

Frequently Asked Questions (FAQs)

The information provided here is specific to active MTA Bus employees who formerly were Queens Surface employees who do not yet participate in the Metropolitan Transportation Authority Defined Benefit Plan (the “DB Plan”) and who receive employer contributions in the MTA 401(k) Plan. It supplements and supersedes the DB Plan information and details provided to you in a letter, dated November 21, 2017, that included a set of FAQs.

Q: Who is eligible to receive the benefits provided under the MTA Board resolution?

A: Former Queens Surface non-represented employees who were active MTA Bus employees as of January 1, 2017 and who, at that time, were not previously participants in the DB Plan but instead received employer contributions under the MTA 401(k) Plan.

Q: Who is not eligible to receive the benefits provided under the MTA Board resolution?

A: Former Queens Surface non-represented employees who terminated or retired prior to January 1, 2017 are not eligible for these benefits.

Q: Is participation in the DB Plan mandatory?

A: Yes.

Q: Will I still be able to contribute to my 401(k) after I’m in the DB Plan?

A: Yes, but after you enter the DB Plan you will no longer receive a 401(k) Employer contribution of 2% or a 401(k) Employer match on any future elective deferrals. You may make contributions at your own election.

Q: What will happen to my 401(k) balances?

A: Your 401(k) funds will be unaffected by the new program and available for withdrawal, loans or any purposes allowed under the 401(k) plan.

Q: What is the new Plan?

A: The new Plan provides you with a monthly pension benefit of \$33.00 per year of service up to January 1, 2017, plus a second component consisting of a Final Average Salary (FAS) benefit, which will begin to accrue after January 1, 2017. The flat-rate defined benefit is in addition to your previously received MTA 401(k) employer contributions. The FAS benefit component has certain features similar to the MaBSTOA Pension Plan (“MaBSTOA Plan”).

In a nutshell, your annual service retirement benefit will have two parts:

- A “Flat Rate benefit” equal to \$396.00 (\$33.00 x 12) for each year of service prior to January 1, 2017, **PLUS**
- A “FAS benefit” equal to your FAS multiplied by your service accrued after January 1, 2017 multiplied by a factor based on your total years of MTA Bus Company and prior private lines service.

Q: What years of service are used to determine my Flat Rate benefit?

A: Your Flat Rate benefit will be based on your years of service as an employee of Queens Surface and MTA Bus.

Q: Does the FAS benefit have tiers and job title distinctions similar to the MaBSTOA Plan?

A: Yes, the FAS benefit component has certain features of the MaBSTOA Plan and will be based on your job title and date of hire with MTA Bus Company. Based on your current job title and original date of hire with MTA Bus, you will participate in the Plan’s Tier 4 25/55 operating retirement platform.

Q: Does this mean I am now in the MaBSTOA Plan?

A: No. You will be a member of the DB Plan, although the provisions of your FAS benefit will have certain features similar to the MaBSTOA Plan.

Q: When am I vested in my benefit?

A: Tier 4 program members become vested in their Plan benefit after completing five years of Total Service, which includes all years of service at MTA Bus in addition to prior service with Queens Surface. Because you have more than five years of Total Service, you are currently 100% vested in your DB Plan benefit.

Q: How is my Final Average Salary calculated?

A: Your FAS is the average of annual wages earned during any three highest consecutive years of earnings.

Q: Are there any limitations on my earnings?

A: Wages earned during any year used in an FAS calculation cannot exceed by more than 10 percent the average of the wages you earned during the previous two years.

Q: What is my FAS benefit?

A: Your FAS benefit is a percentage of your Final Average Salary (“FAS”) multiplied by your years of allowable service after January 1, 2017. Your Total Service will be used to determine the percentage rate of accrual. The annual benefit formulas for participants in the Tier 4 25/55 operating retirement platform is calculated as follows:

If you retire with less than 20 years of Total Service:

- \$396 (\$33 x 12) multiplied by allowable service accrued before January 1, 2017, **PLUS**
- 1.67% multiplied by the FAS multiplied by Total Service accrued after January 1, 2017

If you retire with between 20 and 25 years of Total Service:

- \$396 (\$33 x 12) multiplied by allowable service accrued before January 1, 2017, **PLUS**
- 2% multiplied by the FAS multiplied by Total Service accrued after January 1, 2017

If you retire with 25 or more years of Total Service:

- \$396 (\$33 x 12) multiplied by allowable service accrued before January 1, 2017, **PLUS**
- 2% multiplied by the FAS multiplied by Total Service accrued after January 1, 2017, up to 30 years of such service, **PLUS**
1.5% multiplied by the FAS multiplied by Total Service accrued after January 1, 2017 in excess of 30 years of Total Service

Q: When am I eligible to retire?

A: Eligibility for retirement will depend on your age, and Total Service:

- Age 55, with 25 years of allowable Total Service ✧
- Age 55, with 20 years of Total Service ✧ ‡
- Age 57, with 20 years of Total Service ‡
- Age 62, with 5 years of Total Service ✧
- Age 65, with 5 years of Total Service

✧ Flat Rate benefit reduced

‡ FAS benefit reduced

Q: What contributions are required?

A: Post-tax contributions will be charged at the rate of \$144.04 for each year of service between January 1, 2012 through December 31, 2016. Effective January

1, 2017, if you participate in the Tier 4 25/55 operating retirement platform, your pre-tax contributions will be 2% of your gross wages for service until retirement.

Q: After I retire will my benefit include a Cost of Living Adjustment (COLA)?

A: Yes, the COLA is an annual adjustment to your retirement allowance (or annual pension benefit) that is based on the Consumer Price Index. The COLA applies only to your FAS benefit. Pensioners, beneficiaries, and spouses are eligible to receive this increase if they meet certain criteria.

Q: What other benefits are provided under the new Plan?

A: The new Plan also provides death benefits, disability retirement, and an array of joint and survivor payment options.

We look forward to providing you with additional information on these plan provisions in the near future.