



*Introducing*

## THE NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION PROGRAM



New York State

Voluntary Defined Contribution Program



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# ABOUT THE PROGRAM

The New York State Voluntary Defined Contribution Program (VDC) is a Defined Contribution 401(a) retirement plan and is an alternative option to the State's Defined Benefit plans including the Employee Retirement System (ERS), Teachers Retirement System (TRS), Board of Education Retirement System (BERS), and Police and Fire Retirement System. If you are hired into a position where there is mandatory retirement system participation, you only have 30 days from the date of hire to select and enroll in the VDC Program. If you do not enroll within 30 days from the day of hire, you will automatically default into the Defined Benefit plan and will not have the option to enroll in the VDC Program in the future. Your election is retroactive to the date of full-time employment and your election to participate cannot be changed.

A defined contribution 401(a) plan is a type of retirement plan in which the amount of the employer's annual contribution is specified. Individual employee accounts are set up for participants electing the VDC Program and benefits are based on the amounts credited to these accounts (employer contributions and employee pretax contributions) plus any investment earnings on the money in the account. The VDC Program was created to help employees build retirement plan accumulations that will provide lifetime retirement income that you cannot outlive plus other withdrawal options. The State University of New York's Optional Retirement Program is Plan Sponsor of the NYS VDC Program and TIAA is the third-party service provider.

The VDC Program includes an employee and employer contribution. The employee contribution rate varies based on your annual salary (currently 3%–6%). The employer contribution rate currently is 8% of your gross salary.<sup>1</sup> Your retirement benefits will depend on the value of individually owned retirement contracts purchased and issued by one or more of the authorized investment providers, including TIAA, VOYA, VALIC and Fidelity.<sup>2</sup>

## Eligibility

Eligibility for enrollment and participation in the NYS VDC Program is limited to unrepresented employees of New York State public agencies hired on or after July 1, 2013 and with an estimated annual salary rate of \$75,000 or greater. For more information about the Program, please visit [www.vdc.ny.gov](http://www.vdc.ny.gov).

Note: If you are a NY State employee whose immediate preceding employment was with another department, division or agency of NY State, or if you participated in a NY State Defined Benefit Plan (e.g., ERS, TRS), you are not eligible to participate in the NYS VDC option. If your immediate preceding employment was with a Non-State NY public employer (e.g., municipality, commonality), you are eligible to enroll in VDC upon hire into an eligible class. You also have a one-time option to switch to VDC if you were participating in your agency's Defined Benefit Plan and were promoted into an eligible class after 7/1/2013.

## Vesting

Vesting occurs after 366 days of active service. All employee and employer contributions as well as interest earned will become the property of the employee upon vesting. All investments will be directed by the participant upon reaching the 366-day vesting date.

## Enroll Today

To start your enrollment process, visit [www.vdc.ny.gov](http://www.vdc.ny.gov). Click **ENROLL ONLINE**. The enrollment process will take you to the Retirement@Work® website.

To enroll in the NYS Voluntary Defined Contribution Program, visit [www.vdc.ny.gov](http://www.vdc.ny.gov), click on the **ENROLL ONLINE** link and follow the steps on the following pages.

<sup>1</sup> The above contribution rates are subject to change by legislation passed by the State of NY.

<sup>2</sup> If you invest in the SUNY Optional Retirement Program through Fidelity you will be investing in a variable group annuity contract 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.

# ENROLL

## Introducing Retirement @Work®. Your retirement savings website

Retirement@Work is the online retirement plan enrollment and management system for the NYS VDC Program. Through Retirement@Work, located at [www.vdc.ny.gov](http://www.vdc.ny.gov), you can enroll in the Program and manage your Voluntary Defined Contribution retirement account and investments at your convenience.

With just a few clicks, you can:

- Enroll in the Voluntary Defined Contribution Program.
- Select your investment provider(s) and complete contribution allocation for each.
- Link directly to the enrollment page for each investment provider to learn more about the investment menu offered and to open an account with each.

### Enroll in three steps

Enrolling in the New York State Voluntary Defined Contribution Program is online, fast and easy. To start your enrollment process, visit [www.vdc.ny.gov](http://www.vdc.ny.gov), and locate the *ENROLL ONLINE* link. This enrollment process will take you to Retirement@Work.

