AGENCY/EMPLOYER INFORMATION GUIDE

New York State Voluntary Defined Contribution Program
THE VDC PROGRAM INFORMATION GUIDE

This guide provides information regarding the New York State Voluntary Defined Contribution (VDC) Program, including:

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BACKGROUND

- Governor Andrew Cuomo signed into law Chapter 18 of the 2012 Laws on March 16, 2012, which created the Voluntary Defined Contribution (VDC) Program.
- The original Program announcement is available on the New York State website at www.definedcontribution.ny.gov.
- Beginning July 1, 2013, a defined contribution retirement plan option was made available to unrepresented employees of New York State (NYS) public employers hired on or after that date, and who earn at the rate of pay of $75,000 or more annually.
- The VDC Program (VDC Program) was created as an alternate retirement plan option to help employees of public agencies/employers (meeting certain eligibility criteria) to build retirement plan accumulations that will help provide retirement income to meet their retirement goals.
- State employees have 30 days from their date of hire to select a retirement plan.
- The VDC Program must be offered as an alternative retirement choice to all eligible employees and these employees will need to choose between the VDC Program and the NYS defined benefit plans. Please refer to page 49 for a complete list of defined benefit retirement plans.
- The State University of New York Optional Retirement Program (ORP) was selected as the vehicle to accomplish this, and the Education Law was modified to permit this newly eligible class of public employees.
WHO’S WHO

PLAN SPONSOR
The State University of New York has one of the largest defined contribution retirement plans in the United States and thus New York State approved the SUNY Optional Retirement Program (ORP) as the retirement plan vehicle to help achieve the State’s objective. Hence, the VDC Program, sponsored under the SUNY ORP, is managed by Michael Consorte, SUNY Director of University-wide Benefits, and Denise Gaffor, SUNY Retirement Program Manager.

THIRD-PARTY ADMINISTRATOR
TIAA serves as the third-party administrator and central point of contact for agencies and participants in the Program.

INVESTMENT PROVIDERS
Employees have the option of selecting among TIAA, Voya, AIG Retirement Services and Fidelity as the investment provider(s) for their VDC account(s).

ADMINISTRATOR TELEPHONE CENTER
A dedicated New York State VDC Program telephone center is available for plan administrators of New York public agencies and employers. The phone number is 888-984-0010.

EMPLOYEE TELEPHONE CENTER
A dedicated telephone center is available for employees. The phone number is 866-271-0960.
CHARACTERISTICS OF THE VOLUNTARY DEFINED CONTRIBUTION PLAN

- The vesting period is 366 days. “Vesting” in a retirement plan means ownership. This means that the employee will vest, or own, certain employer contributions.
- Contributions made by the employee and the employer are allocated into investment choices offered through the plan’s investment options.
- Employees build their own investment mix/portfolio tailored to their risk tolerance and retirement time horizon.
- The VDC allows participant-directed investments. The amount owed to participants upon retirement is based solely on the account balance (all contributions and subsequent earnings) at the time of their withdrawal.
- The VDC provides lifetime income in the form of guaranteed and variable payments. The amount of retirement income received will depend on how well the investments have performed over the intervening years and on the income options chosen.
- Employee and employer contributions plus applicable earnings are the employee’s to keep after reaching the vesting period of 366 days (subject to plan rules).
- After an employee separates from service, assets can remain in the plan. When an employee leaves public employment, several options are available, including: receiving lifetime annuity payments, lump-sum distribution, distribution in installments, and leaving the assets in the plan.

1 All guarantees are subject to the claims-paying ability of the issuing insurance company. Payments from the variable accounts will rise or fall based on investment performance.
CHARACTERISTICS OF THE STATE DEFINED BENEFIT PLAN (CURRENT)

- There is a 10-year vesting period.
- The Plan provides a fixed, predictable lifetime monthly income at retirement.
- At retirement, members receive a guaranteed monthly pension payment based on a set of formulas.
- Payments are not affected by market fluctuations. Contributions are invested and managed by New York State to meet current and future pension obligations.
- If the employee leaves before completing the 10-year vesting period, employee contributions are refunded, but the employer contributions are forfeit.
# VOLUNTARY DEFINED CONTRIBUTION VS. DEFINED BENEFIT COMPARISON

