Pension exempt |
| Rhode Island | Yes | Yes | Yes | No exclusion for N.Y. pension distributions |
| S. Carolina | Yes | Yes | No | Under 65 pension exclusion \$3,000. Age 65 & up qualified retirement income exclusion to \$10,000. |
| S. Dakota | No | No | No | No Income Tax |
| Tennessee | Yes* | No | No | *Interest & Dividends Taxed |
| Texas | No | No | No | No Income Tax |
| Utah | Yes | Yes | Yes | Exclude up to \$4,800, less than age 65 with income limits. Age 65 and older up to \$7,500. excluded. |
| Vermont | Yes | Yes | Yes | Tax info 802-828-2865 or state.vt.us |
| Virginia | Yes | Yes | No | Over age 65 exclusion \$12,000 |
| Washington | No | No | No | No Income Tax |
| W. Virginia | Yes | Yes | Yes | Age 65 and older exclusion up to \$8,000 |
| Wisconsin | Yes | Yes | No | No exclusion for N.Y. pension distributions |
| Wyoming | No | No | No | No Income Tax |

RESOURCES

Housing Options

WEB SITES:

Housing Directory
Housing options for older people in New York State.
<http://www.aging.ny.gov/housingresources/>

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/

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

This site offers nationwide resources for senior living.
www.retirementliving.com
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 University 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 listed in local telephone directories.
www.cce.cornell.edu

PUBLICATIONS:

Carmen, Nancy; Cullen, Cynthia; Heckler, Maureen; & Russell Catherine, *MyGuide to Communities for Seniors Educational Resource Guide*, MyGuide, Inc., 2004.

Edmunds, Gillette; Keene, James, *Retire on the House: Using Real Estate to Secure Your Retirement*, (1st edition), Wiley Publishing, 2005.

Howells, John, *Where to Retire, America's Best & Most Affordable Places*, (7th edition), Globe Pequot Press, 2011.

Savageau, David, *Retirement Places Rated: What You Need to Know to Plan the Retirement You Deserve*, (7th edition), Wiley Publishing, 2007.

Chapter 5

Employment Considerations

Overview

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. Lately, 60 percent of 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 many jobs that are part-time, temporary, or seasonal that have the flexibility retirees seek in employment. Many retirees find work is a way to meet their needs for friends, accomplishment, and leadership, and as a way to develop a neglected talent.

Many employers are 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 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 \$30,000 for the calendar year 2016. The maximum amount increases every few years.

Check with the Retirement System for the correct amount. You may apply for permission to exceed this amount. 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 Dept of Labor’s web site at: <http://www.labor.ny.gov/agencyinfo/resume-tips.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 | supervised |
| delivered | planned | trained |
| designed | selected | originated |
| innovated | edited | researched |
| developed | completed | analyzed |
| created | organized | produced |
| managed | wrote | implemented |
| instituted | coordinated | presented |
| initiated | | |

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.

| | | IMPORTANCE | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|
| | | 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: make 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 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 about this topic.

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

RESOURCES

Employment Considerations

WEB SITES:

The NYS Dept. of Labor
www.labor.ny.gov

Large selection of job, career, and
employment publications
www.careerbookstore.com

Job Seekers: Register to search for a new job
or just to see what's out there
www.jobsonline.com

NYS License Center-Business Wizard
<https://www.its.ny.gov/nys-license-center-business-wizard>

Search jobs and personalize career tools
www.monster.com

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? Job-Hunter's Workbook*, (4th edition), Ten Speed Press, Berkeley, Ca., 2012.

Bly, Robert W., *Start Your Own Home Business After 50: How to Survive, Thrive, and Earn the Income You Deserve*, Linden Publishing, 2013.

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

Hannon, Kerry, *Great Jobs for Everyone 50+: Finding Work that Keeps You Happy and Healthy...and Pays the Bills*, (1st edition), Wiley, 2012.

McGraw Hill, *Resumes for 50+ Job Hunters*, (3rd edition), McGraw Hill, 2008.

Sargent, Martha, *Retire – and Start Your Own Business: Five Steps to Success*, 2008.

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.

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. Consult your local telephone directory for the location nearest you. Information about jobs, and continuing education may be found at most universities, community colleges, and on the Internet.

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.

New York State Office of Regulatory Reform is very helpful in guiding you through the process of business start up, identifying the regulations you are subject to, and the permits you will need to secure. Call 1-800-342-3464.

If you wish to start your own business, consult two publications from the Federal Small Business Administration: *Check List for Going into Business, and Starting and Managing a Small Business of Your Own.*

Small Business Administration
Publications Division
409 3rd Street, SW
Washington, D.C. 20416
1-800-827-5722

Chapter 6

Budgeting and Financial Planning

Overview

This chapter will encourage 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.

TABLE 1
LIFE EXPECTANCY CHART*
Years Remaining at a Given Age

| Age | Male | Female |
|-----|-------|--------|
| 55 | 25.38 | 28.67 |
| 60 | 21.44 | 24.37 |
| 65 | 17.66 | 20.22 |
| 70 | 14.13 | 16.33 |
| 75 | 10.94 | 12.76 |
| 80 | 8.13 | 9.58 |
| 85 | 5.81 | 6.87 |

***Source: Social Security Administration**

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 is 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;
- A knowledge of what you will 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 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 section. 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.

THE 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 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 have to 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 is 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 and Social Security 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 of time. 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.

| Table 2 -Monthly Savings to Reach a Goal | | | | | |
|---|----------|----------|-----------|-----------|-----------|
| Years to Achieve Goal | | | | | |
| Total \$ Needed | 3 | 5 | 10 | 15 | 20 |
| At 6% Rate of Return | | | | | |
| \$ 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 |
| At 9% Rate of Return | | | | | |
| \$ 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 |
| At 12% Rate of Return | | | | | |
| \$ 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 have a bagel at coffee 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?

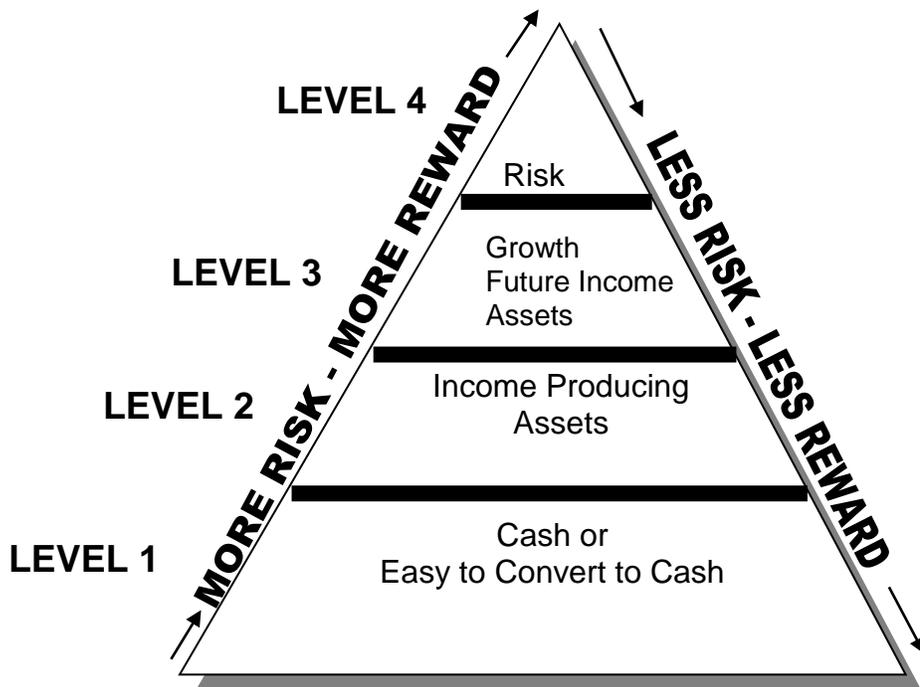
The action question becomes *"What must I do with my finances to make my retirement a reality?"* The further you are from retirement, the less exact is the process, but you can start by looking over your assets (from your net worth sheet) and change your planning as you go. You may have saved or invested 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 2010, 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 \$66,000 and you're single, or under \$109,000 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

| Value of \$1,000 investment for Specified Number of Years at Various Rates of Return | | | | |
|---|-------------------------------------|---------|---------|---------|
| 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. Lunches | \$_____ | 10. Picking Up the Tab (The times you say "This one's on me.") | \$_____ |
| 2. Coffee Breaks | \$_____ | | |
| 3. Transportation | \$_____ | 11. Impulse Buying (When you pass shops on your way home, or to work, or during lunch hour, how often do you buy something you really don't need?) | \$_____ |
| 4. Union Dues | \$_____ | | |
| 5. "Salary" Taxes and Deductions | \$_____ | | |
| 6. Work Clothing or Uniforms (This is only the beginning.) You know of many other office and work expenses - they add up. Now find out these "hidden" expenses. | \$_____ | 12. Home Repairs (How much do you spend on work you could do yourself if you had time?) | \$_____ |
| 7. Collections (When a fellow worker gets engaged, married, has a baby, gets a pro- motion, gets sick, gets well, celebrates a birthday, retires - isn't someone always taking a collection?) | \$_____ | 13. Personal Grooming (How much extra does it cost you to look good five days a week?) | \$_____ |
| 8. Laundry and Dry Cleaning | \$_____ | 14. Domestic Help (When your job pre- vents you from doing all the laundry and housework yourself.) | \$_____ |
| 9. Holidays (Cards and gifts for fellow workers) | \$_____ | 15. Shopping (Because you often lack time to comparison shop and take advantage of sales and "specials," your outlay for food, clothes, household products is higher. How much higher?) | \$_____ |

NET WORTH SHEET

ASSETS
What You Own

LIABILITIES
What You Owe

CASH:

Cash on Hand \$ _____
Checking Accounts _____
Savings Accounts _____
Money-Market Funds _____
Life Insurance Cash Value _____
Money Owed You _____

MARKETABLE SECURITIES:

Stocks _____
Bonds _____
Government Securities _____
Mutual Funds _____
Other Investments _____

PERSONAL PROPERTY:

Automobiles _____
Household Furnishings _____
Art, Antiques, Other Collectibles _____
Clothing, Furs _____
Jewelry _____
Other Possessions _____

REAL ESTATE:

Homes _____
Other Properties _____

PENSION:

Vested Portion of Company Plan _____
Vested Benefits _____
IRA _____
Keogh _____

LONG-TERM ASSETS:

Equity in Business _____
Life Insurance _____
Annuities _____

TOTALS:

CASH \$ _____
MARKETABLE SECURITIES \$ _____
PERSONAL PROPERTY \$ _____
REAL ESTATE \$ _____
PENSION \$ _____
LONG-TERM ASSETS \$ _____

\$ _____

CURRENT BILLS:

Rent \$ _____
Utilities _____
Charge Accounts _____
Credit Cards _____
Insurance Premiums _____
Alimony _____
Child Support _____
Other Bills _____

TAXES:

Federal _____
State _____
Local _____
Taxes on Investments _____
Other _____

MORTGAGES:

Homes _____
Other Properties _____

DEBTS TO INDIVIDUALS

LOANS:

Auto _____
Education _____
Improvement _____
Life Insurance _____
Other _____

TOTAL: \$ _____

Assets minus liabilities equal

NET WORTH: \$ _____

DATE: _____

WORKSHEET 1

ESTIMATED MONTHLY COST OF LIVING

| SHELTER | MONTHLY AVERAGE | |
|---|-----------------|------------------|
| | Now | After Retirement |
| Rent | \$ | \$ |
| Mortgage Payments | \$ | \$ |
| Real Estate Taxes | \$ | \$ |
| Insurance | \$ | \$ |
| HOUSEHOLD EXPENSES AND MAINTENANCE | | |
| House repair, yard care | \$ | \$ |
| Water, electric, gas, fuel oil | \$ | \$ |
| Phone, TV antenna/cable | \$ | \$ |
| Waste disposal, other | \$ | \$ |
| HOME IMPROVEMENT AND UPKEEP | | |
| Furniture, fixtures | \$ | \$ |
| Floor coverings | \$ | \$ |
| Laundry supplies, equipment | \$ | \$ |
| Kitchen equipment | \$ | \$ |
| Garden, yard equipment, supplies | \$ | \$ |
| AUTO AND TRANSPORT | | |
| Monthly portion of purchase price | \$ | \$ |
| Repairs | \$ | \$ |
| Gas and oil | \$ | \$ |
| License and driver registration | \$ | \$ |
| Insurance | \$ | \$ |
| Other transportation | \$ | \$ |
| FOOD | | |
| Food at home | \$ | \$ |
| Food away from home | \$ | \$ |
| Liquor and food for entertaining | \$ | \$ |
| CLOTHING | | |
| New clothing for all in household | \$ | \$ |
| Laundry not done at home | \$ | \$ |
| Dry cleaning | \$ | \$ |
| Shoe repair | \$ | \$ |

MONTHLY AVERAGE

| PERSONAL | Now | After Retirement |
|--|------------|-------------------------|
| Cosmetics and toiletries | \$ | \$ |
| Barber and beauty shop | \$ | \$ |
| Stationery, postage | \$ | \$ |
| MEDICAL AND HEALTH | | |
| Medicine and drugs | \$ | \$ |
| Doctor, dentist, eye specialist | \$ | \$ |
| Eyeglasses, hearing aides | \$ | \$ |
| Health insurance premiums | \$ | \$ |
| RECREATION AND OTHER | | |
| 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 | \$ | \$ |
| TAXES, INTEREST, INSURANCE | | |
| U.S., state and local income tax | \$ | \$ |
| Personal property tax | \$ | \$ |
| Interest on loans | \$ | \$ |
| Life insurance premiums | \$ | \$ |
| Property insurance (not house) | \$ | \$ |
| SAVINGS, INVESTMENTS | | |
| Banks, savings and loan | \$ | \$ |
| Company pension, profit sharing plans | \$ | \$ |
| Stocks, bonds, real estate | \$ | \$ |
| Retirement: Keogh, IRA Deferred Compensation | \$ | \$ |
| TOTAL MONTHLY COSTS NOW | \$ | \$ |
| TOTAL MONTHLY COSTS AFTER RETIREMENT | \$ | \$ |

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>) | \$ _____ | _____ | \$ _____ |
| Total | \$ _____ | _____ | \$ _____ |

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. Inflation rates* for some recent years are:

2010 - 1.6%

2011 - 3.2%

2012 - 2.1%

2013 - 1.5%

2014 - 1.7%

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*

*U.S. Bureau of Labor Statistics
Division of Consumer Prices and Price Indexes

| | 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 6 \$ _____

TOTAL NET INCOME \$ _____
(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 to \$13,800 for an individual or \$20,100 for a couple (2010), excluding your home and car before Medicaid will pay for such care. If one spouse is in a nursing home, however, Medicaid allows the other to keep much more in monthly income and assets, currently \$109,560 excluding the residence and a car, plus \$2,739 in monthly income. 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 average for nursing home care in 2010 was \$205 per day for semi-private room and \$229 for private) 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, the average stay in a nursing home, 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 RPEA Research Committee is working on additional articles on this issue including a comparison of the New York State Long-Term Care group plan NYPERL with individual insurance and how to evaluate long-term care policies.

