REVISED

TO: Eligible CUNY Employees

FROM: Vice Chancellor Gloriana B. Waters

DATE: July 22, 2010

RE: Fall 2010 CUNY Early Retirement Incentive Program (ERI-2010)

This memorandum supersedes the July 6, 2010 memorandum on the same subject. Changes were made to conform CUNY’s practices to the pension systems’ interpretation of Chapter 105 of the Laws of 2010. The changes pertain primarily to the timing of retirement and related action dates.

The key changes are:

- Eligible employees may retire on any date during the applicable open period with timely written notice to CUNY and the retirement system.
- Retirement must occur within the open period. Accordingly, the effective dates of retirement in the earlier memorandum have been changed.
- The open period for instructional staff in Part A begins on December 29, 2010.

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I write to inform you that The City University of New York will offer an early retirement incentive program to eligible employees this fall pursuant to Chapter 105 of the Laws of 2010. At its June 28, 2010 meeting, the Board of Trustees of The City University of New York passed a resolution defining the terms and conditions applicable to the University’s participation in the 2010 Early Retirement Incentive program. This memorandum serves to present the terms and conditions of this Early Retirement Incentive program, which is referred to as ERI-2010.

ERI-2010 is divided into two different incentive programs, referred to as Part A and Part B. Eligible employees are allowed to take advantage of only one of the incentives. Please note that eligible employees may retire on any date during the open period.
Part A

Part A creates a retirement incentive program for eligible instructional and classified staff who are at least 50 years of age and have at least 10 years of service at the time of their retirement. It applies to members in eligible titles in all tiers of the Teachers’ Retirement System of the City of New York (NYCTRS), the New York City Employees’ Retirement System (NYCERS), the Board of Education Retirement System (BERS) and the Optional Retirement Program (TIAA-CREF). Eligible employees who are members of NYCTRS, NYCERS, and BERS who elect to retire under Part A would receive one month of additional retirement service credit for each year of credited pension service as of the effective date of retirement, up to a maximum of 36 months of such service. Eligible members of TIAA-CREF who elect to retire under Part A would receive additional contributions to their retirement account pursuant to a formula based on their length of service and annual salary.

Important Dates under Part A of ERI-2010

Under Part A of ERI-2010, there will be two open periods: one for instructional staff and one for classified staff. **Classified staff will have an effective date of retirement no earlier than August 31, 2010 and no later than November 24, 2010, while instructional staff will have an effective date of retirement no earlier than December 29, 2010 and no later than January 27, 2011.**

The employee must give notice of his/her intention to retire. Written notice must be given to CUNY on or before the 21st day prior to the effective date of retirement, which must occur within the open period, and an application must be filed with his/her pension system on or before the 14th day prior to the effective date of retirement. For example, for classified staff retirements effective on November 24, 2010, the election form must be received no later than 5:00 pm on Wednesday, November 3, 2010, and the retirement application must be received by the retirement system no later than 5:00 pm on Wednesday, November 10, 2010. For instructional staff retirements effective on January 27, 2011, the election form must be received no later than 5:00 pm on Thursday, January 6, 2011, and the retirement application must be received by the retirement system no later than 5:00 pm on Thursday, January 13, 2011.

A complete timetable outlining the important dates for implementation of this program can be found attached to this memorandum.

Eligibility Requirements under Part A of ERI-2010

An employee of the University will be deemed eligible to participate in Part A of the ERI-2010 under the following terms:

- The employee must be eligible for a service retirement through NYCTRS, NYCERS or BERS, or

The employee must be at least age 50 and have at least 10 years of pensionable service as of the effective date of retirement. For members of TIAA-CREF, only CUNY service is creditable;
• The employee must be serving in an eligible title;

• The employee must have been in active status (which includes paid and some un-paid leaves of absence) on February 1, 2010, and must be continuously in active status through August 31, 2010 for classified staff and through December 29, 2010 for instructional staff.

**Included and Excluded Titles under Part A of ERI-2010**

• All full-time instructional staff titles are included, except Executive Compensation Plan titles;

• All full-time classified staff titles are included, except the following titles:

  o Oilers, Stationary Engineers, and Senior Stationary Engineers;

  o Campus Public Safety Officers, Campus Security Officers, Campus Peace Officers, and College Security Specialists;

• All part-time titles are excluded.

**Application under Part A of ERI-2010**

An eligible employee must submit a complete, notarized election form, obtain the sign-off of the College Human Resources Director and file the form in person with the College Human Resources Director in accordance with the timeline set forth above.

