



Office of the State Comptroller
PAYROLL BULLETIN

Subject Special Notice to Tier III and IV Members of the Retirement Systems concerning State Income Tax Returns	Bulletin No. P-646
	Date January 29, 1990

Enclosed is a copy of a Notice from the NYS Department of Taxation and Finance concerning income tax reporting for Tier III and IV members of the New York State and Local government retirement systems.

A supply of these Notices will be distributed by the Division of the Treasury with the Payroll checks of Period 21-Lag, checks dated January 31 for Administration agencies and February 8 for Institutions.

Although most State W-2's will have already been distributed, please make sure that each of your employees who is a Tier III or IV member of the Retirement Systems and covered by 414(h) receives the Notice.

Enclosure



New York State Department of
Taxation and Finance
Taxpayer Services Division
W. A. Harriman Campus
Albany, New York 12227

December 28, 1989

To New York State Agencies, Local Governments and School Districts:

Attached is a **Tax Alert** that briefly explains the New York income tax responsibilities of your employees who are Tier III and Tier IV members of New York State and local government retirement systems, including teachers' retirement systems, and New York City uniformed force members, resulting from the application of IRC Section 414(h).

It also explains how employees are to enter 414(h) contributions on their New York income tax returns, and how to contact us for information or answers to their New York State tax questions.

Since 1989 is the first year that 414(h) contributions must be shown on New York income tax returns, it is especially important that the **Tax Alert** information reach all of your 414(h) employees. In this regard, I would appreciate it if you would use any avenue of communication available to you to help "spread the word," and to give a copy of the **Tax Alert** to 414(h) employees along with their wage and tax statement (Form IT-2102 or federal Form W-2).

If you have any New York income tax questions about the effect of IRC Section 414(h) on your employees, please call toll free 1 800 CALL TAX (1 800 225-5829).

Gabriel Di Cerbo

Director, Taxpayer Services Division



Important Notice

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(12/89)

Tax Alert

Important Income Tax Information for Tier III and Tier IV New York State and Local Government Retirement System Members and New York City Uniformed Force Members

If you are a Tier III or Tier IV member of a New York State or local government retirement system, including the New York State and New York City Teachers' Retirement Systems, or a New York City uniformed force member*, your retirement contributions made on and after July 1, 1989 (on and after November 18, 1989, for New York City uniformed force members), were not subject to federal income tax. However, these contributions are still subject to New York State, New York City and Yonkers taxes. You must add the amount of these contributions to the income on your 1989 New York State income tax return. Follow the instructions below, or those in your instruction booklet, to show the correct amount of retirement system contributions on your return.

If you are filing Form IT-200, enter on line 9 the amount of retirement system contributions that may be shown on Copy 2 of your wage and tax statement (Form IT-2102 or federal Form W-2) or otherwise furnished to you by your employer. These contributions may be referred to as 414(h) contributions, public employee retirement contributions addback, or by another title. Do not enter on line 9 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan.

If you are filing Form IT-201 or Form IT-203, enter on line 22 the amount of retirement system contributions that may be shown on Copy 2 of your wage and tax statement (Form IT-2102 or federal Form W-2) or otherwise furnished to you by your employer. These contributions may be referred to as 414(h) contributions, public employee retirement contributions addback, or by another title. On line 22, in the white space next to the word "Identify," write "A-21." Do not enter on line 22 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan.

If you are also filing Form NYC-203 or Form Y-203, include on line 1 with your gross wages the same amount of retirement system contributions that you entered on your Form IT-200, line 9, or Form IT-201 or IT-203, line 22.

If you have any questions regarding the status of your retirement contributions, contact your employer. For information or answers to your New York State tax questions, call toll free 1 800 CALL TAX (1 800 225-5829).

*Police, firemen, corrections officers and transit, housing authority and sanitation police.