New York State
Voluntary Defined Contribution Program

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:

Background	**3**
Program summary	**5**
Resources available to agencies/employers	**16**
Getting ready to offer the VDC Program	**20**
The new hire experience	**31**
The benefits administrator's role	**41**
How to interpret retirement plan election questions	**47**
Next steps	**55**
Appendix: Additional forms and resources for benefits officer	**58**

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 Corebridge Financial (formerly AIG Retirement Services), Fidelity, TIAA and Voya 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.[1] 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 five-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 five-year vesting period, employee contributions are refunded, but the employer contributions are forfeit.

VOLUNTARY DEFINED CONTRIBUTION VS. DEFINED BENEFIT COMPARISON

FEATURE	VOLUNTARY DEFINED CONTRIBUTION	DEFINED BENEFIT
Vesting	After 366 days of employment.	After five years of service credit.
Portability	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.	If employee leaves before reaching the five-year vesting period, employee contributions are refunded, employer contributions are forfeited.
Control	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.	Funds are managed for the employee to meet current and future liabilities.
Risk	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.	Monies are pooled together and professionally managed, and the government bears funding and investment risk.
Expected income	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.	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.

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 60 years.
- Headquartered in NY, TIAA is a *Fortune 100* financial services organization and a leading provider of retirement benefits nationwide with more than $1.2 trillion in total assets under management[1] 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.[2]
- For its stability, claims-paying ability and overall financial strength, TIAA is one of the highest rated insurance companies in the United States by four leading rating agencies.[3]
- TIAA specializes in the distinctive needs of those who work in the governmental, academic, research, medical and cultural fields.

[1] TIAA and Nuveen assets under management as of 3/31/2023 are $1,240B or $1.2T.

[2] Based on data in PLANSPONSOR magazine's 2022 DC Recordkeeping Survey, combined 457 and 403(b) data as of July 21, 2022.

[3] For stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) and TIAA-CREF Life Insurance Company (TIAA Life) are one of only three insurance groups in the United States to currently hold the highest possible rating from three of the four leading insurance company rating agencies: A.M. Best (A++ rating affirmed as of July 2022), Fitch (AAA rating affirmed as of October 2022) and Standard & Poor's (AA+ rating affirmed as of September 2022) and the second-highest possible rating from Moody's Investors Service (Aa1 rating affirmed as of June 2022). There is no guarantee that current ratings will be maintained. Ratings represent a company's ability to meet policyholders' obligations and do not apply to any product or service not fully backed by the issuer's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts or mutual funds, 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. (ET)

INVESTMENT PROVIDERS

Employees will have the option of allocating their employee and employer contributions to these approved investment provider(s).

- **Corebridge Financial (formerly AIG Retirement Services)**
  Richard Grofsick, Advisor
  518-783-6464
  corebridgefinancial.com/rs/nysvdc
- **Fidelity**[1]
  800-343-0860
  netbenefits.com/Vdc
- **TIAA**
  800-842-2252
  TIAA.org/nystate
- **Voya**
  800-438-1272
  nyvdc.beready2retire.com

[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[1]

- Were hired on or after July 1, 2013
- Earn at the rate of pay of $75,000
- Are unrepresented[2]

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.

[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.

Wages of $45,000 or less[1]	**3%**
Wages of $45,000.01 to $55,000[1]	**3.5%**
Wages of $55,000.01 to $75,000[1]	**4.5%**
Wages of $75,000.01 to $100,000	**5.75%**
Wages greater than $100,000	**6%**

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.

VDC PROGRAM VESTING

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

DISTRIBUTION OPTIONS

- Loans
- 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

New York State
Voluntary Defined Contribution Program

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

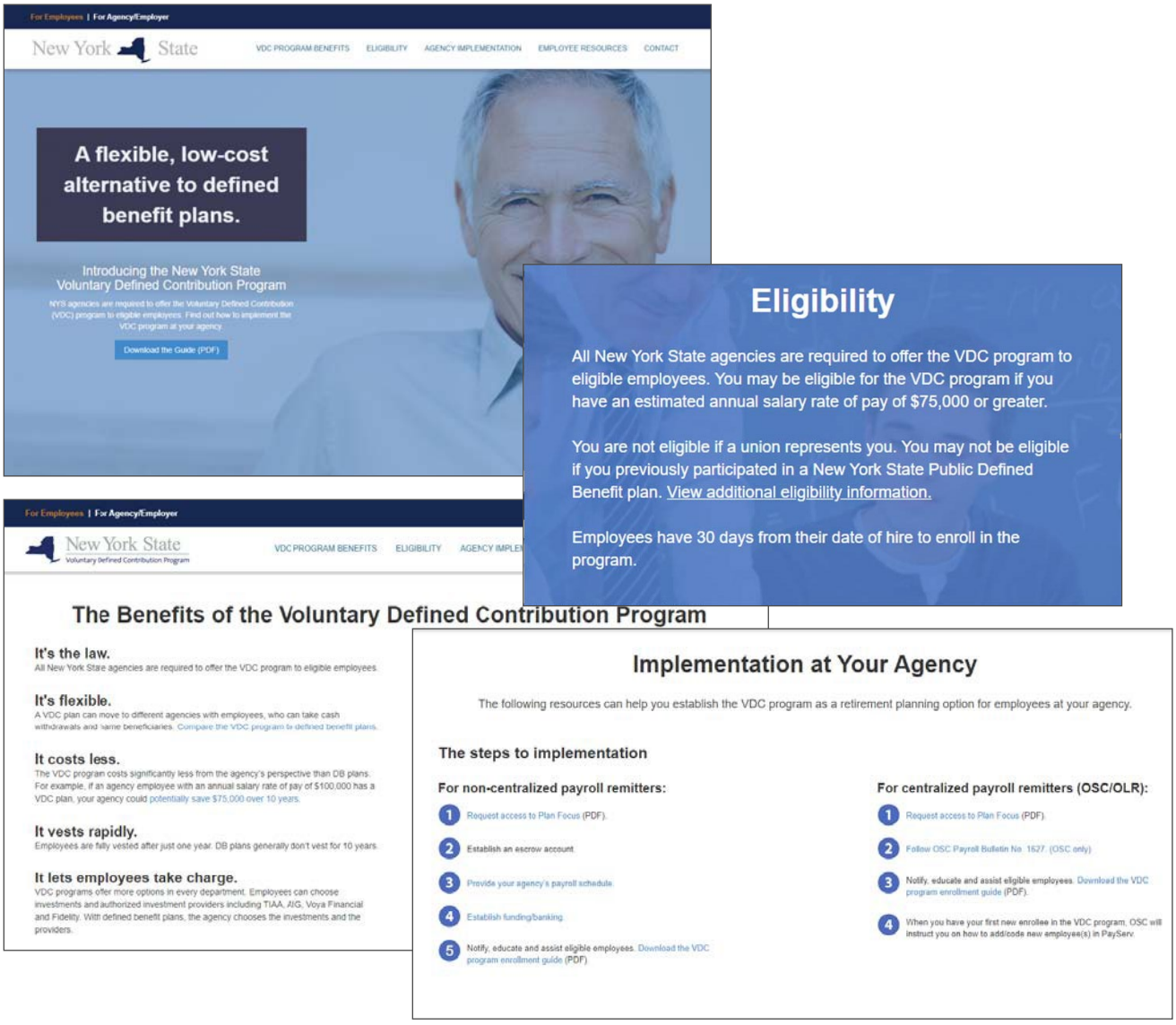
Retirement@Work is the online enrollment and management system for the VDC retirement account. It’s a central portal through which eligible employees can enroll in the VDC Program, access plan information, access service provider websites, choose investment providers, and so much more—all from one location and at their convenience.

PROGRAM INFORMATION FOR AGENCIES/EMPLOYERS

FOR AGENCIES/EMPLOYERS

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.

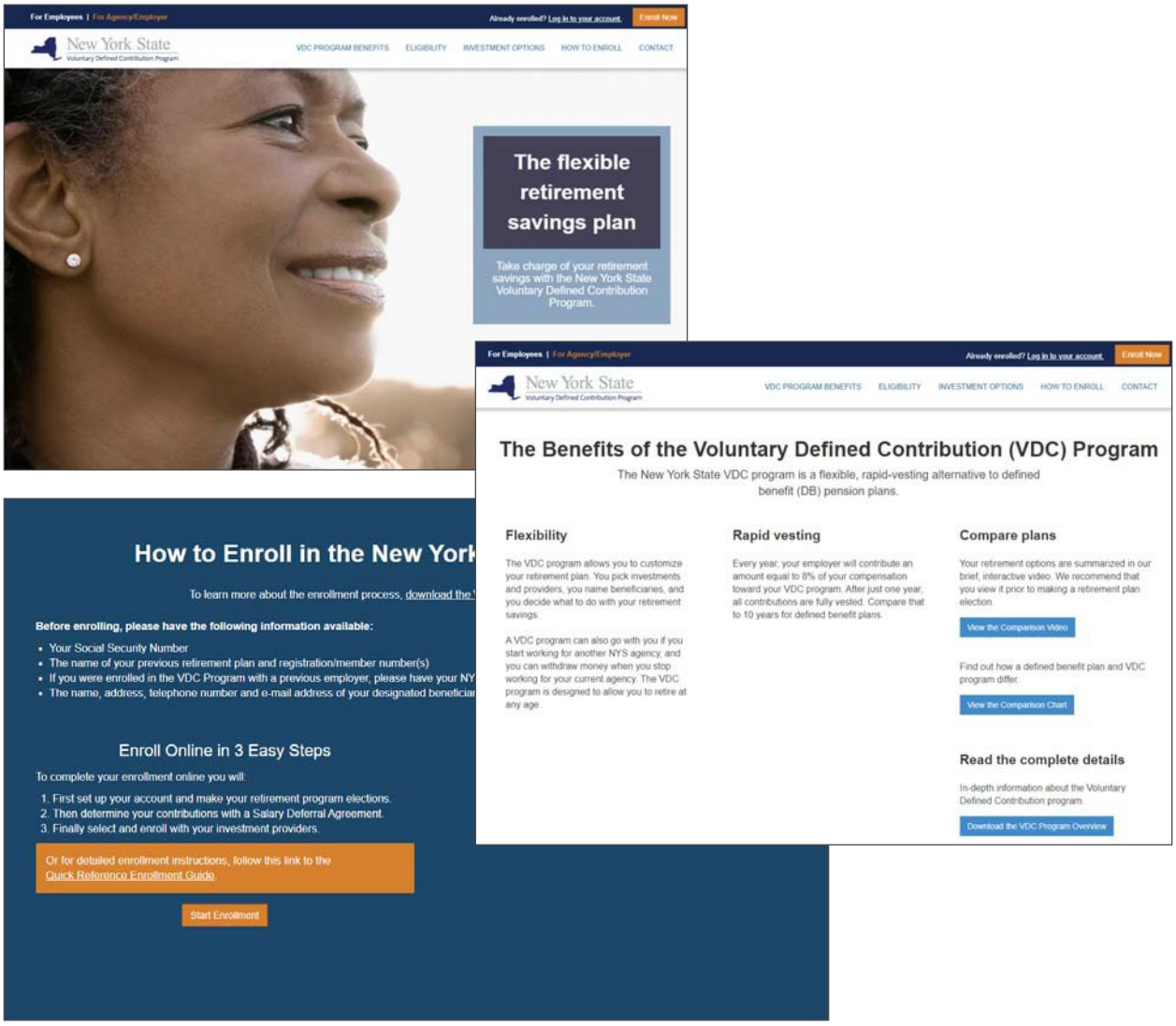


PROGRAM INFORMATION FOR ELIGIBLE EMPLOYEES

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

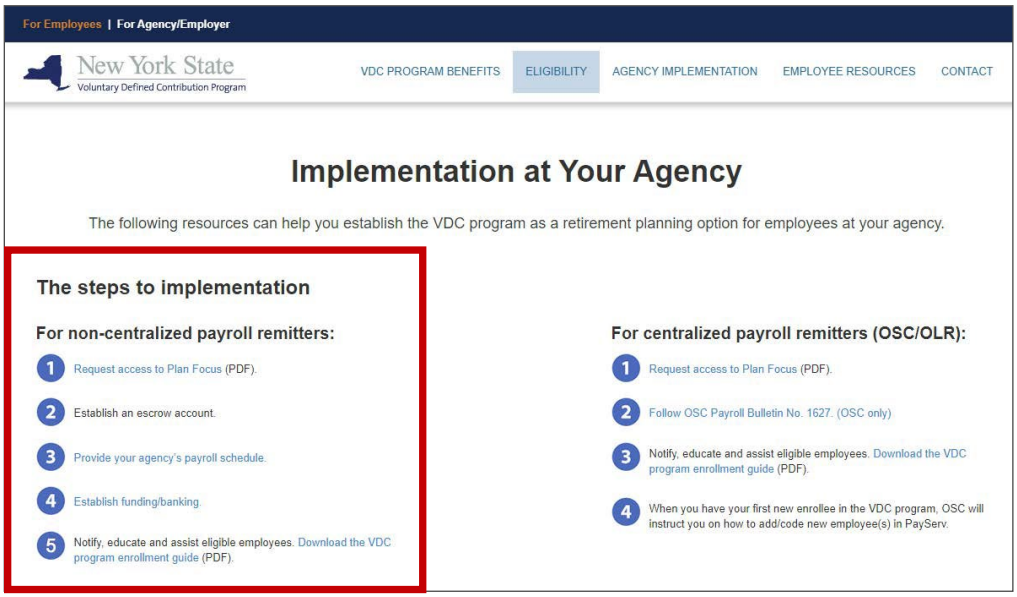
New York State
Voluntary Defined Contribution Program

THE GET-STARTED CHECKLIST – FOR AGENCIES/EMPLOYERS NOT SUPPORTED BY THE OSC OR OLR

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.