**ERI-2010 election forms and retirement applications for each retirement system will be available in the Human Resources Office at the college and on the CUNY website.**

Note: If it is determined that an employee is not eligible for the incentive, or if the employee fails to file a written election form, and such employee has filed a retirement application with their Retirement System, which he or she fails to withdraw prior to the effective date of retirement requested, he/she is retired without the benefit of ERI-2010.

**Incentive Benefits Provided under Part A of ERI-2010**

**NYCTRS, NYCERS and BERS:** Eligible members of NYCTRS, NYCERS, or BERS who avail themselves of the incentive will receive one month of service credit for each year of service up to a maximum of three years of additional service credit. This additional service can be counted as qualifying service for all tiers.

Under the ERI-2010, the NYCTRS, NYCERS and BERS rules governing minimum age and/or service requirements for retirement have been relaxed to allow eligible employees to retire with immediate payments, which are reduced by a certain percentage for each year that they retire...
under the normal retirement age for their pension system tier. Charts detailing the reductions are available in the Human Resources Office at each college.

Retirement with deferred payability is considered a service retirement. Therefore, members of Tiers I and II of the NYCTRS, NYCERS and BERS who elect to retire with deferred payability are also eligible for the incentive, provided they are otherwise eligible under the terms of the ERI-2010.

**Optional Retirement Program ("ORP"):** Eligible members of the Optional Retirement Program (TIAA-CREF) who take the incentive will receive a cash payment in three equal installments, 2 months, 14 months and 24 months following the employee’s effective date of retirement, determined by the following formula: 1/12th for each year of service times 15% (or 0.15) times the earnable annual salary rate in effect as of March 1, 2010, up to a maximum of forty-five percent (45%) of such salary rate.

TIAA-CREF members must be at least age 50 with at least 10 years of CUNY service. Retirement benefits are calculated according to member’s age, retirement option selected and fund accumulations. The incentive will be paid out as follows:

- The incentive payment will be contributed to the employee’s TIAA-CREF Retirement Annuity under the CUNY Optional Retirement Plan up to the maximum allowable under section 415 of the IRS code.

- Any contributions in excess of that limit shall be contributed to the employee’s TIAA-CREF Group Supplemental Retirement Annuity (gSRA) under the CUNY Tax Deferred Annuity Plan to the extent allowable under section 415 of the IRS code. If the employee does not have a gSRA, one will be opened for him/her. The employee should carefully read the material sent to him/her by TIAA-CREF regarding a new gSRA contract that is opened on his/her behalf.

- In the unlikely event that there is remaining incentive monies that cannot be contributed as described above because they exceed the IRS Section 415 limit, the excess amount will be paid out to the employee in cash (subject to taxes).

**Part B**

Part B creates a retirement incentive that provides an enhanced pension benefit, on a one-time basis, to eligible classified and instructional staff who are members of NYCTRS, NYCERS, or BERS. Participants must be at least 55 years old and have at least 25 years of service. This incentive will temporarily eliminate the benefit reduction for participants who retire before age 62.
**Important Dates under Part B of ERI-2010**

Under Part B of ERI-2010, there will be a single open period for both classified and instructional staff. The earliest possible retirement date will be **July 1, 2010**, and the last possible retirement date will be **September 28, 2010**.

The employee must give notice of his/her intention to retire. Written notice must be given to CUNY on or before the 21st day prior to the effective date of retirement, which must occur within the open period, and an application must be filed with his/her pension system on or before the 14th day prior to the effective date of retirement. For example, for retirements effective on September 28, 2010, the election form must be received no later than 5:00 pm on Tuesday, September 7, 2010 and the retirement application must be received by the retirement system no later than 5:00 pm on Tuesday September 14, 2010.

A complete timetable outlining the important dates for implementation of this program can be found attached to this memorandum.

**Eligibility Requirements under Part B of ERI-2010**

An employee of the University will be deemed eligible to participate in Part B of the ERI-2010 under the following terms:

- The employee must be otherwise eligible for a service retirement through the NYCTRS, the NYCERS or the BERS as of the effective date of retirement, *and*

  The employee must be at least age 55 and be credited with at least 25 years of service as of the effective date of retirement;

- The employee must have been in active status (which includes paid and some un-paid leaves of absence) on February 1, 2010, *and* must be continuously in active status from February 1, 2010 through July 1, 2010.

