

Chapter 126 Credit for Tier I/II Members



Chapter 126 of the Laws of 2000 provides additional service credit to eligible Tier I/II members of the Teachers' Retirement System of the City of New York (TRS) who were in service as of October 1, 2000 and who remain in service through June 30, 2001 and through June 30, 2002.

We hope that the information below addresses any questions that you may have about Chapter 126 as it relates to your Tier I/II TRS benefits.

What eligibility requirements must Tier I/II members meet in order to be granted the additional months of service credit under Chapter 126?

The law stipulates that Tier I/II members must have been in service, on an approved leave with pay, or on an approved leave without pay (of not more than 12 weeks) from October 1, 2000 through June 30, 2001 to receive one month of service credit for each year of service rendered as of their retirement, vesting, transfer, or death date, for a maximum of 12 months of service credit. Eligible members who remain in service through June 30, 2002 may receive one additional month of service credit for every year of service rendered as of the date of their service evaluation, for a maximum of 24 months of service credit.

If I was in service as of October 1, 2000 but retired with an effective date prior to July 1, 2001, am I eligible to receive any additional credit under Chapter 126?

In order for Tier I/II members to receive any additional credit under Chapter 126, they must have been in service, on an approved leave with pay, or on an approved leave without pay from October 1, 2000 through June 30, 2001. In your case, since you left service prior to July 1, 2001, you are not eligible for any service credit under Chapter 126.

If I was in service as of October 1, 2000 and remained in service after July 1, 2001 but have an effective retirement date before July 1, 2002, how much credit am I entitled to receive under Chapter 126?

You would only be eligible to receive one month of credit for each year of service rendered as of your effective retirement date, for a maximum of 12 months. The law states that you must remain in service through June 30, 2002 in order to be eligible for any additional service credit.

Does Chapter 126 credit count as Qualifying Service for Tier I members?

Yes. Chapter 126 credit does count towards Qualifying Service and would be used to determine your eligibility for a retirement allowance benefit under the Qualified Pension Plan (QPP) and the calculation of that benefit.

On my retirement application, should I elect a plan for which I am currently eligible or a plan for which I would be eligible once my Chapter 126 credit has been applied?

You should elect a plan for which you would be eligible based on your total service credit, including the anticipated Chapter 126 credit. If you are a Tier I member who is currently eligible for Plan B benefits but the additional Chapter 126 credit would make you eligible for Plan A benefits, you can elect the latter.

Similarly, if you are a Tier II member who is currently eligible for Plan D benefits, but the additional Chapter 126 credit would make you eligible for Plan C benefits, you can elect the latter.

If the additional Chapter 126 credit would make you eligible for a different retirement plan and you are covered by a collective bargaining unit, your retirement allowance benefit would not be finalized until your collective bargaining agreement has been ratified and the Chapter 126 credit has been applied accordingly. In the interim, TRS would issue advance payments to you, so that we may provide you with your retirement income as quickly as possible. Please note that your advance payment amount would reflect a calculation based on the lesser plan benefits.

Please be aware that TRS is unable to initiate advance payments for members who elect the 30-Year Demand Plan, based on the anticipated Chapter 126 credit.

What should I do if I elected Plan B/D on my retirement application and later would become eligible for Plan A/C as a result of the Chapter 126 credit?

You should contact TRS as soon as possible, so that you may amend your retirement plan election before your effective date of retirement. You can also visit TRS' offices at 55 Water Street, New York, New York 10041.

How would the additional service credit under Chapter 126 affect the calculation of my TRS retirement allowance benefits?

In determining your eligibility for retirement benefits, TRS takes into account such factors as your service credit at the time of retirement. Therefore, if this total were to increase as a result of additional benefits from Chapter 126, the amount of your final benefit would also increase.

If I am restored to active service, will my Chapter 126 credit count when I subsequently retire?

Yes. Once Chapter 126 credit has been granted, it becomes a permanent part of your total service credit. However, if your service credit is later updated for any reason (e.g., update from employer), your Chapter 126 credit might be modified as a result.

How will I know how much Chapter 126 credit I was granted?

If you are a retired member, your Benefits Letter will indicate exactly how much Chapter 126 credit was included in your total service credit. For in-service members, the Chapter 126 credit will be reflected on your annual TRS benefits statement.

Do I need to file a form to request Chapter 126 credit or will TRS automatically grant me the credit due?

Once TRS has determined your eligibility for Chapter 126 credit and your collective bargaining agreement (if applicable) has been ratified, the credit will automatically be posted to your total service.

For your convenience, TRS forms and publications are available on our website. If you require additional assistance, we encourage you to contact our Member Services Center at 1 (888) 8-NYC-TRS.

This publication should not be solely relied upon, as it is based on currently available information that is subject to change. TRS suggests that you consult with an attorney and/or a tax advisor if you have any specific legal or tax questions concerning this information. In all cases, the specific provisions of the governing laws, rules, and regulations prevail.



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