



# YOU DESERVE THE CREDIT

*WHY AND HOW TO BUILD YOUR SERVICE CREDIT*



## WHY CARE ABOUT SERVICE CREDIT?

Did you know working as a teacher or administrator isn't the only way to build service credit in the Retirement System? Or that you may be able to purchase eligible prior service?

Obtaining all the service credit for which you are eligible is important because it may affect when your benefits begin and how much you will receive. Here's how:

**WHEN:** The amount of service credit you have determines your eligibility for benefits. These include vesting rights, disability retirement, death benefits and loans.

**HOW MUCH:** Service credit helps determine your pension factor, a primary component of the formula used to calculate your retirement benefit. Additional credit will increase the pension factor. The formula used to calculate your benefit is:

$$\begin{aligned} &\text{Pension Factor} \times \text{Age Factor (if applicable)} \\ &\quad \times \text{Final Average Salary} = \\ &\text{Your Maximum Annual Pension} \end{aligned}$$

### Ways to earn service credit include:

- Working for a NYSTRS-participating employer.
- Transferring credit from another New York State public retirement system.
- Reinstating to an earlier date of membership.
- Receiving credit for:
  - ◆ Prior service
  - ◆ Military service (*as allowed by law*)
  - ◆ Benefit Enhancement/Article 19 (*Tiers 1 and 2 only*)

You cannot receive credit for federal government employment or non-public school teaching. However, you can receive credit for teaching in a public charter school that opts to participate in NYSTRS.

In most cases, receiving additional service credit does not change your date of membership or tier. Exceptions are if the service is credited as a membership reinstatement or transfer, both of which are addressed in this pamphlet. You may also want to check out our video "[NYSTRS Benefits Pt. 2: Service Credit](#)" in the [Library](#) on our website at [NYSTRS.org](#).



## CREDIT FOR MEMBER SERVICE

The number of days of service credit earned in a given school year (July 1 - June 30) is the actual number of paid work or paid leave days (or parts thereof) reported to the System by participating employers. You can receive a maximum of one year of credit within a school year.

To receive credit for part-time, partial-year or substitute teaching, you must have worked the equivalent of at least 20 full days in a school year. Days of service are then converted into months of credit as follows:



<b>Days Per Year</b>	<b>Credit</b>	<b>Days Per Year</b>	<b>Credit</b>
Under 20 days	= None	90-109	= 5 months
20-29	= 1 month	110-129	= 6 months
30-49	= 2 months	130-149	= 7 months
50-69	= 3 months	150-169	= 8 months
70-89	= 4 months	170+	= 9 months
		9 months	= 1 year

Members who render service in addition to the regular school day (e.g., coaching, afterschool clubs, etc.) receive additional credit for these services, as long as the service does not push them beyond the number of months that is physically possible for the time they are employed. Please note that if you plan on retiring mid-year, additional service (for extracurricular activities) at a lower rate of pay may have a negative impact on your Final Average Salary.

If you plan to retire before the end of the school year, also be aware your service credit for that final school year is limited to the number of months physically possible based on your date of retirement. For example, if you retire on January 1, the most service credit you could earn for the school year would be six months (i.e., July 1 - Dec. 31), even if you worked for multiple employers.

Review your NYSTRS *Benefit Profile* carefully each year to verify your service credit and salary information — the basis for your NYSTRS benefits — have been correctly reported to us by your employer(s). If you notice an error, ask your employer to correct the records and to submit the revision to NYSTRS. Correcting any misinformation now will help expedite the processing of your benefits in the future.



## TRANSFERRED SERVICE

If you are currently a member of another New York State public retirement system and no longer work in employment reportable to that system, you may be able to transfer service and membership from the other system to NYSTRS. Your service credit, member contributions (if any) and original date of membership may be transferable, as well as any outstanding loan.

Before deciding whether to pursue a transfer, contact both systems to discuss how a transfer could affect your benefits. You cannot transfer to or from an out-of-state public retirement system.

### Did You Know...

Since you cannot receive more than one year of credit within a school year, any concurrent service earned in multiple retirement systems may not add to your service credit.

Speak with a NYSTRS representative for more information.



