I. General

Legislation has been enacted (Ch. 105 L. 2010, A11144) authorizing two retirement incentive programs for the 2010-2011 fiscal year. The legislation includes an elective program, set forth as Part A, for members of the New York State and Local Employees’ Retirement System (“ERS”), New York State Teachers’ Retirement System (“TRS”), and SUNY Optional Retirement Program (“ORP”), and an elective program, set forth as Part B, for members of the ERS and TRS. The SUNY Board of Trustees has Resolved to participate in both of these programs. Each campus will now need to decide whether or not to participate in the Part A and/or B programs by action of campus presidents for State-operated campuses or the campus Board of Trustees and local sponsor for community college campuses. Various provisions of the legislation require decisions regarding eligible titles, eligible employees, open periods, and other matters relating to the retirement incentive programs. The legislation provides that the board of trustees of each community college under the program of the State University shall determine whether to participate in the Part A and Part B options.

Separate legislation has been enacted (Chapter 45 L. 2010) authorizing a mandatory retirement incentive program for the 2010-2011 fiscal year for certain employees at the State University’s State-operated institutions and community colleges who are members of NYSUT affiliated bargaining units (e.g., UUP), who are members of the New York State and Local Employees’ Retirement System or the New York State Teachers’ Retirement System, and are (comparable to Part B or the Ch. 105 legislation) between ages 55-61 with between 25-29 years of eligible service credit. The Open Period for this legislation has been established as October 3rd through December 31st for all campuses by the SUNY Board of Trustees.

The 2010 program allows each campus to designate an open period for Part A and for Part B of this Incentive program. The Open Periods for Part A may be established as any period between 30 and 90 days ending no later than September 30th for Classified employees and as any period between 30 and 90 days ending no later than December 31st for Unclassified employees at State-operated campuses and for all employees at community colleges. The Open Period for Part B will run from July 2nd through September 30th for State-operated campuses and may be established for each community college campus as any 90 day period between now and December 31st. Given the existence of the virtually identical program offered to NYSUT (UUP) represented employees, however, campuses may wish to encourage employees eligible for the NYSUT program to participate in that program instead in order to allow for more efficient program administration as well as to reduce the impact of mid-semester departures.

Part A

Part A must be individually adopted by each campus. The Open Periods for Part A may be established as any period between 30 and 90 days ending no later than September 30th for Classified employees and as any period between 30 and 90 days ending no later than
December 31st for Unclassified employees at State-operated campuses and for all employees at community colleges.

The 2010 Retirement Incentive Program is a targeted program. Identification of targeted position/title lists for each campus needs to occur. Adopting campuses should develop a process to evaluate employee interest in an incentive program in order to establish targeted position/title lists. Campuses must identify specific titles to be targeted for participation in this Incentive program. Targeted titles may include those that would otherwise be identified for layoff, consolidation of abolition of function, curtailment of activities, or otherwise abolished. Titles not otherwise slated for elimination may be targeted if these are titles into which employees in titles affected by layoff can be transferred or reassigned into. If more employees in a given title apply to receive the incentive than the number of positions targeted, selection shall be made based on seniority.

Employees in targeted titles/positions must inform human resource offices of their intention to retire under the incentive program at least 21 days prior to the close of the campus open period. Employees must file with New York State Employees’ Retirement System/New York State Teachers’ Retirement System (ERS/TRS) at least fourteen (14) days prior to their date of retirement. ERS/TRS will advise individual employees as to what their retirement incentive will be under the incentive program and the amount of their final pension benefit.

**Part B**

Part B is a program which allows employees Eligible employees who are between ages 55-61 and who have between 25-29 years of service as of the date of retirement to retire without the typical reduction of their retirement benefit imposed for retiring prior to reaching age 62 or acquiring 30 or more years of service credit.

Each campus must designate a single open period of 90 days by September 1st. The Division of Budget has determined that the open period must end no later than September 30th, 2010 for State-operated campuses, and December 31st for community colleges. Eligible employees must file with ERS/TRS at least 14 days prior to their date of retirement. Employees who are eligible for both Parts A and B may choose which incentive to take.