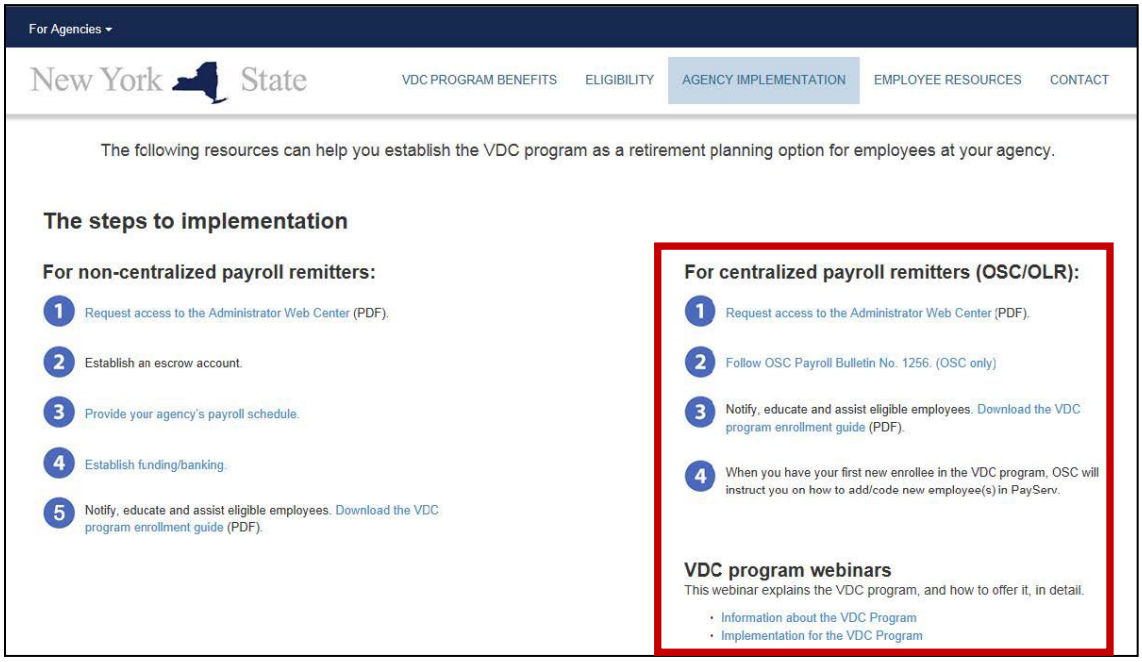
Once you have completed the above steps, you can immediately begin offering the VDC Program to eligible employees.

- Add the VDC Program as an available retirement plan on your HR Benefits website.
- Share the VDC website and Enrollment Guide with eligible employees.

THE GET-STARTED CHECKLIST – FOR AGENCIES/EMPLOYERS SUPPORTED BY THE OSC OR OLR

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.

Graphics below are for illustrative purposes only.



- Add the VDC Program as an available retirement plan on your HR Benefits website.
- Share the VDC website and Enrollment Guide with eligible employees.

DATA ADMINISTRATION AND REQUIREMENTS

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.

DATA ADMINISTRATION AND REQUIREMENTS

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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®.

INITIAL STEPS IF USING SPARK

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

REMITTANCE FILE DATA REQUIREMENTS FOR SPARK

YOUR REMITTANCE FILE WILL INCLUDE THE FOLLOWING KEY DATA ELEMENTS:

- Employer/plan identification data[1]
  - 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.

REMITTANCE FILE DATA REQUIREMENTS FOR SPARK

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SPARK EXPANDED FILE DATA REQUIREMENTS FILE NAMING REQUIREMENT

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

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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 contributions 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)

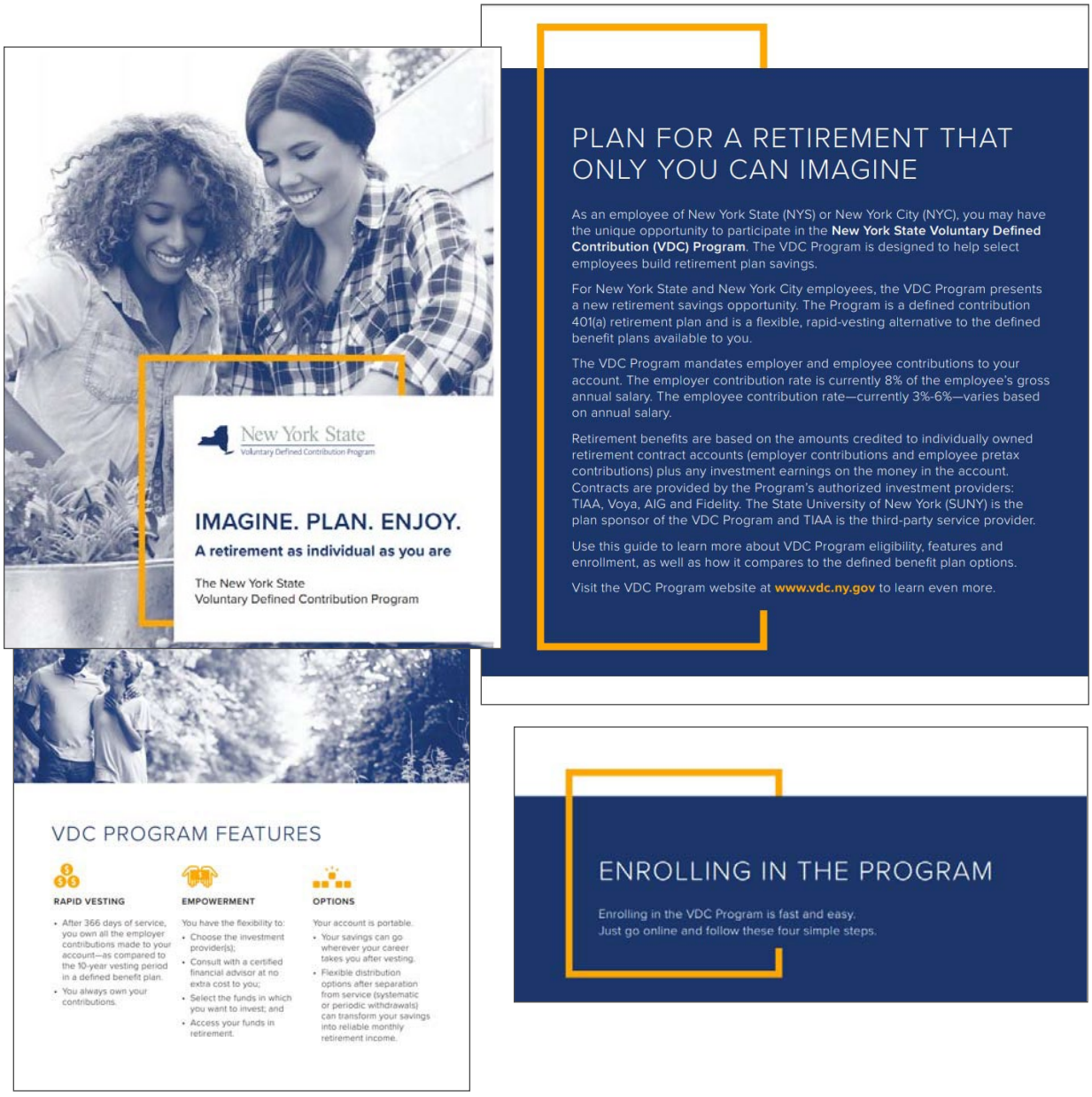
THE NEW HIRE EXPERIENCE

New York State
Voluntary Defined Contribution Program

EMPLOYEES RECEIVE THE ENROLLMENT GUIDE

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**.

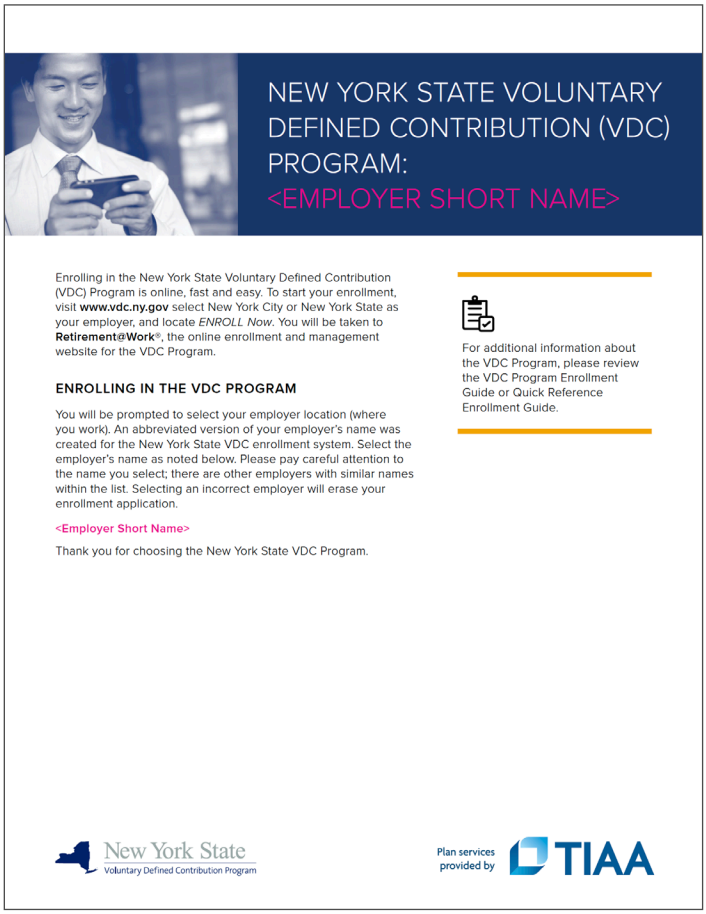
Graphics below are for illustrative purposes only.



EMPLOYEES RECEIVE THE EMPLOYER SHORT NAME FLYER

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.



NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION (VDC) PROGRAM:
<EMPLOYER SHORT NAME>

Enrolling in the New York State Voluntary Defined Contribution (VDC) Program is online, fast and easy. To start your enrollment, visit **www.vdc.ny.gov** select New York City or New York State as your employer, and locate *ENROLL Now*. You will be taken to **Retirement@Work**®, the online enrollment and management website for the VDC Program.

ENROLLING IN THE VDC PROGRAM

You will be prompted to select your employer location (where you work). An abbreviated version of your employer's name was created for the New York State VDC enrollment system. Select the employer's name as noted below. Please pay careful attention to the name you select; there are other employers with similar names within the list. Selecting an incorrect employer will erase your enrollment application.

<Employer Short Name>

Thank you for choosing the New York State VDC Program.

For additional information about the VDC Program, please review the VDC Program Enrollment Guide or Quick Reference Enrollment Guide.