## REINSTATED SERVICE

If you had a previous membership in this System or any other New York State public retirement system, you are eligible to reinstate to your earlier date of membership. You will receive the service credited under that membership, provided it is not credited to another system, along with any possible advantages of an earlier tier.

There is no deadline or window to file for reinstatement. However, applying early in your career has its benefits. For example, if you are reinstated from Tier 5 or 6 to an earlier non-contributory tier, your contributions will cease only after the form is filed and your eligibility is confirmed.

There are some situations where reinstatement may not be to your advantage. Also, if you can purchase credit for prior service in addition to being reinstated to a former membership, the timing of your actions is extremely important. Carefully review the information found on the [Election to Reinstate \(RIS-1\)](#) form and call us at (800) 348-7298, Ext. 6070, to discuss your options.

## REINSTATEMENT COST

If you are reinstated to a former Tier 1 or 2 membership, there will be no cost and you will not be required to make member contributions. However, if you are reinstated to a former Tier 3-5 membership, you will be required to repay, in a lump sum with interest, the amount refunded from the previous membership.



## HOW TO APPLY

You must file an [Election to Reinstate \(RIS-1\)](#) form with NYSTRS. NYSTRS forms can be obtained on the [Forms](#) page at [NYSTRS.org](#) or by calling (800) 782-0289. It may take a year or more to finalize your reinstatement.

If you are reinstating from Tier 5 or 6 to an earlier non-contributory tier, your contributions will cease only after the election is filed and your eligibility is confirmed.

## IRS SECTION 401(A)(17)

Under Section 401(a)(17) of the Internal Revenue Code, members who last joined the System prior to July 1, 1996 and are reinstated to an earlier date of membership will not be subject to the Sec. 401(a)(17) compensation limits. This is of particular importance to those members who were reinstated to Tier 1 and are eligible for a five-year final average salary. For more information, contact us at (800) 348-7298, Ext. 6250.

## PRIOR SERVICE

Prior service is New York State public service completed before your current date of membership in this System. Receiving credit for prior service does not change your date of membership or your tier, unless it is the result of a membership reinstatement or transfer (see *Transferred Service* or *Reinstated Service* on page 4). Additional service credit can affect your eligibility for, and the calculation of, your benefits. Claiming prior service early in your career may also have financial benefits. Check out our video "[PSI: Prior Service Investigation](#)" in the [Library](#) on our website at [NYSTRS.org](#) to see how a member might track down information on prior public employment.

## SERVICE PREVIOUSLY CREDITED IN A NYS PUBLIC RETIREMENT SYSTEM

Members of all tiers are eligible to receive credit for prior service completed under a former membership in:

- ◆ This System.
- ◆ The New York State and Local Employees' Retirement System.
- ◆ The Teachers' Retirement System of New York City.
- ◆ Any other New York State (including New York City) public retirement system.

## PRIOR NYS SERVICE NOT CREDITED TO A MEMBERSHIP

Members of all tiers may receive credit for work prior to their date of membership that would have been creditable in a New York State public retirement system. This includes partial-year(s), part-time and substitute teaching. It may also include such work as a summer camp counselor for a town recreational program, a clerk for a public library or an office assistant in a county government department.



## OUT-OF-STATE PRIOR SERVICE

Tier 1 members may receive credit, up to a maximum of 10 years, for teaching in the public schools and colleges of another state if they will not receive a benefit for that service from another state or the federal government. You can only receive credit for employment that occurred before your current date of membership in this System. Any portion of this credit that causes you to exceed 35 years of total service credit is excluded from the pension calculation.

Tier 2 members may receive credit for out-of-state service only if it had been credited under a previous Tier 1 membership in NYSTRS.

Tier 3-6 members cannot receive credit for service in another state.

## PRIOR SERVICE COST

**Tiers 1 and 2:** Prior service is cost-free.

**Tiers 3 and 4:** The cost is 3% of salary received during the period of the service. In addition, Tier 4 members must pay interest of 5%, compounded annually. Tier 3 members must pay 5% interest only on service under a former Tier 3 membership.

