



MaBSTOA Pension Plan

Manhattan and Bronx Surface Transit Operating Authority

57/5-Administrative 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 57/5 Plan. This plan is for non-operating employees of MaBSTOA who joined the pension after June 28, 1995 and prior to April 1, 2012. The 57/5 Plan requires that you be at least age 57 with at least five years of Credited Service to receive the retirement benefit.

CONTRIBUTIONS

Your Basic Member Contributions (BMCs) rate is 3% of wages, including overtime. Your BMCs will cease on the earlier of your 10th anniversary of plan membership or the date you accumulate 10 years of credited MaBSTOA service (which can include any purchased MaBSTOA service credit). These contributions are Federal tax-deferred which means 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.

Participants in the 57/5 Plan are also required to contribute Additional Member Contributions (AMCs) for ALL Credited Service* according to the following schedule:

- 1.85% of gross wages for each payroll period for all applicable service effective November 21, 2001.
- 2.85% of gross wages for each payroll period for all applicable service from January 1, 1998 through November 20, 2001.
- 4.35% of gross wages for each payroll period for all applicable service through December 31, 1997.

Upon payment into the MaBSTOA Pension Plan, 50% of the AMCs are deemed to be employer contributions and 50% are deemed to be employee contributions.

If you are otherwise eligible to receive a service retirement benefit but did not pay the entire amount of the required AMCs, or repay the entire amount of a loan against your AMCs prior to the effective date of retirement, you are still eligible to retire. However, your retirement will be reduced according to an actuarial formula that takes into account any shortage in AMCs. ***Participants must pay AMCs for the first 30 years of Credited Service.**

DEFICITS

The accumulative total of contributions must not be less than your required amount in order to retire with an unreduced pension. If your required amount is not met, it is considered a deficit. If a deficit is recognized prior to retirement, action will be taken to remedy it. In the event of a deficit at retirement, an actuarial reduction will be applied to your retirement benefit.

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.



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57/5-Administrative Retirement Plan for Tier 4 Members (Continued)

LOANS (Continued)

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.

REFUNDS

57/5 Retirement Plan members who separate with at least five years but less than 10 years of Credited Service may apply for a refund of BMCs and the employee portion of AMCs including any accrued interest. However, a refund will not be processed until a form is submitted to the MaBSTOA Pension Plan waiving any rights to a vested retirement benefit. This step is necessary because Tier 4 members who leave MaBSTOA service with at least five years of Credited Service have the right to a vested retirement benefit. Refunds of BMCs are not possible for members with 10 or more years of Credited Service.

If you are a Participant in the 57/5 Plan you may receive a refund of the employee portion (50%) of AMCs plus accrued interest only in the event of:

- Death
- Disability Retirement
- Service Retirement at age 62 or later
- Separation from MaBSTOA service with less than 10 years of Credited Service
- Termination for economic reasons.

Note: Withdrawals of AMCs may trigger a Federal tax liability and may result in a tax penalty. Repayment of any shortage in AMCs is not eligible for deferred treatment under Federal income tax rules [IRC Section 414(h)].

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 57/5 Plan are eligible to vest in their retirement benefit provided they have at least five years of Credited Service with at least two of those years qualifying as membership service. Under the 57/5 Plan, the vested benefit is payable at age 57. A vested retirement benefit is computed in the same manner as a service retirement benefit.

IN-SERVICE DEATH BENEFIT

If you die while a Participant in the 57/5 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 has not been designated, payment will be made to your estate. If death occurs after retirement, a Post-Retirement Death Benefit is payable.



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57/5-Administrative Retirement Plan for Tier 4 Members (Continued)

SERVICE RETIREMENT

A member must be at least age 57 and have five or more years of Credited Service of which two years is membership service to be eligible to receive a service retirement benefit.

Service Retirement Benefit Calculation	
Credited Service	Formula
Less than 20 years	1.67% <i>times</i> Final Average Salary <i>times</i> years of Credited Service
20 to 30 years	2% <i>times</i> Final Average Salary <i>times</i> years of Credited Service
More than 30 years	2% <i>times</i> Final Average Salary <i>times</i> 30 years of Credited Service plus 1.5% <i>times</i> Final Average Salary <i>times</i> years of Credited 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"> 1. You have 10 or more years of Credited Service and the NYCERS' Medical Board determines: 2. You are physically or mentally incapacitated from performing the duties of your job title and 3. You are so incapacitated at the time you ceased performance of your duties. | or | <ol style="list-style-type: none"> 1. You have <i>less</i> than 10 years of Credited Service and 2. Your disability is the result of an accidental on-duty injury (not caused by your willful neglect) sustained while a MaBSTOA member and the NYCERS' Medical Board determines: 3. You are physically or mentally incapacitated from performing the duties of your job title and 4. You are so incapacitated at the time you ceased performance of your duties. |
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BASIC TIER 4 BENEFITS

Participants in the 57/5 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.