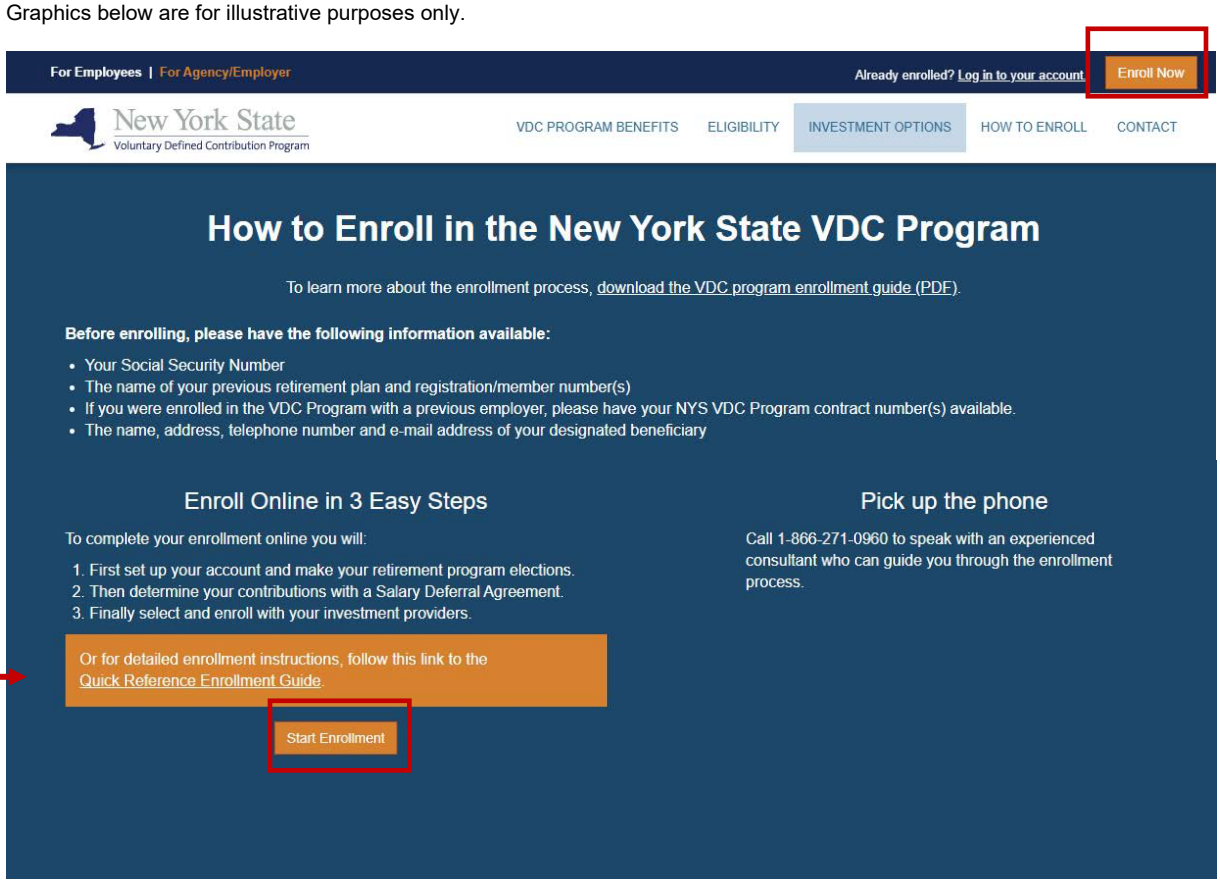
New York State
Voluntary Defined Contribution Program

Plan services provided by TIAA

EMPLOYEE ENROLLMENT

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.



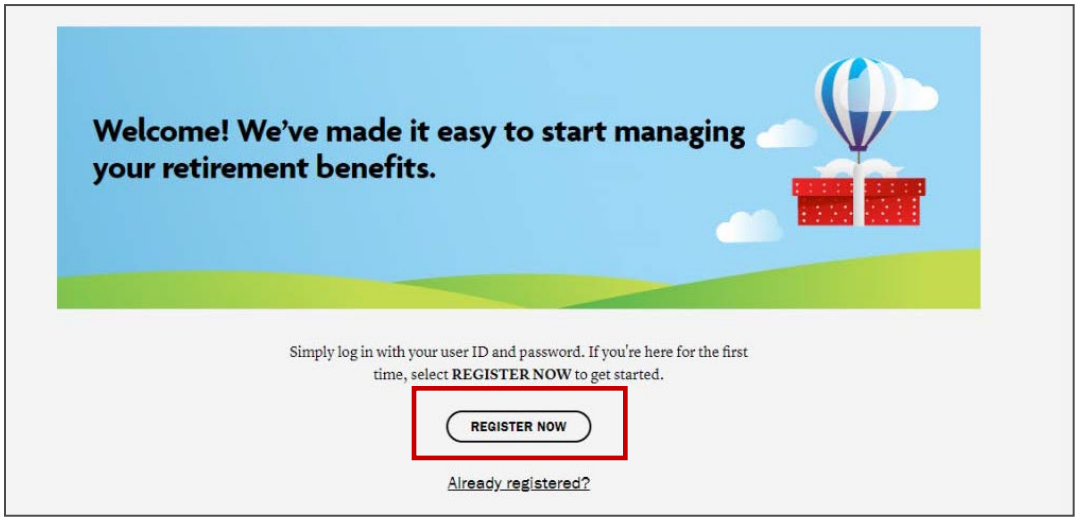
Employees will then be directed to the enrollment and management system called Retirement@Work, where they can create a secure account and then enroll online.

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

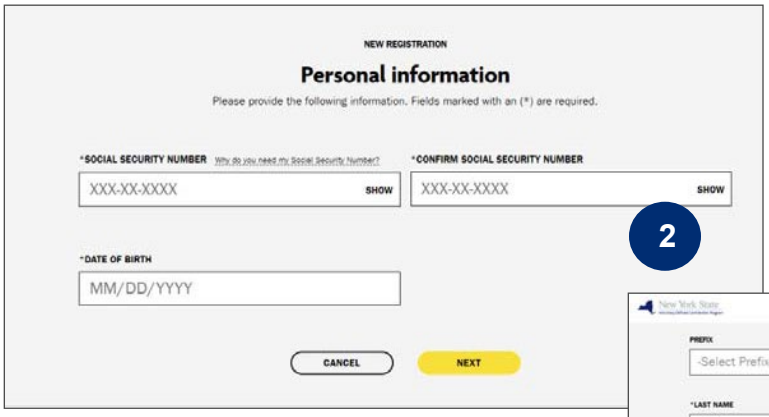
Step 3: Select investment providers

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



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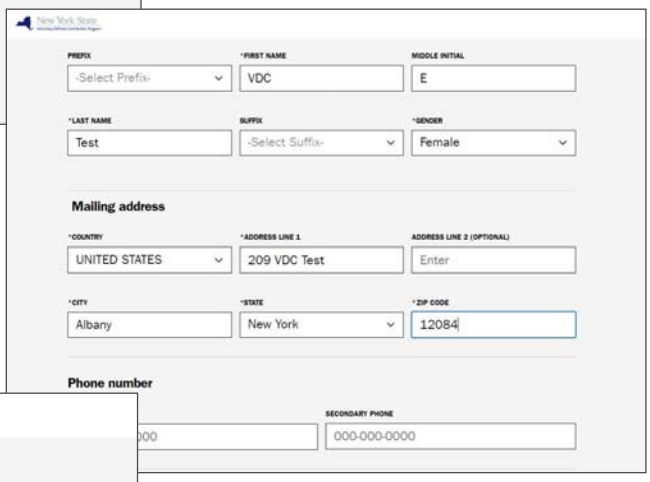

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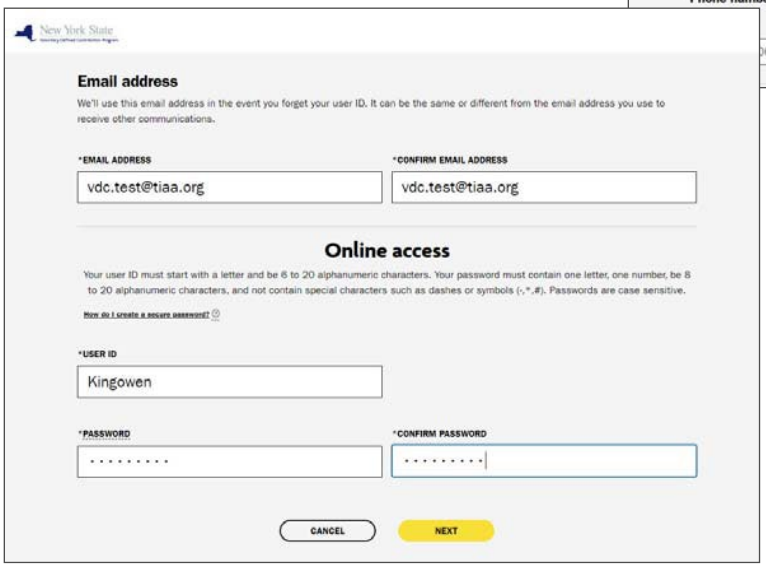
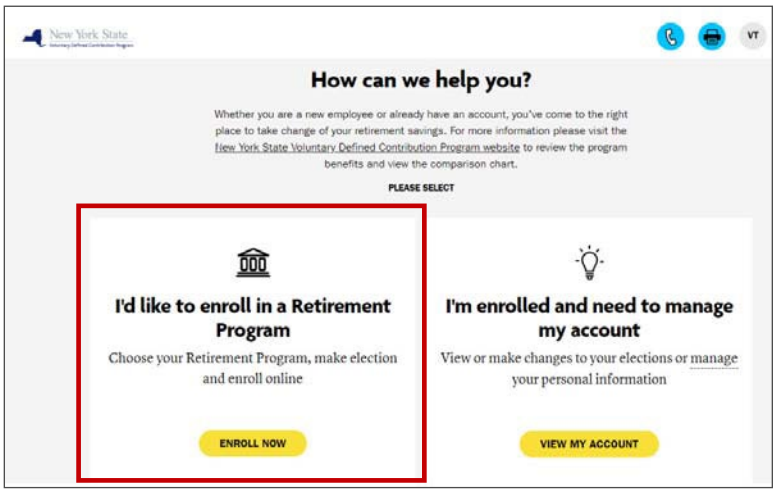


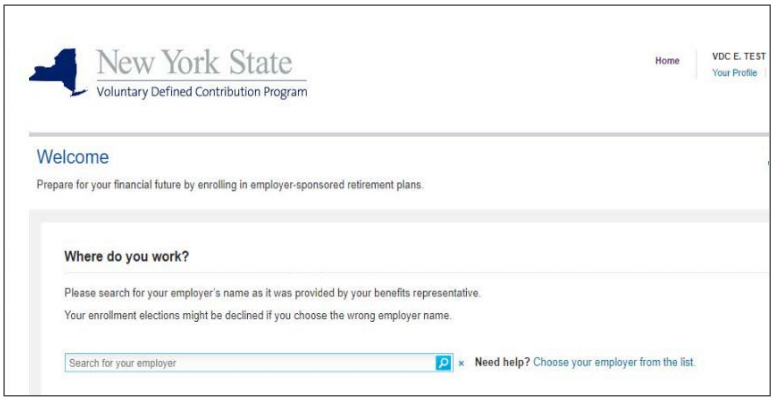
STEP 2: RETIREMENT PROGRAM ELECTION

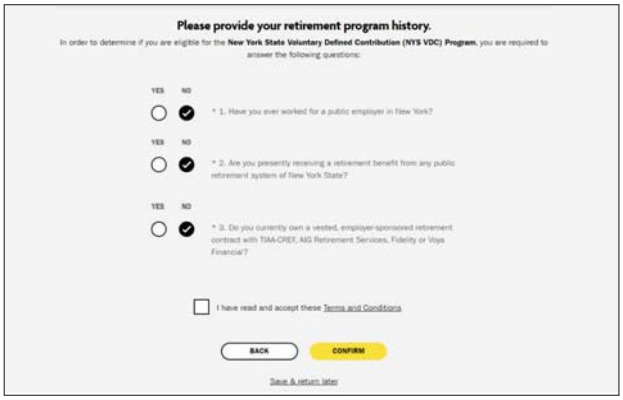
Graphics below are for illustrative purposes only.