The screenshot shows the 'How to Enroll in the New York State VDC Program' page. At the top is the New York State logo and a navigation bar with links: VDC PROGRAM BENEFITS, ELIGIBILITY, INVESTMENT OPTIONS, HOW TO ENROLL (highlighted), and CONTACT. The main heading is 'How to Enroll in the New York State VDC Program'. Below it, a link says 'To learn more about the enrollment process, download the VDC program enrollment guide (PDF)'. A section titled 'Before enrolling, please have the following information available:' lists four bullet points: 'Your Social Security Number', 'The name of your previous retirement plan and registration/member number(s)', 'If you were enrolled in the VDC Program with a previous employer, please have your NYS VDC Program contract number(s) available', and 'The name, address, telephone number and e-mail address of your designated beneficiary'. Below this, two columns are shown. The left column, 'Enroll Online in 3 Easy Steps', lists three steps: '1. First set up your account and make your retirement program elections.', '2. Then determine your contributions with a Salary Deferral Agreement.', and '3. Finally select and enroll with your investment providers.', followed by a 'Start Enrollment' button. The right column, 'Pick up the phone', says 'Call 1-866-271-0960 to speak with an experienced consultant who can guide you through the enrollment process.'

## Step 1: Set up your retirement account

Once you click on the Program enrollment page, your first step will be to provide your Retirement History. You will be asked for information that will help establish your account, including name, address, birthday, email and Social Security number. Additionally, you will create login credentials for secure access including your online ID, password and security question. During this enrollment step, you will be prompted to select your employer location from a drop-down box. An abbreviated version of your NYS agency's name was created for the New York State Voluntary Defined Contribution enrollment system. Please select the employer's name as provided by your agency benefits representative. Please note: Selecting an incorrect employer will erase your enrollment application. If you don't see your agency on the list, please contact your agency benefits representative.

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If you do not choose an investment provider during the enrollment process, contributions remitted on your behalf will default to one of the rotating investment providers selected by the plan sponsor for the VDC Program.

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## Step 2: Tell us where to send the money

After completing Step 1, you will choose one or more investment providers to manage your contributions and provide a contribution percentage allocation for each investment provider. Your options for investment providers to manage your contributions are TIAA, VOYA, VALIC and Fidelity.<sup>1</sup> If you do not choose an investment provider, contributions remitted on your behalf will default to an investment provider selected by the Program sponsor for the NYS VDC Program.

## Step 3: Open an account with your investment provider(s)

After you choose your investment provider(s), you will need to open an account with each provider selected in Step 2 to complete the enrollment process. Just click on the name of each investment provider and you will be taken directly to the provider's website. From Retirement@Work you will navigate directly to each provider's website to complete an enrollment application and to choose your specific investment choices from the investment menu offered by the provider selected. To ensure there are no delays in your retirement plan enrollment, you are required to complete all three steps. If you have any questions regarding the investment options offered by an Investment Provider, please contact them directly at the number shown on page 4.

<sup>1</sup> If you invest in the SUNY Optional Retirement Program through Fidelity you will be investing in a variable group annuity contract 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.

# INVESTMENT QUESTIONS & UPDATES

## It's easy.

After you enroll, you may have a need to make changes to your retirement plan account. Return to Retirement@Work to modify your investment provider elections, contribution allocation splits and profile information. Access the *History* tab to review your historical transactions.

Remember to save the Retirement@Work link to your favorites list for easy access when you need to manage your account in the future. You may also return to [www.vdc.ny.gov](http://www.vdc.ny.gov) and click the *Account Management* link.

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## NEED ASSISTANCE WITH RETIREMENT@WORK? CALL THE VDC EMPLOYEE COUNSELING CENTER AT 866-271-0960.

You will be connected with one of our experienced Retirement@Work consultants. They are available Monday to Friday, 8 a.m. to 10 p.m. and Saturday, 9 a.m. to 6 p.m. (ET).

### Investment questions?

If you have questions about investment options and expenses, call your investment provider of choice at the number shown below:

TIAA	866-662-7945
VALIC	800-448-2542
VOYA	800-677-4636
Fidelity <sup>1</sup>	800 343-0860

Note: The Program sponsor of the New York State VDC Program is The State University of New York (SUNY). The retirement vehicle is the SUNY Optional Retirement Program (ORP).

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# DEFINED BENEFIT OR DEFINED CONTRIBUTION?

## A COMPARISON OF YOUR RETIREMENT PLAN CHOICES

You have to make a very important retirement decision within 30 days of your hire date. You must choose between the Defined Benefit (DB) plan and the Voluntary Defined Contribution (VDC) Program. What is the difference between the two? Which one should you choose?