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>VOLUNTARY DEFINED CONTRIBUTION</th>
<th>DEFINED BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesting</td>
<td>After 366 days of employment.</td>
<td>After 10 years of service credit.</td>
</tr>
<tr>
<td>Portability</td>
<td>Portable after 366 days. Employee and employer contributions plus applicable earnings are the employee’s to keep after 366 days regardless of where their career takes them.</td>
<td>If employee leaves before reaching the 10-year vesting period, employee contributions are refunded, employer contributions are forfeit.</td>
</tr>
<tr>
<td>Control</td>
<td>Employees have the flexibility to manage the investment of their funds based on the investment options available in the plan. Professional guidance and support is available through authorized investment providers.</td>
<td>Funds are managed for the employee to meet current and future liabilities.</td>
</tr>
<tr>
<td>Risk</td>
<td>The amount of future accumulations available upon retirement varies according to investment selections and performance. The employee bears the investment risk based on investment choices and performance.</td>
<td>Monies are pooled together and professionally managed, and the government bears funding and investment risk.</td>
</tr>
<tr>
<td>Expected income</td>
<td>Retirement income is determined by the account balance: the employee has the opportunity for higher or lower retirement income based on investment decisions and the performance of the underlying investment options, which include securities. The retirement income benefit will depend on several factors including salary, duration of contributions, investment earnings and age at retirement. Benefits are not guaranteed.</td>
<td>Income is determined by a formula and depends on length of service, earnings, tier and age. The employee will receive a fixed monthly payment with annual cost-of-living adjustments.</td>
</tr>
</tbody>
</table>
ABOUT TIAA

- TIAA is the third-party administrator (recordkeeper) of the VDC Program. TIAA is your central point of contact for administering the VDC Program and will work with you to help you get started in your role as an administrator of the plan.
- TIAA has served SUNY and its employees for over 55 years.
- Headquartered in NY, TIAA is a Fortune 100 financial services organization and a leading provider of retirement benefits nationwide with more than $1.1 trillion in total assets under management and local offices across the country, serving 5 million participants and 15,000 institutions.
- TIAA is the #1 not-for-profit retirement market provider in assets and participant accounts.
- For its stability, claims-paying ability and overall financial strength, TIAA is one of only three insurance groups in the U.S. to currently hold the highest possible rating from three of the four leading insurance company rating agencies.
- TIAA specializes in the distinctive needs of those who work in the governmental, academic, research, medical and cultural fields.

1 As of June 30, 2020, assets under management across Nuveen Investments affiliates and TIAA investment management teams are $1,143 billion.
2 Based on data from 56 providers in PLANSPONSOR magazine’s 2019 DC Recordkeeping Survey, combined 457, 403(b) and money purchase plan data as of December 31, 2018.
3 For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 7/20), Fitch (AAA as of 4/20) and Standard & Poor’s (AA+ as of 12/19), and the second highest possible rating from Moody’s Investors Service (Aa1 as of 8/19). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company’s ability to meet policyholders’ obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA’s claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.
TIAA’S ROLE AS THIRD-PARTY ADMINISTRATOR

AS THIRD-PARTY ADMINISTRATOR, TIAA WILL:

- Operate the recordkeeping system
- Help you set up (onboard) your agency to start offering the Program
- Provide reporting tools through the PlanFocus® administrator portal
- Collaborate with you on the day-to-day operations of the Program
- Collect and distribute remittance data to all investment providers
- Manage the employee enrollment system
- Provide information and guidance to employees to help them enroll and understand the Program benefits through the Retirement@Work® Help Desk, 866-271-0960, weekdays, 8 a.m. to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET)
Employees will have the option of allocating their employee and employer contributions to these approved investment provider(s).

- **TIAA**
  800-842-2252
  TIAA.org/nystate

- **Voya**
  800-438-1272
  voya.com

- **AIG Retirement Services**
  Richard Grofsick, Advisor
  518-783-6464
  valic.com

- **Fidelity¹**
  800-343-0860
  fidelity.com

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¹ If employees invest in the SUNY Optional Retirement Program through Fidelity, they will be investing in available group annuity contracts issued by Massachusetts Mutual Life Insurance Company ("MassMutual"), 1295 State Street, Springfield, MA 01111-0001 and administered by Fidelity Investments. If benefit payments are annuitized under the group annuity contract issued by MassMutual, those benefit guarantees are subject to the claims-paying ability of MassMutual.
ELIGIBILITY

The VDC Program option must be made available to all employees of New York public employers/agencies who

- Were hired on or after July 1, 2013
- Earn at the rate of pay of $75,000
- Are unrepresented

New York public agencies and employers are required to communicate this Program to all employees who meet the above requirements.

**Important:** Transferring NY State employees whose immediately preceding employment was with another department, division or agency of NY State shall not be eligible for the VDC and must remain with their current retirement system.

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1 A defined contribution plan is a type of retirement plan in which the amount of the employer's annual contribution is specified. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings on the money in the account.

2 Unrepresented employee is an employee not represented by a union.
CONTRIBUTIONS

- Defined contribution plans are retirement savings vehicles that provide benefits "defined" by employer and employee contributions to the plan and the investment earnings on those contributions.

- All contributions and any subsequent earnings are credited to individual accounts for each plan participant. The amount owed to participants upon retirement is based solely on the account balance at the time of withdrawal.

- Participants bear responsibility for managing the investments of their accounts throughout their careers; thus, each participant needs to select from among choices provided by the authorized investment providers and maintain an appropriate asset allocation to suit their individual preferences from among the investment options available within the plan.

