

COMPARISON OF RETIREMENT PLAN OPTIONS
STATE UNIVERSITY OF NEW YORK

	Tier 5 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 depends on length of service, earnings, tier and age at 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. The amount of future accumulations available upon retirement varies according to investment selection and performance. Benefits are not guaranteed .
Vesting	10 years of full-time service credit. Part-time service is pro-rated. (For example: if working part-time at 50%, vesting will occur after attaining 20 years of service.)	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	ERS requires 3% of salary throughout active membership. TRS requires 3.5% of salary throughout active membership.	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.	8% of salary for the first seven years of service; 10% from eight to ten years; 13% thereafter.
Minimum Retirement Age	Full benefit at age 62 with 10 years of service. May retire as early as age 55 with benefit reductions for each year under age 62. TRS offers a full benefit as early as age 57 with 30 years of service; ERS offers no such option.	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 variety of cash withdrawals (subject to certain limitations).
Calculation of Retirement Benefit	Retirement benefit based on a formula which takes into account Final Average Salary (average of highest 36 consecutive months), length of service and a pension factor of 1.66%. Pension factor increases to 2% beginning at 20 years for ERS and at 25 years for TRS.	Retirement benefit based on the accumulated value of contributions made by the employee and the University plus investment performance.
Death Benefit	Calculated by formula taking into account salary and length of service. 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.	IRS restricts loans to 50% of the accumulated value of your contracts, to a maximum of \$50,000. Individual providers 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. Required to pay 3% of salary (ERS) or 3.5% of salary (TRS) plus interest.	No credit given for periods of service prior to ORP membership.

*To view latest quarterly ORP Vendor Performance Summaries visit: <http://hr.cornell.edu/benefits/retirement/orp.html> (select individual vendor)

ERS: (866) 805-0990; www.osc.state.ny.us
TRS: (800) 348-7298; www.nystrs.org

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) 448-2542; www.valic.com/suny

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

- ERS requires employee contributions of 3% of salary and TRS requires 3.5% of salary – throughout active membership.
- The cost of purchasing Prior Service Credit (prior to date of membership) is 3% with ERS and 3.5% with TRS, plus interest for both.
- ERS does not offer unreduced retirement benefits (prior to age 62); TRS – may retire with unreduced benefits if at least age 57 with 30 or more years of service.
- Pension Factor used in benefit calculation: ERS increases from 1.66% to 2% at 20 years of service credit; TRS increases from 1.66% to 2% at 25 years of service.
- 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.

- Persons who are Tier 1 or 2 members of ERS/TRS and in public service on April 1, 1999 and October 1, 2000 will be eligible to receive at the time of retirement, one-twelfth of a year in enhancement credit for each year of their service credit at retirement, up to a maximum of two years of credit. As ORP benefits are not based on years of service, no similar provisions exist in the ORP.