**Included and Excluded Titles under Part B of ERI-2010**

- All classified and instructional staff titles are included, *except* Executive Compensation Plan titles;

- All members of the Optional Retirement Program (TIAA-CREF) are *excluded*.

**Application under Part B of ERI-2010**

An eligible employee must submit a complete, notarized election form, obtain the sign-off of the College Human Resources Director and file the form in person with the College Human Resources Director in accordance with the timeline set forth above.
ERI-2010 election forms and retirement applications for each retirement system will be available in the Human Resources Office at your college and on the CUNY website.

Note: If it is determined that an employee is not eligible for the incentive, or if the employee fails to file a written election form, and such employee has filed a retirement application with their Retirement System, which he/she fails to withdraw prior to the effective date of retirement requested, he/she is retired without the benefit of ERI-2010.

Incentive Benefits Provided under Part B of ERI-2010

Eligible members of NYCTRS, NYCERS, or BERS who are at least 55 years of age with 25 or more years of credited pension service as of the effective date of retirement will be eligible to receive a retirement benefit without reduction. Under Part B, service credit is not offered.

General Issues Under Part A and Part B

Terminal/Travia and/or Annual Leave under ERI-2010

Employees who are eligible for terminal, Travia and/or annual leave upon retirement will receive payment for such leave in three equal installments: 2 months, 14 months and 24 months after the effective date of retirement.

Other Provisions under ERI-2010

Retirement benefit entitlements received under the ERI-2010 are subject to the same limitations as other retirement benefit entitlements as contained in Section 415 of the Internal Revenue Code.

Any eligible employee who retires pursuant to the provisions of the ERI-2010 and re-enters public service and joins or rejoins any public retirement system of the state or city (including the ORP) shall repay to the state, city or CUNY the incentive payment together with the appropriate interest as determined by the state comptroller.

Health and Welfare Benefits under ERI-2010

The ERI-2010 does not contain any provisions for continuation of health and welfare insurance for electing employees who are not otherwise eligible for retiree health and welfare benefits.

Employees who are not eligible for retiree health benefits may elect to continue their coverage under COBRA.
Additional Information

Employees are encouraged to obtain information from their College Human Resources Office and are cautioned against seeking or relying upon advice from sources other than their retirement system regarding their retirement benefits.

Communication materials issued by the University are intended solely for informational purposes, and although every effort is made to assure their accuracy, it is the statute and the interpretations of the retirement systems that are binding.

The University began conducting informational meetings on July 13, 2010 for eligible Part B instructional and classified employees along with eligible Part A classified staff. If you are interested in attending an ERI-2010 information session, please sign up on-line using the following link: http://www.surveymonkey.com/s/ERI2010. Informational meetings for eligible Part A instructional staff will be conducted in October. The dates and locations will be announced shortly.

GW/Iw

Attachments
Attachment A:  
Information Relating to Part A

I. Eligible Titles Under the ERI-2010-Part A:

Instructional Staff:

- All full-time faculty titles are eligible
- All full-time non-teaching instructional staff titles are eligible, EXCEPT for Executive Compensation Plan titles

Classified Staff:

- All full-time classified staff titles are eligible, EXCEPT for the following titles:

  Security titles:
  - Campus Public Safety Officer
  - Campus Security Officer
  - Campus Peace Officer
  - College Security Specialist

  Other safety-sensitive titles:
  - Stationary Engineer
  - Senior Stationary Engineer
  - Oiler

No part-time instructional or classified staff employees are eligible.
II. Eligibility Criteria Under the ERI-2010-Part A

Prospective Part A participants must meet ALL of the following requirements to be deemed eligible to participate in the ERI-2010:

- The employee must be a full-time member of the NYCERS, the NYCTRS, the BERS, or TIAA-CREF.

- The employee must be eligible for service retirement (in NYCTRS, NYCERS, and BERS) or the employee must be age 50 and have at least (10) years of pensionable service (in NYCTRS, NYCERS, BERS, or TIAA-CREF) as of the effective date of retirement. Note: Only CUNY service is creditable for members of TIAA-CREF.

- The employee must be serving in an eligible title.

- An instructional staff employee must have been in “active service” on February 1, 2010 and continuously in such status from February 1, 2010 through the start of the open period (December 29, 2010); the classified staff employee must have been in “active service” on February 1, 2010 and continuously in such status from February 1, 2010 through the start of the open period (August 31, 2010).

For purposes of this program, “active service” includes any paid leave of absence or an authorized un-paid leave of absence of less than twelve (12) weeks in duration between February 1, 2010 and August 31, 2010 (for classified staff) and December 29, 2010 (for instructional staff).