1



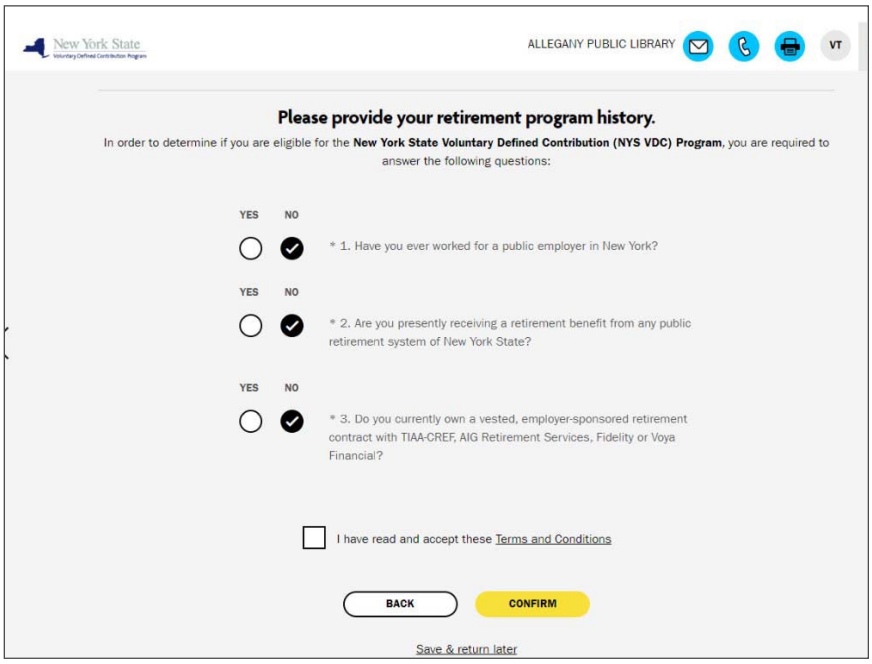
2 Employee selects current employer



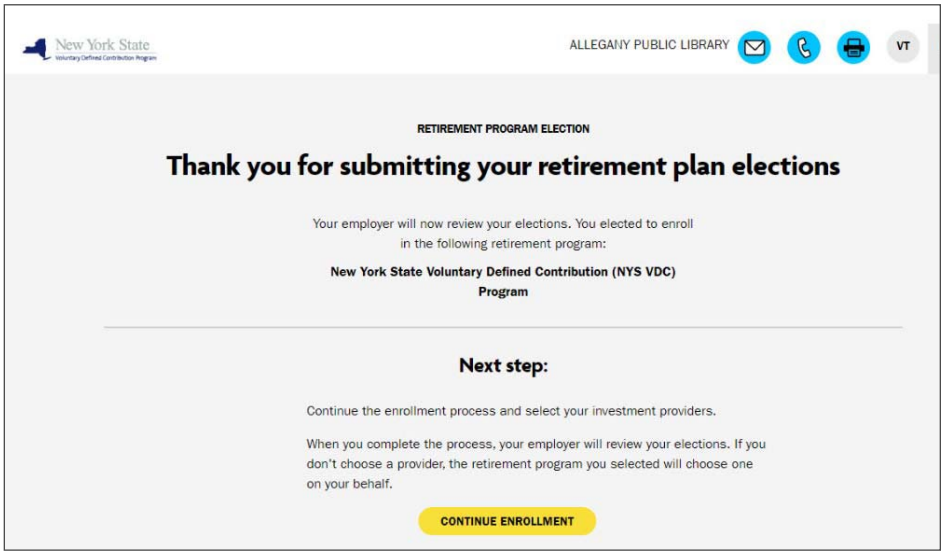


STEP 2: RETIREMENT PROGRAM ELECTION (CONTINUED)

3 Employee answers retirement program questions to determine eligibility.

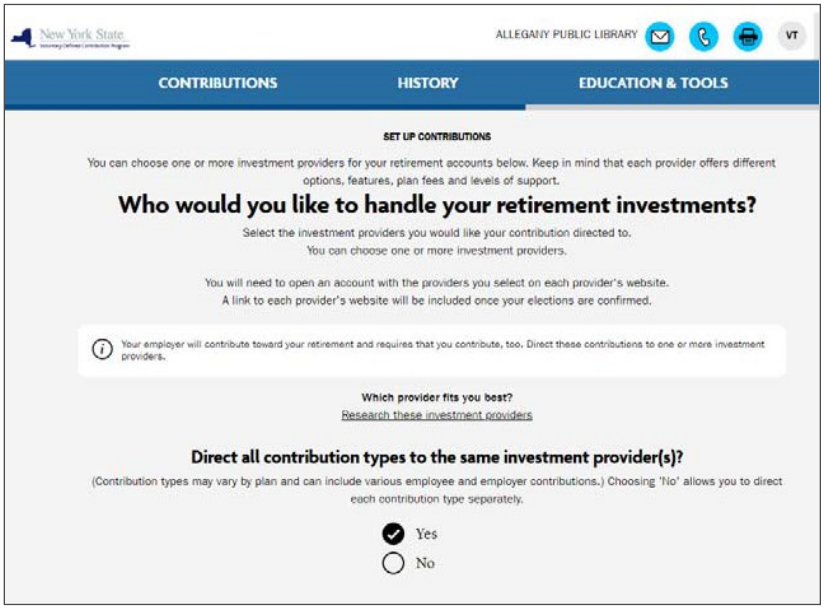


4 Employee elects the VDC Program.

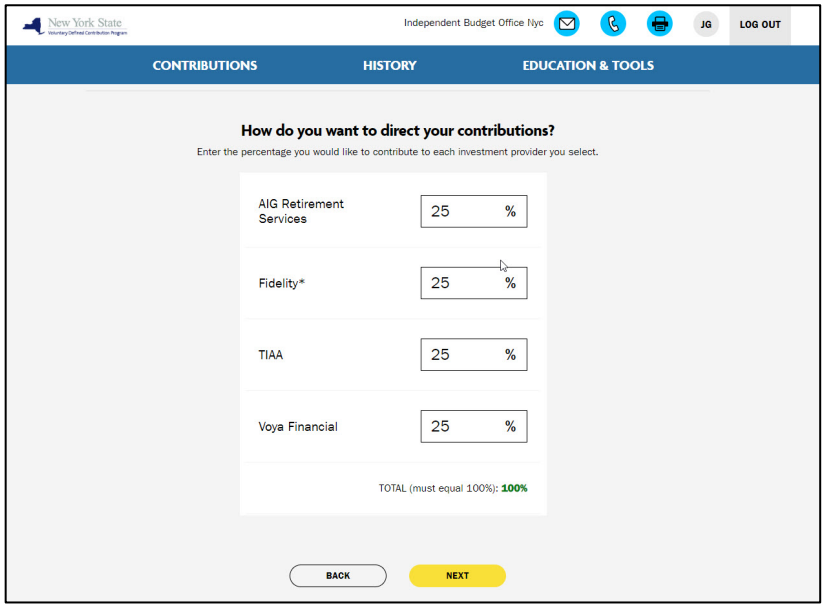


STEP 3: EMPLOYEE WILL SELECT INVESTMENT PROVIDER(S)

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

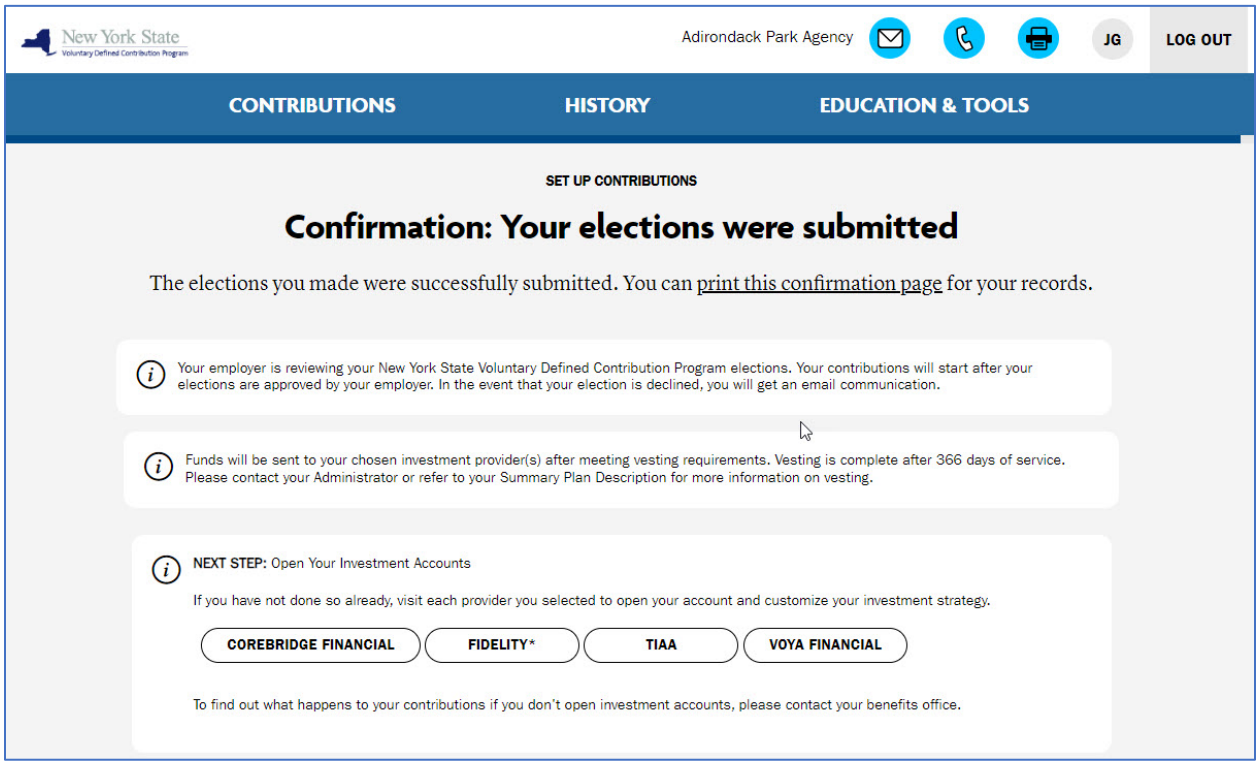


4 Employee enters percentage to allocate to investment provider(s).



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.

Corebridge Financial (formerly AIG Retirement Services), Richard Grofsick, Advisor	**corebridgefinancial.com/rs/nysvdc**	**518-783-6464**
Fidelity	**netbenefits.com/Vdc**	**800-343-0860**
TIAA	**TIAA.org/nystate**	**866-662-7945**
Voya	**nyvdc.beready2retire.com**	**800-438-1272 Opt. 3**

STEP 4: EMPLOYEE WILL BE DIRECTED TO ENROLL WITH EACH INVESTMENT PROVIDER ELECTED

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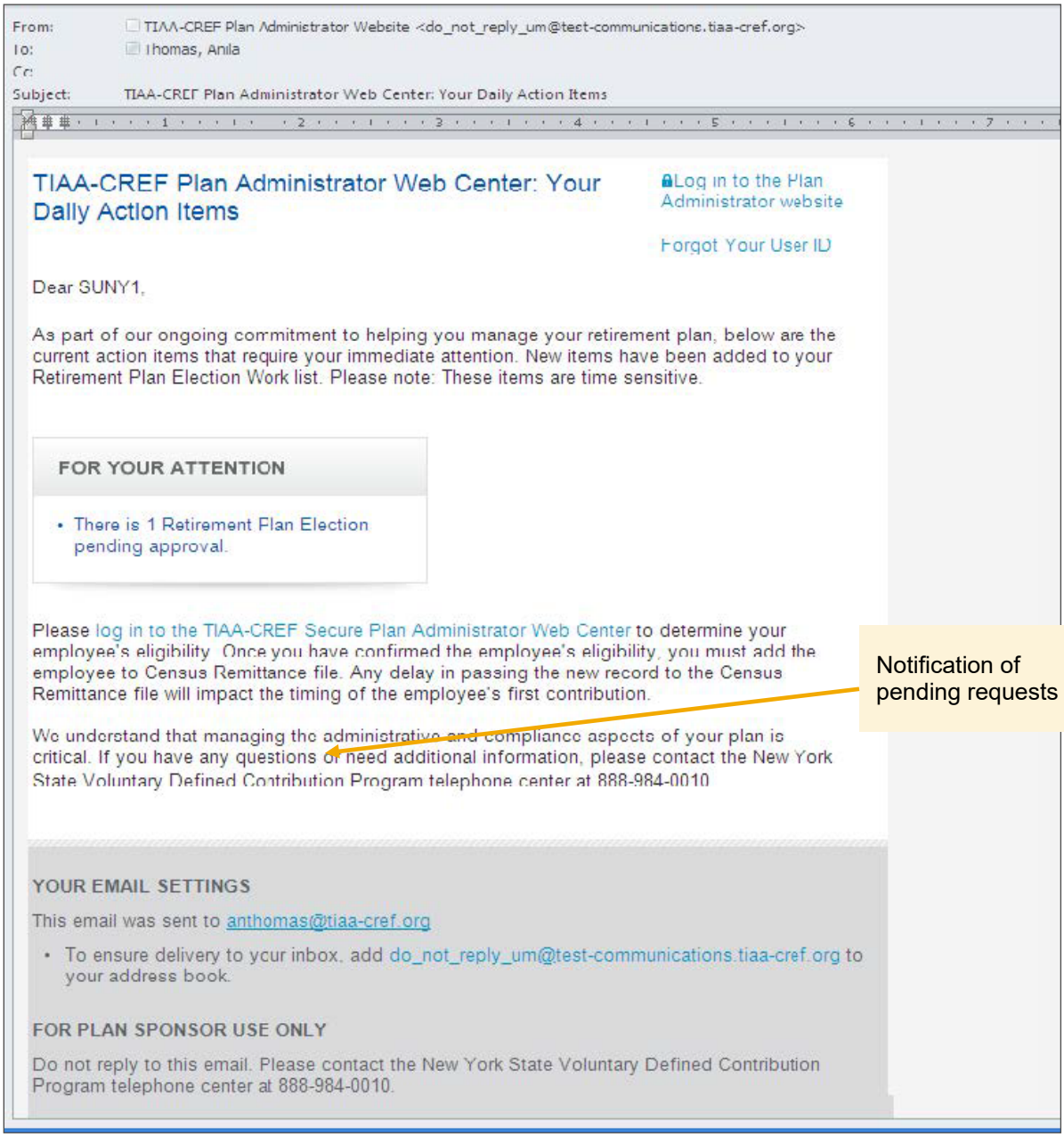
THE BENEFITS ADMINISTRATOR'S ROLE

New York State
Voluntary Defined Contribution Program

EMAIL WILL BE SENT TO AGENCY/EMPLOYER PLAN ADMINISTRATOR

Graphics below are for illustrative purposes only.