*(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 2002)*

RETIREMENT CHECKLIST

Budgeting & Financial Planning

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 "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.

| | | | <u>I need to...</u> |
|--|------------|-----------|----------------------------|
| 1. Do I figure out my net worth annually? | YES | NO | _____ |
| | | | _____ |
| 2. Have I figured out my current income and expenses to work out a budget? | YES | NO | _____ |
| | | | _____ |
| 3. Have I tried to figure out what my living expenses will be after retirement? | YES | NO | _____ |
| | | | _____ |
| 4. Is my spouse/partner familiar with our financial situation? | YES | NO | _____ |
| | | | _____ |
| 5. Will I try to live on my projected retirement income to see how I can keep my standard of living? | YES | NO | _____ |
| | | | _____ |
| 6. Have I reviewed my insurance policies to see whether they fit my current and future needs? | YES | NO | _____ |
| | | | _____ |
| 7. Do I understand the various methods available to make my money earn more? | YES | NO | _____ |
| | | | _____ |
| 8. Do I understand how long-term care insurance could protect my assets? | YES | NO | _____ |
| | | | _____ |

RESOURCES

Budgeting and Financial Planning

WEB SITES:

Federal Retirement Toolkit

<http://www.dol.gov/ebsa/pdf/retirementtoolkit.pdf>

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

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.

<http://www.choosetosave.org/asec/>

The Simple Living Trust

<http://www.nolo.com/sites/default/files/NolosGuidetoLivingTrusts.pdf>

Fundamentals of Financial Planning

www.learningforlife.fsu.edu

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

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

PUBLICATIONS:

Clifford, Denis and Cora Jordan,
Plan Your Estate, (11th edition),
McGraw-Hill Professional Publishing,
2012.

Edmunds, Gillette, *How to Retire Early & Live Well with Less Than a Million Dollars*, Adams Media Corp., Jan. 2000.

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.

Grangaard, Paul A., *The Grangaard Strategy Invest Right During Retirement*, Barkley Publishing, 2003.

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. 2000.

Holzer, Bambi, *Set for Life: Financial Peace for People over 50*, Wiley Audio, July 2000. (Compact Disc)

Howells, John, *Retirement on a Budget*, Globe Pequot Press, January 2007.

Yeager, Jeff, *How to Retire the Cheepskate Way: The Ultimate Cheepskate's Guide to a Better, Earlier, Happier Retirement*, Three Rivers Press, 2013.

OTHER RESOURCES:

Cornell University Cooperative Extension has local agents and offices in each county. They offer a variety of written brochures and pamphlets concerning financial and estate planning. Agents are also available to assist in person or by phone with budgeting and financial questions. Consult your local telephone directory for the one nearest you.

For information on the **New York State 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

MAGAZINES:

Easy to understand monthly publications featuring money and investment related articles include:

“Money” published by Time, Inc.

“Changing Times” published by Kiplinger Washington Editors, Inc.

“Smart Money” published by Dow Jones & Co., Inc.; Hearst Communication, Inc.

“Kiplinger’s Personal Finance” published by Kiplinger Washington Editors, Inc.
www.kiplinger.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.

While there are many honest and competent individuals and companies providing financial planning services, the Attorney General's office has received numerous complaints about fraudulent financial planners. According to a nationwide survey by state securities agencies, 22,000 investors lost \$400 million as a result of fraud and abuse in the financial planning industry over a two-year period from mid-1986 to mid-1988. A survey covering the years 1990 and 1992 suggests that the amount of money lost by investors due to financial planner fraud is even higher. Under New York and federal law, financial planners need not meet any specific requirements before they can do business. There are no formal minimum professional or education standards for financial planners and no testing requirements.

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.

Recognizing that the law in this area needs strengthening, the Attorney General has proposed new legislation to remedy the abuses in the financial planning area. The new law would specifically include "financial planners" in the current statutes governing "investment advisors." Its provisions would require investment advisors to provide prospective clients, 48 hours prior to any binding contract for advisory services, with written disclosure about the advisor's history and manner of compensation. Further, the proposed law would give the Attorney General the power to fine, or to deny, to suspend or to revoke licenses of financial planners doing the business in the state.

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.

The Attorney General's office can and does seek civil and criminal penalties. In one notable case, the Attorney General was able to end the operations of the Albany-based First Meridian Corporation, a financial planning firm that had fraudulently induced more than 950 people to invest in excess of \$55 million dollars in so-called "power products" such as real estate, art, and coins. Although the firm had promised to design individually tailored investment plans for its clients, First Meridian persuaded all its clients to invest in art of dubious value, high-risk real estate, and coins. Investments in these products were designed to yield high commissions for the firm, not good, or even safe returns for clients. As one senior citizen planning for retirement explained, "the firm had suggested that we get into some collectibles—and that we purchase a condo—and also coins. As we found out later, we paid horribly high prices."

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:

Institute of Certified Financial Planners
10065 E. Harvard Avenue
Denver, Colorado 80231
303-759-4900

The National Association of Personal Financial Advisors
1130 Lake Cook Road, Suite 150
Buffalo Grove, Illinois 60089
708-537-7722

SEC Headquarters
Off. Of Investor Education & Advocacy
100 F Street, NW
Washington, D.C. 20549
202-942-7040
<https://www.sec.gov>

Certified Board of Financial Planners
1700 Broadway, Suite 2100
Denver, CO 80290-2101
1-888-237-6275
E-mail: mail@cfp_board.org

American College
270 S. Bryn Mawr Avenue
Bryn Mawr, Pennsylvania 19010
1-888-263-7265
<http://www.theamericancollege.edu/>

International Association for Financial Planning
New York Regional Office
3 World Financial Center, Suite 400
New York, NY 10281-1022
212-336-1100
<http://www.fpany.org/>

International Association for Financial Planning
(Upstate Chapter)
183 E. Main Street
Rochester, NY 14604-1612
716-797-0710
E-mail: iafp@earthlink.net

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

1-800-771-7755

www.ag.ny.gov

EXECUTIVE OFFICES

The Capitol
Albany, New York 12224-0341 ----- 518-474-5481

120 Broadway
New York, New York 10271-0332 ----- 212-416-8000

For The Hearing/Voice Impaired ----- 800-788-9898

REGIONAL OFFICES

44 Hawley Street, 17th Floor
Binghamton, New York 13901-4433 ----- 607-721-8771

55 Hanson Place, Suite 1080
Brooklyn, New York 11217-1523 ----- 718-722-3949

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

300 Motor Parkway, Suite 205
Hauppauge, New York 11788 ----- 631-231-2424

200 Old Country Rd.
Mineola, New York 11501-4241 ----- 516-248-3302

Adam Clayton Powell, Jr.
State Office Building
163 West 125th Street, Suite 1324
New York, New York 10027-8201 ----- 212-961-4475

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 ----- 315-793-2225

317 Washington Street
Watertown, New York 13601-3744 ----- 315-785-2444

101 East Post Road
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 can not 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 \$150 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).

Note that dollar amounts listed are for 2010 and are subject to change in subsequent years.

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. The resource limits for these size households currently are:

- 1 person household: \$13,800
- 2 person household: \$21,100

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:

- 1 person household: \$902
- 2 person household: \$1,214

In addition, Medicaid applicants may keep an additional \$20 per month income disregard.

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 with an aggregate face value of \$1,500
- 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; the first \$90 per month of any income received from a non-family roomer or boarder;
- The first \$20 per month per couple of unearned income
- Retroactive benefits under the SSI program
- The first \$20 per month per couple of unearned income;
- 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

For 2010, the community spouse is allowed to keep up to \$109,560. This amount 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 of \$2,379 as of January 1, 2010. 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 reasonably 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

NYS Department of Health
Box 2000
Albany, NY 12220

NYS Task Force on Life and the Law
5 Penn Plaza, 3rd Floor
New York, NY 10001-1803

A 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.

Where My Assets Are

One big problem for survivors, when death has occurred, is simply finding all the property and valuable papers of the deceased. You can do your heirs and executor a real favor by filling out this form and giving copies to your spouse, other relatives who might help in settling your estate, any outside executor, and your lawyer. Update this information periodically:

Name: _____

Retirement System Registration No: _____

Social Security 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 | | | | Item Location | | |
|----------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| | A | B | C | | A | B | C |
| My will (original) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Corporate Retirement Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Powers of Attorney | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Deferred Compensation; IRA | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Burial Instructions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Income & Gift Tax Returns | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Spouse's will (original) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Titles and Deeds | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Safe Combination | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Notes, (mortgages) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Trust Agreements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | List of Stored & Loaned Items | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Life Insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Auto Ownership Records | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Health Insurance Policy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Birth Certificate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Homeowners Policy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Military Discharge Papers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Car Insurance Policy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Marriage Certificate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Employment Contracts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Children's Birth Certificates | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Partnership Agreements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Divorce/Separation Records | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| List of Checking, Savings, Accts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Other: | | | |
| List of Credit Cards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Brokerage Account Records | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Important Names, Addresses and Phone Numbers

New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244
(518) 474-7736

Insurance Agent: _____

Attorney: _____

Broker: _____

Accountant: _____

Date Prepared: _____ Copies Given To: _____

NOTE: Please be sure to tell your beneficiary or beneficiaries to contact the Retirement System upon your death to determine what benefits may be due.

RETIREMENT CHECKLIST

Legal Affairs

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 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? YES NO _____

2. Is my will up-to-date? YES NO _____

3. Do I understand the impact of joint ownership on my will? YES NO _____

4. Am I satisfied with my attorney? YES NO _____

5. Do others know where to find all my important papers? YES NO _____

6. Am I familiar with my tax status after retirement? YES NO _____

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 worker and union member.

New York State Bar Association (NYSBA) - the New York State Bar Association 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

Available Titles:

Know Your Rights Pamphlets Series:

- Buying and Selling Real Estate
- If You Have An Auto Accident
- Divorce and Separation in New York State
- Lawyer and Legal Fees
- Rights of Landlords and Tenants
- Why You Need A Will
- Your Rights If Arrested

Local Legal Mediation Panels - can be located through local district attorney's office or the New York State Attorney General's Office, and offers an alternative to more costly 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. AARP can be contacted through local telephone listings or through its national headquarters in Washington, D.C.

www.aarp.org

New York State Agencies:

New York State Department of Financial Services
1-800-342-3736
www.dfs.ny.gov

Department of State Division of Consumer Protection
Corning Tower
5 Empire State Plaza, Suite 2101
Albany, New York 12223-1556
(518) 474-8583 and 1-800-697-1220
<http://www.dos.ny.gov/consumerprotection/>

Office of Victim Services
1 Columbia Circle, Suite 200
Albany, New York 12203
(518) 457-8727
1-800-247-8035
www.ovs.ny.gov
Offices also in Brooklyn and Buffalo

Office of the Attorney General
The Capitol
Albany, NY 12224-0341

General Help Line: 1-800-771-7755
Healthcare Hotline: 1-800-428-9071
Medicaid Fraud Control Unit: (212) 417-5397
www.ag.ny.gov

NYS Insurance Department
One Commerce Plaza
Albany, NY 12257
Consumer Services: (518) 474-6600
www.dfs.ny.gov/insurance/dfs_insurance.htm

Office for the Aging
2 Empire State Plaza
Albany, NY 12223-1251
<http://www.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.

Division of Human Rights
Corning Tower, 28th floor
Empire State Plaza
P. O. Box 2049
Albany, NY 12220
(518) 474-2705

Headquarters:
One Fordham Plaza
4th Floor
Bronx, NY 10458
(718) 741-8400
www.dhr.ny.gov/

PUBLICATIONS:

Clifford, Denis, *Estate Planning Basics*, (6th edition), Nolo Press, 2015.

Clifford, Denis, *Make Your Own Living Trust*, (8th edition), Nolo Press, 2015.

Truly, Traci, *Grandparents' Rights*, Sourcebook, Inc., 2005.

Chapter 8

NYS Deferred Compensation Plan



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 before Federal or New York State income taxes are deducted. 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 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.

| Sample 2016 Paycheck Analysis | | | |
|--------------------------------------|--------------------------|-------------------------------|------------------------------|
| | Not Participating | Moderate Participation | Maximum Participation |
| 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 | \$692.00* |
| Taxable Salary | \$1,500.00 | \$1,400.00 | \$808.00 |
| Social Security | \$115.00 | \$115.00 | \$115.00 |
| Federal Income Tax | \$184.00 | \$161.00 | \$68.00 |
| NY State Income Tax | \$66.00 | \$60.00 | \$19.00 |
| Regular Savings | \$100.00 | \$0.00 | \$0.00 |
| Take Home Pay | \$1035.00 | \$1064.00 | \$606 |

(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 2016 contribution limit of \$18,000 spread over 26 pay periods**

| SAVING MORE USING DEFERRED COMPENSATION (PRE-TAX) | | | | |
|--|---------------------------|-----------------------|---------------------|------------------|
| (*Note: assumes person filing as single with one withholding allowance, total includes Federal, State and Social Security Taxes) | | | | |
| Gross Salary | Def. Comp. Savings | Taxable Income | Withholding* | Take Home |
| \$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.

| Cash Value Accumulation Chart | | | |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| Illustration of Accumulation Based on Contribution Amount | | | |
| Year | \$75 per pay period or \$1,950/year | \$100 per pay period or \$2,600/year | \$150 per pay period or \$3,900/year |
| 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 \$18,000 for 2016, 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 ½ 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 ½ 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 ½ 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 ½ 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 \$18,000 from your salary in 2016. 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. 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 2016, you may defer an additional \$6,000 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 70½. 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 2016, you may contribute up to an additional \$18,000 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 32 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 eight-tenths of 1 percent (\$8 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 ½, even if still employed.
- 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 ½.