**Tier 5:** The cost is 3.5% of salary received during the period of service plus 5% interest, compounded annually.

**Tier 6:** The cost is 6% of salary received during the period of service plus 5% interest, compounded annually.

## HOW TO APPLY

MyNYSTRS account holders have the convenience of submitting and tracking their prior service claim online. If you did not have credit for the service under an earlier membership, upon submitting the claim online you will be directed to print the applicable form for verification of salary and service. Complete Part 1 and send it to your former employer for completion. It is the employer's responsibility to submit the verification form to NYSTRS. We must receive this verification before your claim can be completed.

Alternatively, you can print a [Prior Service Claim \(PRS-2\)](#) form from our website or call our forms Hotline at (800) 782-0289 to request one. If applicable, you must also send your former employer the appropriate verification form, available on the [Prior Service Forms](#) page of our website. Employer verification must be received by NYSTRS before your claim can be completed.

Once a claim has been verified and fully processed, those with a MyNYSTRS account can see how much it will cost to purchase the service by selecting the Service Credit tab and then clicking on Cost Summary. In addition to seeing how much it will cost to purchase the service immediately, you'll also be able to see how delaying the purchase will impact your cost.

Members are urged to submit their claims early to reduce the amount of interest due and to avoid delays in processing at retirement. Pursuing prior service early on in your career is also important because some older employment records are only available on paper, and records like that have been destroyed by floods, fires and hurricanes.

Eligible prior service credit will be awarded once you have made any required payment and have accrued at least two years of service credit under your present membership.



## MILITARY SERVICE

Two types of service credit are available for active military duty: credit for service preceding NYSTRS membership and credit for service interrupting NYSTRS membership. Different sections of state and federal law allow credit for military service. The cost of the credit and how much credit you can receive will depend on which section of the law applies in your case. Honorable discharge documentation is required as verification of military service.

As of November 12, 2020, a new state law expanded eligibility to LGBT veterans and veterans who have a qualifying condition, such as post-traumatic stress disorder, and were released from military duty without an honorable discharge due to military rules in effect at the time of their discharge, as long as they were not given a dishonorable discharge or a discharge for bad conduct.

Generally, the military service credit laws are not retroactive. A law must be in effect before a member has retired for the member to qualify under that law.

Following is a brief overview of the general guidelines for obtaining military service credit. Please refer to our publication [Claiming Military Service](#) for additional information.

### SERVICE PRECEDING NYSTRS MEMBERSHIP

Active NYSTRS members may be able to purchase up to three years of credit for active military duty that occurred before the veteran became a member of a public retirement system. Restrictions exist for those who were not actively employed on or after May 31, 2016.

To be eligible to receive credit for your military service that preceded your NYSTRS membership, you must have at least five years of NYSTRS service credit. Total credit for prior military service cannot exceed three years and cannot exceed the "net active service" indicated on the member's military separation document.

### SERVICE INTERRUPTING NYSTRS MEMBERSHIP

Generally, you may be eligible for up to five years of military service credit if: a) you were a full-time or part-time NYSTRS member under contract when military service interrupted your membership; and b) you were re-employed under contract in a NYSTRS-eligible position within 90 days of your discharge or no later than the September following the date of discharge. However, other conditions may exist that would also allow you to obtain this credit. Call NYSTRS' Military Service Unit at (800) 348-7298, Ext. 6060, for more information.

### MILITARY SERVICE COST

**For service preceding NYSTRS membership:** For each year purchased, the cost is 3% (Tiers 1-5) or 6% (Tier 6) of the salary earned during the 12 months of credited service immediately preceding the year in which you make the claim. In the event a member is not able to benefit from any service purchased under this law, the cost of this service will be refunded (including 5% annual interest) to the member at retirement or upon death.

Full payment for military service credit must be made to the System by August 31 of the plan year immediately following the year in which you are provided a cost by the System. If payment is not received within this time frame, a recalculation will be required, which could result in a higher cost.

**For service interrupting NYSTRS membership:** The cost varies depending on what laws apply.

For those who qualify under state military and retirement laws, the cost is the same as the cost of purchasing military service preceding NYSTRS membership.

