



Financial Fitness for the New Year: Healthy Habits for your Wallet

There are many tools and resources to help City employees manage their finances:

The Department of Consumer Affairs (DCA)

DCA is a resource for all city residents, including City employees. Some of the services they offer include:

- **Financial Empowerment Centers**
 - Free, confidential one-on-one support from trained financial counselors
 - No income threshold – all New Yorkers can participate
 - Counselors can help with debt, credit, budgeting, loans, investing, and planning for important purchases or major life events
 - There are 20 centers across the 5 boroughs. You can find a list of sites [here](#).
 - Make an appointment online [here](#), by calling 311 and saying “Financial Empowerment Center”, or by texting “TalkMoney” to 42033 (*Message and data rates may apply.*)
- **NYC Free Tax Prep**
 - DCA can help you file your taxes for free if you live or work in NYC and make less than \$66,000 in 2018. Learn more [here](#).

To learn more, visit nyc.gov/dca, call 311, or contact @nycdca on social media. You can also email the webinar presenter, Carlos Ortiz, Director of Community Affairs at COrtiz@dca.nyc.gov.

Pension Plans

- A pension plan is a valuable benefit that helps City employees save for retirement.
- Your title and agency determine which pension plan covers you. The majority of City employees are covered by the NYC Employees’ Retirement System (NYCERS).
- Most pension plans also have workshops and resources to help their members get ready for retirement.
- If you didn’t join a pension plan when you started working for the City, you can “buy back” time through payroll deductions. You can also take out loans against your pension if needed.
- Pension plans rules, costs, rights, and retirement benefits vary from plan to plan. Contact your specific pension plan for more information:
 - NYC Employees’ Retirement System (NYCERS): nycers.org
 - NYC Police Pension Fund (PPF): nyc.gov/nycppf
 - NYC Fire Department Pension Fund: 718-999-2300
 - NYC Teachers’ Retirement System (TRS): trsnyc.org
 - Board of Education Retirement System (BERS): nycbers.org





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Deferred Compensation Plan (DCP)

- Putting money into a DCP account can supplement your pension and Social Security in retirement.
- There are a range of plans available, including a 457 Plan and a 401(k) Plan, both of which offer pre-tax and Roth (after-tax) options.
- Contributions are pre-tax and come directly from your paycheck.
- The DCP Financial Planning Centers offers educational seminars on topics like college planning, social security and Medicare, investing, eldercare, and more. View this month's schedule and learn more [here](#).
- DCP members can schedule individual financial planning sessions for \$25.
- To learn more about DCP and find the right plan for you, visit nyc.gov/deferredcomp for more information.

NYC Employee IRA (NYCE IRA)

- The NYCE IRA is an additional retirement plan option for City employees.
- Contributions are pre-tax and come directly from your paycheck.
- Your spouse can also open a NYCE IRA account, which has lower costs than most retail plan options.
- The NYCE IRA gives you the option to roll over other retirement savings accounts or to maintain your retirement account if you decide to leave City service.
- Visit nyc.gov/nyceira to learn more and find the right plan for you.

Flexible Spending Accounts

- Flexible spending accounts allow employees to save money by paying for qualifying expenses through pre-tax payroll deductions.
- **The Dependent Care Assistance Program (DeCAP)** allows employees to set aside some of their paycheck before taxes to pay for qualifying dependent care expenses (i.e. day care or caregivers).
- **The Health Care Flexible Spending Account (HCFSA) Program** allows employees to set aside some of their paycheck before taxes to pay for eligible out-of-pocket medical costs for themselves or their dependents.
- To participate in DeCAP or HCFSA, employees must be covered by NYC health insurance, the citywide contract, or the Management Benefits Fund and work for mayoral agencies, Health + Hospitals, NYCHA, CUNY, the School Construction Authority, or DOE. However, employees of cultural institutions, libraries and DOE charter schools may have similar programs available to them.
- You can join DeCAP or HCFSA during the open enrollment period each fall, unless you experience a qualifying event during the year.
- To learn more about these programs, visit nyc.gov/fsa or contact your benefits manager.