HOME PAGE OF THE ADMINISTRATOR WEBSITE CALLED PLANFOCUS®

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.

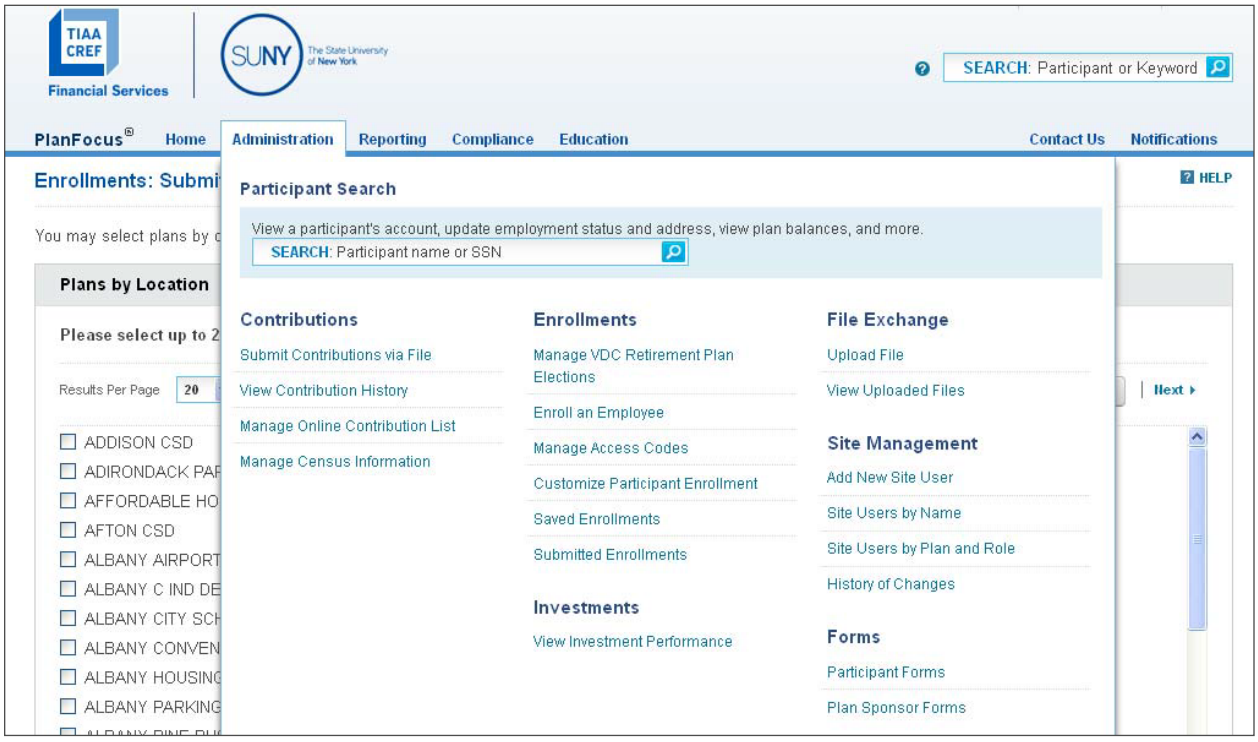
Graphics below are for illustrative purposes only.

APPROVE OR DECLINE NEW ENROLLMENT

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

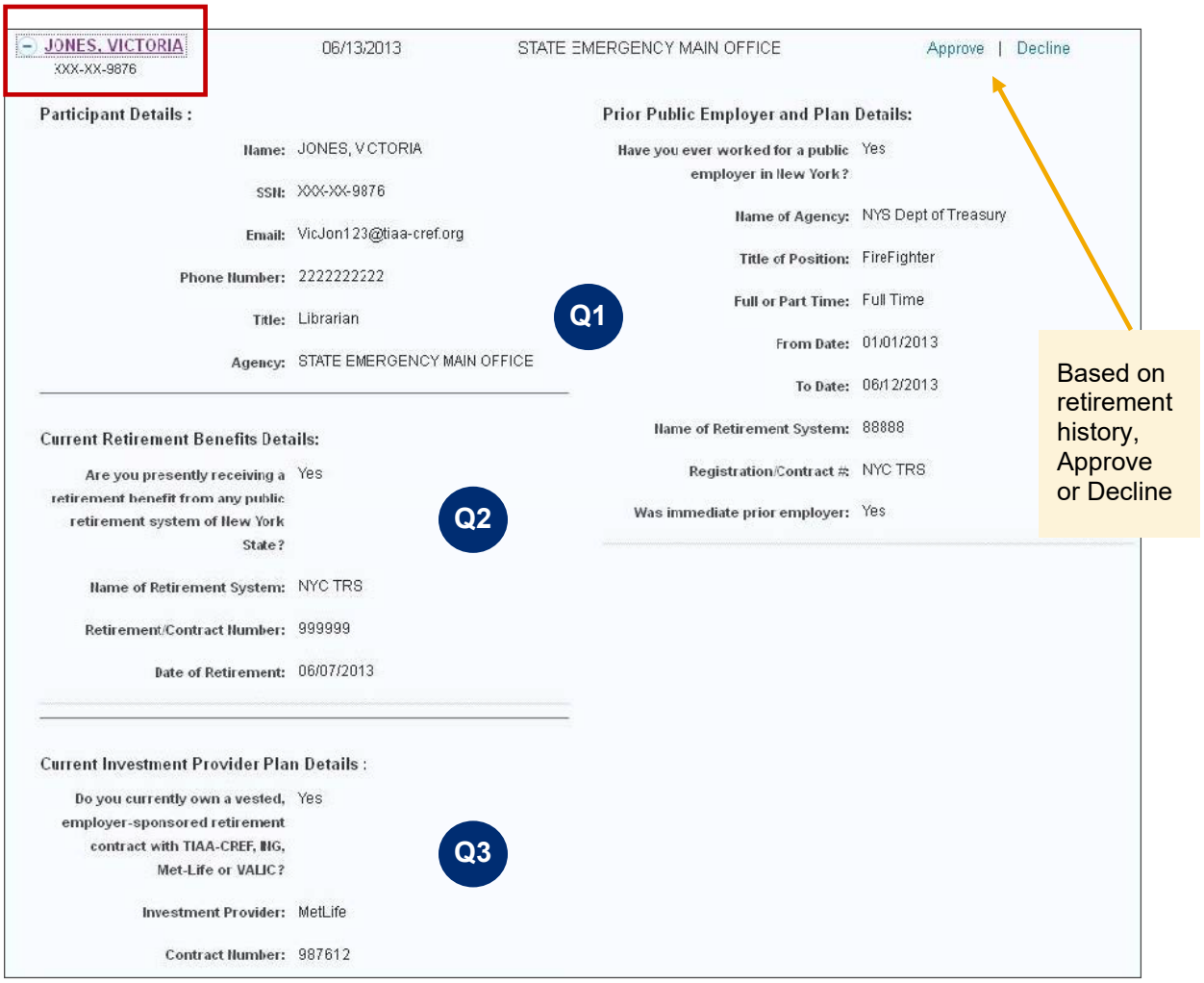
Graphics below are for illustrative purposes only.



EXPANDED RECORD

Expand each record to review retirement history to determine eligibility and vesting.

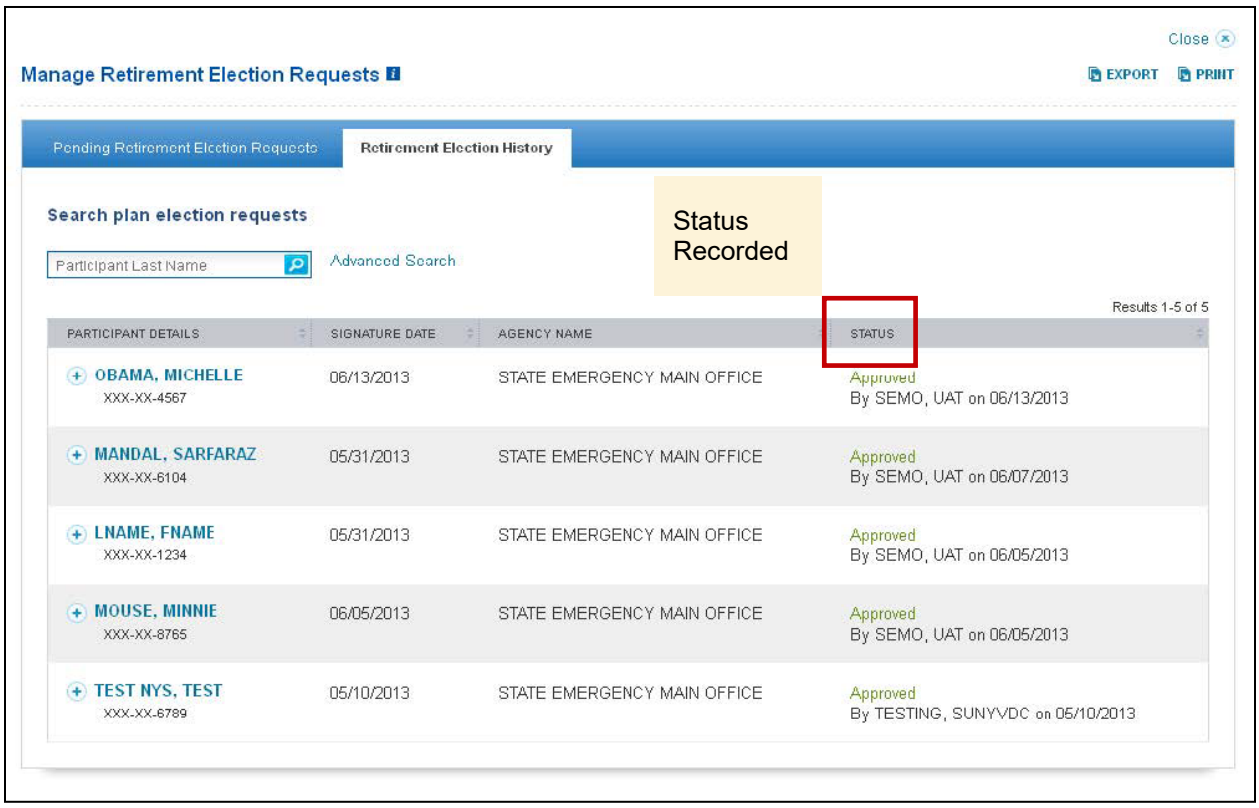
Graphics below are for illustrative purposes only.



RETIREMENT PLAN ELECTION HISTORY

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

New York State
Voluntary Defined Contribution Program

HOW TO INTERPRET RETIREMENT PLAN ELECTION QUESTIONS

Question 1: Have you ever been an employee of a public agency/employer within New York State?

Name of agency/employer	
Title of position	
Full or part time	
From date	
To date	
Name of retirement system	
Immediate prior employment? Yes or No	

- 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** for additional information on qualifying events. Prior service in ERS or TRS qualifies for service credit under the VDC Program.

HOW TO INTERPRET RETIREMENT PLAN ELECTION QUESTIONS

Question 2: Are you presently receiving a retirement benefit from any public retirement system of New York State?

Name of retirement system	Retirement contract number	Date of retirement
New York State Employees Retirement System (NYSERS)		
New York State Teachers Retirement System (NYSTRS)		
New York State and Local Police and Fire Retirement System (NYSPFRS)		
New York City Employees' Retirement System (NYCERS)		
New York City Teachers' Retirement System (NYCTRS)		
Board of Education Retirement System of the City of New York (NYCBERS)		
New York City Fire Department Pension Fund		
New York City Police Pension Fund (NYC-PPF)		
Manhattan and Bronx Surface Transportation Operating Authority (MaBSTOA)		

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 Corebridge Financial, Fidelity, TIAA, or Voya?