- Professional guidance and support is available through all Program authorized investment providers to assist plan participants with investment allocation, savings strategies, decision making and fund distribution options.
CONTRIBUTION RATES

- The employer contribution rate is 8% of wages.
- Employee pretax contributions rates are based on a rate of annual pay equivalent to $75,000.

<table>
<thead>
<tr>
<th>Wages</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,000 or less</td>
<td>3%</td>
</tr>
<tr>
<td>$45,000.01 to $55,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>$55,000.01 to $75,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>$75,000.01 to $100,000</td>
<td>5.75%</td>
</tr>
<tr>
<td>Greater than $100,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Important:** The above contribution rates are subject to change by legislation passed by New York State.

1 Salary rate will be considered in reaching the $75,000 threshold. For example, if a part-time employee makes $45,000 working 60% of a full-time schedule, then the salary rate would be $75,000, and would qualify the employee to enroll in the VDC.
EMPLOYEE CONTRIBUTIONS AND EARNINGS ARE ALWAYS FULLY VESTED. EMPLOYER CONTRIBUTIONS ARE SUBJECT TO VESTING GUIDELINES.

- The vesting period is 366 days.
- For employees with vested employer-funded retirement contracts through approved vendors from previous employment, vesting is immediate.
- During the vesting period, the employee and employer funds will be held in escrow by the employer. At the conclusion of the vesting period, the employer will apply the required annual interest rate of 4% to the funds held in escrow.
- Fully vested participants own all of the money in their accounts (employee and employer contributions), regardless of whether they continue to be employed with the same employer until retirement.
- A participant is not entitled to employer contributions if they terminate their employment before completing the required amount of service under the vesting schedule.
- The refund to the employee will include only the employee contributions along with 4% simple interest up to the date of termination. The employee non-vested pretax contributions should be refunded to the employee and returned on their final separation check (along with simple interest), so that it may be reported correctly on their wage and tax statement at year-end.
- Determination of vesting status is contingent upon history provided by the employee and validated by the employer. Vested employer-funded retirement contracts do not include 457 plans.
DISTRIBUTION OPTIONS

• Death benefits

ADDITIONAL OPTIONS AVAILABLE AT SEPARATION OF SERVICE

• Lifetime retirement income
• Single and/or systematic lump-sum withdrawals
• Minimum distribution payments
• Interest payments
• Rollovers

Note: Cash distributions are generally subject to ordinary federal income taxes and may be subject to an additional IRS 10% tax penalty for withdrawals made before age 59½.
RESOURCES AVAILABLE TO AGENCIES/EMPLOYERS
TWO KEY RESOURCES

TELEPHONE CENTER
A dedicated New York State VDC Program telephone center is available for plan administrators of New York public agencies and employers.

If you have any questions, please call 888-984-0010, weekdays, 8 a.m. to 6 p.m. (ET).

Employees (through Retirement@Work) may call 866-271-0960, weekdays, 8 a.m. to 10 p.m.

VDC WEBSITE
A dedicated New York State VDC Program website is available at www.vdc.ny.gov. Within this website, there is a “For Agencies/Employers” section and “For Employees” section. You and your employees can learn about the program and enroll in the VDC Program here.

RETIREMENT@WORK
Retirement@Work is the online enrollment and management system for the VDC retirement account. It’s a central portal through which eligible employees can enroll in the VDC Program, access plan information, access service provider websites, choose investment providers, and so much more—all from one location and at their convenience.
Details of the VDC Program and resources that are relevant for benefit officers can be found by visiting the dedicated VDC Program website at www.vdc.ny.gov and select For Agency/Employer at top left. You can also access details of the VDC Program by visiting www.vdc.ny.gov/employer.

Graphics below are for illustrative purposes only.
FOR EMPLOYEES

One of the first steps you will need to do when you have eligible employees is to direct them to the VDC Program employee website at www.vdc.ny.gov or directly to www.vdc.gov/employee. Employees will be able to learn more about the Program benefits, eligibility, investment providers and how to enroll.

Graphics below are for illustrative purposes only.
GETTING READY TO OFFER THE VDC PROGRAM
Your agency has been automatically set up to participate in the New York State Voluntary Defined Contribution (VDC) Program.

- For non-centralized payroll remitters, agencies **not** supported by the Office of the New York State Comptroller (OSC) or the New York City Office of Labor Relations (OLR), you have five steps to implementation. This information can be found in the VDC Program website, Agency/Employer implementation section.

Graphics below are for illustrative purposes only.

Once you have completed the above steps, you can immediately begin offering the VDC Program to eligible employees.