For those who qualify under federal laws, there is no cost for any Tier 1 or 2 members, or for Tier 3 or 4 members who stopped making mandatory contributions before entering military service. All other members must make the mandatory contributions they would have made if they were employed in NYS public service during the period of military service. The cost would be 3% of salary for contributory Tier 3 and 4 members, 3.5% for Tier 5, and 3%-6% for Tier 6.

The payment of member contributions for military service credit is waived for members called to active duty from August 1, 1990 to December 31, 1992, and/or from September 11, 2001 to December 31, 2005.



## HOW TO APPLY



To apply for military service credit, send a letter requesting military credit along with a copy of your military discharge document to the Retirement System's Military Service Unit, 10 Corporate Woods Dr., Albany, NY 12211, for evaluation. Your documentation must specifically list **all** the following information:

1. Date of entry or enlistment into active duty.
2. Date of discharge or terminal date of active service.
3. Character of service.
4. Years, months, and days of active duty service.

This information is often found on form DD 214. If you do not have the required documentation, you may be able to obtain it by contacting:

- National Personnel Records Center  
Military Personnel Records  
1 Archives Drive  
St. Louis, MO 63138
- (314) 801-0800
- [www.archives.gov/veterans/military-service-records](http://www.archives.gov/veterans/military-service-records)

If you are a recently separated veteran, you may be able to access your documentation online through the eBenefits portal at [www.ebenefits.va.gov/ebenefits/homepage](http://www.ebenefits.va.gov/ebenefits/homepage).

Once we receive your request for military service credit, we will determine which section(s) of the law applies and would provide you with the best benefit. We encourage you to submit your documentation before retirement so we can provide you the full benefit for which you are eligible on a timely basis. It generally takes three to four months to process requests for military service credit.

## SUBSEQUENT SERVICE

### NYS PUBLIC SERVICE EARNED IN ANOTHER RETIREMENT SYSTEM

As a result of Chapter 675 of the Laws of 2006, you may obtain credit for service earned in another New York State public retirement system subsequent to your NYSTRS membership, even if your membership in the other system has ceased. To claim this credit, you must have been an active NYSTRS member on or after June 30, 2006, and you must have at least two years of NYSTRS service. To claim this service, file a [Claim for Service Credit Under Chapter 675 of the Laws of 2006 \(MAC-80\)](#) form. Once NYSTRS verifies this service, you will be advised of the cost to purchase the credit.

### NEW YORK CITY SUBSEQUENT SERVICE

You can obtain service credit for teaching in New York City public schools at a time when you were a member of NYSTRS and were prohibited from joining a city retirement system. To be eligible, you must have taught prior to July 1, 1990, and must have at least two years of NYSTRS service. You must claim this service by filing a [NYC Subsequent Service Under Chapter 352 of the Laws of 2002 \(MAC-79\)](#) form. NYSTRS must receive verification of this service before it is credited.

## BENEFIT ENHANCEMENT (ARTICLE 19)

At retirement, eligible Tier 1 and 2 members receive one-twelfth of a year in enhancement credit for each year of their service credit at retirement, up to a maximum of two years of credit. To be eligible for the credit, you must have been in active service for at least 20 days in any one school year on or after July 1, 1992.





## THE BOTTOM LINE

Review your records, think about all the work you have done, and make sure you have claimed all the credit for which you are eligible. Each year, when you review your NYSTRS *Benefit Profile*, make sure all of your service has been accurately reported and credited. This is your guarantee that you will receive all the benefits you are entitled to in retirement.

If you decide to claim additional service, you will find the necessary forms on the [Forms](#) page of [NYSTRS.org](#) or by calling our Hotline at (800) 782-0289.

## CONTACT US



(800) 348-7298



(518) 447-2900

*from the Albany area*

Prior Service.....	Ext. 6030
Transfer In.....	Ext. 6040
Military Service .....	Ext. 6060
Reinstated Membership.....	Ext. 6070
Member Service Credit.....	Ext. 6075
Consultations.....	Ext. 6100
General Information .....	Ext. 6250

New York State Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, NY 12211-2395

[NYSTRS.org](#) | [communit@nystrs.org](mailto:communit@nystrs.org)

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