- The employee must file both an ERI-2010 Election Form with CUNY and a retirement application with the retirement system within the established deadlines.
III. ERI-2010 (Part A) Implementation Time Table

<table>
<thead>
<tr>
<th>Event</th>
<th>Classified Staff</th>
<th>Instructional Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Open Period Begins</td>
<td>Tuesday, 08/31/10</td>
<td>Wednesday, 12/29/10</td>
</tr>
<tr>
<td>• Informational meetings for employees:</td>
<td>July, 2010</td>
<td>October, 2010</td>
</tr>
<tr>
<td>• Last possible day for employees to notify CUNY of their intention to take the retirement incentive:</td>
<td>Wednesday, 11/03/10</td>
<td>Thursday, 01/06/11</td>
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<tr>
<td>• Last possible day for employees to submit the appropriate application for retirement with their retirement system:</td>
<td>Wednesday, 11/10/10</td>
<td>Thursday, 01/13/11</td>
</tr>
<tr>
<td>• Last possible day on payroll for employees taking the retirement incentive; Last possible day for employees to revoke election to participate - must do this in person at the College HR Office and the appropriate retirement system:</td>
<td>Tuesday, 11/23/10</td>
<td>Wednesday, 01/26/11</td>
</tr>
<tr>
<td>• Last day of Open Period; Last possible effective date of retirement:</td>
<td>Wednesday, 11/24/10</td>
<td>Thursday, 01/27/11</td>
</tr>
</tbody>
</table>

**Note:** Please note that eligible employees may retire on any date during the open period. These deadlines set forth the last possible dates for participation in Part A.

**THERE ARE NO EXCEPTIONS TO THE APPLICABLE DEADLINES**
### IV. Part A ERI-2010: Optional Retirement Program (TIAA-CREF)

#### Retirement Incentive Examples

<table>
<thead>
<tr>
<th>Years of CUNY Service</th>
<th>Incentive Formula Value</th>
<th>Value of Incentive Payment Based on Earnable Salary as of 3/1/10</th>
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<tbody>
<tr>
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<td>37 - plus</td>
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<td>$30,961</td>
</tr>
</tbody>
</table>

**NOTE:** The above chart illustrates, through examples, the amount of the incentive payment an eligible employee could receive under the ERI-2010.

1) The incentive amount will be based upon earnable salary as of 3/1/10.
2) CUNY service will be calculated to the nearest whole month.
3) Incentive balances paid in cash will be subject to withholding tax(es).
Attachment B
Information Relating to Part B

I. Eligible Titles Under the ERI-2010-Part B

Instructional Staff

- All faculty titles are eligible;
- All non-teaching instructional staff titles are eligible, EXCEPT for members of the Executive Compensation Plan;

Classified Staff

- All classified staff employees are eligible;

II. Eligibility Criteria Under the ERI-2010-Part B

Prospective Part B participants must meet ALL of the following requirements to be deemed eligible to participate in the ERI-2010:

- The employee must be a member of the NYCERS, the NYCTRS, or the BERS.
- The employee must be eligible for service retirement and the employee must be at least age 55 and have at least 25 years of total service credit as of the effective date of retirement.
- The employee must have been in “active service” on February 1, 2010 and continuously in such status from February 1, 2010 through the start of the open period (July 1, 2010).

For purposes of this program, “active service” includes any paid leave of absence or an authorized un-paid leave of absence of less than twelve (12) weeks in duration between February 1, 2010 and July 1, 2010.

- The employee must file both an ERI-2010 election form with CUNY and a retirement application with their retirement system within the established deadlines.
III. ERI-2010 (Part B) Implementation Time Table

- **Open Period Begins:** Thursday, 07/01/10

- **Informational meetings for employees:** July, 2010

- **Last possible day for employees to notify CUNY of their intention to take the retirement incentive:** Tuesday, 09/07/10

- **Last possible day for employees to submit the appropriate application for retirement with their retirement system:** Tuesday, 09/14/10

- **Last possible day on payroll for employees taking the retirement incentive; Last possible day for employees to revoke election to participate - must do this in person at the College HR Office and the appropriate retirement system:** Monday, 09/27/10

- **Last day of Open Period; Last possible effective date of retirement:** Tuesday, 09/28/10

**Note:** Please note that eligible employees may retire on any date during the open period. These deadlines set forth the last possible dates for participation in Part B.

**THERE ARE NO EXCEPTIONS TO THE APPLICABLE DEADLINES**