Provider	Contract number
Corebridge Financial (formerly AIG Retirement Services)	
Fidelity	
TIAA	
Voya	

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.

MANAGE ESCROW ACCOUNT

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

Total amount of employee contributions in a 366-day period	**X**	**Interest rate set by law[1]**	**X**	**Annum = 1**

Employer contributions

Total amount of employer contributions in a 366-day period x 8%	**X**	**Interest rate set by law[1]**	**X**	**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.

UPDATING CENSUS REMITTANCE FILE

Add new employee to payroll system and code with corresponding contribution level:

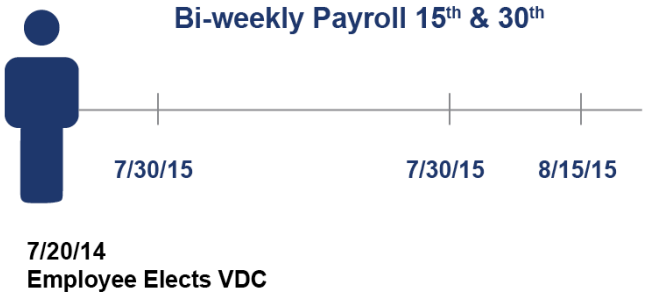
Wages of $45,000 or less[1]	**3%**
Wages of $45,000.01 to $55,000[1]	**3.5%**
Wages of $55,000.01 to $75,000[1]	**4.5%**
Wages of $75,000.01 to $100,000	**5.75%**
Wages greater than $100,000	**6%**

- 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.

CONTRIBUTIONS – WHICH GO TO ESCROW

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 Corebridge Financial (formerly AIG Retirement Services), Fidelity, TIAA, and/or Voya



- **EE Contribution**
- **ER Contribution**
- **4% earned on EE Contribution**
- **4% earned on ER Contribution**
- **EE Contribution for 8/15 Pay**
- **ER Contribution for 8/15 Pay**

* 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.

CONTRIBUTIONS – WHICH GO TO ESCROW

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NEXT STEPS

New York State
Voluntary Defined Contribution Program

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.

<u>If employee is eligible and fully vested</u>

- 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.

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

- 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

New York State
Voluntary Defined Contribution Program

SUNY ORP SALARY SUMMARY GUIDE

Please use this easy reference guide to determine pensionable and non-pensionable salary. Access the full guide at **www.tiaa.org/public/pdf/VDC_Salary_Summary_Guide_FINAL.pdf**.

Graphics below are for illustrative purposes only.

New York State
Voluntary Defined Contribution Program

Salary Summary Guide New York State Voluntary Defined Contribution Program

Please use this easy reference guide to determine pensionable and nonpensionable salary.

Payments Includable for New York State Voluntary Defined Contribution Program Contribution Calculation

Salary

- Payments for services rendered
- Normal salary
- Employee mandatory contributions to the New York State Voluntary Defined Contribution Program are not subject to TAMRA and therefore not considered for purpose of 402(g) coordination. Employer contributions to New York State Voluntary Defined Contribution Program are subject to 417(m) limits and all plan participants are subject to the 415 limits.
- For 2013, the limit is 100% of gross compensation or $51,000, whichever is less. All contributions and forfeiture allocations are included in this test. Note: Catch-up contributions are NOT counted toward the 415 limit. The IRC § 415 limit is generally tested based on the plan year. Regardless of whether or not your Agency's payroll is administered by a Centralized Payroll Administrator, limits monitoring is the role and responsibility of the Agency with a partnership with the Centralized Payroll Administrator as needed.
- Overtime – up to allowable IRS limits outlined above
- Cafeteria plans
- Deferred compensation
- Shift differentials
- General Municipal Law (GML) Section 207-a and 207-c payments

Lump-Sum Recurring Payments

- Education pay, if paid regularly to all eligible employees
- Geographic (location pay) differentia
- Holiday pay
- Merit pay
- Longevity payments
- Lump-sum payments for compensatory time (employer clarification needed)
- Top-of-pay grade bonuses
- Perfect attendance bonuses for non-use of sick leave (must be available to all members of bargaining unit)
- Police or correction dog care and maintenance payment
- Preshift briefing
- Maintenance
- Production bonus
- Vacation – payment for unused vacation accruals

Payments Not Includable for the New York State Voluntary Defined Contribution Program

(Not to be included in determination of employer contributions or employee mandatory contributions)

- Consultant, independent contractor, or casual employee salaries are not includable
- Payments, bonuses, or awards funded through external sources (foundations, grants, etc.)
- The value of employee use of employer-provided vehicles
- Travel, transportation, food and lodging expense reimbursements
- Housing allowances
- Allowances for uniforms, or their cleaning
- Tool allowance, including reimbursements for cell phones, computers, Internet service, etc.
- Payments made in anticipation of retirement or as an inducement or incentive to retire
- Payments made in lieu of accepting fringe benefits (for example, an employer may offer payment if an employee declines health insurance)
- Payments made for unused personal leave
- Payments made for unused sick leave
- Termination payments
- New York State Disability Insurance payments
- Long-Term Disability payments, except where a Monthly Annuity Premium Benefit is payable by the insurer
- Post Retirement Earnings – Not reportable unless ERS/TRS pension suspended, or retirement transaction removed from payroll system and not collecting an annuity for the New York State Voluntary Defined Contribution Program.

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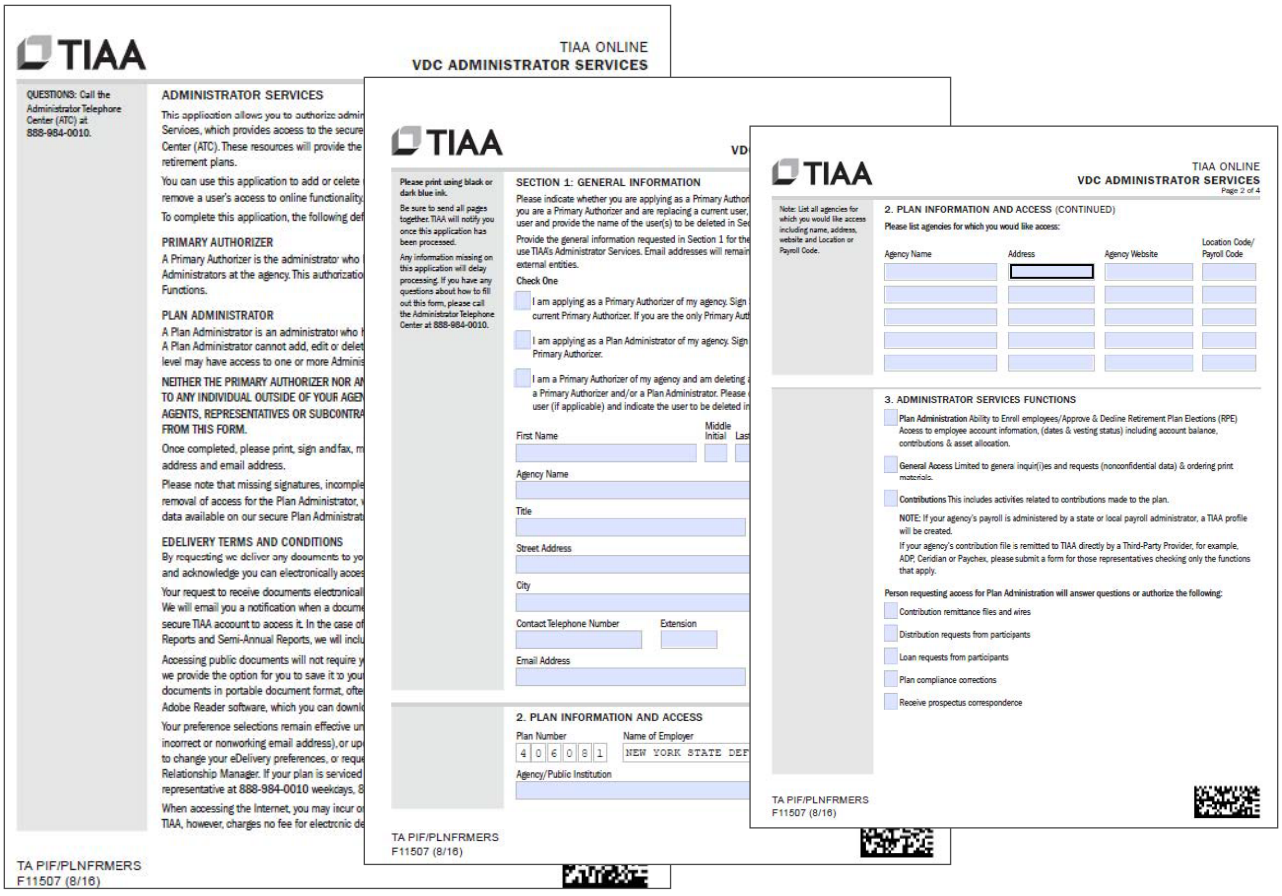
PLANFOCUS® ADMINISTRATOR ACCESS REQUEST FORM

- 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**.

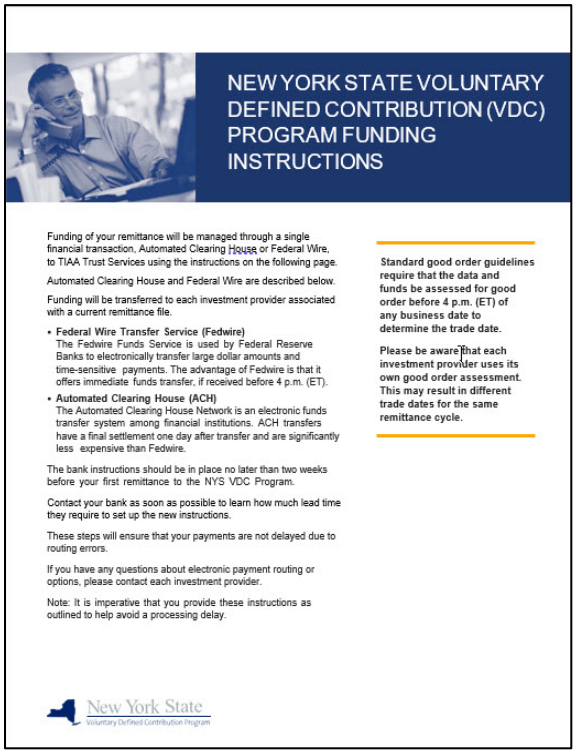
Graphics below are for illustrative purposes only.



CONTRIBUTION FUNDING INSTRUCTIONS

Funding of your remittances is managed with a single financial transaction to TIAA Trust Services. Funding will be transferred to each investment provider associated with a current remittance file. You may access this instruction on the NYS VDC Website, or here.

Graphics below are for illustrative purposes only.



NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION (VDC) PROGRAM FUNDING INSTRUCTIONS

Funding of your remittance will be managed through a single financial transaction, Automated Clearing House or Federal Wire, to TIAA Trust Services using the instructions on the following page.

Automated Clearing House and Federal Wire are described below.

Funding will be transferred to each investment provider associated with a current remittance file.

- **Federal Wire Transfer Service (Fedwire)**
  The Fedwire Funds Service is used by Federal Reserve Banks to electronically transfer large dollar amounts and time-sensitive payments. The advantage of Fedwire is that it offers immediate funds transfer, if received before 4 p.m. (ET).
- **Automated Clearing House (ACH)**
  The Automated Clearing House Network is an electronic funds transfer system among financial institutions. ACH transfers have a final settlement one day after transfer and are significantly less expensive than Fedwire.

The bank instructions should be in place no later than two weeks before your first remittance to the NYS VDC Program.

Contact your bank as soon as possible to learn how much lead time they require to set up the new instructions.

These steps will ensure that your payments are not delayed due to routing errors.

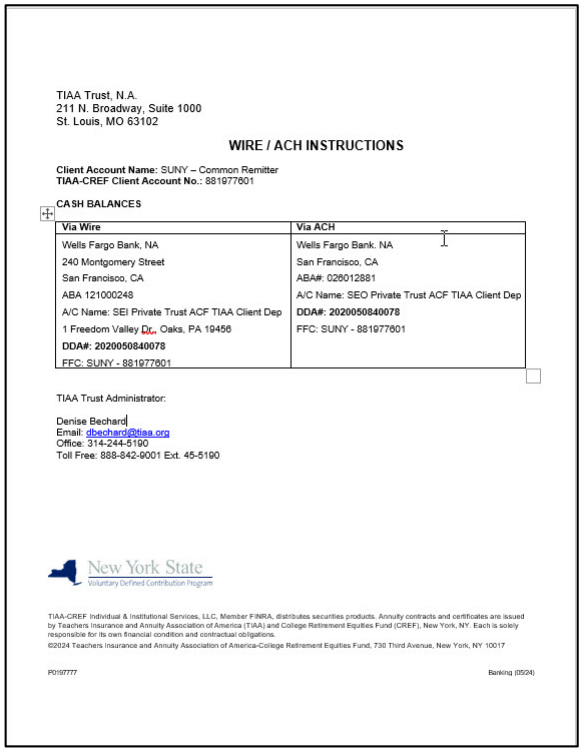
If you have any questions about electronic payment routing or options, please contact each investment provider.