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 ½, 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 ½ 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 ½?

If you continue to work for your participating employer past age 70 ½, 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 31st 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 ½. 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 ½. If you choose this option, benefit payments must begin no later than April 1 in the calendar year after you become age 70 ½. Each of the benefit payment options previously discussed will be available to you should you choose this option.

When you become age 70 ½, 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 ½ 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 Deferred Compensation Plan? | YES NO | _____ |
| | | _____ |
| 2. If "NO" to Question Number 1, do I know the benefits of joining <u>now</u> ? | YES NO | _____ |
| | | _____ |
| 3. Do I know the maximum amount I am eligible to defer to the Plan? | YES NO | _____ |
| | | _____ |
| 4. Am I aware of the benefit payment options I can elect? | YES NO | _____ |
| | | _____ |
| 5. Am I aware of how taxes will be withheld once I start receiving payments? | YES NO | _____ |
| | | _____ |
| 6. Am I aware of the transactions I can make to my account by accessing the web site at www.nysdcp.com ? | YES NO | _____ |
| | | _____ |

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NEW YORK STATE AND LOCAL
EMPLOYEES' RETIREMENT SYSTEM

chapter 9

your retirement benefits

Office of the New York State Comptroller
Thomas P. DiNapoli

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A MESSAGE FROM STATE COMPTROLLER
Thomas P. DiNapoli



Dear Member:

This book describes your New York State and Local Retirement System benefits and can be a valuable resource — especially now, as you approach retirement.

I want to make sure you thoroughly understand your benefits so you can successfully plan for retirement.

We also offer other pre-retirement planning resources including:

- Individual member consultations on scheduled days at locations throughout the State, and every business day at our Albany, Buffalo and Hauppauge offices;
- An online Benefit Projection Calculator that enables most members to estimate what their pensions will be when they retire;
- Plan booklets and publications that outline and explain your benefits;
- Member Annual Statements explaining the status of your membership; and
- Benefit projections or estimates for members within five years of retirement.

In addition, you can find retirement-related information on our website at www.osc.state.ny.us/retire/index.php.

I am joined by a staff of dedicated professionals in my commitment to help you make informed decisions about your future. I encourage you to contact us with any questions you have because we believe it is critical for you to plan for your tomorrows... today.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

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YOUR MEMBERSHIP IN THE retirement system

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 clarifies the factors that affect your retirement benefits and gives examples of how those benefits are determined. It also takes you step-by-step through the retirement process and provides information regarding a variety of post-retirement matters.

Please contact us whenever you have questions about your benefits.

Contact Information

Call Center

1-866-805-0990 (Toll-free)
1-518-474-7736 (Albany, New York area)

Email

www.osc.state.ny.us/retire/index.php
Select "Contact Us"

Mail

New York State and Local Retirement System
110 State Street
Albany, NY 12244-0001

Fax

1-518-473-5590

How to 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.

- Connect with us on social media.
 - Subscribe to our blog, *New York Retirement News* (www.nyretirementnews.com), where you'll find tools to help you understand your benefits, as well as important Retirement System news.
 - You can also like us on Facebook (www.facebook.com/nyslrs) and follow us on Twitter (www.twitter.com/nyslrs) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our free email newsletter, for the latest retirement news and information dedicated to pre-retirement planning.
- Read your member newsletter for current retirement information and updates on your benefits.
- Review your Member Annual Statement carefully and correct any errors quickly.

Retirement Consultations

Retirement consultations are available via the telephone or at locations throughout the State. 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.

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 & Fourth Thursday |
| New City | Sain Building 18 New Hempstead Rd. | First & Third Friday |
| New York City | 59 Maiden Ln., 30th Floor Entrance located between William St. and Nassau St. | Every Tuesday & Wednesday |
| Plattsburgh | County Center, County Clerk's Office 137 Margaret St., 1st Floor | First & Third Thursday |
| Poughkeepsie | Eleanor Roosevelt State Office Building 4 Burnett Blvd. | Second & 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 & 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 |

NOTE: Always check our website (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.

Your Membership Tier

Members are categorized into different groups or tiers based on their date of membership in the Retirement System. There are six tiers in the Employees' Retirement System (ERS). Tier status determines the following:

- Contribution requirements;
- Benefit eligibility;
- Service crediting;
- 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 |

NOTE: There is no Tier 4 for all 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.

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 the Retirement System. Your service credit forms the basis for 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 a minimum of six hours per day, 30 hours per week. Service credit for Tier 1 members employed less than full-time may be prorated. 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.
- 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.
- Part-time service is generally prorated.

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.

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) (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.

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.

Example

For a member whose full-time day is 8 hours

$\frac{\text{\# hours unused sick leave}}{\text{full-time hours per day}} = \text{\# days additional service credit}$

$\frac{1320}{8} = 165 \text{ days additional service credit}$

$\frac{\text{\# days additional service credit}}{260} = \text{additional service credit}$

$\frac{165}{260} = .63 \text{ of a year additional service credit}$

Credit for Your Past Service

Legislative changes in 2000 allow for the crediting of most previous public employment. These different types of service are:

- **Prior Service** — This is any period of time you received salary from a public employer before that employer elected to participate in the Retirement System.
- **Service Before Your Date of Membership** — You may receive credit for working for a participating public employer before you joined the Retirement System (including CETA service).
- **Service From a Previous Membership** — If you previously were a member of this System, or another public retirement system in New York State, your service may be recredited and your date of membership and tier restored. (See page 9-8.)
- **Military Service** — You may be able to get retirement credit for military service you have had in the U.S. armed forces. There are different sections of law (Retirement and Social Security Law, Military Law, Uniformed Services Employment and Reemployment Rights Act of 1994, etc.) that dictate eligibility dates, circumstances, cost (to you and your employer) and maximum credit allowed. To find out if you qualify, please send us a copy of your Certificate of Release or Discharge from Active Duty, more familiarly known as a DD-214.

If you were discharged from the United States Army, Navy, Air Force, Marine Corps or Coast Guard but do not have your copy, request one by contacting the National Archives and Records Administration, the official repository for these records. The website for requesting this information is www.archives.gov/veterans/military-service-records. Or write them at:

National Personnel Records Center
Military Personnel Records
1 Archives Drive
St. Louis, MO 63138
Fax: 1-314-801-9195

If your military records were destroyed in the 1973 fire at the National Personnel Records Center (NPRC), the Center will issue you a Certification of Military Service, which we will also accept. Veterans who have been separated from active service, but have 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. Recently discharged National Guard members, in most cases, will not be able to get their military records from NPRC until six months after discharge because of 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 or email our Military Service Unit at MSUNIT@osc.state.ny.us.

FAQs

How do I know how much service I've been credited with?

Most members in Tiers 2 through 6 can find their total service credit in their latest Member Annual Statement. Because Tier 1 members have service credit prior to the automation of our records, their Member Annual Statements generally do not include this information.

If you believe the service credit listed on your Member Annual Statement is not accurate, check with your employer. However, if you are missing credit for previous public employment, please contact us. You can also submit a Request for Estimate (RS6030) of your retirement benefits if you have at least five years of service credit and are within five years of retirement eligibility. Be sure to list all your public employment within New York State, as well as any military service. The estimate will include your total service credit, projected to your anticipated retirement date (see page 9-32 for more information).

How do I claim credit for my past service?

- You must send either a Request for Previous Service form (RS5042) or a letter to our Arrears Unit that includes a full description of the service you would like to be credited. See page 9-66 for a description and a link to the form on our website.
- If you were in active military duty, send us a copy of your Certificate of Release or Discharge from Active Duty (DD-214) along with your written request.

Requests for previous service credit should be mailed to:

New York State and Local
Retirement System
Member & Employer Services Bureau
Arrears Unit
110 State Street
Albany, NY 12244-0001.

We will send you a letter indicating the amount of previous service credit you are eligible to receive and the cost, if applicable.

NOTE: Even if you included information about past service on your membership application, you must still initiate the request to receive credit for it. Requesting credit well before you expect to retire allows us sufficient time to get salary and service records from your employer(s) and provides you with ample time to pay for it, if required. Also, Tier 2, 3, 4, 5 and 6 members must have two years of service credit in their current membership before they can receive credit for previous service. If you are requesting credit for your military service, you may need at least five years of service credit in your current membership, depending on the eligibility requirements of the particular statute governing the crediting of this service.

If you are requesting previous service to establish eligibility for a vested retirement benefit, you must request credit while you are on the payroll of a participating employer. If you receive a statement of the cost after you leave the payroll, you must make payment within 30 days of notification.

Must I begin payment for my past service immediately?

Except for mandatory past service payments, you may choose to purchase service at a later date. However, the cost will increase due to interest compounding annually at the rate of 5 percent to the date of payment.

Does crediting of past service change my tier status?

If you have a previously withdrawn membership, your former date of membership may be reinstated and possibly your tier status could change. For other previous service, the additional credit may increase your retirement benefit, but does not change your tier status or date of membership.

What are past service payments?

Past service payments are those associated with service crediting. There are two kinds of past service payments:

- **Mandatory payments** are required payments owed for service after your membership date if you are covered by a contributory retirement plan (example: contributions for Tier 3, 4, 5 and 6 members). If no or insufficient contributions were made to the Retirement System, you may owe mandatory past service payments. 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 we notify your employer to begin payroll deductions to cover the cost. However, to receive the tax advantage for service on or after July 1, 1989, under section 414(h) of the Internal Revenue Code, payment for mandatory past service must be made through payroll deductions (mandatory contributions are not reportable as wages for federal income tax purposes if payment is made through payroll deductions).
- **Optional payments** are payments required to purchase credit for your public employment prior to your membership date or for military service credit. Payment is optional. However, service is not credited until payment is made.

NOTE: For Tier 1 or 2 members covered by the New Career Plan (Section 75-h or 75-i) with 37½ or more years of service, purchasing credit for your previous service may not increase your retirement benefit. You may want to visit our website at www.osc.state.ny.us/retire/members/projecting-your-pension.php to use our benefit projection calculator. Step-by-step instructions are available to guide you through the process. Try calculating your benefit with and without the credit for your previous service to determine if making the purchase is right for you.

How can I pay for my past service?

If there is a cost to secure credit for your 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. Through payroll deductions (you may supplement payroll deductions with additional payments if you choose to pay off the balance owed sooner); or
3. Through 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.

NOTE: If you decide on payroll deductions, the time over which you make payments cannot exceed the total 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.

final average salary

Your final average salary (FAS) is an important factor in the calculation of your retirement benefit. For all 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 the Retirement System.

** Not always a calendar or a fiscal year*

THREE-YEAR FINAL AVERAGE SALARY

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 pay;
- Overtime pay;* 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 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 3/9/2016 | |
| Earnings Period | Usable Earnings |
| Year 1: 3/9/2015 – 3/8/2016 | \$ 46,723 |
| Year 2: 3/9/2014 – 3/8/2015 | \$ 44,912 |
| Year 3: 3/9/2013 – 3/8/2014 | <u>\$ 42,336</u> |
| | \$ 133,971 ÷ 3 = |
| | \$ 44,657 FAS |

* Tier 5 members are limited in their allowable overtime earnings.

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 = \$ 40,200 FAS |

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 = \$ 40,000 FAS |

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.*

| Example | | |
|-----------------------|---|----------------------|
| Tier 3, 4 or 5 Member | | |
| Actual Earnings | Limit | Earnings Allowed |
| Year 1: \$47,000 | $\frac{(38,000 + 37,000)}{2} \times 1.1 = 41,250$ | \$ 41,250 |
| Year 2: \$38,000 | $\frac{(37,000 + 33,000)}{2} \times 1.1 = 38,500$ | \$ 38,000 |
| Year 3: \$37,000 | $\frac{(33,000 + 32,000)}{2} \times 1.1 = 35,750$ | <u>\$ 35,750</u> |
| Year 4: \$33,000 | | |
| Year 5: \$32,000 | | |
| | | \$ 115,000 ÷ 3 = |
| | | \$ 38,334 FAS |

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.

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. **

* Tier 5 members are limited in their allowable overtime earnings.

** Lump Sum Vacation payment will be added into the last year's earnings.

FIVE-YEAR FINAL AVERAGE SALARY

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 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;
- Lump sum payments for accumulated vacation;
- Wages in excess of the Governor's salary, currently \$179,000; and
- For members paid by three or more employers, wages paid by more than two of those employers.

* Tier 6 members are limited in their allowable overtime earnings.

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 | $\frac{(38,000 + 37,000 + 33,000 + 32,000)}{4}$ | × 1.1 = | 38,500 | \$ | 38,500 |
| Year 2: \$38,000 | $\frac{(37,000 + 33,000 + 32,000 + 31,000)}{4}$ | × 1.1 = | 36,575 | \$ | 36,575 |
| Year 3: \$37,000 | $\frac{(33,000 + 32,000 + 31,000 + 30,000)}{4}$ | × 1.1 = | 34,650 | \$ | 34,650 |
| Year 4: \$33,000 | $\frac{(32,000 + 31,000 + 30,000 + 29,000)}{4}$ | × 1.1 = | 33,550 | \$ | 33,000 |
| Year 5: \$32,000 | $\frac{(31,000 + 30,000 + 29,000 + 28,000)}{4}$ | × 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 = | |
| | | | | \$ 34,945 FAS | |

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.