- Add the VDC Program as an available retirement plan on your HR Benefits website.
- Share the VDC website and Enrollment Guide with eligible employees.
For centralized payroll remitters, agencies supported by the Office of the New York State Comptroller (OSC) or the New York City Office of Labor Relations (OLR), you need to complete the following four steps and then you can begin offering the new retirement option to your eligible employees.

- Add the VDC Program as an available retirement plan on your HR Benefits website.
- Share the VDC website and Enrollment Guide with eligible employees.
SELECT THE REMITTANCE METHOD BASED ON AGENCY’S PROFILE. THERE ARE TWO REMITTANCE METHODS AVAILABLE.

The two remittance process options are:

1. PlanFocus® Online Contribution List available to agencies with less than 250 eligible employees
2. SPARK remittance file for agencies with 250 eligible employees or more

Note: TIAA will work with those agencies/employers that remit through a centralized remitter, such as the State Office of the State Comptroller NYS (OSC) and the New York City Office of Labor Relations (OLR).

Note: Only available to agencies that are actually remitting.
REMITTANCE METHOD FOR EMPLOYERS WITH LESS THAN 250 ELIGIBLE EMPLOYEES: PLANFOCUS®

PLANFOCUS® (LESS THAN 250 ELIGIBLE EMPLOYEES)
• Internet design for locations with a small number of employees
• Remittance method using a simple online self-service tool called Online Contribution List
• Manage remittances and adjustments online
• An online webinar showing how to remit contributions via PlanFocus can be found at www.brainshark.com/tiaa-cref_direct/PlanFocusVDC.
• There is a print version of the Online Contribution List guide under the EDUCATION tab in PlanFocus®.
IF YOUR AGENCY IS REMITTING USING SPARK, PLEASE ALLOW SUFFICIENT TIME FOR CREATING AND TESTING YOUR FILE. THE STEPS INCLUDE:

1. Payroll preparation
   • Create file according to SPARK file layout specifications and instructions
   • Submit a test file and payroll schedule

2. TIAA testing includes:
   • Validation of file format
   • Certification of data
YOUR REMITTANCE FILE WILL INCLUDE THE FOLLOWING KEY DATA ELEMENTS:

- Employer/plan identification data
  - Plan ID (406081), Sub plan ID (GOR), Location code and payroll frequency codes

- Employee basic demographic data
  - Social Security number, Employee IDs, Employee Name, Address, Residency Code, Date of Birth, Email Address (preferred items include Employee title, Gender, Marital status, Phone number)

- Employee contribution data
  - Payroll Date, Contribution Source Code and Contribution Amount
  - This section allows you to include multiple money sources associated with the participant for the plan. Data is provided by plan/product.

1 Provided by TIAA.
IN ADDITION, REMITTANCE FILES SHOULD ALSO INCLUDE THE FOLLOWING EXPANDED DATA ELEMENTS AND FOLLOW THE FILE NAMING:¹

- **Employee employment data**
  - HR Location, HR Sub area (for Employee Class designations), Date of Hire, Employment, Employment Status Date, Employee Type (Full- or Part-Time), Payroll Mode (Normal - 100), Annual Salary, Per Pay Compensation (includible compensation)

- **Employee enrollment data**
  - Employee Status, Plan Entry Date

- **All remittance files must be submitted with the following file naming convention:**
  - Production File Naming Standards

FILETYPE_CLIENTID_EMPLOYERID_LOCATIONID_PLANPAY_GROUP_YYMMDD_HHMMSS.TXT

*Example:* CR_406081_406081_<Your Location ID>_<Your PayFrequency>_120108_113000.TXT

¹ Please consult with your IT department regarding preparing and remitting this data.
SPARK EXPANDED FILE DATA REQUIREMENTS
FILE NAMING REQUIREMENT
FORMAT: SPARK FILE REMITTANCE
FILE OVERVIEW

SPARK FORMAT (>250 ELIGIBLE EMPLOYEES AND/OR CENTRALIZED REMITTER SUCH AS OSC AND OLR)

- TIAA uses the SPARK layout for this file type
  - Layout will allow the adoption of future services such as eligibility, limits monitoring, and employer calculations
  - Pipe delimited file format following SPARK Institute Standard format
- File requires a row of data per plan/product
- The census remittance file is transferred by the payroll provider to the TIAA after each payroll is run
  - SPARK Remittance files must be transferred via secure file transfer protocol (SFTP)
- File includes updates on census data, salary, deferral updates, and position changes
- File includes newly eligible employees and current payroll information
- Testing is a 6- to 8-week iterative approach
BEST PRACTICES FOR SUBMITTING SPARK DATA FILE

- Before loading data, you should audit the file to ensure that the file format was not impacted when you created the file. All required fields should be populated according to the file specifications.

