

## CHOOSING YOUR RETIREMENT PLAN

	NYS Employees' Retirement System (ERS) NYS Teachers' Retirement System (TRS)	Optional Retirement Program (ORP) (AIG, TIAA, VALIC, FIDELITY)
<b>Plan Type</b>	A defined benefit plan provides a fixed, lifetime monthly income at retirement. The amount of the benefit generally depends on how long you work, final average salary, and age at time of retirement. Benefits are guaranteed by the State constitution.	Defined contribution plan benefits are based on the amounts contributed by the employer and employee and the success of the investments. Amount of contributions is known but the amount of future benefit varies according to investment performance. Benefits are not guaranteed.
<b>Vesting</b>	Tiers 1-4: 5 years of full-time equivalent service credit. Tier 5 and 6: 10 years of full-time equivalent service credit.	Immediate if employee brings retirement contracts with any of the four carriers with him/her from another institution; or if the employee has 366 days service in ERS /TRS; otherwise, after 366 days of employment.
<b>Employee Contribution</b>	Tiers 1 & 2 – none. Tiers 3 & 4 - 3% of salary for the first 10 years of service, none thereafter. Tier 5 - 3 % of salary for all years of public service for ERS and 3.5% of salary for all years of public service in TRS.	3% of salary for employees joining on or after 7/27/76 (Tier 3-5). Contributions required for the first 10 years of service and none thereafter.
<b>University Contribution</b>	<u>Tier 6- employees will follow the below contribution scale:</u> \$0 – \$45,000: 3% \$45,000.01 – \$55,000: 3.5% \$55,000.01 – \$75,000: 4.5% \$75,000.01 – \$100,000: 5.75% \$100,000+ <u>but less than the Governor's current annual salary (2019) of \$200,000 (only applicable to ERS members):</u> : 6%	8% of salary for the first 7 years of service; 10% of salary from years 8 to 10; & 13% of salary thereafter for employees who joined the ORP on or after 7/17/92 (Tier 5).
	A lump-sum annually to its pension funds, not to individual accounts. The annual amount is determined by the actuary of the pension systems.	Tier 6: <u>Employees will follow the below contribution scale:</u> \$0 – \$45,000: 3% \$45,000.01 – \$55,000: 3.5% \$55,000.01 – \$75,000: 4.5% \$75,000.01 – \$100,000: 5.75% \$100,000+: 6%
<b>Minimum Retirement Age</b>	Tier 1 - age 55 Tiers 2, 3, & 4 - age 62 or age 55 with 30 years of service for full benefits. Reduced benefits available at age 55 with less than 30 years of service.  Tier 5- Retirement benefits of members retiring between age 55 & 62 will be reduced for early retirement – even if member has 30 years of service credit. For TRS members only, unreduced benefit prior to age 62 if at least 57 years old with 30 or more years of credited service.  Tier 6--- Retirement benefits of members retiring between age 55 & 62 will be reduced for early retirement – even if member has 30 years of service credit. Unreduced benefit at age 63. For each year of retirement prior to 63, employee pension allowances will be permanently reduced by 6.5% (i.e. retirement at age 61=13% reduction in pension benefits).	No minimum retirement age.

<b>Retirement Options</b>	Lifetime annuity.	Lifetime annuity or cash withdrawals (subject to certain limitations).
<b>Calculation of Retirement Benefit</b>	Retirement benefit based on a formula which takes into account your final average salary (average of highest five consecutive years for Tier 6) and your length of service and age at time of retirement. Varies by Tier.	Retirement benefit based on the accumulated value of contributions made by employee and University. Benefits vary depending upon the carrier's investment experience.
<b>Death Benefit</b>	Calculated by formula taking into account salary and length of service. Varies by Tier. Maximum: three times salary. Minimum: the lesser of 1/2 salary or \$10,000.	Value of contracts. Minimum: the lesser of 1/2 salary or \$10,000.
<b>Loans</b>	75% of contributions plus interest.	50% of the accumulated value of your contracts, to a maximum of \$50,000.
<b>Military Service</b>	May receive credit for up to three years military service after 5 years of pension membership by paying 3% of salary.	No credit.
<b>Prior Public Service</b>	May receive credit for prior public service when a member of ERS/TRS or when not a member of any retirement system (contribution required in tiers 3, 4, 5 and 6).	No credit is given for periods of service when one was not a member of the ORP.

### **Points to consider if you are offered the opportunity to move from ERS or TRS to the Optional Retirement Program (ORP)**

Members of the ORP who leave SUNY and move to another employer where they are required to join ERS or TRS will not be able to receive service credit in ERS/TRS for any period of time during which they were a member of the ORP.

ERS and TRS allow tier reinstatement. That is, if you join in one tier, leave State service and return at a later date, you will re-enter in your old tier rather than being covered by the provisions of the tier in effect at the time you rejoin. Currently, tier reinstatement is possible in the ORP whereby if you were enrolled in the ORP (whether vested or not) and leave SUNY service, you are eligible to participate upon your return to service irrespective of your appointment status at that time, and retain your previous tier status. Also, if you move from ERS or TRS you will join the ORP in the current (contributory) tier, even if you were an earlier tier member of ERS or TRS.

Legislation enacted in 2000 provides that ONLY Tier 3 & 4 members of ERS/TRS do not have to contribute 3% of salary after 10 years of membership. Similar legislation has been enacted in 2007 for the ORP whereby employees with 10 or more years of qualifying service on or after 4/1/10 will have their 3% contribution eliminated (not applicable to Tier 6 members).

With the introduction of Tier 5 and 6 within the NYS ERS/TRS, effective 1/1/10 members will be required to contribute based on their salaries (before federal income taxes) toward pension costs so long as they accumulate additional pension credits. Tier 6 members in the ORP, effective 4/1/12 will be required to contribute based on their salaries (before federal income taxes) toward pension costs so long as they accumulate additional pension credits.

Persons who are Tier 1 or 2 members of ERS/TRS and in public service on April 1, 1999 and October 1, 2000 will receive an additional one month's service credit for each year of service. As ORP benefits are not based on years of service, therefore no similar provisions exist in the ORP.

For further information you may contact the retirement plans directly: ERS (866) 805-0990, TRS (800) 356-3128, VOYA (800) 584-6001, TIAA (800) 732-8353, AIG (800) 448-2542, Fidelity (800) 343-0860

\* The above benefits description is a summary that is subject to change. Although this information sheet describes benefits available under the different retirement plans with SUNY Upstate Medical University, this summary does not convey, grant, or guarantee any benefits.