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

Tiers 2, 3 & 4

| Age at Retirement | | Reduction |
|-------------------|---|-----------|
| 62 | = | 0% |
| 61 | = | 6% |
| 60 | = | 12% |
| 59 | = | 15% |
| 58 | = | 18% |
| 57 | = | 21% |
| 56 | = | 24% |
| 55 | = | 27% |

Tier 5

| Age at Retirement | | Reduction |
|-------------------|---|-----------|
| 62 | = | 0% |
| 61 | = | 6.66% |
| 60 | = | 13.33% |
| 59 | = | 18.33% |
| 58 | = | 23.33% |
| 57 | = | 28.33% |
| 56 | = | 33.33% |
| 55 | = | 38.33% |

Tier 6

| Age at Retirement | | Reduction |
|-------------------|---|-----------|
| 63 | = | 0% |
| 62 | = | 6.5% |
| 61 | = | 13.0% |
| 60 | = | 19.5% |
| 59 | = | 26.0% |
| 58 | = | 32.5% |
| 57 | = | 39.0% |
| 56 | = | 45.5% |
| 55 | = | 52.0% |

TIERS 1 & 2

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 the Retirement System, 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 9-24 for calculation information.) Please contact the Retirement System for eligibility requirements.

| Examples | |
|---|--|
| Tier 1 Age 55 | |
| 28 years of service FAS = \$43,500 | |
| $\frac{28 \times \$43,500}{50}$ | = \$ 24,360 per year \$ 2,030 per month |
| Tier 2 Age 55 | |
| 28 years of service FAS = \$43,500 | |
| $\frac{28 \times \$43,500}{50}$ | = \$ 24,360 - 6,577 * \$ 17,783 per year \$ 1,482 per month |
| * 27 percent benefit reduction at age 55. | |
| Tier 2 Age 55 | |
| 30 years of service FAS = \$43,500 | |
| $\frac{30 \times \$43,500}{50}$ | = \$ 26,100 per year \$ 2,175 per month |

TIERS 1 & 2

Section 75-f (State) and Section 75-g (Local)

Service Retirement Benefit

- With 25 or more years of service credit, your guaranteed 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 the Retirement System, 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 |
| Tier 2 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 |
| | - 6,655 * |
| | \$ 17,995 per year |
| | \$ 1,499 per month |
| * 27 percent benefit reduction at age 55. | |
| 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 |

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 the Retirement System, 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 | |
| $\frac{17 \times \$43,500}{60}$ | = \$ 12,325 per year \$ 1,027 per month |
| Tier 2 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. | |

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 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 per year \$ 1,027 per month |
| Age 55 | |
| 17 years of service FAS = \$43,500 | |
| $\frac{17 \times \$43,500}{60}$ | = \$ 12,325 - 4,724 * \$ 7,601 per year \$ 633 per month |
| * 38.33 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 - 7,336 * \$ 11,804 per year \$ 983 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 |
| $(.015 \times 2^{**}) \times 43,500$ | = + 1,305 \$ 27,405 - 10,504 * \$ 16,901 per year \$ 1,408 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 credit.
- 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.)

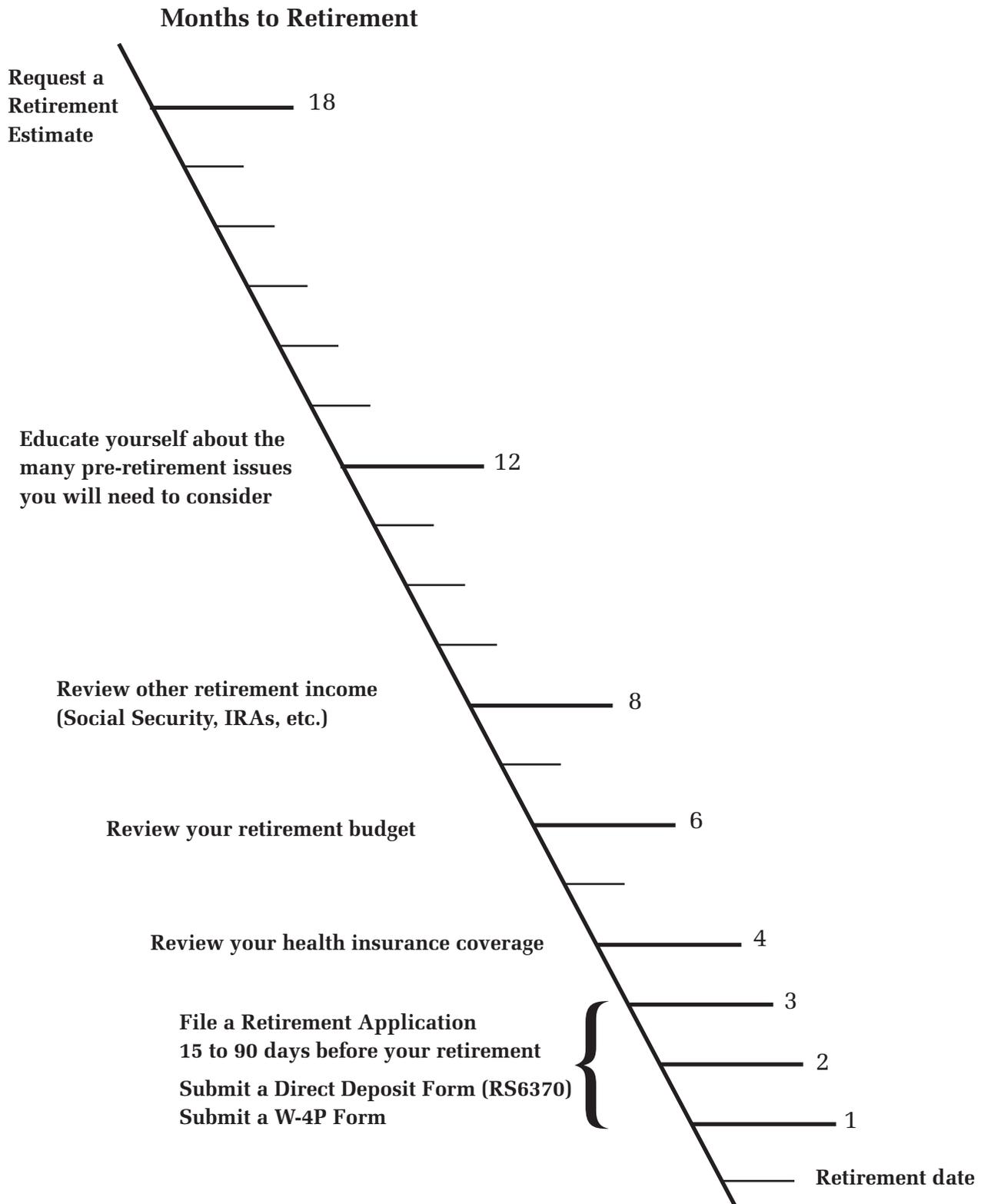
| Examples | |
|---------------------------------------|--|
| Age 63 | |
| 17 years of service FAS = \$43,500 | |
| $\frac{17 \times \$43,500}{60}$ | = \$ 12,325 per year \$ 1,027 per month |
| Age 63 | |
| 22 years of service FAS = \$43,500 | |
| $\$43,500 \times .35$ (20 years) | = \$ 15,225 |
| $\frac{2 \times \$43,500}{50}$ | = + 1,740 |
| | \$ 16,965 per year \$ 1,413 per month |

| Examples | |
|---|---------------------------------------|
| Age 55 | |
| 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. | |
| Age 55 | |
| 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. | |

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



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 to use the calculator. This service is currently not available to members enrolled in certain plans and to Tier 5 or 6 members.

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.**

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 by phone or in-person at locations throughout New York State. To request a benefit projection or to schedule an appointment to speak with an Information Representative, 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 we calculate 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 9-39 through 9-42).

You can receive this information by submitting a Request for Estimate form (RS6030) or by writing to our Benefit Calculations and Disbursement Services Bureau. This form is available from our Call Center, or 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.

NOTE: 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.

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;
- Baptismal certificate;
- Certificate of Release or Discharge from Active Duty (DD-214);
- 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.

If you are unable to provide one of these documents, please contact us for information about alternate types of proof that are acceptable.

You may forward proof of your and/or your beneficiary's birth dates to us anytime before your retirement date. Be sure to include your name, address and registration number with any documents you want included in your records.

Commit to Paying Off Your Retirement System Loan(s)

Many members take advantage of our loan program. However, it is very much to your advantage, as you near retirement, to commit to paying off (or at least substantially reducing) your Retirement System loan balances. A portion of any remaining balance at retirement may be reportable as ordinary income and subject to federal income tax.

Additionally, if you are a Tier 1 or 2 member with outstanding loans, your pension will not be affected, but the balance remaining on your loans will permanently reduce your annuity. Because your loans are paid off by your contributions at retirement, large outstanding loans could substantially reduce your contribution balance.

If you are a Tier 3, 4, 5 or 6 member with outstanding loan balances at retirement, you will have a permanent reduction to your pension benefit. Your pension benefit will not increase, even though the loan balances could have been paid off, over time, by the amount of the benefit reduction.

You may pay off your loan sooner by increasing the amount of your 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 indicate the payment is to be applied to your loan. These 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:

New York State and Local
Retirement System
Member & Employer Services Bureau
Loan Unit
110 State Street
Albany, NY 12244-0001

Review Your Domestic Relations Order

Retirement benefits are considered marital property and can be divided between you and your ex-spouse when you divorce.

- 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.

The Retirement System offers an easy to complete online DRO template. The template is not required, but all submissions using the template will be given priority review. 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 to us a notarized statement:

- 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 fillable DRO template and how divorce may affect retirement benefits, please visit our website: 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. 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 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 offers many tools to help guide you through the retirement process. Though they have suspended mailing annual statements, they do offer online statements. Also, you may be able to estimate your benefit using their online Retirement Estimator. For more information, visit their website at www.ssa.gov. In addition, this site contains information on Medicare, disability benefits and planning for your retirement and will help you locate your nearest Social Security Administration office.

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 and/or save for future goals. We have included a set of work sheets to help you in your budget preparation on pages 9-36 to 9-38.

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 total 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** 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** or call them at 1-800-833-4344 or 518-457-5754 to learn more.

MONTHLY INCOME WORKSHEET

| Source | Present | Anticipated |
|-------------------------------------|-----------------|--------------------|
| New York State Retirement Income | \$ _____ | \$ _____ |
| Social Security Amount | _____ | _____ |
| Yield from Savings | _____ | _____ |
| Dividends from Stocks, Mutual Funds | _____ | _____ |
| Life Insurance Income | _____ | _____ |
| Salary | _____ | _____ |
| Real Estate | _____ | _____ |
| Other Sources | _____ | _____ |
| TOTAL | \$ _____ | \$ _____ |

MONTHLY EXPENSES WORKSHEET

| Item | Present | Anticipated |
|--|-----------------|-----------------|
| SHELTER | | |
| Rent | \$ _____ | \$ _____ |
| Mortgage Payments | _____ | _____ |
| Real Estate Taxes | _____ | _____ |
| Insurance | _____ | _____ |
| HOUSEHOLD MAINTENANCE | | |
| Repairs, House & Grounds | _____ | _____ |
| Water, Electricity, etc. | _____ | _____ |
| Fuel | _____ | _____ |
| Telephone | _____ | _____ |
| Waste Disposal | _____ | _____ |
| Hired Help | _____ | _____ |
| Other | _____ | _____ |
| HOME PURCHASES | | |
| Furniture & Fixtures | _____ | _____ |
| Equipment, Household & Yard | _____ | _____ |
| Other | _____ | _____ |
| AUTOMOBILE & TRANSPORTATION | | |
| Monthly Car Payment | _____ | _____ |
| Repairs | _____ | _____ |
| Gas & Oil | _____ | _____ |
| License & Registration | _____ | _____ |
| Insurance | _____ | _____ |
| Other Transportation | _____ | _____ |
| TOTAL (Enter on next page) | \$ _____ | \$ _____ |

Monthly Expenses Worksheet (Continued)

| Item | Present | Anticipated |
|----------------------------------|----------|-------------|
| TOTAL (From previous page) | \$ _____ | \$ _____ |
| MEDICAL & HEALTH | | |
| Medicines & Drugs | _____ | _____ |
| Doctor, Dentist, etc. | _____ | _____ |
| Hospital | _____ | _____ |
| Insurance Premiums | _____ | _____ |
| Other | _____ | _____ |
| CLOTHING | | |
| New Clothing | _____ | _____ |
| Dry Cleaning, Laundering | _____ | _____ |
| Other | _____ | _____ |
| FOOD | | |
| Food at Home | _____ | _____ |
| Food Away From Home | _____ | _____ |
| TAXES & INSURANCE | | |
| Federal | _____ | _____ |
| State & Local | _____ | _____ |
| Life Insurance Premiums | _____ | _____ |
| SAVINGS & INVESTMENTS | | |
| Savings, Stocks, IRAs | _____ | _____ |
| Other | _____ | _____ |
| PERSONAL CARE | | |
| _____ | _____ | _____ |
| TOTAL | \$ _____ | \$ _____ |

Sample Estimate: Tier 1 and 2

GENERAL ESTIMATE

Name:

Reg. No.:

Date:

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

Total service: 36.80 Years

Type of Retirement: Section 75h

Final Average Salary: \$41,300

Date of Birth: January 25, 1957

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 \$2,533 per month. There is no form of payment to any beneficiary after your death. |
|----------------------------------|--|

| | |
|-----------------|---|
| 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. |
|---|--|

| | |
|--------------------------------------|---|
| Cash Refund Initial Value (Option 1) | This reduced lifetime allowance pays \$2,419 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. |
|--------------------------------------|---|

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 \$2,258 per month. If you die before your beneficiary, we will pay your beneficiary \$2,258 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: | \$27,104 + Annual Annuity: \$0 = Annual Allowance: \$27,104 |
|-----------------|---|

Sample Estimate: Tier 3 & 4 Article 15

GENERAL 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, 2016

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 \$2,254 per month. There is no form of payment to any beneficiary after your death. |
| Annual Allowance: | \$27,049 |

| | |
|---------------------------------|--|
| Joint Allowance Full (Option 1) | This option provides a reduced retirement allowance of \$1,961 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. |
| Annual Allowance: | \$23,543 |

| | | | |
|------------------------------------|--|--------------------|---------|
| 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. | | |
| | ANNUAL ALLOWANCES | MONTHLY ALLOWANCES | |
| | 75% | \$24,330 | \$2,027 |
| | 50% | \$25,174 | \$2,097 |
| | 25% | \$26,077 | \$2,173 |

Five Year Certain (Option 3) This option provides a reduced lifetime retirement allowance of **\$2,236** per month. If you die within five years of retirement, payments of **\$2,236** 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: \$26,840

Ten Year Certain (Option 4) This option provides a reduced lifetime retirement allowance of **\$2,193** per month. If you die within ten years of retirement, payments of **\$2,193** 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, 2014. If you live more than ten years after retirement, all payments stop at your death.