- Submit your data file to TIAA either by file exchange or secure file transfer protocol (SFTP).
  - Census remittance file must be submitted based on your predetermined payroll schedule, no fewer than three (3) business days before the payroll date.
  - Look for a confirmation that your census remittance file has been determined to be in good order.
  - Notification of funding will be made to agency (by email) of the good order status of the data.
REMITTANCE OF CONTRIBUTION FUNDING

- Monies for contribution should only be remitted after you have received confirmation that your file is in good order (i.e., properly formatted to successfully transmit accurate information).
- TIAA will provide you with a report that provides a breakdown of amounts allocated to each investment provider.
- Contribution funding can be accomplished using one of the two methods described below:
  - Fedwire
  - Automated Clearing House (ACH)
THE NEW HIRE EXPERIENCE
All eligible employees should receive a copy of the VDC Enrollment Guide, which provides an overview of the Program features, eligibility and enrollment steps. The guide can be downloaded from www.vdc.ny.gov.

Graphics below are for illustrative purposes only.
During this enrollment step, employees will be prompted to select their employer location/name. An abbreviated version of the employer’s name was created for the New York State Voluntary Defined Contribution enrollment system. Each employee should receive a flyer providing them the name they should select during enrollment. Please note that selecting an incorrect employer will erase the employee’s enrollment application.

Graphics below are for illustrative purposes only.
Employees will visit the VDC Program website and click *Enroll Now* at the top right or start enrollment at the bottom of the screen.

Graphics below are for illustrative purposes only.

Employees will then be directed to the enrollment and management system called *Retirement@Work*, where they can create a secure account and then enroll online.

For detailed step by step instructions to enroll, employees can download the *Quick Reference Guide*. 
INTRODUCING RETIREMENT@WORK®

Retirement@Work is a web-based online enrollment system that allows eligible employees online access to quickly and easily establish a retirement account, make a retirement election and select the investment providers.

If employees need assistance with the Retirement@Work system, they can call 866-271-0960 to speak with an experienced Retirement@Work consultant.

EMPLOYEES WILL ENROLL IN THESE EASY STEPS:
Step 1: Register and set up a VDC Program retirement account
Step 2: Complete their retirement Program election
Step 3: Select investment providers
Step 4: Open an investment account with each investment provider chosen
EMPLOYEE ENROLLMENT SCREENS
STEP 1: REGISTER AND SET UP ACCOUNT

Graphics below are for illustrative purposes only.

1

2

3
STEP 2: RETIREMENT PROGRAM ELECTION

Graphics below are for illustrative purposes only.

1. **New York State Voluntary Defined Contribution Program**
   - **How can we help you?**
     - I'd like to enroll in a Retirement Program
     - I'm enrolled and need to manage my account
   - **ENROLL NOW**
   - **VIEW MY ACCOUNT**

2. Employee selects current employer

   - **New York State Voluntary Defined Contribution Program**
   - **Welcome**
     - Prepare for your financial future by enrolling in employer-sponsored retirement plans.
   - **Where do you work?**
     - Please select your employer name as listed by your benefits representative. Your enrollment elections might be declined if you choose the wrong employer name.
     - Search for your employer
     - **Need help? Choose your employer from the list.**

   - **Please provide your retirement program history.**
     - In order to determine if you are eligible for the New York State Voluntary Defined Contribution (VDC) Program, you are required to answer the following questions:
     - **YES**
       - 1. Have you ever worked for a public employee in New York?
       - 2. Are you currently receiving a retirement benefit from any public retirement systems of New York State?
     - **NO**
       - 3. Have you ever worked for a public employee in New York?

   - **[Next step]**
STEP 2: RETIREMENT PROGRAM ELECTION (CONTINUED)

3 Employee answers retirement program questions to determine eligibility.

4 Employee elects the VDC Program.
STEP 3: EMPLOYEE WILL SELECT INVESTMENT PROVIDER(S)

3 Employee decides if they want to direct employer and employee contributions to the same investment provider(s).

4 Employee enters percentage to allocate to investment provider(s).
STEP 4: EMPLOYEE WILL BE DIRECTED TO ENROLL WITH EACH INVESTMENT PROVIDER ELECTED

Graphics below are for illustrative purposes only.

The links shown in the enrollment system will take employees directly to each investment provider's website to open an account with them.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Website</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIAA</td>
<td>TIAA.org/nystate</td>
<td>800-842-2252</td>
</tr>
<tr>
<td>AIG, Richard Grofsick, Advisor</td>
<td>valic.com</td>
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</tr>
<tr>
<td>Voya</td>
<td>voya.com</td>
<td>800-438-1272</td>
</tr>
</tbody>
</table>
THE BENEFITS ADMINISTRATOR’S ROLE
Graphics below are for illustrative purposes only.

EMAIL WILL BE SENT TO AGENCY/EMPLOYER PLAN ADMINISTRATOR
PlanFocus® is TIAA’s secure plan sponsor website that provides employers, plan administrators and their intermediary partners with the tools they need to manage and optimize their plans, drive outcomes and deepen employee engagement. PlanFocus® is the gateway for employers to be more efficient in completing reporting and administrative tasks, managing fiduciary responsibilities and gaining quick access to data, tools and resources.