Note: It is imperative that you provide these instructions as outlined to help avoid a processing delay.

Standard good order guidelines require that the data and funds be assessed for good order before 4 p.m. (ET) of any business date to determine the trade date.

Please be aware that each investment provider uses its own good order assessment. This may result in different trade dates for the same remittance cycle.

New York State
Voluntary Defined Contribution Program



TIAA Trust, N.A.
211 N. Broadway, Suite 1000
St. Louis, MO 63102

WIRE / ACH INSTRUCTIONS

Client Account Name: SUNY – Common Remitter
TIAA-CREF Client Account No.: 881977601

CASH BALANCES

Via Wire	Via ACH
Wells Fargo Bank, NA	Wells Fargo Bank, NA
240 Montgomery Street	San Francisco, CA
San Francisco, CA	ABA#: 026012881
ABA 121000248	A/C Name: SEO Private Trust ACF TIAA Client Dep
A/C Name: SEI Private Trust ACF TIAA Client Dep	**DDA#: 2020050840078**
1 Freedom Valley Dr., Oaks, PA 19456	FFC: SUNY - 881977601
DDA#: 2020050840078	
FFC: SUNY - 881977601	

TIAA Trust Administrator:

Denise Bechard
Email: dbechard@tiaa.org
Office: 314-244-5190
Toll Free: 888-842-9001 Ext. 45-5190

New York State
Voluntary Defined Contribution Program

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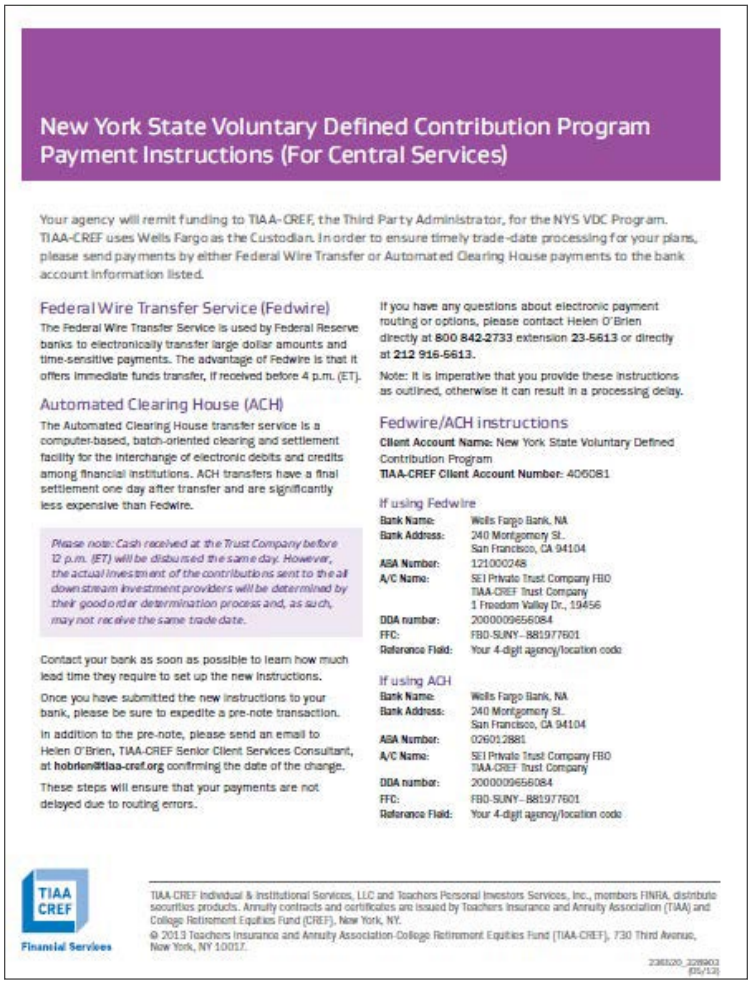
P0197777 Banking (0524)

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.



New York State Voluntary Defined Contribution Program Payment Instructions (For Central Services)

Your agency will remit funding to TIAA-CREF, the Third Party Administrator, for the NYS VDC Program. TIAA-CREF uses Wells Fargo as the Custodian. In order to ensure timely trade-date processing for your plans, please send payments by either Federal Wire Transfer or Automated Clearing House payments to the bank account information listed.

Federal Wire Transfer Service (Fedwire)

The Federal Wire Transfer Service is used by Federal Reserve banks to electronically transfer large dollar amounts and time-sensitive payments. The advantage of Fedwire is that it offers immediate funds transfer, if received before 4 p.m. (ET).

Automated Clearing House (ACH)

The Automated Clearing House transfer service is a computer-based, batch-oriented clearing and settlement facility for the interchange of electronic debits and credits among financial institutions. ACH transfers have a final settlement one day after transfer and are significantly less expensive than Fedwire.

Please note: Cash received at the Trust Company before 12 p.m. (ET) will be disbursed the same day. However, the actual investment of the contributions sent to the all downstream investment providers will be determined by their good order determination process and, as such, may not receive the same trade date.

Contact your bank as soon as possible to learn how much lead time they require to set up the new instructions.

Once you have submitted the new instructions to your bank, please be sure to expedite a pre-note transaction.

In addition to the pre-note, please send an email to Helen O'Brien, TIAA-CREF Senior Client Services Consultant, at **hobrien@tiaa-cref.org** confirming the date of the change.

These steps will ensure that your payments are not delayed due to routing errors.

If you have any questions about electronic payment routing or options, please contact Helen O'Brien directly at **800 842-2733** extension **23-5613** or directly at **212 916-5613.**

Note: It is imperative that you provide these instructions as outlined, otherwise it can result in a processing delay.

Fedwire/ACH instructions

Client Account Name: New York State Voluntary Defined Contribution Program
TIAA-CREF Client Account Number: 406081

If using Fedwire

Bank Name:	Wells Fargo Bank, NA
Bank Address:	240 Montgomery St. San Francisco, CA 94104
ABA Number:	121000248
A/C Name:	SEI Private Trust Company FBO TIAA-CREF Trust Company 1 Freedom Valley Dr., 19456
DDA number:	2000009656084
FFC:	FBO-SUNY--881977601
Reference Field:	Your 4-digit agency/location code

If using ACH

Bank Name:	Wells Fargo Bank, NA
Bank Address:	240 Montgomery St. San Francisco, CA 94104
ABA Number:	026012881
A/C Name:	SEI Private Trust Company FBO TIAA-CREF Trust Company
DDA number:	2000009656084
FFC:	FBO-SUNY--881977601
Reference Field:	Your 4-digit agency/location code

TIAA CREF Financial Services

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), New York, NY.
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PAYROLL FORM

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.

TIAA

Payroll schedule form

Agency/Employer contact information

Agency/Employer name:

Administrator name:

Administrator phone: Administrator email:

Location code: Please note: The Location Codes are communicated to the plan administrator at the time of setup.

Payroll schedule dates

Enter the Payroll End Date and the actual Pay Date below for each Payroll # line. To account for effects holidays may have on the actual pay schedule dates, please select the holiday checkbox and update the Payroll End Date and the Pay Date for each Payroll # that may be affected by a holiday. Otherwise leave the holiday checkbox blank.

How many business days prior to the Pay Date will the file be remitted?

If "Other" was selected, please enter detail in the notes section below.

Select payroll frequency: (Should always be Biweekly):

If "Other" was selected, please enter detail in the notes section below.

Please note: All dates should be entered in dd/mm/yyyy format

Payroll #	Holiday	Payroll end date	Pay date	Payroll #	Holiday	Payroll end date	Pay date
1	✓			15	✓		
2	✓			16	✓		
3	✓			17	✓		
4	✓			18	✓		
5	✓			19	✓		
6	✓			20	✓		
7	✓			21	✓		
8	✓			22	✓		
9	✓			23	✓		
10	✓			24	✓		
11	✓			25	✓		
12	✓			26	✓		
13	✓			27	✓		
14	✓						

Notes—Please include any special notes below.

Please complete the form and send via email to **NYSVDCProgram@tiaa.org.**

For questions or assistance with this document please contact the NYS VDC Administrator Help Center at: 1-888-984-0010 - Hours: Monday to Friday, 8 a.m. to 6 p.m. (ET)

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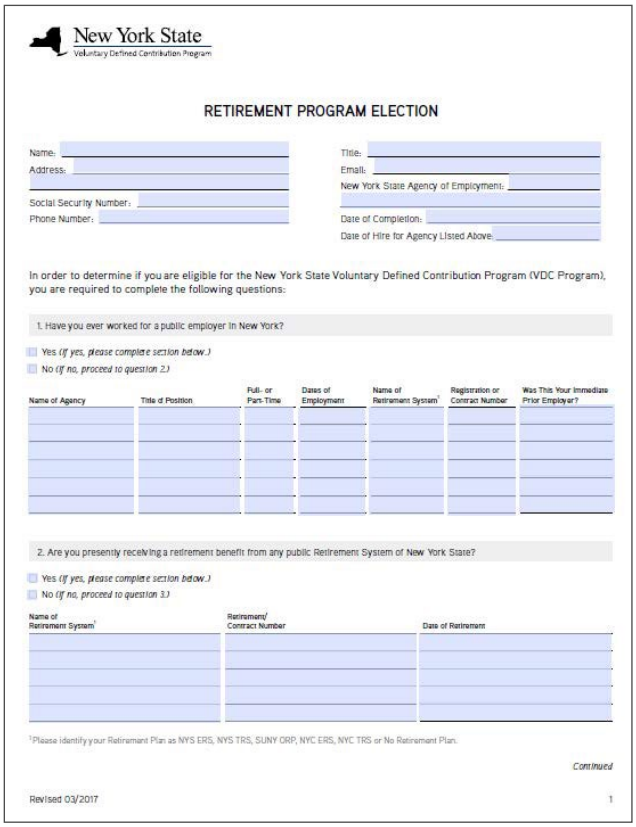
RETIREMENT PLAN ELECTION – RETIREMENT HISTORY FORM

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.



New York State
Voluntary Defined Contribution Program

RETIREMENT PROGRAM ELECTION

Name:
Address:
Social Security Number:
Phone Number:
Title:
Email:
New York State Agency of Employment:
Date of Completion:
Date of Hire for Agency Listed Above:

In order to determine if you are eligible for the New York State Voluntary Defined Contribution Program (VDC Program), you are required to complete the following questions:

1. Have you ever worked for a public employer in New York?

Yes *(If yes, please complete section below.)*
No *(If no, proceed to question 2.)*

Name of Agency	Title of Position	Full- or Part-Time	Dates of Employment	Name of Retirement System[1]	Registration or Contract Number	Was This Your Immediate Prior Employer?

2. Are you presently receiving a retirement benefit from any public Retirement System of New York State?

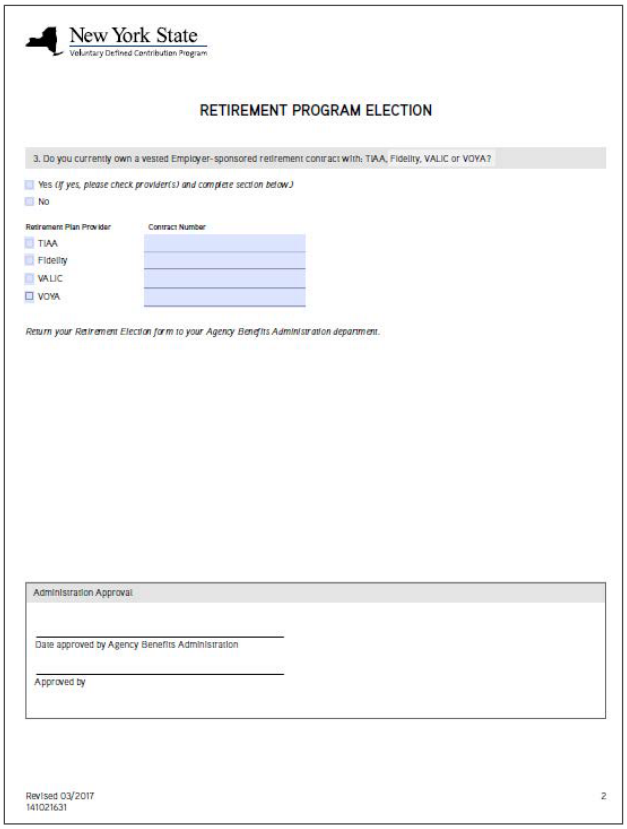
Yes *(If yes, please complete section below.)*
No *(If no, proceed to question 3.)*

Name of Retirement System[1]	Retirement/ Contract Number	Date of Retirement

[1]Please identify your Retirement Plan as NYS ERS, NYS TRS, SUNY ORP, NYC ERS, NYC TRS or No Retirement Plan.