Annual Allowance: \$26,321

Pop-Up Joint Allowance Full (Option 5) This reduced lifetime allowance pays **\$1,932** per month. If you die before your beneficiary, we will pay **\$1,932** 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: \$23,194

Pop-Up Joint Allowance Half (Option 5) This reduced lifetime allowance pays **\$2,081** per month. If you die before your beneficiary, we will pay **\$1,040** 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: \$24,974

For Office Use: Case #: 00006

Unit ID: Unit C3

User ID: Rt019

11.192 0.8704 0.8995 0.9307 0.9641 0.9923 0.9731 0.8575 0.9233

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 in advance. However, it is important that you know exactly what your responsibilities are at this point. It will also help if you understand how we will be handling our part of the process so that you can plan properly.

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. This form is available through your employer, our Call Center and consultation sites, or 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 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 this time-sensitive document personally, you can fulfill the filing requirement by mailing your application to us. If you are concerned about meeting a filing deadline, you can mail your application via “certified mail — return receipt requested.” When we receive your application, it will be considered as having been filed on the same date it was mailed.

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 retirement benefit directly deposited into the bank account of your choice.

We will prepare an 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

A W-4P form (Withholding Certificate for Pension or Annuity Payments) enables you to have federal taxes withheld from your monthly benefit. If you are not sure how much should be withheld, read through our Tax Related Frequently Asked Questions and use the federal tax withholding calculator on our website at www.osc.state.ny.us/retire/retirees/tax_services_information.php.

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 withholding will be deducted 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 advisor 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. The W-4P form is available from our Call Center and at all our consultation sites, or see 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. There you will find a complete list of states that tax and do not tax your New York State retirement benefit.

Receiving Your Benefit

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 elect to receive a smaller monthly benefit to provide for a possible 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 of the amounts payable under each available option within the past 18 months. If not, we will mail you an estimate after we receive your retirement application. At that time, we will notify you when you must submit your option selection.

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.

Following are the available options; however, some are only applicable to specific tiers.

Single Life Allowance (Option O)

This is the basic retirement benefit. It 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 only one year, or sooner, 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.

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 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 in a single payment. “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.

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.

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 life. 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.

** 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 9-51.*

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after you retire

The retirement process doesn't stop once you reach your date of retirement. There is still some work to be done, and there are a number of things you should know in advance to ensure that you are properly prepared for what happens next.

Advance Payments

After you retire, we will begin the process of finalizing your benefit calculations. Since this process can take some time, as a new retiree, you may be eligible to receive advance payments until we have completed your benefit calculations.

Advance payments are based on your most recent estimate or benefit projection and are approximately 90 to 95 percent of the estimated monthly amount of the retirement option you have elected.

Your first advance payment will be **mailed** to you approximately five to eight weeks after your date of retirement. The table below shows the schedule of mailing dates for a new retiree's first advance payment.

| Date of Retirement | Date first Advance Payment is mailed |
|--------------------|--------------------------------------|
| January 1-31 | 1st business day of March |
| February 1-28 (29) | 1st business day of April |
| March 1-31 | 1st business day of May |
| April 1-30 | 1st business day of June |
| May 1-31 | 1st business day of July |
| June 1-30 | 1st business day of August |
| July 1-31 | 1st business day of September |
| August 1-31 | 1st business day of October |
| September 1-30 | 1st business day of November |
| October 1-31 | 1st business day of December |
| November 1-30 | 1st business day of January |
| December 1-31 | 1st business day of February |

Advance payments are subject to federal income tax withholding. You can choose the amount to be withheld by submitting a W-4P Withholding Certificate. See page 9-68 for a description and a link to the form on our website. If you do not submit a W-4P form, withholding will be based on a rate of "married with three exemptions."

Advance payments are always paid in the form of a check and mailed to the home address you have on file with the Retirement System. These payments cannot be paid via our Direct Deposit Program. If you plan to relocate during the period you are receiving advance payments, please contact us as soon as possible and provide us with your new address and the date it becomes effective.

The maximum amount that can be paid in one advance payment is \$9,999.

Final Calculation Letter and Retroactive Payments

When we finalize 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 in the form of advance payments.

If the total amount of the pension you have earned up to that point exceeds the total amount of your advance payments, we will issue you a retroactive payment to make up the difference (less federal withholding, if applicable). If you have previously submitted a Direct Deposit Enrollment Application, your retroactive payment will be deposited directly into your bank account. If you have not applied for direct deposit, we will mail you a check for your retroactive payment.

Direct Deposit Program

This program becomes available to you once we receive your Direct Deposit Enrollment Application and your final retirement benefit calculations have been completed. With direct deposit, payments are deposited into your bank account on the last business day of each month.

To enroll in our Direct Deposit Program, you must complete an Electronic Funds Transfer/ Direct Deposit Enrollment Application (RS6370) (mailed with your estimate or Option Election Form) and return it to us. We do not accept direct deposit forms issued by your banking institution. This form is available from our Call Center, or see page 9-67 for a description and a link to the form on our website.

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.

When you die, if you selected an option that pays a lifetime benefit to your beneficiary, and the beneficiary is your spouse, he or she will be eligible to receive half of the COLA amount you would have been entitled to receive.

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 the Retirement System. 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.

Disregarding, or otherwise not following 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.

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 _____

Retirement System Registration No. _____ Social Security Number _____ - _____ - _____

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 & 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 & Local Retirement System, 110 State Street, Albany, NY 12244-0001, or toll-free at 1-866-805-0990 or 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 the Retirement System upon your death to determine what benefits may be due.

VO1848 (Rev. 8/14)

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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 be sure to keep your beneficiary information up-to-date with the Retirement System. 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 Benefit¹

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

$$\frac{34 \times \$43,500}{12} = \$ 123,250 \text{ (lump sum)}$$

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

$$\frac{34 \times \$43,500}{60} = \$24,650 \times 13.954^* = \$ 343,966 \text{ (lump sum)}$$

* Annuity factor for member age 55

¹Updated 12/15

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, or 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

Tier 1

Final Average Salary: \$43,500

50% of \$43,500 = **\$21,750 (annually)**

Out-of-Service Death Benefit

Eligibility

With **at least one year, but less than ten years** of service credit and:

- You did not terminate your membership.
- You are not gainfully employed.
- Your death occurs within one year of terminating employment.

Benefit

- Equals the ordinary death benefit.
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

Eligibility

With **ten or more years** of service credit and:

- You become employed within the first year, or later, of discontinuing public employment.

Benefit

- Equals 50 percent of the ordinary death benefit, plus contributions, if any, with interest.
- Paid as a lump sum.
- Up to first \$50,000 is paid as group term life insurance and is not taxable.

TIERS 2, 3, 4, 5 & 6

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

$3 \times \$43,500 = \mathbf{\$130,500}$ (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 or 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

$50\% \text{ of } \$43,500 = \mathbf{\$21,750}$ (annually)

Out-of-Service Death Benefit

Eligibility

With **at least one year, but less than ten years** of service credit and:

- You are not employed.
- Your death occurs within one year of terminating employment.
- You did not terminate your membership.

Benefit

- Equals the ordinary death benefit.
- Paid as a lump sum.

Eligibility

With **ten or more years** of service credit and:

- You become employed within the first year, or later of discontinuing public employment.

Benefit

- Equals 50 percent of the ordinary death benefit, plus contributions with interest.
- Paid as a lump sum.

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)

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survivor's benefit program

This program is available to New York State employees 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 form RS6355 available from the Retirement System 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.

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). This form is also available from our Call Center, or see page 9-68 for a description and a link to the form on our website.

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 the Publications page on our website at 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.

RETIREMENT SYSTEM
forms

Request for Previous Service (RS5042)

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 the Retirement System. 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.

Request for Estimate (RS6030)

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 9-29 through 9-42.

(Note: this is a two page form, please submit both pages.)

Application for Service Retirement (RS6037)

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 9-43 through 9-48.

(Note: this is a two page form, please submit both pages.)

Application for Service Retirement
RS 6037 (Rev. 01)

Office of the New York State Comptroller
110 State Street, Albany, New York 12244-0001

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):
 U.S. CITIZEN RESIDENT ALIEN NONRESIDENT ALIEN

6. REGISTRATION NUMBER: _____ 7. DATE OF BIRTH: _____ 8. EFFECTIVE RETIREMENT DATE: _____

9. INFORMATION ABOUT YOUR PUBLIC EMPLOYMENT
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

| EMPLOYER (Include whether State, County, City, Town, Village, etc.) | DEPARTMENT OR AGENCY | TITLE OR POSITION | SERVICE FROM TO |
|--|----------------------------|-------------------------|--------------------|
| | | | |
| | | | |
| | | | |

Electronic Funds Transfer Direct Deposit Enrollment Application (RS6370)

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 9-51.

(Note: this is a two page form, please submit page 1.)

Electronic Funds Transfer Direct Deposit Enrollment Application
RS 6370 (Rev. 11/15)

Office of the New York State Comptroller
110 State Street, Albany, New York 12244-0001

SECTION 1. TO BE REVIEWED AND CORRECTED BY PENSIONER
Name: _____ Soc. Sec. No. _____ Retirement # _____
Mailing Address: _____
Corrections (if any): _____
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 (NYS/LS) be transferred to my account via Electronic Funds Transfer (EFT) Direct Deposit to:
Name of Financial Institution: _____
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.
NYS/LS is authorized to continue making such benefit payments to said financial institution or any of its successors until NYS/LS receives written notice from me to the contrary. I agree the NYS/LS shall have no liability or responsibility for loss occasioned by erroneous information supplied by myself, my duly authorized representative, or the financial institution.
I expressly acknowledge and understand any payments made pursuant to this request will be directly an accommodation made to me by NYS/LS. NYS/LS reserves the right to discontinue or decline to honor this EFT request without prior notice.
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 was 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 NYS/LS.
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): _____
(Verify account type in section 2 is correct)
Transfer/ABA Number (ACH Format - 9 Digits): _____ Depositor's Account Number (EFT Partner - Cannot Exceed 17 Digits): _____
Name of Financial Institution: _____
Address: _____ Telephone: () _____
City: _____ State: _____ Zip Code: _____
I, as representative of the above named financial institution, agree to abide by the NACHA Rules and Regulations. Amounts paid to account holder in which checks is not entitled will be returned to NYS/LS. 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

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 Tax Related Frequently Asked Questions and use the federal tax withholding calculator on our website at 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 9-45.

Designation of Beneficiary (RS5127)

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 9-59.

(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)*

<https://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.

As a State employee, the New York State Health Insurance Program (NYSHIP) provides your health insurance benefits through The Empire Plan or a NYSHIP-approved Health Maintenance Organization (HMO). As you plan for retirement, you have important decisions to make about your health insurance and other benefits. This guide explains 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 apply to 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 NYSHIP coverage for yourself and your eligible dependents after you retire. You must meet all three eligibility requirements.

Minimum Service Requirement: 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 retired. **Note:** All New York State agencies count as the same employer for this requirement.

If you were **last hired** 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 and/or Participating Agencies.

If you were **last hired** 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.

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, you must have

10 years (see previous information regarding last hired date) of NYSHIP benefits-eligible service. See the following information on continuing your coverage as a vestee and read your New York State Health Insurance Program (NYSHIP) documents for complete information.

Not all employment counts toward achieving eligibility for health insurance. 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 early in your planning for retirement to make sure that you meet the service requirements for health insurance as a retiree. **Ask your Health Benefits Administrator 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 Employees' Retirement System, the New York State Teachers' Retirement System, or the New York State and Local Police and Fire Retirement System) or any of New York State's 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-CREF, you must also satisfy **one** of the following conditions:

- Meet the age requirement of the Employees' Retirement System retirement tier in effect at the time you last entered service, or
- 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 will 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 Health Benefits Administrator about use of sick leave accruals and the dual annuitant sick leave 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 publicly administered 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 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 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 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 (this one-year deadline applies if the date of your disability retirement was *not* granted retroactive to the last day you were enrolled in NYSHIP as an active employee, vestee or COBRA enrollee, or employee on leave).

If you do not apply in writing within one year, the 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 (that is, secure rights to) your state pension, contact your Health Benefits Administrator (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 covered 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 retire. If your spouse or domestic partner is eligible for NYSHIP coverage in his or her 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. 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 Health Benefits Administrator 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?

For retirements on or after January 1, 2012, 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 on a biweekly basis. 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, your share of the health insurance premium will be deducted from your monthly pension check, or you will be sent a monthly bill and remit payments directly to the Employee Benefits Division. As a retiree, you will continue to pay the same share of your health insurance premium as you did while actively working.

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

health insurance deductions from your pension. In the interim, you will be billed directly for your share of the premium. Your first bill will include premiums due beginning with the point at which you were no longer paying as an active employee through the current billing period. You will then be billed on a monthly basis. Expect to be billed for several months before deductions begin.

When your pension check is finalized, the retirement system notifies the Employee Benefits Division and your pension deductions begin automatically. You must pay what you are billed until your deductions begin or you may be canceled for non-payment of premium. This could result in a break in coverage.

How will my sick leave credit affect the monthly cost of my health insurance premium?

