



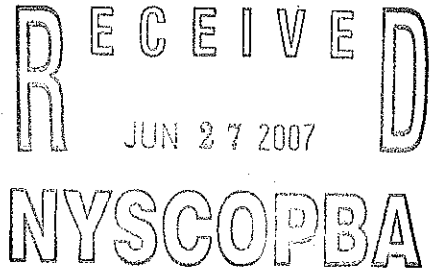
Office of the New York State Comptroller
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Nancy M. Burton, Assistant Comptroller

June 22, 2007

Larry J. Flanagan, Jr.
President
New York State Correctional Officers and
Police Benevolent Association, Inc.
102 Hackett Blvd.
Albany, NY 12209



Dear Mr. Flanagan:

At our meeting yesterday you requested another letter clarifying for members the difference between the salary reported on Member Annual Statements and our description of the process we use to calculate retirement benefits for those members whose Final Average Salary (FAS) period falls within the time frame of your 2006 retroactive salary payment.

In short, as we discussed at the meeting, our computer system only recognizes salary when it is paid. As a result, any retroactive payments paid to a member in any fiscal year will be counted as income for that year, and reported as such on the Member Annual Statement. However, when we calculate a retirement benefit when a retroactive payment has been made in the FAS period, we obtain detailed information from the OSC Bureau of Payroll on the periods of time in which the salary was earned. With that information, we then manually move the dollars to the correct fiscal year before we calculate the FAS. As I discussed in my earlier letter, we exempt the retroactive payment from the salary limitations in the law, but do not lift those limitations for other types of lump sum payments, such as vacation.

I hope this provides the information you requested to fully inform your membership of our procedures. I look forward to working with you on other issues in the future to continue to improve the information provided to your members on their retirement benefits.

Sincerely,

Nancy M. Burton

NMB/MD