§ 517. Member contributions. * a. Members shall contribute three percent of annual wages to the retirement system in which they have membership, provided that such contributions shall not be required for more than thirty years, for general members, or twenty-five years, for police/fire members, except that beginning April first, two thousand thirteen for members who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:

1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with wages greater than forty-five thousand per annum, but not more than fifty-five thousand per annum shall contribute three and one-half per centum of annual wages;

3. members with wages greater than fifty-five thousand per annum, but not more than seventy-five thousand per annum shall contribute four and one-half per centum of annual wages;

4. members with wages greater than seventy-five thousand per annum but not more than one hundred thousand per annum shall contribute five and three-quarters per centum of annual wages; and

5. members with wages greater than one hundred thousand per annum shall contribute six per centum of annual wages.

Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in the New York state and local employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer. Notwithstanding the foregoing,

when determining the rate at which each such member who became a member of the New York state and local employees' retirement system on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first) between April first, two thousand twenty-two and April first, two thousand twenty-six, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year. Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but shall not include any overtime payments.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

* NB Effective until October 1, 2026

* a. Members shall contribute three percent of annual wages to the retirement system in which they have membership, provided that such contributions shall not be required for more than thirty years, for general members, or twenty-five years, for police/fire members, except that beginning April first, two thousand thirteen for members who first become members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the rate at which each such member shall contribute in any current plan year (April first to March thirty-first) shall be determined by reference to the wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:

1. members with wages of forty-five thousand dollars per annum or less shall contribute three per centum of annual wages;

2. members with wages greater than forty-five thousand dollars per annum, but not more than fifty-five thousand dollars per annum shall contribute three and one-half per centum of annual wages;

3. members with wages greater than fifty-five thousand dollars per annum, but not more than seventy-five thousand dollars per annum shall

contribute four and one-half per centum of annual wages;

4. members with wages greater than seventy-five thousand dollars per annum but not more than one hundred thousand dollars per annum shall contribute five and three-quarters per centum of annual wages; and

5. members with wages greater than one hundred thousand dollars per annum shall contribute six per centum of annual wages.

Notwithstanding the foregoing, during each of the first three plan years (April first to March thirty-first) in which such member has established membership in the New York state and local employees' retirement system, such member shall contribute a percentage of annual wages in accordance with the preceding schedule based upon a projection of annual wages provided by the employer.

Notwithstanding the foregoing, when determining the rate at which each such member who became a member of the New York state and local employees' retirement system on or after April first, two thousand twelve shall contribute for any plan year (April first to March thirty-first) between April first, two thousand twenty-two and April first, two thousand twenty-eight, such rate shall be determined by reference to employees annual base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year, except that beginning on and after October first, two thousand twenty-six, for members who first became members of the New York state and local employees' retirement system on or after April first, two thousand twelve, the contributions in any current plan year (April first to March thirty-first) shall be determined by reference to the base wages of such member in the second plan year (April first to March thirty-first) preceding such current plan year as follows:

(i) members with wages of seventy-five thousand dollars per annum or less shall contribute three per centum of annual wages;

(ii) members with wages greater than seventy-five thousand dollars per annum but not more than one hundred thousand dollars per annum shall contribute four per centum of annual wages;

(iii) members with wages greater than one hundred thousand dollars per

annum but not more than one hundred twenty-five thousand dollars per annum shall contribute five and one-quarter per centum of annual wages; and

(iv) members with wages greater than one hundred twenty-five thousand dollars per annum shall contribute five and three-quarters per centum of annual wages.

Base wages shall include regular pay, shift differential pay, location pay, and any increased hiring rate pay, but from April first, two thousand twenty-two through March thirty-first, two thousand twenty-eight shall not include any overtime payments.

The head of each retirement system shall promulgate such regulations as may be necessary and appropriate with respect to the deduction of such contribution from members' wages and for the maintenance of any special fund or funds with respect to amounts so contributed.

* NB Effective October 1, 2026

b. In the event of termination of employment, other than as a result of transfer to another public employer, a member who is not vested or entitled to any other benefit under this article may withdraw his accumulated contributions pursuant to regulations promulgated by the head of the retirement system involved. In the event membership in a public retirement system shall terminate, other than as a result of transfer to another public employer, any contributions remaining to the credit of the member shall be refunded as specified by the rules or regulations of the system involved. For the purpose of such withdrawal or refund, such contributions, commencing on the date of this act or the date such member first makes contributions hereunder, whichever is later, together with the balances on such date from any contributions theretofore made, shall be credited with interest at the rate of five percent per annum.

c. Upon withdrawal of contributions by a member pursuant to subdivision b, membership in the public retirement system involved shall cease. A former member who thereafter returns to public service shall not receive any credit for previous service to which such withdrawn or

refunded contributions applied unless such member applies therefor and repays the amounts so withdrawn or refunded, together with interest through the date of repayment at the rate of five percent per annum. Notwithstanding any other provision of law to the contrary, a member may, upon separation from service of the state or a participating employer, withdraw his or her member contributions pursuant to the applicable provision of law until such date as such individual has accrued ten years of credited service in such system. However, the withdrawal of contributions pursuant to this section by an individual who has accrued at least five years of creditable service shall terminate his or her membership and all rights in such retirement system in the same manner as withdrawal of contributions would terminate the membership of an individual who has not attained vested status. Nothing in this section shall be construed as permitting an individual who has accrued at least ten years of credit in a retirement system to withdraw member contributions.