If you are eligible to use sick leave credit when you retire, your agency will report your hourly rate of pay and unused sick leave hours to the Employee Benefits Division. The Division will calculate the monthly value of your sick leave. **Note:** Using your sick leave credit for health insurance will not affect the value of your sick leave for pension purposes.

The result of the calculation is a lifetime monthly sick leave credit that is used to reduce your share of the monthly health insurance premium for as long as you remain enrolled in NYSHIP. Remember that premium rates are recalculated each year, usually effective each January 1. **If the retiree premium rises, the amount you pay may also rise.** To determine the amount you will pay, subtract your monthly sick leave credit from the new monthly premium, as reported to you in *NYSHIP Rates*, which is issued each time rates are changed.

Your sick leave credit is a lifetime credit and the value remains constant as long as you remain enrolled in NYSHIP as a retiree. You can use a maximum of 200 days (165 days for certain groups) of earned sick leave. See your Health Benefits Administrator for details.

Note: *Sick leave credit does not apply to judges, justices, and other enrollees who are not entitled to accumulate sick leave.*

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.

Sick leave credit can be applied toward your Empire Plan or HMO premium only if you retire directly from active employment, Leave status, Preferred List coverage, or are approved for disability retirement retroactive to your last date of employment **and** your premiums are paid in full through your retirement date. Sick leave credit may not be applied toward health insurance premium costs while you are in vested status or after retiring from vested status.

To estimate the value of your sick leave credit, visit the NYSHIP Online portion of the Department of Civil Service web site at <https://www.cs.ny.gov/employee-benefits>. From the homepage, click on Benefit Programs, follow the prompts to access NYSHIP Online and then choose Planning to Retire? **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 have other health insurance coverage**. If you choose to defer health insurance coverage, you must make that election **before** your retirement date, by completing Form PS-406.2. For assistance with deferring retiree health coverage, contact your HBA.

There may be advantages to delaying the start of your NYSHIP 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 for 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 may be eligible to reenroll for NYSHIP coverage as dependent survivors. **They must write to the Employee Benefits Division requesting reenrollment in NYSHIP within 90 days of your death.**

Dependent eligibility requirements for reenrollment are the same, whether retiree health insurance coverage is deferred or not.

How can I assure 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. If you want this option, you must request it in writing **before your retirement date**. 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. 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 option, your monthly sick leave credit will be 70 percent of \$26.61, or \$18.63. The same amount (\$18.63 a month in this example) will be available to your dependents as long as they remain eligible for NYSHIP and are enrolled as dependent survivors. **Note:** The credit cannot be used to reduce COBRA premium. 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 to your Health Benefits Administrator **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 or 165 days for certain groups) 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.

Once you elect the Dual Annuitant Sick Leave Credit Option, you may not discontinue it. If your dependent(s) die 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
- have received Social Security disability benefits for 24 consecutive months, or
- have end-stage renal disease (permanent kidney failure) or
- have been awarded a Social Security disability benefit due to amyotrophic lateral sclerosis (ALS), more commonly known as Lou Gehrig's Disease.

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 (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: 1) If you or your eligible dependent is diagnosed with end-stage renal disease, Medicare becomes primary after an initial 30-month coordination period, regardless of whether coverage is provided under an active or retired employee contract; 2) If you are covering a domestic partner who becomes eligible for Medicare due to age, the domestic partner must be enrolled in both Parts A and B when first eligible, regardless of your employment status.

In most cases, when you retire and reach age 65, Medicare becomes the primary coverage for you and/or your dependents, if eligible, and therefore Medicare enrollment is required.

Requirements for enrolling in Medicare apply to both Empire Plan and 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 (pays first, before NYSHIP), but fails 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 primary Medicare coverage due to disability, contact your Social Security office *three months before* active employment ends to arrange for Medicare Parts A and B coverage. 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 domestic partner must be enrolled in Medicare at age 65 whether you are an active or retired employee.** If diagnosed with end-stage renal disease, you or your dependent must have Medicare Parts A and B in effect upon completion of the Medicare 30-month coordination period whether you are an active or retired employee.

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 the first of the month before the birthday if the birthday falls on the first of the month). Contact Social Security 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 when first eligible. Persons eligible for Medicare due to end-stage renal disease should refer to the *NYSHIP General Information Book* and contact Medicare to determine when Medicare becomes primary.

If you do not apply three months preceding the month of the 65th birthday, you may be subject to a waiting period before Medicare becomes effective. During that waiting period you will have a gap in

your coverage that could be very costly for you.

If you or your dependent is eligible for Medicare coverage that is primary to NYSHIP, the State will reimburse you for the standard cost of Medicare Part B monthly premiums unless you are receiving reimbursement from another source.

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 may terminate your NYSHIP benefits for you and any covered dependents. If your dependent enrolls in a Medicare Part D plan outside of NYSHIP, his or her coverage will be terminated.

* If you enroll in almost any other Medicare plan, even one that does not include a Part D plan, you will be disenrolled from The Empire Plan or a Medicare HMO.

For more information on Medicare reimbursement and how Medicare affects NYSHIP benefits, see your *NYSHIP General Information Book, Planning for Retirement*, 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 HMO prescription drug coverage, call your HMO.

For information on Medicare benefits and claims, call 1-800-MEDICARE (800-633-4227). To enroll in Medicare, call Social Security 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 an HMO) change?

Your retiree benefits under The Empire Plan or a NYSHIP HMO may differ somewhat from those you received as an active employee. Ask your Health Benefits Administrator for retiree information for The Empire Plan. If you are enrolled in an HMO, ask your HMO about retiree coverage.

You are eligible to change health insurance plans (options) at retirement (or any other time) if you meet criteria described in your *NYSHIP General Information Book*. Otherwise, you continue to have the same plan you had as an active employee. 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 may change health insurance plans (options) at any time but only once during a 12-month period. You are no longer held to the annual Option Transfer Period. You will receive information about option transfer in the mail near the end of each calendar year, including summaries of all NYSHIP plans 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 Health Benefits Administrator 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 department or agency and you or your dependent(s) are eligible for Medicare, NYSHIP will be primary to Medicare for you and for your Medicare-eligible dependents. (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 Health Benefits Administrator 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 10 years of NYSHIP benefits-eligible service, 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 Employees' Retirement System or the New York State Teachers' Retirement System, or to the Employee Benefits Division if you were not a member of a retirement system administered by New York State or you elected to pay your premium directly to EBD. **Note:** Choosing the Dual Annuitant Sick Leave Option is not a requirement for dependent survivor coverage.

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.

OTHER BENEFITS

Can I continue dental and vision coverage after retirement?

Dental and/or vision coverage is available through COBRA when you retire. Dental coverage is also available through the group dental plan for New York State retirees via GHI.

COBRA, the federal Consolidated Omnibus Budget Reconciliation Act, 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, APSU and certain Court 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, 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 employee benefit ends.

DENTAL PLAN FOR RETIREES

As a retiree, you may also choose to enroll in the GHI Preferred Group 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 GHI 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.

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 HMO, check to see whether hearing care coverage is part of your current benefits package. If your current HMO coverage includes a hearing benefit, you continue to be eligible for it as a retiree. Confirm with your 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?

If you purchased long term care insurance through NYPERL, the New York State Public Employee and Retiree Long Term Care Insurance Plan, 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 pay your long term care premium through payroll deduction, you will need to change your method of payment. 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 IPP benefits when you retire, you will 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 retire as a member of a retirement system administered by New York State (such as the New York State and Local Employees' Retirement System, the New York State Teachers' Retirement System, or the New York State Police and Fire Retirement System) or any of its subdivisions, or
- 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, or
- 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 Health Benefits Administrator 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 Health Benefits Administrator (HBA).

Here are some things to discuss:

- Make sure you meet the minimum service requirements for continuing benefits in retirement. For health insurance, be especially sure to check any part-time or local government service.
- 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 Changing from NYSHIP to a Direct-Pay Conversion Contract in your *NYSHIP General Information Book* and benefit materials. *Ask your HBA for details.*

- 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 to provide information about Deferred Health Insurance Coverage. This election must be made **before** your retirement date.*

* 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 over 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-primary enrollees and dependents must be enrolled in Medicare Parts A and B. (If applicable, Medicare becomes primary to NYSHIP on the first day

of the month following a “runout” period of 28 days after the last day of the payroll period in which you retire.)

If Medicare eligibility is based on end-stage renal disease (permanent kidney failure), Medicare becomes primary after completion of a 30-month coordination period, regardless of employment status. 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 to 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, Program Administration Unit, 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 Health Benefits Administrator. After you retire, the Employee Benefits Division will serve as your Health Benefits Administrator. To speak to a representative, call 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) regular business days between 9 a.m. and 4 p.m. Eastern time.

- The Department of Civil Service web site, <https://www.cs.ny.gov>, provides information on retiree benefits under the Retirees tab on the homepage. Choose Health Benefits.
- 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 HMO Contract, provides details of plan coverage.
- The *Empire Plan At A Glance* for New York State Retirees is a brief summary of your Empire Plan benefits and responsibilities.
- *Retiree Health Insurance Choices* provides option transfer information and brief descriptions of all NYSHIP options.
- *NYSHIP Program Rates and Information for New York State Retirees* provides service areas and premium rates of all NYSHIP options.
- *Welcome to EBD* helps you stay in touch with the Employee Benefits Division after you retire.
- *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.
- The *Medicare & NYSHIP* booklet and companion video explain how NYSHIP and Medicare work together to provide 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 medical benefits and claims information. Call Social Security at 1-800-772-1213 to enroll in Medicare.

- *On the Road with The Empire Plan* is a handy guide to your Empire Plan benefits when traveling.

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 Health Benefits Administrator, 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**

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**

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**

8. I have tried to estimate my sick leave credit. **YES NO**

9. I understand how Medicare interacts with my NYSHIP coverage, and I, and/or my dependents, have contacted Social Security to enroll in Medicare, if eligible. **YES NO**

10. I know when, why and how I must vest my health insurance. **YES NO**

11. I understand what happens to my dental and/or vision coverage after my retirement. **YES NO**

Chapter 11

Social Security and Medicare



www.socialsecurity.gov
1-800-772-1213

We gratefully acknowledge the cooperation of the Social Security Administration 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*
- *explain Medicare benefits*

Social Security benefits and rules are subject to change. This Guide includes information about benefits that was up-to-date in December 2015. Be sure to ask about any change in these rules and benefits as you plan for your retirement. If you want more information, contact your local Social Security Office, call 1-800-772-1213 or check www.socialsecurity.gov.

The following material has been taken from publications of the Social Security Administration and was adapted for use in this *Guide*.

YOUR SOCIAL SECURITY BENEFITS

Social Security is the federal government's method of assuring a continuing income to you and your family when your earnings stop or are reduced because of your retirement, disability, or death.

BUILDING PROTECTION

Monthly Cash Benefits

Before you or your family can get monthly cash benefits, you must have credit for a certain amount of work under Social Security.

For retirement benefits, you must have at least 40 work credits, approximately ten years of work. For Disability benefits, the exact amount of work credit needed depends on your age.

Before you or your family can get any Social Security benefits, you must apply for them. You should check with Social Security online, by phone, or with any office if:

- You are 62 (or within 3 months of 62) or older and plan to retire;
- You are within three months of 65 even if you don't plan to retire;
- You are unable to work because of an illness or injury that is expected to last a year or longer;
- Someone in your family dies.

It is important for you to call, visit, or contact Social Security before you reach 65, not only about retirement benefits but also about Medicare, which is available whether or not you retire. Most Social Security claims can be filed by telephone or online. You can speak to a representative from 7 a.m. to 7 p.m. on business days, or in person by appointment. Call 1-800-772-1213 (voice) or 1-800-325-0778 (TTY), or check www.socialsecurity.gov for the location of the office nearest you.

HOW YOU EARN SOCIAL SECURITY CREDITS

You earn Social Security credits by working in a job covered by Social Security. A Social Security credit is also called a "quarter of coverage." You earn one credit, or quarter of coverage, if you have a certain amount of covered

earnings. The amount of covered earnings needed for a credit automatically rises each year to keep up with increases in average wage levels.

You can earn up to four Social Security credits each year. In 2016, you earn one credit for each \$1,260 of your covered annual earnings, up to a maximum of four credits for the year (earnings over \$5,040). No more than four credits can be earned in any one year, regardless of your total earnings.

MILITARY SERVICE

Earnings for active duty military service or active duty training have been covered under Social Security since 1957. If you served in the military before 1957, you did not pay Social Security taxes, but we gave you special credit for some of your service.

Under certain conditions, you may receive earnings credits of \$160 a month for active military service from September 16, 1940, through 1956.

If you served in the military in 1957 through 1977, we credited you with \$300 in additional earnings for each calendar quarter in which you received active duty basic pay.

If you served in the military in 1978 through 2001, we credited you with an additional \$100 in earnings up to a maximum of \$1200 per year, for every \$300 in active duty basic pay. After 2001, additional earnings are no longer credited.

WHO GETS BENEFITS?

Monthly Social Security benefits may go to workers and their dependents (see next section) when the worker retires, becomes severely disabled, or dies. These benefits include:

- Retirement benefits that you can start getting as early as age 62.
- Disability benefits if you become severely disabled before your full retirement age. Under Social Security, you are considered

disabled if you have a severe physical or mental condition which prevents you from working, and is expected to last (or has lasted) for at least 12 months, or is expected to result in death.

- Disability benefits continue as long as you are disabled and unable to perform substantial gainful work. Social Security reviews all disability cases periodically to make sure the person remains disabled.
- Survivors benefits are paid if the worker dies, and are paid to certain members of the worker's family. A lump-sum payment of \$255 is made if there is a widow or widower who was "living with" the worker when the worker died or an eligible surviving widow, widower, or entitled child.

BENEFITS FOR A WORKER'S FAMILY

Monthly Social Security benefits are paid to certain dependents of a worker who has retired, become disabled, or died.

Retirement or Disability - If a worker is receiving retirement or disability benefits, benefits can be made to his or her:

- Unmarried children under 18 (or under 19 if full-time high school students).
- Unmarried children 18 or over who were severely disabled before 22 and who continue to be disabled.
- Wife or husband 62 or over. Generally, a marriage must have lasted at least one year before the spouse of a retired or disabled worker can get monthly benefits.
- Wife or husband under 62, if she or he is caring for a child under 16 (or disabled) who is getting a benefit based on the retired or disabled worker's earnings.
- Divorced spouse 62 or over if the marriage lasted 10 years or more.

