Memorandum to Presidents

Date: August 6, 1973
From: Office of the Vice Chancellor for Personnel and Employee Relations
Subject: Retirement Benefits

The State Legislature, in its extraordinary session, acted on pension reform on July 26, 1973. It passed a comprehensive bill which will require extensive analysis. As more information becomes available, we will inform you of the relevant changes in the retirement systems.

However, we wanted to inform you of the following points immediately:

1. The new legislation was effective July 1, 1973. Employees hired prior to July 1, 1973 receive retirement benefits under the plans then in effect. Employees hired July 1 and thereafter will receive benefits provided under the new legislation.

2. All professional employees hired between July 1 and July 31, 1973 will have until August 30 to make a retirement system election.

3. It appears that the contribution rate for the Optional Retirement Program (TIAA-CREF) remains unchanged. The rate will remain 12% of that portion of salary subject to Social Security tax and 15% of the excess.

4. Benefits under the New York State Employees' Retirement System, for employees hired after June 30, 1973, have been reduced.

5. Benefits for new employees electing the New York State Teachers' Retirement System have remained essentially the same.

As time permits a complete evaluation of the new legislation, we will forward more detailed information.

Kenneth M. MacKenzie

cc: Chancellor Boyer