**NYSUT Incentive**

The NYSUT Incentive is a separate program virtually identical to Part B, but only available to employees represented by NYSUT (UUP). This program will allow employees Eligible employees who are between ages 55-61 and who have between 25-29 years of service as of the date of retirement to retire without the typical reduction of their retirement benefit imposed for retiring prior to reaching age 62 or acquiring 30 or more years of service credit.

The SUNY Board of Trustees has established an open period for this program from October 3, 2010 through December 31, 2010 for all campuses. Participation in this program, unlike Parts A and B, is mandatory for all campuses. Eligible employees must
file with ERS/TRS at least 14 days prior to their date of retirement. Employees who are eligible for both programs may choose which one to participate in.

II. Open Period Notification Requirements

Each campus must notify ERS, TRS, the Office of State Comptroller (OSC) and System Administration of their open period(s). The notification for TRS must be signed by the President or Dean, Statutory Colleges. All other notifications may be signed by the Director of Human Resources. Please forward this information to the appropriate contact (please refer to Section VII) on or before August 31, 2010. Please also provide System Administration with a list of targeted titles and the number of positions targeted in each prior to beginning of your open period.

III. New York State & Local Employees’ Retirement System (ERS)

For ERS employees, the campus must supply the name, registration number and title of employees who are anticipated to retire under Part A of the incentive program. This information must be submitted to ERS. This should be sent as soon as the deadline for employees to notify you of their interest has passed. More information is available on their web site at: http://www.osc.state.ny.us/retire/employers/incentive/index.php.

For Part B and the NYSUT program, the campus must provide ERS with a list of employees who should be excluded from the incentive for health/safety reasons. This list must be provided prior to the beginning of the open period. The list should include names previously included on the list for Division of Budget as well as any newly identified eligibles. The campus human resource director must sign the list.

IV. New York State Teachers’ Retirement System (TRS)

For TRS employees, the campus president must complete and sign the Part A affidavit. This affidavit will be mailed to campuses along with TRS generated eligibility lists and cost estimates. The campus will review and adjust these lists, supplying the names, last four digits of Social Security Numbers, and member registration numbers for all eligible employees.

For Part B and the NYSUT program, if there are any employees you wish to exclude for health and safety reasons, you must provide a letter to TRS prior to the beginning of the open period.

V. Optional Retirement Program

The campus human resource office calculates the Part A incentive for interested employees based on years of service in the ORP. Interested employees may contact the appropriate ORP Investment Provider for specific annuity illustrations for retirement income.
The following is the method that should be used when calculating the incentive:

- Use the employee’s *actual base salary* as of March 1, 2010, excluding other payments (e.g., Additional Comp, Extra Service, Summer Session, Ratification Bonus, Lump Sum Payments, Balance of Contract, Chair Stipend, Also Receives, etc.).

- ORP ERI *eligibility* is based upon ten years of membership in any retirement system, but the incentive calculation is based only upon years of membership in the SUNY ORP.

- ORP ERI *payment* is based upon the years and months of *actual* membership in the SUNY ORP. Periods of part-time service are pro-rated in accordance with the employee’s FTE. Periods in LWOP or Bi-Weekly pay status are excluded. Sabbaticals at less than 100% count only at the percent paid.

- Prior ORP membership service at other campuses, including community colleges, should be included and will need to be verified by the campus and adjusted on the ORP ERI Roster.

- Adjustments to ORP ERI payment calculations or unusual cases should be discussed with System Administration in advance of submitting the ERI ORP Roster.

**Example:** Employee with actual annual salary of $51,332 on March 1, 2010 and with 32 years and 4 months of ORP membership as of date of retirement.