Unions

- Your union may also be a helpful resource for financial planning and assistance.
- Many municipal unions offer financial workshops and support. Contact your union to learn more.



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These tips and resources can help you manage your financial well-being:

Track your expenses

- It's important to know how much money you have coming in and how you are spending it.
- Try an app like Mint or a spreadsheet – there are many templates available online. What's most important is to find a system that works for you.
- Take advantage of resources like [direct deposit](#) and pre-tax [commuter benefits](#) available to City employees

Identify unnecessary costs

- Tracking your expenses can help you find areas where you could cut back if you wanted to save more (for example, packing lunch at home instead of ordering takeout, or taking the subway instead of a cab).
- Tracking is also a way to identify unnecessary recurring expenses, such as banking or ATM fees. A few dollars may seem small, but these costs can add up to hundreds of dollars per year!
- Informal services like check cashers or money transfers also have hidden costs and can add up over time. It may seem easier, but can cost you more money in the long run.

Understand credit

- Credit is money that you borrow from a bank to pay for goods and services.
- Banks will lend you a certain amount of credit based on how much they trust you to pay that money back.
- Everyone has a credit score, which is a number that measures how likely you are to pay back the money you borrow from your bank.

Know your credit score

- There are 5 factors that determine your credit score:
 1. **Payment history** (if you pay your bills)
 2. **Credit utilization** (the amount of credit you are use vs. the amount you have access to)
 3. **Length of your credit history** (how long your accounts have been open)
 4. **New credit** (how many credit cards you have opened up recently)
 5. **Mix of credit** (whether you have credit cards, installment loans, mortgages, etc)
- Check your credit score once a year. It's important to know your credit score so you know where you stand, especially before you make a big purchase.
- DCA counselors can help you check your credit score at any Financial Empowerment Center
- You can also check your credit score directly from a credit reporting agency. Learn more [here](#).



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Improve your credit score

- Keep your credit card balances low and pay the full balance each month
- Don't close a credit card account after you pay off the balance.
 - Having the same balance but less available credit will lower your credit score
 - This lowers your credit utilization, which can lower your credit score
 - It's okay to keep a credit card even if you don't use it. Leave it at home or hide it somewhere so you're not tempted to use it!
- Don't check your credit score too often (Note: DCA counselors can check your credit score for you as often as you need, without penalty).
- Don't open credit cards that you don't need. This can be a red flag.
- Don't open too many accounts at the same time. This lowers the average age of your accounts, which lowers your credit score.

Use credit-building products to repair your credit

- **Secured credit cards:** With a secured credit card, you give your bank a deposit and they give you a line of credit for that amount. You can use your secured credit card to make purchases and pay for them. As you make payments, your credit score will go up and you will build trust with your bank. Typically, you can "graduate" to a regular credit card after a year. The bank will give you your deposit back and give you a new credit card with a larger credit limit.
- **Credit builder loan:** You ask the bank for a loan and they put the money in a savings account for you. This helps you to save money while improving your credit score for making on-time payments. When you have paid off the loan completely, the bank releases the money back to you.

If you have debt, make a plan to pay it back

- DCA counselors can help you prioritize your debt and assess which debts to pay back first, based on the type of debt you have and the interest rates you are paying.
- If a debt collection agency is harassing you, DCA can help.

Determine the best way to manage your student loans, if you have them

- DCA and WorkWell NYC are working on programs and resources to help employees with student loans.
- There are different plans for repayment, such as income-based repayment plans.
- City employees are eligible to participate in the **Public Service Loan Forgiveness Program**, which eliminates the remaining balance on your direct loans once you have made 120 qualifying monthly payments under a qualifying repayment plan. Learn more about the program [here](#).
- DCA can also help with deferment or forbearance, which are options for pausing your loan payments.



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