Graphics below are for illustrative purposes only.
HR selects the *Pending Plan Election Requests* tab where they will have access to the details of each employee’s request. You will:

- Approve or decline each request
- If declined, contact employee to let them know of ineligibility

Graphics below are for illustrative purposes only.
Expand each record to review retirement history to determine eligibility and vesting.

Graphics below are for illustrative purposes only.
Once employee records are either approved or denied, they are automatically moved and stored in the Retirement Election History view.

Graphics below are for illustrative purposes only.
HOW TO INTERPRET RETIREMENT PLAN ELECTION QUESTIONS
Question 1: Have you ever been an employee of a public agency/employer within New York State?

<table>
<thead>
<tr>
<th>Name of agency/employer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title of position</td>
<td></td>
</tr>
<tr>
<td>Full or part time</td>
<td></td>
</tr>
<tr>
<td>From date</td>
<td></td>
</tr>
<tr>
<td>To date</td>
<td></td>
</tr>
<tr>
<td>Name of retirement system</td>
<td></td>
</tr>
<tr>
<td>Immediate prior employment? Yes or No</td>
<td></td>
</tr>
</tbody>
</table>

- A non-State public agency employee with immediate prior employment at another non-State public agency can join VDC.
- A State agency employee with immediate prior employment at another State agency **cannot** join VDC.
- When employed in a position for which retirement system membership is mandatory, a public employee within New York State is required to select a retirement system within 30 days of employment and election to that system is irrevocable unless there is a “qualifying event.”

Refer to Frequently Asked Questions (FAQs) at [www.vdc.ny.gov](http://www.vdc.ny.gov) for additional information on qualifying events. Prior service in ERS or TRS qualifies for service credit under the VDC Program.
**Question 2:** Are you presently receiving a retirement benefit from any public retirement system of New York State?

<table>
<thead>
<tr>
<th>Name of retirement system</th>
<th>Retirement contract number</th>
<th>Date of retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York State Employees Retirement System (NYSERS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York State Teachers Retirement System (NYSTRS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York State and Local Police and Fire Retirement System (NYSPFRS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City Employees’ Retirement System (NYCERS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City Teachers’ Retirement System (NYCTRS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Education Retirement System of the City of New York (NYCBERS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City Fire Department Pension Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York City Police Pension Fund (NYC-PPF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manhattan and Bronx Surface Transportation Operating Authority (MaBSTOA)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employees receiving a benefit payment from any of the State or City retirement systems are not allowed to participate in the VDC Program.
HOW TO INTERPRET RETIREMENT PLAN ELECTION QUESTIONS

**Question 3:** Do you currently own a vested employer-sponsored retirement contract with TIAA, AIG Retirement Services, Voya, or Fidelity?

<table>
<thead>
<tr>
<th>Provider</th>
<th>Contract number</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIAA</td>
<td></td>
</tr>
<tr>
<td>Voya</td>
<td></td>
</tr>
<tr>
<td>AIG Retirement Services (formerly VALIC)</td>
<td></td>
</tr>
<tr>
<td>Fidelity</td>
<td></td>
</tr>
</tbody>
</table>

If employee has a valid, fully vested employer plan contract or 366 days of service credit in ERS/TRS, they qualify for immediate vesting. Voluntary supplemental plans do not meet this requirement (e.g., deferred comp, 401(k)). If less than 366 days service credit in ERS/TRS, service credit may be applied against the VDC vesting period.

HR **must** verify ownership of contract by calling providers, applicable retirement system, or require employee to provide copy of retirement annuity statement.

If fully vested, begin remittance to TIAA. Do not put funds in escrow.
EMPLOYER AND EMPLOYEE CONTRIBUTIONS SHOULD BE HELD IN AN ESCROW ACCOUNT UNTIL PARTICIPANT IS VESTED. VESTING IS EQUAL TO 366 DAYS OF SERVICE.

Plan administrators or their payroll provider will need to calculate the interest earned while monies are held in the escrow account using a simple per annum formula.

### Employee contributions

\[
\text{Total amount of employee contributions in a 366-day period} \times \text{Interest rate set by law} \times \text{Annum} = 1
\]

### Employer contributions

\[
\text{Total amount of employer contributions in a 366-day period} \times \text{Interest rate set by law} \times \text{Annum} = 1
\]

---

1 Please be advised that the interest rate used in the calculation above is set by New York State Law and is subject to change.
WHAT IF YOU DON’T HAVE AN ESCROW ACCOUNT?

• If your agency does not have an escrow account, you must create one.
• The recordkeeping of the employer and employee contributions held is maintained by the agency and is necessary to comply with plan reporting. This includes amounts reportable on the employee’s W-2.
• If an employee terminates before meeting the 366-day vesting, he/she may request a refund of his/her contributions. If employee terminates from service before or after meeting their vesting period, the employer must update the employee profile record with status/termination date in PlanFocus®.

