

State University of New York Voluntary Retirement Savings Programs

As an employee of the State University of New York you have access to two different types of voluntary tax-deferred savings programs to help you save money for your retirement.

Both of these programs allow you to have money deducted from your paychecks on a pre-tax basis to help supplement your post-retirement income from Social Security and employer sponsored pension plans. Federal and state taxes are deferred until the money is withdrawn upon your retirement or separation from service allowing for even greater savings through tax-deferred growth.

- The **SUNY Tax-Deferred Annuity Plan** is a tax-deferred annuity program authorized under section 403(b)(1) of the Internal Revenue Code. This program is administered by the State University of New York and allows you to choose from among four authorized investment providers; [AIG](#), [Fidelity](#), [ING](#), [Met Life](#) and [TIAA-CREF](#).
- The [New York State Deferred Compensation Plan](#) is authorized Section 457 of the Internal Revenue Service Code. This program is administered by the New York State Deferred Compensation Board and offers 25 investment options over a broad array of investment styles.

Both of these tax deferred savings programs are governed by different sections of the Internal Revenue Service Code so there are some differences in plan provisions that you should be aware of.

It is particularly important to note that you may participate in both plans concurrently and can currently contribute up to \$15,500 to each plan for a combined deferral maximum of up to \$31,000 per year if you are participating in both programs!

Some of the key provisions of these two programs are outlined below for your convenience. *Please be advised that this information is provided for reference purposes only and that official plan documents or authorized vendors should be consulted for more detailed information about these programs before making a decision to invest.*

**Comparison between the SUNY Tax Deferred Annuity 403(b) Plan and the
New York State Deferred Compensation 457 Plan**

| Plan Feature | SUNY Tax Deferred 403(b) Plan | NYS Deferred Compensation 457 Plan |
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| Eligibility and Participation Requirements | All employees of the University are eligible. | All employees of the University are eligible. |
| Employee Pre-Tax Salary Reduction Contributions | Allowed up to annual Maximum Contribution Limit. Adjustments to contribution amount may be made on a bi-weekly basis. | Allowed up to annual Maximum Contribution Limit. Adjustments to contribution amount may be made on a bi-weekly basis. |
| Vesting | Employee voluntary contributions are fully vested immediately. | Employee voluntary contributions are fully vested immediately. |
| Maximum Contribution Limit | Annual limit for 2008 is \$15,500 as governed by Sections 415 and 402(g) of the Internal Revenue Service Code. Higher limits may apply if eligible for a catch-up provision/s as discussed below. | Annual limit for 2008 is \$15,500 as governed by Section 457(e)(15) of the Internal Revenue Service Code. Higher limits may apply if eligible for a catch-up provision/s as discussed below. |
| Coordination of Contributions | Because the contribution limits are separate for 403(b) and 457 plans, an employee can contribute up to the annual Maximum Contribution Limit to each plan separately. | Because the contribution limits are separate for 403(b) and 457 plans, an employee can contribute up to the annual Maximum Contribution Limit to each plan separately. |
| Age 50 Catch-up Provision | An additional \$5,000 elective salary deferral (for 2008) is permitted for those age 50 and over. | An additional \$5,000 elective salary deferral (for 2008) is permitted for those age 50 and over. |
| Other Catch-up Provision | Employees with 15 consecutive years or more of service (same employer) may contribute up to an additional \$3,000 per year (\$15,000 max lifetime). Prior year contributions may limit this amount. Employees are eligible for both age 50 and 15 year catch-up contributions in the same year. | For those within three years of plan's normal retirement age, an additional amount of up to the lesser of twice the applicable limit or unused amounts from prior years may be contributed. Employees are eligible for the greater of the enhanced limit or the age 50 catch-up provision, but may not do both in the same year. |
| Loans | Loans are permitted in accordance with plan rules. | Loans are permitted in accordance with plan rules. |

| Plan Feature | SUNY Tax Deferred 403(b) Plan | NYS Deferred Compensation 457 Plan |
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| Hardship Distributions | Available in accordance with IRS guidelines for payment of medical expenses as described in Section 213(d) of Internal Revenue Service Code or to prevent eviction or foreclosure of primary residence. | Available in accordance with IRS guidelines in the event of severe financial hardship to the participant resulting from extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. |
| Rollovers | Permitted among IRAs, 401(a), 401(k), public 457(b) and other 403(b) plans. Rollovers are not permitted to/from private 457(b) plans. | Permitted among IRAs, 403(b), 401(a), 401(k) and other public 457(b) plans. Rollovers are not permitted to/from private 457(b) plans. |
| IRS 10% Premature Distribution Penalty Tax | <p>An IRS 10% premature distribution penalty tax applies unless the distribution is due to one of the following statutory exemptions:</p> <ul style="list-style-type: none"> • On or after reaching age 59 ½ • To a beneficiary on account of a participant’s death • Disability • Payments made in at least annual installments over the life (or life expectancy) of the participant or the joint lives of the participant and the designated beneficiary after separation from service, • Separation from service on or after attainment of age 55, • Payments made for medical care, but not in excess of amounts allowable as a deduction under regulations • Payments made to an alternate payee pursuant to a QDRO • Payments made to satisfy a federal tax levy • Due to a “qualified reservist distribution” | <p>Generally an IRS 10% premature distribution penalty tax not applicable. However:</p> <ul style="list-style-type: none"> • Amounts rolled over from a 457(b) plan to a different plan type is subject to the IRS 10% premature distribution penalty tax if distributed prior to age 59½ (unless an exception applies). • Amounts rolled over from a non-457(b) plan to a 457(b) plan continues to be subject to any applicable IRS 10% premature distribution penalty tax, as if the plan were a qualified plan, upon distribution from the eligible 457(b) plan. |

| Plan Feature | SUNY Tax Deferred 403(b) Plan | NYS Deferred Compensation 457 Plan |
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| Plan to Plan Transfers | An individual may move 403(b) assets from one employer's 403(b) plan to another employer's 403(b) plan provided the individual is an <i>employee</i> or <i>former employee</i> of employer whose plan receives the transfer subject to certain requirements. | Upon severance from employment, an individual may transfer his 457(b) assets to an employer's 457(b) plan for which he is performing services subject to certain requirements. |
| DB Plan Service Credit Purchase | A tax-free transfer of plan assets to purchase service credits in a governmental defined benefit plan will be permitted. | A tax-free transfer of plan assets to purchase service credits in a governmental defined benefit plan will be permitted. |
| Distribution Options | Lump Sums, Systematic Withdrawals, Fixed-period payments, Lifetime Annuities and Required Minimum Distribution (RMD). | Lump Sums, Systematic Withdrawals, Fixed-period payments, and Required Minimum Distribution (RMD). |
| Minimum Distribution Requirements | A participant must begin receiving distributions upon reaching age 70 ½, provided s/he has terminated employment with SUNY. | A participant must begin receiving distributions upon reaching age 70 ½, provided s/he has terminated employment with SUNY. |