Both the Defined Benefit and the Defined Contribution plans are sound methods of providing for income needs in retirement. However, there are differences between the two plans, and which one is best for you likely depends on your individual circumstance. Choosing a retirement plan is a very important decision. Once you make a selection or default into the Defined Benefit Plan, your decision is irrevocable. For a comparison of the two options, please refer to the Summary Plan Description located at [www.vdc.ny.gov](http://www.vdc.ny.gov).

Retirement plan features	The Defined Benefit Plan (DB)	The New York State Voluntary Defined Contribution Program (VDC)
<b>Plan type</b>	Provides a fixed, predictable lifetime monthly income at retirement. Your contributions are made on a tax-deferred (pretax) basis, which means you don't pay taxes until you take a distribution.	The VDC Program provides lifetime income benefits and other withdrawal options that are based on the amounts contributed by your employer and you, and the success of the investments. Your contributions are made on a tax-deferred (pretax) basis, which means you don't pay taxes until you take the money out.
<b>Benefit</b>	DB plan could provide smaller benefit/advantage for participants who are employed with the institution for a shorter time period.	VDC benefits are portable, which is becoming more important for workers in today's evolving marketplace where the average worker may switch jobs and even careers multiple times over the course of a lifetime. Contributions deposited into the plan continue to accrue interest and experience investment earnings even after you cease contributions into the plan. Once vested, the account is yours to keep.
<b>Portability</b>	If you leave before reaching the ten-year vesting period, your contributions are refunded—employer contributions will be forfeited.	Subject to plan rules, employee and employer contributions plus applicable earnings are yours to keep after reaching the 366 days of vesting, regardless of where your career takes you.
<b>Control</b>	Your funds are managed for you by the Defined Benefit program (e.g., ERS, TRS) to meet current and future liabilities.	You have the flexibility to manage the investment of your funds and set up a portfolio that's right for you based on the investment options in your plan. Education—participant must be able to understand investment choices and assess which options work best for your circumstances. Consultants from the program's investment providers are available to offer you guidance and advice.
<b>Vesting</b>	You are vested after 10 years of full-time service credit. This means you will have a right to a benefit after 10 years of service. Part-time service is pro-rated. (For example: if working part-time at 50%, vesting will occur after attaining 20 years of service.)	You are vested after 366 days of service. This means that you own the employee and employer contributions plus applicable earnings. You will be immediately vested if you owned employer-funded retirement contracts with any of the four vendors (TIAA, VALIC, VOYA and Fidelity <sup>1</sup> ) through a previous employer, or if you have 366 days of prior service in ERS/TRS. This will not include previous contracts used to fund voluntary tax deferred/sheltered (TDA or TSA), employee funded plans such as a 457 plan.
<b>Expected income</b>	Your income is determined by a formula, regardless of investment performance. The amount of the retirement benefit depends on length of service, earnings, tier and age at retirement. Benefits are guaranteed by the State. Monies are pooled together and professionally managed, and the employer or government bears funding and investment risk. You will receive a fixed monthly payment with annual cost-of-living adjustments.	Your income is determined by your account balance – you have the opportunity for higher or lower retirement income based on your investment decisions and the performance of the underlying investment options, which include securities. Investing in securities involves risk, including loss of principal. The amount of future accumulations available upon retirement varies according to investment selection and performance. The retirement income benefit will depend on several factors, including salary level, duration of contributions, investment earnings and age at retirement. Benefits are not guaranteed, but a fixed annuity option can also supply guaranteed lifetime income for you and a partner that you will never outlive. Additional withdrawal options are available as well. You can design a payment stream based on your individual needs.
<b>Convenience</b>	You don't need to think about your account—all decisions are handled by ERS/TRS.	You have the flexibility to allocate your funds among the investment options under the program. You have a choice of various investment options provided by the authorized investment providers of the plan. The investment providers may also provide advice regarding allocation of your contributions among the program investment options they offer.
<b>Guaranteed income for life</b>	The defined benefit plan provides a guaranteed monthly payment during retirement.	The plan offers you the ability to invest your dollars in an account, which offers a payment option of guaranteed income for life. You also have the option of choosing guaranteed income for you and a partner under a joint life income option as well as additional withdrawal options. In short, you have the flexibility to design a payment stream that is right for you.

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