- If age 62, divorced at least two years, a spouse can receive benefits even if the wage earner is not retired.

Survivors - Monthly benefits can be made to a deceased worker's:

- Unmarried children under 18 (or under 19 if full-time high school students).
- Unmarried son or daughter 18 or over who was severely disabled before 22 and who continues to be disabled.
- Widow or widower 60 or older.
- Widow or widower, or surviving divorced mother or father if caring for worker's child under 16 (or disabled) who is getting a benefit based on the earnings of the deceased worker.
- Widow or widower 50-59 who becomes disabled not later than seven years after the death of the worker, or termination of mother or father's benefits.
- Dependent parents 62 or older.
- Benefits can also go to a surviving divorced spouse at 60 or to a disabled surviving spouse 50-59 if the marriage lasted 10 years or more.

WHEN BENEFITS ARE SENT

If your birthday falls between the:

1st and 10th of the month, your Social Security benefit comes on the 2nd Wednesday of the month;

11th and 20th of the month, your Social Security benefit comes on the 3rd Wednesday of the month; and

21st and 31st of the month, your Social Security benefit comes on the 4th Wednesday of the month.

RETIREMENT AND SURVIVORS BENEFITS

If you were born 1929 or later, you need 40 credits (10 years of work) to qualify for retirement benefits.

In some cases, survivors' benefits can be paid if a worker has fewer credits than those required for retirement benefits. Regardless of when you were born, monthly benefits can be made to your surviving dependent children if you have six credits (one-and-a-half years of work) in the three years before your death.

DISABILITY BENEFITS

The number of credits needed depends on your age when you became disabled.

If you are disabled at age 31 or older, you need the same number of credits that you would need for retirement benefits -- just as if you had reached retirement age at the time you become disabled.

In addition, 20 of the credits must have been earned in the 10 years before you became disabled (i.e., you must have worked for five out of the previous ten years).

A person disabled by blindness needs one credit for each year since 1950, or, if later, the year he or she reached 21, up to the year he or she became blind. A minimum of six credits (one and a half years of work) is needed.

IMPORTANT: Remember that whatever an individual's age is, he/she must have earned the required number of work credits within a certain period ending with the time he/she becomes disabled. Thus, if an employee retires at age 55 there would be an impact on eligibility for disability benefits at the point at which he/she has not worked five out of the previous 10 years.

AMOUNT OF MONTHLY BENEFITS

Many people wonder how Social Security calculates their benefit. Social Security benefits are based on your lifetime earnings. Your actual earnings are adjusted or “indexed” to account for changes in average wages since the year the earnings were received. Then Social Security calculates your average indexed monthly earnings during the **35** years in which you earned the most.

If there were some years when you did not work, or had low earnings, your benefit amount may be lower than if you had worked steadily. Workers who stop working before age 62 are not penalized for doing so; they simply may not have the opportunity to replace lower year wages with the current higher amounts.

There are two ways to look at this. First, if you retire from NYS at age 57, and do not work at any other job until you file for Social Security (at age 62 or later), Social Security will use your highest 35 years to calculate your benefit. Those years will end with your earnings at age 57. Since most people earn their highest salary during their later years, this would have some effect on their Social Security benefit. Second, if you have 25 years of work under Social Security, (you need at least 10 years to qualify for a retirement benefit), we still look for the highest 35 years, so in this case we would be adding in 10 zero years. This worker will be receiving a lower benefit.

Social Security benefits for people on the rolls increase each December **if** the cost of living rises. Each year, living costs are compared with those of the year before, and if they have increased, benefits are increased by the same amount.

If you qualify for benefits on the record of more than one worker (for example, on your own record and your spouse's), you will receive the larger of the two benefit amounts, probably combined in one payment.

Benefits to a disabled worker and his or her family may be reduced if they also receive a benefit paid by a federal government program or Workers' Compensation.

RETIREMENT ESTIMATOR

Social Security has an online calculator at www.socialsecurity.gov/estimator (also available in Spanish) that will provide immediate and personalized benefit estimates to help you plan for your retirement. The *Retirement Estimator* is linked to your actual Social Security earnings record and eliminates the need to manually key in years of earnings information.

Retirement estimates are just that, estimates. They will vary slightly from the actual benefit you may receive in the future because:

- Your Social Security earnings record is constantly being updated;
- Our calculators use different parameters and assumptions (e.g., different stop work ages, future earnings projections, etc.); and your actual future benefit will be adjusted for inflation.

You can use the *Retirement Estimator* if:

- You are not currently receiving benefits on your own or another Social Security record;
- You have enough Social Security credits at this time to qualify for benefits; and
- You are not eligible for a *Pension Based on Work Not Covered by Social Security*.

The Retirement Estimator can be found at www.socialsecurity.gov/estimator.

A [my Social Security](#) account

Your personal online [my Social Security](#) account is a valuable source of information beginning in your working years, and continuing throughout the time you receive Social Security benefits.

To create an account, you must provide some personal information about yourself and give us answers to some questions that only you are likely to know. Next, you create a username and password that you will use to access your online account. This process protects you and keeps your personal Social Security information private.

If you do not receive benefits, you can:

Use a [my Social Security](#) online account to get your *Social Security Statement*, to review:

- Estimates of your retirement, disability, and survivors benefits;
- Your earnings record; and
- The estimated Social Security and Medicare taxes you have paid.

Your Online Social Security Statement provides:

- Estimates of the retirement and disability benefits you may receive;
- Estimates of benefits your family may get when you receive Social Security or die;
- A list of your lifetime earnings according to Social Security's records;
- The estimated Social Security and Medicare taxes you've paid;
- Things to consider for those age 55 and older who are thinking of retiring;
- The opportunity to apply online for retirement and disability benefits; and
- A printable version of your Social Security Statement.

Once you receive benefits or have Medicare, you can:

Use a [my Social Security](#) online account to:

- Get your benefit verification letter;
- Check your benefit and payment information and your earnings record;
- change your address and phone number; and
- start or change direct deposit of your benefit payment.

FULL RETIREMENT AGE

Until the year 2000, the "full retirement age" was age 65. Because of longer life expectancies, the full retirement age has been increased in gradual steps until it reaches age 67. The increase affects people born in 1938 and later. Full retirement age for people born in 1938 is 65 years and 2 months. Full retirement age increases in steps until we

reach full retirement age of 67 in 2027 and following, for people born in 1960 or later.

This change affects workers and spouses born in 1938 and later, as follows:

| BIRTH YEAR | "FULL RETIREMENT AGE" (FRA) |
|-------------------|------------------------------------|
| 1937 or earlier | 65 years |
| 1938 | 65 years and 2 months |
| 1939 | 65 years and 4 months |
| 1940 | 65 years and 6 months |
| 1941 | 65 years and 8 months |
| 1942 | 65 years and 10 months |
| 1943-1954 | 66 years |
| 1955 | 66 years and 2 months |
| 1956 | 66 years and 4 months |
| 1957 | 66 years and 6 months |
| 1958 | 66 years and 8 months |
| 1959 | 66 years and 10 months |
| 1960 on | 67 years |

Note: Persons born on January 1 of any year should refer to the full retirement age for the previous year.

REDUCED BENEFITS

You can retire as early as age 62, but your retirement benefit will be reduced permanently. If a wife, husband, widow or widower starts getting payments before his or her full retirement age payment amounts are also reduced.

The amount of reduction depends on the number of months you get benefits before you reach full retirement age. If you start your benefits early, you will get about the same value in total benefits over the years, but in smaller amounts to adjust for the longer period you will get them.

PART OF YOUR BENEFITS MAY BE TAXABLE

Some people who get Social Security will have to pay taxes on their benefits. You will be affected only if you have substantial income in addition to your Social Security benefits.

If you file a federal tax return as an "individual," and your combined income (the sum of your adjusted gross income plus nontaxable interest plus one-half of your Social Security

benefits) is between \$25,000 and \$34,000, you may have to pay taxes on 50 percent of your Social Security benefits.

If your combined income is above \$34,000, 85 percent of your Social Security benefits are subject to income tax.

If you file a joint return, you may have to pay taxes on 50 percent of your benefits if you and your spouse have a combined income that is between \$32,000 and \$44,000. If your combined income is more than \$44,000, 85 percent of your Social Security benefits are subject to income tax.

If you are a member of a couple and file a separate return, you probably will pay taxes on your benefits.

For More Information: call or visit the Internal Revenue Service (www.irs.gov). to ask for a copy of Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security Benefits and Equivalent Railroad Retirement Benefits*.

Before the end of January (each year), you will get a form "Social Security Benefits Statement" (Form SSA-1099) - in the mail showing the amount of benefits you received the previous year. A worksheet - IRS Notice 703 - is enclosed with the form to help you figure whether any of your Social Security benefits may be subject to tax.

HOW WORK EFFECTS YOUR BENEFITS

What are the Year 2016 Earnings Limits?

When you are working, your benefit amount will be reduced only until you reach your full retirement age (age 66 in 2016).

We use this formula to determine how much of your benefit must be withheld:

- If you are under full retirement age when you begin receiving your Social Security benefits, \$1 in benefits will be deducted for each \$2 you earn above the annual limit. For 2016, that limit is **\$15,720**.
- In the year you reach full retirement age, \$1 in benefits will be deducted for each \$3 you earn

above a different limit, but only for the months before the month you reach full retirement age. For 2016, this limit is **\$41,880**. Starting with the month you reach full retirement age, you can receive your full benefits with no limit on your earnings.

Here is an example of how the rules would affect you:

| |
|---|
| Birth date: 6/2/1950 |
| Estimated earnings in 2016: \$33,000.00 |
| Monthly benefit in 2016: \$1,350.00 |

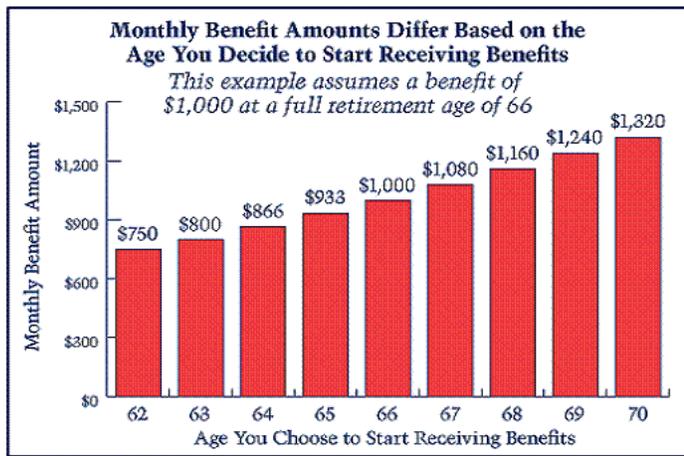
- Your reduction in annual benefits is **\$8,640** on the \$15,720 annual exempt amount for 2016.
- We withhold benefits starting at the beginning of the year. We do not pay partial monthly benefits based on estimated earnings.
- When we know how much you actually earn in 2016, we will pay you any excess benefits we may have withheld or let you know if we did not withhold enough.

WHEN TO START RECEIVING RETIREMENT BENEFITS

There is no one "best age" for everyone and, ultimately, it is your choice. You should make an informed decision about when to apply for benefits based on your individual and family circumstances.

Is it better for you to begin receiving benefits early with a smaller monthly amount, or wait for a larger monthly payment later that you may not receive as long? The answer is highly personal and depends on a number of factors, such as your current cash needs, your health and family longevity, whether you plan to work in retirement, whether you have other retirement income sources, your anticipated future financial needs and obligations, and, of course, the amount of your future Social Security benefit.

The following chart provides an example of how your monthly benefit amount can differ based on the age at which you decide to start receiving benefits.



Returning to Work

If you return to or continue to work after you start receiving retirement benefits, Social Security will automatically refigure your benefit after the additional earnings are credited to your record.

In addition, for each month you delay collecting retirement benefits, beginning with the month you reach full retirement age (age 65-67) until you are 70, you will receive an extra amount in benefits when you do retire.

If your full retirement age is age 66, and you do not collect any benefits until age 70, the benefit amount at age 70 is 32 percent more than you would receive per month if you chose to start getting benefits at full retirement age.

If You Go Outside the United States

Special rules apply to people outside the U.S. If you go outside the country for 30 days or more while you are getting benefits, your absence from this country may affect your right to those benefits. Ask at any Social Security office for a copy of the pamphlet *“Your Payments While You Are Outside the United States.”*

You may also call 1-800-772-1213 (voice) or 1-800-325-0778 (TTY) to obtain the pamphlet, or use the Other Languages link at

www.socialsecurity.gov to get to the publication.

Right of Appeal

Social Security wants to be sure that every decision made about your claim is correct. We carefully consider all the information in your case before we make any decisions that affect your eligibility or your benefit amount.

When we make a decision on your claim, we will send you a letter explaining our decision. If you do not agree with our decision, you can appeal it. There are different appeal levels depending on the type of claim filed. Appeal rights and instructions are explained in the notices you receive.

When you ask for an appeal, we will look at the entire decision, even those parts that were in your favor. If our decision was wrong, we will change it.

The Social Security Administration does not charge for any of the appeals before the administration. You may choose, however, to be represented by a lawyer who may charge a fee.

MEDICARE

(see 10-7 for how NYSHIP works with Medicare)

Social Security determines your eligibility for Medicare. You can file for Medicare when you file for retirement, or you can file for Medicare only if you do not wish to start receiving your retirement benefits. If you wish to file for Medicare only, you can do so online at <http://www.socialsecurity.gov/medicareonly/>

All other Medicare issues are handled by the Center for Medicare and Medicaid Services (CMS).