**Note:** Employer should only update record if the employee is vested at the time of separation, once final contribution by employer is made on employee’s behalf.
Add new employee to payroll system and code with corresponding contribution level:

<table>
<thead>
<tr>
<th>Wages Range</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,000 or less</td>
<td>3%</td>
</tr>
<tr>
<td>$45,001 to $55,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>$55,001 to $75,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>$75,001 to $100,000</td>
<td>5.75%</td>
</tr>
<tr>
<td>Greater than $100,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

- Date of birth, date of hire, date of membership, and salary will need to be tracked.
- Determine who is 100% vested or will receive vesting credit from another retirement system.
- Your payroll will need to provide guidelines about how many days prior to the “payroll run date” an employee will need to be on payroll system to be captured on the payroll run.

---

1 Salary rate will be considered in reaching the $75,000 threshold. For example, if a part-time employee makes $45,000 working 60% of a full-time schedule, then the salary rate would be $75,000, and would qualify the employee to enroll in the VDC.
1. New employee with no ERS, TRS, or another State or City retirement system prior service credit (0 to 366 days)

2. New employee that does not own a prior employer-sponsored annuity contract with either TIAA, AIG Retirement Services (formerly VALIC), Voya, and/or Fidelity

* During first 366 days, employee and employer money will be placed in escrow, payroll following completion of vesting (8/15/15), monies in escrow will be remitted to TIAA + interest on both employee and employer contributions + normal payroll employee contribution and employer contribution.
NEXT STEPS
NEXT STEPS –
AGENCIES NOT SUPPORTED BY OSC OR OLR

If your agency has a new eligible employee but has not completed onboarding, you must follow these temporary steps:

- Employee must make a decision to join within 30 days of hire date.
- If employee meets eligibility, vesting status must be determined using the retirement plan election (RPE) participation history from the employee. Please call the Administrator Telephone Center for assistance, if needed.

If employee is eligible and fully vested

- Upon completing the onboarding steps, the agency must recordkeep the contributions.
- Once onboarded, the employee must execute the steps to enroll through the VDC website: www.vdc.ny.gov.
- Thereafter, your agency submits the first census remittance file with the current and arrears contributions.

If the employee is eligible to participate, they must meet the 366-day vesting period

- Agency must recordkeep contributions (in escrow) until the vesting period is complete.
- Onboarding must be completed as soon as possible.
- Once onboarding is complete, the employee must execute the steps to enroll through Retirement@Work.
NEXT STEPS –
AGENCIES SUPPORTED BY OSC OR OLR

For centralized payroll agencies such as the New York State Office of the State Comptroller and the New York State Office of Payroll Administration, TIAA is working with both agencies to complete the onboarding steps.

If you are an OSC-supported Agency, please follow the Payroll Bulletin at www.osc.state.ny.us/agencies/pbull/agencies/2013_2014/bulet1256.htm.
APPENDIX: ADDITIONAL FORMS AND RESOURCES FOR BENEFITS OFFICERS

Graphics below are for illustrative purposes only.
The access request form is located on the VDC Program website, Agency Implementation, or you may access the form directly at www.tiaa.org/public/pdf/forms/F11507.pdf.

Fax completed and signed form (four pages) to 800-842-5916, email to paservices@TIAA.org or mail to TIAA, P.O. Box 1259, Charlotte, NC 28201.

Graphics below are for illustrative purposes only only.
CONTRIBUTION FUNDING INSTRUCTIONS

If your payroll services are not centralized (i.e., not performed by the OSC or OLR), you have specific banking instructions to use. You may access these instructions on the VDC Program website, Agency Implementation or at www.tiaa.org/public/pdf/VDC_Banking_Instructions.pdf.

Graphics below are for illustrative purposes only.
CONTRIBUTION INSTRUCTIONS
FOR CENTRAL PAYROLL SERVICES

If your payroll services are centralized (i.e., performed by the OSC or OLR), specific banking instructions are shown below. This can be accessed at www.tiaa.org/public/pdf/VDC_Central_Banking_Instructions.pdf.

Graphics below are for illustrative purposes only.
Non-centralized agencies should provide TIAA with their payroll schedule. This form can be accessed on the VDC Program website or www.tiaa.org/public/pdf/Agency_Payroll_Form.pdf.

Graphics below are for illustrative purposes only.
VDC enrollment is online, but for rare situations where it must be performed with paper, this form can be used to expedite enrollment. However, the employee will still need to return to the online system and input information before the first remittance. This retirement history can be accessed on the VDC Program website under Agency Implementation or www.tiaa.org/public/pdf/Retirement_Program_Election_Form.pdf.