d. Notwithstanding any other provision of this article, a member shall be entitled to withdraw any excess contributions within six months of becoming subject to this article. Thereafter, such contributions, and interest thereon, may only be withdrawn upon separation from service. Upon retirement, such excess contributions, and any interest thereon, may be withdrawn in a single lump sum, or at the election of the member may be paid as an annuity under an option authorized pursuant to section five hundred fourteen of this article. The retirement system may at any time use any such excess contributions to offset a deficit of additional member contributions as required pursuant to sections five hundred four-a, five hundred four-b, and five hundred four-d of this article. The use of basic member contributions to offset a deficit of additional member contributions does not affect the contributions' tax designation pursuant to section 414(h) of the Internal Revenue Code.

e. Notwithstanding any other provision of law, except as provided in section five hundred seventeen-b of this article, except as provided in section five hundred seventeen-c of this article, a member shall not be permitted to borrow any portion of the contributions which are subject to this section.

** f. * 1. Notwithstanding any other provision of law, each participating employer shall pick up the member contributions required on and after the effective date of this subdivision to be made under this section by its employees and shall do so by reducing the salary of each of its employees to which this section is applicable by that amount which each such employee is required to contribute under this section. The contributions so picked up shall be paid by each participating employer in lieu of the member contributions to be paid by its employees under this section and shall be treated as employer contributions in determining income tax treatment under section 414(h) of the Internal Revenue Code.

* NB Effective until notice of ruling by Internal Revenue Service per ch. 627/2007 §22

* 1. Notwithstanding any other provision of law, each participating employer shall pick up the member contributions required on and after the effective date of this subdivision to be made under this section by its employees, or required to be made for the purchase of credit for previous service or military service by its employees pursuant to an irrevocable payroll deduction agreement under subdivision b-1 of section five hundred thirteen of this article, and shall do so by reducing the salary of each of its employees to which this section, or subdivision b-1 of section five hundred thirteen of this article, is applicable by that amount which each such employee is required to contribute under this section, or subdivision b-1 of section five hundred thirteen of this article. The contributions so picked up shall be paid by each participating employer in lieu of the member contributions to be paid by its employees under this section, or subdivision b-1 of section five hundred thirteen of this article, and shall be treated as employer contributions in determining income tax treatment under section 414(h) of the Internal Revenue Code.

* NB Takes effect upon notice of ruling by Internal Revenue Service per ch. 627/2007 §22

2. Each participating employer of any employee (subject to this article) who, in lieu of joining a public retirement system of the state, elected an optional retirement program to which their employers are thereby required to contribute, shall pick up the employee

contributions thereto which would otherwise be mandatory under the provisions of state law and shall do so by reducing the salary of such employee by the amount of employee contributions to such optional retirement program which would otherwise be mandatory under the provisions of state law. The contributions so picked up shall be paid by each participating employer in lieu of the member contributions to be paid by its employees and shall be treated as employer contributions in determining income tax treatment under section 414(h) of the internal revenue code.

3. With the exception of federal income tax treatment, the employee contributions picked up or paid pursuant to this subdivision shall for all other purposes, including computation of retirement benefits and contributions by employers and employees, be deemed employee salary. Nothing contained in this subdivision shall be construed as superseding the provisions of section four hundred thirty-one of this chapter or any similar provision of law which limits the salary base for computing retirement benefits payable by a public retirement system.

* 4. The provisions of this subdivision f shall not apply to a police/fire member or a member of the New York city employees' retirement system who is a member of the uniformed correction force or of the uniformed force of the department of sanitation, as defined in subdivisions thirty-nine and sixty-two of section 13-101 of the administrative code of the city of New York.

* NB Effective until chapter 525/2011 § 2 takes effect

* 4. The provisions of this subdivision shall not apply to a police/fire member who is a member of either the New York city police pension fund or the New York city fire department pension fund or a member of the New York city employees' retirement system who is a member of the uniformed correction force or of the uniformed force of the department of sanitation, as defined in subdivisions thirty-nine and sixty-two of section 13-101 of the administrative code of the city of New York.

* NB See ch 525/2011 § 7 for effectiveness

** NB Expires per chap 782/88 § 8

g. Interest shall accrue from the date of death until the date of

payment on accumulated member contributions refunded pursuant to this section upon the death of a member, where no death benefit is payable on account of such death. Interest shall accrue at the rate provided in subdivision one of section three-a of the general municipal law.

h. Notwithstanding any inconsistent provision of subdivision a of this section, New York city enhanced plan members who are members of the New York city fire department pension fund shall, as of the effective date of this subdivision pursuant to chapter two hundred ninety-eight of the laws of two thousand sixteen, contribute three percent of annual wages to the pension fund in which they have membership, plus an additional percentage of annual wages as set forth in the chapter of the laws of two thousand sixteen which added this subdivision.

i. Notwithstanding any inconsistent provision of subdivision a of this section, New York city enhanced plan members who are members of the New York city police pension fund shall, as of the effective date of this subdivision, contribute three percent of annual wages to the pension fund in which they have membership, plus an additional percentage of annual wages as set forth in the chapter of the laws of two thousand seventeen which added this subdivision.