Continued

Revised 03/2017 1



New York State
Voluntary Defined Contribution Program

RETIREMENT PROGRAM ELECTION

3. Do you currently own a vested Employer-sponsored retirement contract with: TIAA, Fidelity, VALIC or VOYA?

Yes *(If yes, please check provider(s) and complete section below.)*
No

Retirement Plan Provider	Contract Number
TIAA	
Fidelity	
VALIC	
VOYA	

Return your Retirement Election form to your Agency Benefits Administration department.

Administration Approval

Date approved by Agency Benefits Administration

Approved by

Revised 03/2017
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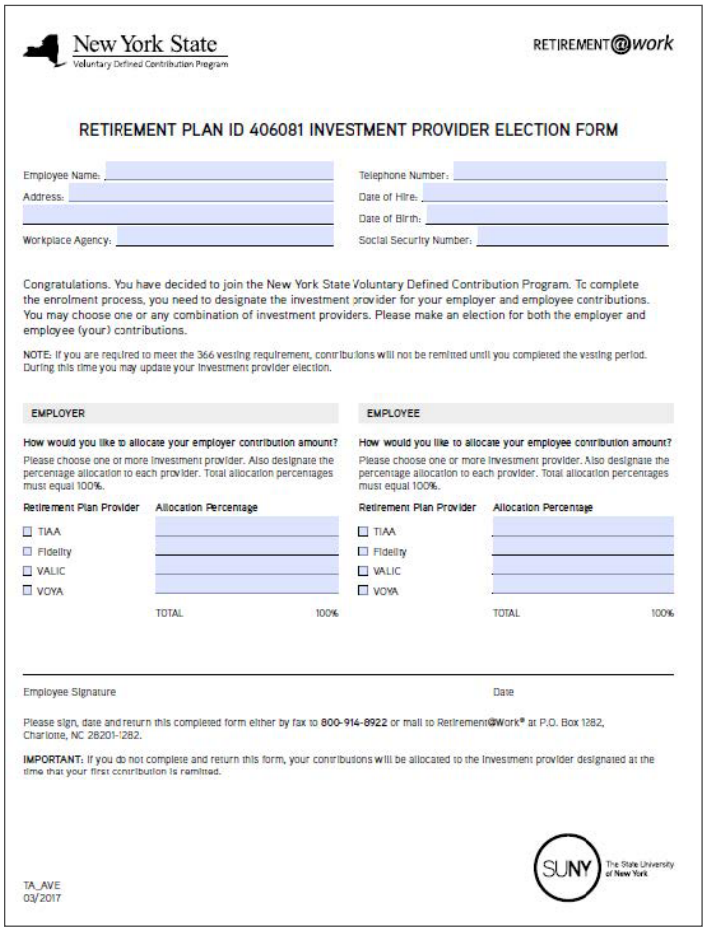
INVESTMENT PROVIDER ELECTION FORM

Employees can select one or a combination of investment providers online, but in rare situations this form can be used temporarily. However, employee 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.



New York State
Voluntary Defined Contribution Program

RETIREMENT@work

RETIREMENT PLAN ID 406081 INVESTMENT PROVIDER ELECTION FORM

Employee Name: _____ Telephone Number: _____

Address: _____ Date of Hire: _____

_____ Date of Birth: _____

Workplace Agency: _____ Social Security Number: _____

Congratulations. You have decided to join the New York State Voluntary Defined Contribution Program. To complete the enrolment process, you need to designate the investment provider for your employer and employee contributions. You may choose one or any combination of investment providers. Please make an election for both the employer and employee (your) contributions.

NOTE: If you are required to meet the 366 vesting requirement, contributions will not be remitted until you completed the vesting period. During this time you may update your investment provider election.

EMPLOYER

How would you like to allocate your employer contribution amount?

Please choose one or more investment provider. Also designate the percentage allocation to each provider. Total allocation percentages must equal 100%.

Retirement Plan Provider	Allocation Percentage
☐ TIAA	
☐ Fidelity	
☐ VALIC	
☐ VOYA	
TOTAL	100%

EMPLOYEE

How would you like to allocate your employee contribution amount?

Please choose one or more investment provider. Also designate the percentage allocation to each provider. Total allocation percentages must equal 100%.

Retirement Plan Provider	Allocation Percentage
☐ TIAA	
☐ Fidelity	
☐ VALIC	
☐ VOYA	
TOTAL	100%

Employee Signature _____ Date _____

Please sign, date and return this completed form either by fax to 800-914-8922 or mail to RetirementWork® at P.O. Box 1282, Charlotte, NC 28201-1282.

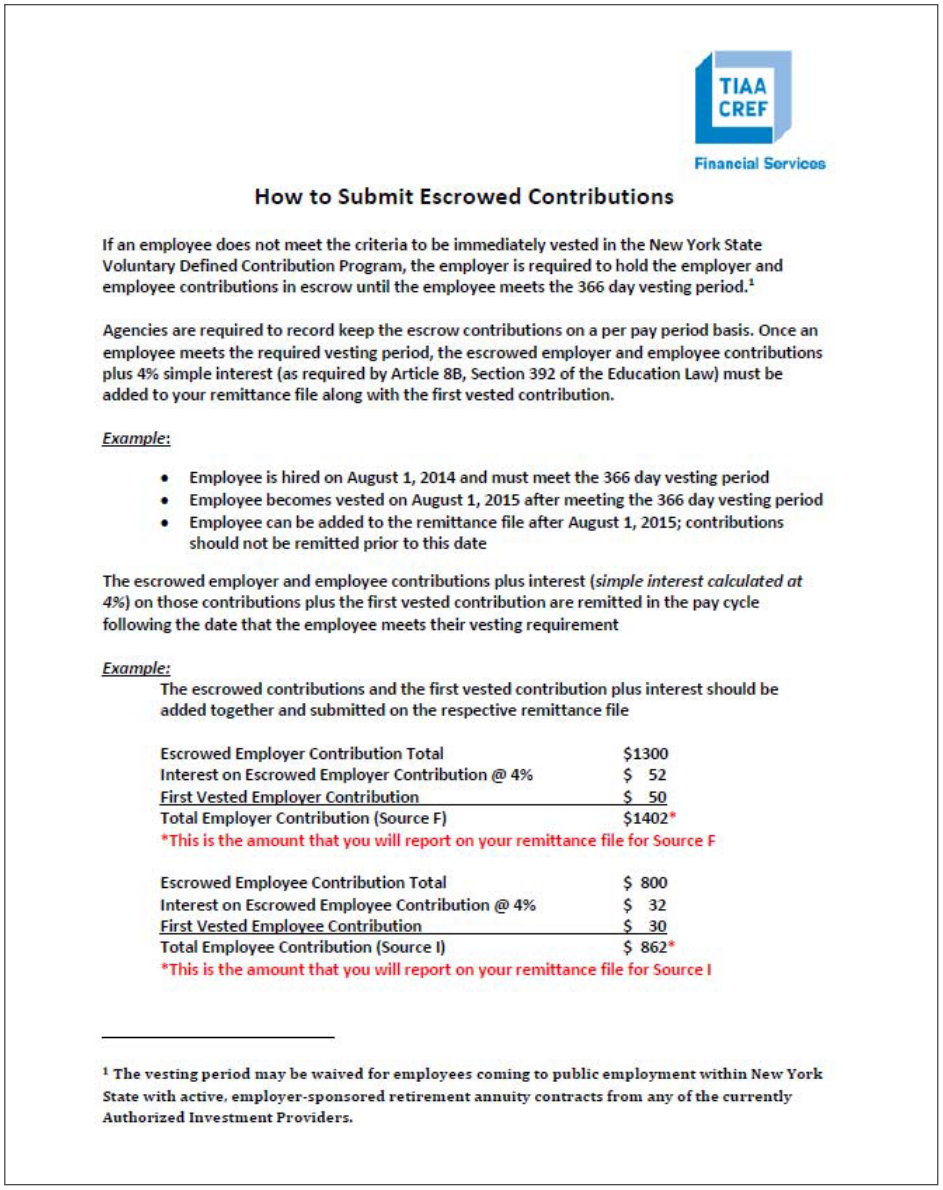
IMPORTANT: If you do not complete and return this form, your contributions will be allocated to the investment provider designated at the time that your first contribution is remitted.

SUNY The State University of New York

TA_AVE
03/2017

HOW TO SUBMIT ESCROWED CONTRIBUTIONS

Graphics below are for illustrative purposes only.



TIAA CREF Financial Services

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.[1]

Agencies are required to record keep the escrow 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 8B, 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	$1300
Interest on Escrowed Employer Contribution @ 4%	$ 52
First Vested Employer Contribution	$ 50
Total Employer Contribution (Source F)	$1402*

*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 I)	$ 862*

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

[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.

SUNY RETIREMENT@work®

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 16, 2012, the Governor signed legislation creating Tier VI. This tier applies to employees joi after March 31, 2012. Effective with the first checks in April 2013, legislation required the employee co on the employee's annual wage. Once a Tier VI member has reached three years of membership, his based on **total pensionable earnings** from two years prior.*

Employee Contribution Rate:

Changes impacting TIER VI PLAN participants in the SUNY Optional Retirement Program (ORP) inclu Voluntary Defined Contribution Program (NYS VDC Program) are shown below:

Wages	Contribution Rate
$45,000 or less	3%
Wages between $45,000.01 to $55,000	3.5%
Wages between $55,000.01 to $75,000	4.5%
Wages between $75,000.01 to $100,000	5.75%
Wages of $100,000.01 or more	6%

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

Employer Contribution Rate & Look Back:

- The current employer contribution rate is 8% of gross salary.
- For the SUNY ORP participants ONLY: The employer contribution rate is 8% of gross salary for the membership service, and 10% thereafter.
- Under the legislation, the annualized calendar year salary, for purposes of contribution calculations salary looking back two years.

Once a Tier VI member has reached three years of membership, his or her contribution rate is b earnings from two years prior.

For the SUNY ORP, the effective date of the look back is January 1, 2015.

IMPORTANT: While participants in the NYS VDC Program are participating in the SUNY ORP, the effe is January 1, 2016.

This date follows two consecutive years from the date on which the SUNY ORP was expanded to inclu any public employer within NYS, including NYC, public authorities and local municipalities.

* Total earnings should include pensionable earnings from all job records.

Plan services provided by

SUNY RETIREMENT@work®

Tier VI: SUNY ORP Program Entrant, employee plan entry date April 1, 2012:

- April 1, 2012 through April 1, 2013: Contributions calculated using employee current annualized calendar year salary and based on Tier IV rates.
- Effective April 1, 2013: Contributions calculated using the annualized calendar year salary on the plan entry date and the table above.
- Effective January 1, 2015: Contributions will be calculated using the annualized calendar year salary as of January 1, 2015, and the table above.

Tier VI: NYS VDC Plan Entrant, employee plan entry date July 1, 2013:

- July 1, 2013 through July 1, 2015: Contributions calculated using the annualized calendar year salary on the plan entry date and the table above.
- Effective July 1, 2015: Contributions will be calculated using the total pensionable earnings as of July 1, 2015, and the table above.

ESCROW ACCOUNT MANAGEMENT

Under the State University of New York Retirement Plan

During the first 366 days, employer and employee contributions should be held in escrow until the participant is vested (366 calendar days of service).

- Plan Administrators or their payroll provider will need to calculate the interest earned while contribution monies are held in the escrow account using a simple per annum formula as shown below.
- The recordkeeping 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 employee's W-2.

Example: Employee contributions

Total amount of employee contributions in a 366-day period	X	Interest rate set by Law*	=	Annum = 1
Example: $1,500	**X**	**4%**	=	**$60**

Example: Employer contributions

Total amount of employer contributions in a 366-day period	X	Interest rate set by Law*	=	Annum = 1
Example: $4,000	**X**	**4%**	=	**$160**

* Note: The interest rate used in the calculation above is set by New York State law, Article 8B of the NY Education Law 392(4) which states 4% simple. Subject to change.

Plan services provided by TIAA

New York State
Voluntary Defined Contribution Program

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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