There are four parts to Medicare:
Medicare Part A, Hospital Insurance;
Medicare Part B, Medical Insurance;
Medicare Part C (Medicare Advantage);
Medicare Part D, prescription drug coverage.
(NYSHIP does not require; see chapter 10-7)

Generally, people who are over age 65 and getting Social Security automatically qualify for Medicare Parts A and B, as do people who have been getting disability benefits for two years, people who have amyotrophic lateral sclerosis (Lou Gehrig's disease) and receive disability benefits, and people who have permanent kidney failure and receive maintenance dialysis or a kidney transplant.

Part A is paid for by a portion of Social Security tax. It helps pay for inpatient hospital care, skilled nursing care, hospice care and other services.

Part B is paid for by the monthly premiums of people enrolled and by general funds from the U.S. Treasury. It helps pay for doctors' fees, outpatient hospital visits, and other medical services and supplies not covered by Part A.

Part C (Medicare Advantage) plans allow you to choose to receive all of your health care services through a provider organization. You must have both Parts A and B to enroll in Part C.

Part D (prescription drug coverage) is voluntary and the costs are paid for by the monthly premiums of enrollees and Medicare. Unlike Part B in which you are automatically enrolled and must opt out if you do not want it, with Part D you have to opt in by filling out a form and enrolling in an approved plan.

Medicare does not pay the entire cost for all covered services. You pay deductibles and co-payments. A deductible is an initial dollar amount that Medicare does not pay. A co-payment is your share of expenses for covered services above the deductible.

You will be eligible for Medicare hospital insurance (Part A) at age 65 if:

- You are entitled to monthly Social Security or railroad retirement benefits, or
- You have worked long enough under Social Security or the railroad retirement system, or

- You have worked long enough in federal, state or local government employment to be insured for Medicare purposes.

Almost anyone who is 65 or older, or eligible for hospital insurance (Part A) can enroll for Medicare medical insurance (Part B). The standard Medicare Part B monthly premium will be \$121.80 in 2016.

For other beneficiaries, if your income is above \$85,000 (single) or \$170,000 (married couple), then your Medicare Part B premium may be higher than \$121.80 per month.

There are special rules for people who continue to work after age 65 and have an employer's group plan through their employment or their spouse's employment. You should contact a Social Security office three months before age 65 if you're planning to retire at 65, or three months before retiring if you work beyond age 65.

MEDICARE HOSPITAL INSURANCE BENEFITS (PART A)

What Medicare Part A Pays

When all program requirements are met, Medicare Part A will help pay for medically necessary in-hospital care, for medically necessary inpatient care in a skilled nursing facility after a hospital stay, and for hospice care.

Benefit Periods

Medicare Part A benefits are paid based on benefit periods. A benefit period begins the first day you receive Medicare covered service in a hospital and ends when you have been out of a hospital or skilled nursing facility for 60 days in a row. If you enter a hospital again after 60 days, a new benefit period begins. All Part A benefits (except for reserve days you have used) are renewed. There is no limit to the number of benefit periods you can have for hospital or skilled nursing facility care. However, special limited benefit periods apply to hospice care.

MEDICARE MEDICAL INSURANCE BENEFITS (PART B)

What Medicare Part B Pays

Medicare Part B helps pay for doctors' bills and many other medical services.

AS A RETIRED NEW YORK STATE EMPLOYEE YOU MUST PURCHASE PART B WHEN YOU BECOME ELIGIBLE FOR MEDICARE.

You pay the first \$166 of approved charges in 2016. (This is the 2016 Part B deductible.) After that, Medicare Part B generally pays 80 percent of the amount Medicare approves for covered services you receive the rest of the year. You pay the remaining 20 percent. This is the Part B co-payment. Unless your doctor or supplier accepts assignment, you are responsible for charges above the amount Medicare approves. **Part B will not pay for any services that Medicare does not consider medically necessary - neither will most insurance policies.**

EXPENSES NOT COVERED BY MEDICARE

Medicare, and most private insurance, does not cover certain kinds of care. Among them are:

- Private duty nursing.
- Skilled nursing home care costs (beyond what is covered by Medicare).
- Custodial nursing home care costs.
- Intermediate nursing home care costs.
- Physician charges (above Medicare's approved amount).
- Drugs under part B (other than prescription drugs furnished during a hospital or skilled nursing facility stay or outpatient drugs for symptom management or pain relief provided by a hospice). However, see information

below about the Prescription Drug Program part D that became effective in 2006.

- Care received outside the U.S.A., except under certain conditions in Canada and Mexico.
- Dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for, and the cost of eyeglasses or hearing aids.

FOR ADDITIONAL HELP...

If you need additional help or advice on Medicare benefits or eligibility, contact your nearest Social Security office, the Centers for Medicare and Medicaid Services, or your local Office for the Aging.

Additional information can be obtained by visiting the web site: www.medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227).

For information on private insurance to supplement Medicare, particularly policies to cover long-term care costs not paid for by Medicare, first check with the NYS Insurance Department, or your local Office for the Aging.

You may also call the Health Insurance Information and Counseling Assistance Program (HIICAP) toll-free in New York State 1-800-701-0501 for up-to-date information and help with your insurance problems with Medicare, Medicaid, Medigap, Long-Term Care Insurance, and other health insurance such as employer plans and HMOs.

PRESCRIPTION DRUG PROGRAM (PART D)

The Medicare Prescription Drug Program (Part D) began in 2006. Like other insurance, if you join, generally you will pay a monthly premium, which varies by plan, and a yearly deductible (between \$0-\$320 in 2016). You will also pay a part of the cost of your prescriptions, including a co-payment or co-insurance. Costs will vary depending on which drug plan you

choose. Some plans may offer more coverage and additional drugs for a higher monthly premium. If you have limited income and resources, and you qualify for extra help, you may not have to pay a premium or deductible. You can apply or get more information about the extra help by calling Social Security at 1-800-772-1213 or checking the web site at www.socialsecurity.gov.

You can join a drug plan when you are first eligible for Medicare. In most cases, if you don't join during this period, your next chance to join will be between November and December each year, and you will have to pay a penalty. This means you pay a higher monthly premium for as long as you have Medicare prescription drug coverage.

Medicare drug plans may have a "coverage gap," which is sometimes called the "donut hole." This means that there is a temporary limit on what the drug plan will cover for drugs. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs. Once you reach the coverage gap in 2015, you'll pay 45% of the plan's cost for covered brand-name prescription drugs. You get these savings if you buy your prescriptions at a pharmacy or order them through the mail. The discount will come off the price that your plan has set with the pharmacy for that specific drug.

Although you'll only pay 45% of the price for the brand-name drug, the entire price (including the discount the drug company pays) will count as [out-of-pocket costs](#), which will help you, get out of the coverage gap.

Once you get out of the coverage gap, you automatically get "catastrophic coverage." Catastrophic coverage means that you only pay a small coinsurance amount or copayment for covered drugs for the rest of the year.

The Affordable Care Act includes benefits to make your Medicare prescription drug coverage more affordable. When you reach the coverage gap, (also known as the "donut hole") in your Medicare prescription drug coverage, you will get the following:

- A discount on covered brand-name drugs when you buy them at a pharmacy or order them through the mail.
- Some coverage for generic and brand-name drugs.
- Additional savings on your brand-name and generic drugs during the coverage gap over the next several years until it's closed in 2020.

The coverage gap closes by maintaining the 50% discount the manufacturers offer and increasing what Medicare drug plans cover.

For more information check out the Medicare web site at www.medicare.gov before making any final decisions about electing or not electing coverage. Be sure to check with your current health insurance company as well.

APPLYING FOR SOCIAL SECURITY BENEFITS

If you plan to retire before you reach your full retirement age, apply for monthly benefits no later than the last day of the month you want benefits to begin. In most cases, benefits payable for months before your full retirement age can begin no earlier than the month you apply. However, widows and widowers can apply in the month after the worker's death and still get a benefit for the month of death.

Generally, benefits can be paid only for months the person is eligible throughout the entire month.

You can apply up to three months before the month you want benefits to start. This will help assure that you get your first payment on time.

The best way to file for retirement benefits is online at <https://secure.ssa.gov/iClaim/rib>

You may also call 1-800-772-1213 for an appointment to apply by phone or in person.

You can also file for Medicare only online using the same application as noted. You can get more information about filing for Medicare only at <https://www.ssa.gov/medicare/apply.html> .

When you apply for Social Security benefits, you *may* need:

- Your own Social Security card or a record of your number. If your claim is on another person's record, you will need that person's card or a record of the number.
- Proof of your age: a birth certificate or other public or religious record of birth, or a baptismal certificate made at or shortly after birth. Photocopies are unacceptable.
- Your marriage certificate if you are applying for spouses, widow's or widower's benefits.
- Your children's birth certificates if you are applying for them.
- Your W-2 form for the last year, or a copy of your last federal income tax return if you are self-employed. This is important because these earnings will not be in Social Security records and cannot be included unless you provide the forms.
- Proof of U.S. citizenship or lawful alien status if you (or a spouse or child applying for benefits) were not born in the United States.

If you are applying for disability benefits, you will also need the names, addresses and telephone numbers of doctors, hospitals or clinics that treated you for your disability.

An application for the lump-sum death payment must usually be made within two years after the worker's death.

Do not delay applying because you do not have all these proofs. Social Security personnel can tell you about other proofs that we can use.

For More Information

If you want more information about Social Security monthly benefits, Medicare, or Supplemental Security Income, contact any Social Security office. To find the address of the nearest office, call **1-800-772-1213**, or go to the Social Security web site at: www.socialsecurity.gov.

Stolen or Lost Social Security Cards

If you live or receive mail in Brooklyn, Queens, the Bronx or Manhattan, you must visit one of the Social Security Card Centers for an original or replacement card. The Centers are located at:

Brooklyn Social Security Card Center
625 Fulton Street, 6th floor
Brooklyn, New York 12201

Queens Social Security Card Center
155-10 Jamaica Avenue, 2nd floor
Jamaica, New York 11432

Bronx Social Security Card Center
820 Concord Village West, 2nd Floor
Bronx, New York 10451

Manhattan Social Security Card Center
123 William St, 3rd Floor
New York, New York 10038

Identity Theft and Misuse of Social Security Number

Identity theft occurs when a criminal uses another person's information to take on that person's identity. Identity theft also includes credit card and mail fraud. The SSA provides a hot line fraud number 1-800-269-0271 as well as the Federal Trade Commission (FTC) theft hot line 1-877-ID Theft (1-877-438-4338).

If someone misuses your Social Security number to obtain credit, you need to contact the institution that authorized the credit and/or issued a credit card, as well as the major credit reporting agencies. Obtain a copy of your credit report and ask that an alert be placed on your credit record requiring you be contacted before credit is extended using your name and Social Security number. Three major credit-reporting agencies are:

- Equifax – 1-800-685-1111
- Trans Union – 1-800-888-4213
- Experian – 1-888-397-3742

Or, if you prefer, you can report the misuse of your Social Security number to the Office of the Inspector General at the following:

Office of the Inspector General
P.O. Box 17768
Baltimore, MD 21235
FAX: 1-410-597-0118
E-mail: oig.hotline@socialsecurity.gov

Note: When you apply for a replacement card, also ask Social Security to review your earnings records to ensure they are correct and that no one else is using your number to work. Likewise, verify your earnings each time you get your annual Social Security Statement.

Social Security does not routinely assign a new number to someone whose identity has been stolen. Only as a last resort should you consider changing your Social Security number. Changing your number may adversely affect your ability to interact with federal and state agencies, employers and others. This is because your financial,

medical, employment and other records will be under your former Social Security number.

If you have done all you can and someone still is using your number, we may assign you a new number. We cannot guarantee that a new number will solve your problem.

You **cannot** get a new Social Security number if:

- You filed for bankruptcy;
- You intend to avoid the law or your legal responsibility; or
- Your Social Security card is lost or stolen, but there is no evidence that someone is using your number.

RETIREMENT CHECKLIST

Social Security and Medicare

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. | During the past three years, have I asked for or requested online my statement of earnings from Social Security? | YES | NO | _____ |
| | | | | _____ |
| 2. | Am I familiar with the types of payments available to me from Social Security? | YES | NO | _____ |
| | | | | _____ |
| 3. | Do I have a good idea of what my retirement benefits will be? | YES | NO | _____ |
| | | | | _____ |
| 4. | Do I know how my spouse's benefits could be affected by my death? | YES | NO | _____ |
| | | | | _____ |
| 5. | Do I understand the reduction in my benefit amount if I retire before I am full retirement age? | YES | NO | _____ |
| | | | | _____ |
| 6. | Am I aware of how much money I can earn annually and still draw my full benefit amount? | YES | NO | _____ |
| | | | | _____ |
| 7. | Do I know how, when, and where to apply for Medicare benefits? | YES | NO | _____ |
| | | | | _____ |

Social Security advises:

- **Review your Social Security Online Statement for accuracy.**
- **Plan your retirement online.**
- **Create a *my* Social Security account**

RESOURCES

Social Security and Medicare

WEB SITES:

Social Security Info Available online -

www.socialsecurity.gov

Medicare Information available online -

www.medicare.gov

Get your free personal online *my* Social Security account!<http://www.socialsecurity.gov/myaccount/>

TELEPHONE NUMBERS:

1-800-772-1213 or

TTY# 1-800-325-0778

7 am - 7 pm (to speak with a representative)

PUBLICATIONS:

<http://www.socialsecurity.gov/pubs/>

The following publications can be found on the social security website:

- *Retirement Benefits*
- *How to Use the Online Retirement Estimator*
- *How Work Affects Your Benefits*
- *What you Need to Know When You Get Retirement or Survivors Benefits*
- *When To Start Receiving Retirement Benefits*
- *Retire Online — It's So Easy!*
- *How To Apply Online For Retirement, Spouses or Medicare Benefits*
- *Apply Online For Medicare –Even If You Are Not Ready To Retire*
- *Windfall Elimination Provision*
- *Government Pension Offset*
- *Special Payments after Retirement*
- *Disability Benefits*
- *my Social Security – How to Create an Online Account*

Social Security Administration

Social Security Administration offices are located throughout New York State. You can find a listing for your local office in the white pages of your telephone book under Social Security.

You can also find your local office address, hours and directions by using the Social Security website www.socialsecurity.gov and entering your zip code where appropriate.