Graphics below are for illustrative purposes only.
Employees can select one or a combination of investment providers online, but in rare situations this form can be used temporarily. However, employees will still need to return to the online system and input information before the first remittance. This investment provider election form can be found on the VDC Program website under Agency Implementation or at www.tiaa.org/public/pdf/Investment_Provider_Selection.pdf.

Graphics below are for illustrative purposes only.
HOW TO SUBMIT ESCROWED CONTRIBUTIONS

Graphics below are for illustrative purposes only.

How to Submit Escrowed Contributions

If an employee does not meet the criteria to be immediately vested in the New York State Voluntary Defined Contribution Program, the employer is required to hold the employer and employee contributions in escrow until the employee meets the 366 day vesting period. Agencies are required to record keep the escrowed contributions on a per pay period basis. Once an employee meets the required vesting period, the escrowed employer and employee contributions plus 4% simple interest (as required by Article 80, Section 392 of the Education Law) must be added to your remittance file along with the first vested contribution.

Example:

- Employee is hired on August 1, 2014 and must meet the 366 day vesting period
- Employee becomes vested on August 1, 2015 after meeting the 366 day vesting period
- Employee can be added to the remittance file after August 1, 2015; contributions should not be remitted prior to this date

The escrowed employer and employee contributions plus interest (simple interest calculated at 4%) on those contributions plus the first vested contribution are remitted in the pay cycle following the date that the employee meets their vesting requirement.

Example:

The escrowed contributions and the first vested contribution plus interest should be added together and submitted on the respective remittance file.

Escrowed Employer Contribution Total $1,300
Interest on Escrowed Employer Contribution @ 4% $52
First Vested Employer Contribution $50
Total Employer Contribution (Source F) $1,402*

*This is the amount that you will report on your remittance file for Source F

Escrowed Employee Contribution Total $800
Interest on Escrowed Employee Contribution @ 4% $32
First Vested Employee Contribution $30
Total Employee Contribution (Source F) $862*

*This is the amount that you will report on your remittance file for Source F

1 The vesting period may be waived for employees coming to public employment within New York State with active, employer-sponsored retirement annuity contracts from any of the currently authorized investment providers.
LOOK BACK NOTICE

Graphics below are for illustrative purposes only.

TIER VI Bulletin
Two-Year Look Back

Purpose:
To provide instructions on how to update a Tier VI employee’s retirement plan for two-year look back.

Background:
On March 18, 2013, Governor Cuomo signed legislation creating Tier VI. The tier applies to employees hired after March 31, 2013. Effective with the first check in April 2013, legislation required the employee’s earnings to be based on the employee’s annual wage. Once a Tier VI member has reached three years of membership, his or her contributions are based on total personable earnings from two years prior.

Employee Contribution Rate:
Changes impacting Tier VI PLAN participants in the SUNY Optional Retirement Program (ORP) included:
 voluntary Defined Contribution Program (VOC/UCP Program) as shown below:

<table>
<thead>
<tr>
<th>bracket</th>
<th>contribution rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $45,000 or less</td>
<td>0%</td>
</tr>
<tr>
<td>$45,000 to $65,000</td>
<td>1.5%</td>
</tr>
<tr>
<td>$65,000 to $75,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>$75,000 to $100,000</td>
<td>7.5%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: For part-time employees, contributions are calculated based on the full-time equivalent salary or actual part-time salary.

Employee Contribution Rate & Look Back:
- The Tier VI member’s contribution rate is 2% of gross salary.
- The Tier VI member’s contribution rate is 2% of gross salary for the membership service, and 3.5% thereafter.
- Under the legislation, the maximum calendar year salary for purposes of contribution calculation is $100,000.
- The Tier VI member has reached three years of membership, his or her contribution rate is 0% earnings, thus two years prior.
- For the SUNY ORP, the effective date of the look back is January 1, 2015.

ESCROW ACCOUNT MANAGEMENT

Under the State University of New York Retirement Plan:
During the first 100 days, employer and employee contributions should be held in escrow until the participant is vested (30 day service).

- Plan administrators or their payroll provider will need to calculate the interest earned while contribution moves are held in the escrow account using a simple per annum formula as shown below.
- The reconciliation of the employer and employee contributions is maintained by the agency and it is necessary to comply with plan reporting. This includes amounts reportable on the employer’s W-2.

Example: Employee contributions
Total amount of employee contributions in a 300-day period
$1,000

| interest rate set by law
| amount
| expense
| total

Example: Employee contributions
Total amount of employee contributions in a 300-day period
$2,500

| interest rate set by law
| amount
| expense
| total

Note: The interest rate used in the calculation above is set by New York State law, Article 88 of the NYS Education Law 360.2 (46.3%) when rates are 46.3%. Subject to change.
Please note, additional important implications may flow from an employee's enrollment decision that warrant further consideration. These may include eligibility for retiree health benefits. We urge employees to consult with their Human Resources/Benefits Office to help them make an informed decision.

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