

## COMPARING THE VDC PROGRAM AND DEFINED BENEFIT PLAN

	Defined Benefit Plan	Voluntary Defined Contribution Program
What do you get when you retire?	A fixed, lifetime monthly income in retirement.	Your balance is available when you retire, or you can choose a fixed, monthly income through annuity investments.
When are you fully vested?*	After <b>10 years</b> of service.	After more than <b>one year</b> of service.
* vested refers to an employee's right, usually earned over time, to receive some retirement benefits regardless of whether or not he or she remains with the employer.	Part-time service is pro-rated. <b>For example:</b> if working part-time at 50%, vesting will occur after attaining 20 years of service.	Vesting is immediate if employee owns employer-funded retirement contracts with any ORP vendors, or if employee has 366 days prior service in ERS/TRS.
Can you choose your own investments?	No.	Yes.
How much do you contribute?	Same for both plan types. See contribution chart <sup>1</sup> below.	Same for both plan types. See contribution chart <sup>1</sup> below.
<b>Subject to IRS limits and other salary limitations.</b>		
How much does your agency contribute?	Not a specific individual amount: Your agency contributes toward general pension funds rather than individual accounts.	8% of your salary (subject to IRS annual contribution limits).
When can you retire and take money from the plan?	Full benefits at age 63 when you have at least 10 years of service.  You may retire as early as 55 with a 6.5% reduction for each year you are under age 63.  TRS may offer a full benefit as early as age 57 with 30 years of service.	No minimum retirement age.  <i>Tax penalties may apply if you withdraw money before turning 59½.</i>
Can it move with you if you work for a different agency?	No.	Yes.
Are loans available?	Yes (up to 75% of the amount you contributed with a maximum of \$50,000).	Yes (up to 50% of your balance with a maximum of \$50,000).
Can you name beneficiaries?	Yes. You can choose to name beneficiaries and have a death benefit in exchange for a lower monthly annuity income (maximum amount: 3x your salary).	Yes (amount depends on your account balance).

### Contribution Chart<sup>1</sup>

Annual Salary Rate of Pay	Contribution Rate
\$75,000	4.5%
\$75,001 to \$100,000	5.75%
\$100,001 to \$179,000	6%

*Please note that this information has been prepared as a general summary of the Retirement System Options available to eligible New York State employees. It cannot provide you with the complete details on retirement matters. You should carefully review and research the options available to you before making a decision as to which Retirement System to join. Only authorized representatives from each Retirement System or Investment Provider are adequately knowledgeable and experienced to fully address your questions or to assist you with many of the technical aspects of their respective Systems. The information contained in all SUNY publications and web sites is intended only as a basic summary overview and to provide you with basic points for your consideration. You are invited to contact representatives from the Retirement System in which you are interested for additional information or with specific questions about their respective System or specific benefits.*