



Tier 6 NYCERS Pension Contributions Calculation Corrections Glossary of Terms

The terms defined here are used in the cover letter and attachments.

CONTRIBUTION RATE

The percentage contribution rate required from all Tier 6 participants. Participants in Tier 6 (63/5 or 25/55) pay contributions equal to 3% - 6% of gross wages. These contributions are paid until retirement or separation from service. The rate has been reviewed and corrected, if previously incorrect.

DEDUCTION AMOUNT

The total amount of pension contributions that were taken or should have been taken from your paycheck. The amounts have been reviewed.

GOVERNOR'S SALARY

The amount of salary New York's Governor is paid during the year, including raises, which is used as a maximum amount for pension purposes.

LOOKBACK (ACTUAL WAGE METHOD)

The method MaBSTOA uses to determine your Basic Member Contributions (BMCs) rate by using your actual pensionable gross wages earned the two plan years prior. Effective April 1, 2022, overtime is not included in the pensionable earnings used to determine your BMCs. The Actual Wage Method is used beginning from the fourth plan year of pension participation or plan year 2017, whichever is later.

OVERTIME CEILING

The limit on overtime compensation for pension purposes. Any overtime compensation earned in excess of the overtime ceiling is excluded from the Final Average Salary (FAS) calculation and pension contribution. The compensation you earn is unaffected by the overtime ceiling.

OVERTIME WAGES

Wages received for work that may be paid at a higher rate than the base rate, including overtime and night differential.

PENSIONABLE EARNINGS

The sum of regular wages and overtime wages up to the overtime ceiling, but no more than the Governor's salary. These amounts have been reviewed. Such NYCT or B&T earnings may be included in calculations for eligible NYCERS service by NYCERS.

PLAN YEAR

The period used in determining a Tier 6 member's contribution rate. Before 2017, this period was April 1 through March 31. Beginning in calendar year 2017, the plan year is January 1 to December 31.

PREVIOUS DEDUCTION PLUS ARREARS AMOUNT

The amount taken from your paycheck before deduction amounts were reviewed.

PREVIOUS PENSIONABLE EARNINGS

Pensionable earnings used to calculate your pension contributions before the calculations were reviewed. These earnings included earned overtime, night differential, and holiday pay that may have exceeded Tier 6 limits.

PROJECTED WAGE METHOD

The method NYCERS uses to determine your Basic Member Contributions (BMCs) rate by using a projection of your annual wages. The Projected Wage Method is used during the first three plan years of pension participation, or any plan years from 2013 to 2016 if you joined the pension system between April 1, 2012, and March 31, 2014.

REFUND/OVERPAYMENT

The amount of pension contributions deducted or withheld from a participant's paychecks in excess of what was owed.

REGULAR PENSIONABLE EARNINGS

Pensionable earnings excluding overtime used to determine your contribution rate under the lookback method beginning April 1, 2022. These amounts have been reviewed.

REGULAR WAGES

The wages paid to you by your employer (MaBSTOA) in your paycheck at your base rate of pay, including holiday pay. This is also called *straight time* or *standard rate of pay*. This excludes overtime and other pay that is paid at premium rates.

UNDERPAYMENT

The amount a participant owes because not enough pension contributions were deducted from their paycheck.

WAGE ADJUSTMENTS

A change in pay which could result in a decrease or increase in compensation (earnings).