

Receiving a Pension and Your Unemployment Insurance Benefits

On March 29, 2013, Governor Andrew M. Cuomo signed into law a number of reforms to New York State's Unemployment Insurance system. These reforms benefit both employers and claimants by strengthening the Trust Fund that pays benefits to claimants and increasing benefit rates for unemployed workers beginning in October 2014. Learn more at <http://labor.ny.gov/ui/ui-reform-claimants.shtm>.

This fact sheet tells you how receiving a pension may affect your eligibility to receive Unemployment Insurance benefits.

Does receiving a pension affect my benefits?

If you have retired and are not looking for work, you are not eligible for Unemployment Insurance benefits. If you retired from a job and are actively looking for other work, you may be eligible for Unemployment Insurance benefits. You must meet the same conditions as all other claimants.

Your benefits will be reduced by 100 percent of the amount of the pension you receive if your base period* employer contributed to it, regardless of whether or not you contributed to the pension. If you were the sole contributor to the pension, your benefits will not be reduced.

If you become eligible for a pension while receiving Unemployment Insurance benefits, you must notify the Telephone Claims Center at 1-888-209-8124 or 1-877-358-5306 (from

outside New York State). If you do not notify us, you may receive an overpayment of benefits which you will need to pay back. You also may be subject to other penalties.

Can other types of retirement payments be considered pensions, and therefore reduce Unemployment Insurance benefits?

Yes. The pension reduction applies to a governmental or other pension, retirement or retired pay, annuity or any other similar periodic payment which is based on previous work.

Would my benefit rate be reduced if my former employer contributed anything to my 401(k)? Is a 401(k) considered a pension that reduces my benefit rate?

If your former employer is a base period* employer, your benefit rate could be reduced if you received a 401(k) payment which your former employer contributed to. This would apply if you receive periodic 401(k) payments or if you are unemployed due to your retirement but remain active in the workforce, and you receive a lump sum payment.

If I roll my pension, 401(k), 403(b), etc. into a qualified IRA, am I still subject to a rate reduction?

No.

***Base Period: Four completed calendar quarters in which you must have been paid a minimum amount of wages to qualify for Unemployment Insurance benefits.**