

COMPARISON OF RETIREMENT PLAN OPTIONS
STATE UNIVERSITY OF NEW YORK

	NYS Employees' Retirement System (ERS) NYS Teachers' Retirement System (TRS)	Optional Retirement Program (ORP) (ING, MetLife, TIAA/CREF, & VALIC)*
Plan Type	Defined benefit plan that provides a fixed, lifetime monthly income at retirement. The amount of the benefit generally depends on how long you work and how much you earned. 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.
Vesting	5 years of full-time service credit.	Immediate if employee owns retirement contracts with any of the four vendors through a previous employer; or if the employee has 366 days of prior service in ERS/TRS; otherwise, after 366 days of employment if full time; for part-time term employees, the 366-day waiting period begins with the date of appointment if enrolled within 30 days of appointment; after 30 days, it begins the date the enrollment form is received in the Office of Employee Benefits.
Employee Contribution	Tiers 1 & 2 – none. Tiers 3 & 4 – 3% of salary for the first 10 years of service; none thereafter.	For employees joining on or after 7/27/76 - 3% of salary for the first 10 years of service; none thereafter.
University Contribution	A lump sum made annually to its pension funds, not to individual accounts. The annual amount is determined by the actuary of the pension systems.	For employees joining on or after 7/17/92 - 8% of salary for the first seven years of service; 10% from seven to 10 years; 13% thereafter.
Minimum Retirement Age	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.	No minimum retirement age.
Retirement Income Options	Lifetime annuity (options are available for a reduced annuity to continue to a beneficiary after your death).	Lifetime annuity (including options for beneficiaries) or cash withdrawals (subject to certain limitations).
Calculation of Retirement Benefit	Retirement benefit based on a formula which takes into account your Final Average Salary (average of highest 36 consecutive months) and your length of service. Varies by Tier.	Retirement benefit based on the accumulated value of contributions made by employee and University. Benefits vary depending upon vendor investment experience.
Death Benefit	Calculated by formula taking into account salary and length of service. Varies by Tier. Maximum: three times salary. Minimum for UUP: the lesser of ½ salary or \$10,000. Minimum for M/C: the lesser of full salary or \$50,000.	Value of contracts. Minimum for UUP: the lesser of ½ salary or \$10,000. Minimum for M/C: the lesser of full salary or \$50,000.
Loans	75% of contributions plus interest for Tiers 3 & 4.	IRS restricts loans to 50% of the accumulated value of your contracts, to a maximum of \$50,000. Individual vendors may have specific requirements resulting in a lower maximum.
Military Service	May purchase (3% of salary plus interest) up to 3 years of military service for retirement service credit.	No credit option.
Prior Public Service	May receive credit for state service prior to joining ERS/TRS. Tiers 3 & 4 are required to pay 3% of salary contributions plus interest.	No credit given for periods of service prior to ORP membership.

ERS: (518) 474-7736; www.osc.state.ny.us
TRS: (800) 348-7298; www.nystrs.org

*To view latest quarterly ORP Vendor Performance Summary:
<http://www.ohr.cornell.edu/benefits/programs/retireORP.html>

ING: (800) 438-1272; www.ingretirementplans.com/custom/suny
MetLife: (800) 560-5001; www.metlife.com/suny
TIAA/CREF: (800) 842-2776; www.tiaa-cref.org/suny
VALIC: (800) 428-2542; www.valic.com/suny

New Employees: Should Consider These Key Differences Between ERS and TRS:

- TRS allows Tier 1 members (joined prior to July 1, 1973) with 35 years of service to retire at any age; ERS minimum retirement age is 55.
- ERS allows unused sick leave to be used in calculating service credit; TRS does not.
- Professional & Classified Staff Only: ERS allows for the inclusion of payment for unused vacation towards Final Average Salary (must have joined prior to 4/1/72 or after 7/26/76) if Final Average Salary is based on the 36 months preceding retirement; TRS allows no such inclusion.
- Faculty Only: TRS gives a full year's service credit for sabbatical at half-pay; ERS allows a half-year's credit.

Current Employees: Should Consider These Points If 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/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/TRS and the ORP 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. If you move from ERS/TRS to the ORP, you will join the ORP in the current (contributory) tier, even if you are a Tier 1 or 2 member of ERS or TRS.
- 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 up to 24 months maximum. As ORP benefits are not based on years of service, no similar provisions exist in the ORP.