1. Convert months to percentage of year in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Months</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.0833</td>
</tr>
<tr>
<td>2</td>
<td>0.1666</td>
</tr>
<tr>
<td>3</td>
<td>0.25</td>
</tr>
<tr>
<td>4</td>
<td>0.3333</td>
</tr>
<tr>
<td>5</td>
<td>0.4166</td>
</tr>
<tr>
<td>6</td>
<td>0.5</td>
</tr>
<tr>
<td>7</td>
<td>0.5833</td>
</tr>
<tr>
<td>8</td>
<td>0.6666</td>
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<td>9</td>
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<tr>
<td>10</td>
<td>0.8333</td>
</tr>
<tr>
<td>11</td>
<td>0.9166</td>
</tr>
</tbody>
</table>

2. Add the years and percentage of year (#1 above) and multiply by .0125. For this example: $32.3333 \times .0125 = .40416625$.

3. Multiply the amount from #2 by the March 1, 2010 salary to arrive at the Total Incentive. For this example: $.40416625 \times 51,332 = $20,746.66$.

4. Remember the incentive may not exceed 45% of the March 1, 2010 salary.
Once the ERI application deadline has passed, campuses should request an ORP ERI Roster Report from System Administration. Please note that future retirement transactions must be entered into SUNY HR prior to requesting this report in order to have all ERI participants included. This report will include an estimate of each participant’s years of service and incentive calculation as well as the retirement plan contribution data needed to calculate the incentive distribution.

Campuses will review this report to in order to ensure that all eligible employees are accurately reflected and to verify or adjust each employee’s includable years of service and incentive payment amount as appropriate.

This roster must then be returned to System Administration for final verification and transmission to TIAA-CREF. Upon conclusion of the System-wide ERI program, TIAA-CREF will calculate the Maximum Exclusion Allowance limits for each participant and will notify them of the results via postal mail in order to ensure compliance with IRS tax-deferral limitations.

The ORP incentive payment will be directed to the employee’s ORP account, up to the current Internal Revenue Service (IRS) 415 limit. Amounts in excess of the available IRS limit for the ORP will be contributed to a 403(b) Supplemental Retirement Annuity contract. Any amount in excess of the IRS limits for both accounts will be paid to the participant in three equal installments over two years.

VI. Detailed Summary of Participation

Upon completion of the open period(s), a final roster of all the employees who retired under the 2010 Retirement Incentive Program must be sent to the attention of Associate Vice Chancellor Curtis Lloyd. A summary of participation and campus savings plan signed by the campus president must also be submitted indicating how the campus intends to achieve the required cost savings of one-half of the total amount of the base salary of employees who receive the incentive for the two-year period subsequent to the program (total of 50% of base salary final savings after two years). This report should include the following information:

- Employee’s Name
- Last for digits of SSN
- Line Item Number
- Budget Title
- Bargaining Unit
- Incentive Selected (A, B, or NYSUT)
- Final Salary
- Years of Service
- Age at Retirement
- Date of Retirement
- Retirement System
- Retirement Tier
- Funding Source
- Account Number
- First & Second Year Cost of the Incentive
VII. Contacts for the 2010 Early Retirement Incentive Program

SUNY ERI Web Site:  www.suny.edu/benefits/sunyearlyretirementincentive.cfm

SYSTEM ADMIN:  Mr. David M. Morrell
University-Wide Benefits Administrator
University-wide Human Resources
SUNY System Administration, N437
Albany, New York 12246
(518) 320-1430 - Office
(518) 221-7984 - Cell
(518) 320-1546 - Fax
david.morrell@suny.edu

ERS:  Ms. Mary Ellen Kutey
NYS & Local Employees’ Retirement Systems
110 State Street
Albany, New York
(518) 474-0167 - Office
(518) 474-8357 - Fax

TRS:  Ms. Randy Goldberg
Teachers’ Retirement System
10 Corporate Woods Drive
Albany, New York 12211-2395
(518) 447-2660 - Phone
(518) 447-2720 - Fax

TIAA-CREF:  Ms. Brenda Griebert
TIAA-CREF
730 Third Avenue
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(212) 916-4170 - Phone
(212) 916-4877 - Fax
bgriebert@tiaa-cref.org

OSC:  Ms. Liz Vandenburgh
Office of the State Comptroller
110 State Street
Albany, NY 12236
(518) 408-4545 - Phone
(518) 486-3099 - Fax
evandenburgh@osc.state.ny.us