



# MaBSTOA Pension Plan

Manhattan and Bronx Surface Transit Operating Authority

## Transit 25/55 Retirement Plan for Tier 4 Members

### OVERVIEW

This document summarizes the key Tier 4 provisions of the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Pension Plan for members enrolled in the Transit 25/55 Plan (T25/55). This plan is for employees classified by the Authority as working in the Transit Operating Force (TOF) and employed on or after July 27, 1976 and prior to April 1, 2012.

The Transit 25/55 Program was originally created in 1994 (Laws of 1994) to include only hourly-paid employees and first-line supervisors. However, as of December 15, 2000, all TOF employees (including upper level supervisors and operating managers) were mandated into the T25/55 Program.

Note: If you were a Participant in the 57/5 Program on December 15, 2000, and were mandated into the T25/55 Plan on that date, you are permitted to remain in the 57/5 Program by filing an election form with MaBSTOA. When any Participant in the T25/55 Program ceases to hold a TOF position, the member shall cease to be a Participant of the Program and shall not be eligible for the benefits of the Program. Any Participant in the T25/55 Program who terminates service in the TOF and returns to such service at a later date, will be mandated into participation in the Program on that date.

### CONTRIBUTIONS

All T25/55 participants are required to pay Basic Member Contributions (BMCs) consisting of 2% of any gross wages effective with the first full pay period after December 15, 2000. Participants are required to pay BMCs for as long as they remain in active service; BMCs do not stop after 10 years as is the case with other Tier 4 members.

Participants in the T25/55 Program were required to pay Additional Member Contributions (AMCs) consisting of 2.3% of gross wages for all Allowable Service with MaBSTOA rendered between August 28, 1994 and December 15, 2000. Effective with the first full pay period after December 15, 2000, AMCs are no longer required for T25/55 participants. AMCs are maintained separately from the BMCs. Both BMCs and AMCs earn interest at a rate of 5%, compounded annually. All contributions are Federal tax-deferred, meaning that you do not pay Federal taxes on the contributions, only New York State and Local taxes. Contributions made while on Union leave are not Federal tax-deferred.

### DEFICITS

Failure to pay any of the required BMCs will result in a deficit. If a deficit is identified prior to retirement, steps will be taken to resolve the deficit. In the event of a deficit at retirement in your BMC account, an actuarial reduction can be applied to the pension benefit.

### IN-SERVICE DEATH BENEFIT

If you die while a Participant in the T25/55 Plan, an In-Service Death Benefit will be paid to the beneficiary(ies) you designated and have on file with the MaBSTOA Pension Plan. In the event that a beneficiary is not designated, payment will be made to your estate. If death occurs after retirement, a Post-Retirement Death Benefit is payable.



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## Transit 25/55 Retirement Plan for Tier 4 Members (Continued)

### LOANS

If you are an employee in active service and in pay status with at least one year of membership, you may borrow from the MaBSTOA Pension Plan by filing a properly completed and notarized application. An outstanding loan cannot exceed 75% of the contributions (with interest) last posted to your pension account. In addition, the maximum allowable outstanding loan amount cannot exceed \$50,000.

Your account balance must have at least \$1,334 to be eligible to borrow. The minimum amount of any loan is \$1,000 and once a loan has been issued, it cannot be cancelled. Only one pension loan may be issued in any 12-month period. The maximum number of outstanding loans allowed within a 12-month period is TWO. This includes loans from the pension plan and 401(k) and/or 457 deferred compensation plans. Your account will remain intact and will continue to accrue interest on the full balance.

### ALLOWABLE SERVICE

Allowable Service is a special term used in the T25/55 Plan, which is defined as membership service (not purchased service) while employed by MaBSTOA in a Career & Salary title or TOF position. Allowable Service also includes certain Military Service and Union Leave Service. Allowable Service does not include service rendered in an agency other than MaBSTOA. This is significant because only Allowable Service can be used to qualify for service retirement.

### VESTED RETIREMENT BENEFIT

Vesting refers to your right to receive plan benefits even if you terminate employment before you are eligible for payment of a service retirement benefit. Members of the T25/55 Plan are eligible to vest in their retirement benefit provided they have at least 25 years of Allowable Service, but who has not attained age 55. A T25/55 Plan participant who leaves MaBSTOA service with at least five but less than 25 years of Allowable Service may vest under the Tier 4 62/5 Plan. All future benefits would be payable based on the provisions of such plan.

### REFUNDS

Current and former members of the T25/55 Plan may be eligible for a refund of AMCs due to legislation enacted in 2006 and 2007. AMCs were required of participants between August 28, 1994 and December 15, 2000. In order to be eligible for the refund you must meet the following union membership and account balance criteria:

- Be a current or former member of the Transport Workers Union, Local 100 with an AMC balance on December 16, 2005 **or**
- Be a current or former member of the Amalgamated Transit Union with an AMC balance on December 28, 2005.

T25/55 Plan participants who have rendered less than 10 years of Credited Service and who leave MaBSTOA service may apply for a refund of BMCs, plus accrued interest, effectively terminating their membership. Members with between five and 10 years of Credited Service must also waive their right to a Vested Retirement Benefit by submitting a form to the MaBSTOA Pension Plan prior to the processing of any refund. Refunds of BMCs are not possible for members with ten or more years of Credited Service.

Note: Withdrawal of either BMCs or AMCs will trigger a Federal tax liability and may result in a tax penalty.



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## Transit 25/55 Retirement Plan for Tier 4 Members (Continued)

### SERVICE RETIREMENT

A member must be at least age 55 and have 25 or more years of Allowable Service in MaBSTOA. Participants must apply for service retirement while in active service. The service retirement benefit payable under the T25/55 Plan is calculated as follows:

Service Retirement Benefit Calculation	
Credited Service	Formula
Up to 30 years	2% <i>times</i> Final Average Salary <i>times</i> years of Allowable Service
More than 30 years	2% <i>times</i> Final Average Salary <i>times</i> 30 years of Allowable Service <b>plus</b> 1.5% <i>times</i> Final Average Salary <i>times</i> years of Allowable Service in excess of 30 years

The Final Average Salary (FAS) is defined as the average of wages earned by a member during any three consecutive calendar years or the 36 months immediately preceding the member's retirement date, whichever is greater. However, wages earned during any year used in an FAS calculation cannot exceed the average of the previous two years by more than 10%.

### DISABILITY RETIREMENT

As a member, you are eligible to receive a disability retirement benefit at any age, if you meet the following conditions:

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| <ol style="list-style-type: none"> <li>1. You have 10 or more years of Credited Service <b>and</b> the NYCERS' Medical Board determines:</li> <li>2. You are physically or mentally incapacitated from performing the duties of your job title <b>and</b></li> <li>3. You are so incapacitated at the time you ceased performance of your duties.</li> </ol> | or | <ol style="list-style-type: none"> <li>1. You have less than 10 years of Credited Service <b>and</b></li> <li>2. Your disability is the result of an accidental on-duty injury (not caused by your willful neglect) sustained while a MaBSTOA member <b>and</b> the NYCERS' Medical Board determines:</li> <li>3. You are physically or mentally incapacitated from performing the duties of your job title <b>and</b></li> <li>4. You are so incapacitated at the time you ceased performance of your duties.</li> </ol> |
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### BASIC TIER 4 BENEFITS

Participants in the T25/55 Plan are entitled to other benefits applicable to Tier 4 members besides the Vested and Service Retirement Benefits conferred by such plan. Participants should refer to the Tier 4 Summary Plan Description for additional information.