

Revised Draft



New York State
Voluntary Defined Contribution Program



Frequently Asked Questions

THE NEW YORK STATE VOLUNTARY DEFINED CONTRIBUTION PROGRAM

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PROGRAM FEATURES

Eligibility

Category	Question	Answer
<i>Eligibility</i> Definition	What is a newly eligible employee?	<p>An employee hired 7/1/13 or later who will earn at the salary rate* of at least \$75,000 and is unrepresented (not associated with a union), and whose immediately preceding employment was not with another state agency.</p> <p>*Salary rate will be considered in reaching the \$75,000 threshold. For example, if a part-time employee makes \$45,000 working 60% of a full-time schedule, then the salary rate would be \$75,000, and would qualify the employee to enroll in the VDC.</p>
<i>Eligibility</i> Determination	<p>Who determines eligibility?</p> <p>Will TIAA-CREF establish what documents/proofs are needed for an eligible employee to establish that they participated in retirement plan through prior employer?</p>	<p>The Agency determines eligibility (including vesting) based on the rules of the plan and the information provided within Retirement Plan History (within Retirement Plan Election System).</p> <p>Once the employee completes his/her election (including Retirement Plan Election), the Agency will receive a message alert via the Administrator Web Center to review a new item on his/her work list. The Agency Approves or Declines the employee's election.</p>
<i>Eligibility</i> ERS Participant moves to a NYS Agency	Is an ERS member from a local municipality who transfers to a State Agency eligible to join the VDC?	<p>Yes, as long as the immediate prior employment was not with a "State Agency – the employee is able to join (assuming they meet requirements).</p> <p>If an employee goes from one State Agency to another State Agency and is in ERS, they are not eligible for VDC.</p> <p>If they move from a non-state, local municipality to another, they are eligible to enroll in the VDC.</p>

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<i>Eligibility</i> Switching Jobs	If an employee was in the defined benefit plan at one organization and then starts a new job in a different organization, can they switch to defined contribution?	Yes, as long as the switch is not from one state agency to another– the employee is able to join (assuming they meet requirements). If an employee goes from one State Agency to another State Agency and is in ERS, they are not eligible for VDC. If they move from a non-state to non-state, they are eligible.
<i>Eligibility</i> Temporary Employee Hired before 7/1/2013	Will temporary employees hired before 7/1/13 and who chose not to participate in ERS, be qualified to participate in the VDC on or after 7/1/13? What if they move from a temporary to a permanent position on or after 7/1/13?	They will not. Legislation says hired ON or AFTER July 1, 2013. Moving from a part-time to a full-time position does not change the original hire date.
<i>Eligibility</i> Unrepresented to Represented Movement	What about employees who move from unrepresented to a represented position one or more times?	Represented = Covered by a union. Non-represented = Not covered by a union. If you are in an unrepresented position, and in the VDC, and then move to a represented position, you would be allowed to remain in VDC (because you had elected to be in that plan). Once in the program, the employee can't be forced out of the program. An employee cannot change plans during employment.
<i>Eligibility</i> Existing employee prior to 7/1/2013	Will you allow a current Tier 6 employee whose salary is greater than \$75,000, to participate in VDC on July 1, 2013?	No. Only employees hired on or after 7/1/2013 who have a subsequent status change would be eligible to switch to the VDC. The employee must have a qualifying change (e.g., moving from one ineligible position to an eligible position), and the employee has a one-time opportunity to change.
<i>Eligibility Approval</i> Next Step	Once the Agency approves the employee's participation in the NYS VDC Program, what's next?	The Agency must ensure that the employee is added to the data file. For a decentralized Agency: where roles and responsibilities for this plan are shared, the Agency must establish a work flow to ensure that the new plan entrant is included on the next submission to the Third-Party Administrator.

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<i>Eligibility</i> Qualifying employment change	If an employee has a qualifying change (e.g., moving from an ineligible position to an unrepresented one earning at the annual rate of at least \$75,000), will the employee have a one-time opportunity to change?	Yes, if hired on or after 7/1/13. The way the legislation was written was intended for newly hired on/after July 1, 2013. So, if you're an existing employee, hired prior to July 1, 2013, you are not eligible — unless you have a qualifying change (i.e., leave employment and return to public employment under qualifying circumstances). Otherwise you have to maintain your membership with ERS/TRS; you do not have the option to switch.
<i>Eligibility</i> Salary decreases	If an employee was part of VDC, (because his/her salary rate was greater than \$75,000) but later has a salary decrease to below \$75,000, can he/she still be in VDC?	Once you've established membership in VDC, you retain membership in the VDC.
<i>Eligibility</i> 30-Day Requirement	If it is optional for an employee to join either NYS ERS or VDC (i.e., due to part-time/temporary employment) and the employee chooses not to join either plan, but is mandated to join a retirement plan 90 days later (i.e., after switching to full-time/permanent employment), can the employee still enroll in the VDC?	Yes, as long as the selection is made within 30 days of the appointment in which enrolling in a retirement system becomes mandatory.
<i>Eligibility</i> Current Tier 6	Anyone hired after July 1, 2013 can participate in VDC, but what about the other Tier 6 employees hired previously? Aren't they allowed to participate in the program?	Legislation dictates specifically for employees that are newly hired on/after July 1, 2013. So, if you're an existing employee, you are not eligible — unless you have a qualifying change (i.e., leave employment and return to public employment under qualifying circumstances). Otherwise, you have to maintain your membership with ERS/TRS.

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<i>Eligibility</i> Rehired with no retirement plan history	For an employee hired before July 1, 2013 and who was not required to join a Retirement System, who then separated and was rehired after July 1, 2013, is he/she eligible to participate in the VDC?	If an employee was hired before July 1, 2013 and separated from service and then returned into an eligible position, as long as his/her immediate preceding employment was not with the same agency (State) and he/she had not elected a retirement plan — he/she is eligible for the VDC Plan assuming he/she meets all other eligibility requirements.
<i>Eligibility</i> Retired Rehired	Is a retiree from NYC Pension System (like a retired NYC Police Officer) who comes to work for the State in a VDC-eligible position, eligible to participate in the program?	If an employee is actively receiving a public pension benefit, he/she is not eligible for VDC Program unless he/she elects to suspend that previous public benefit and otherwise meet eligibility requirements, and had not previously been offered the VDC as a retirement plan option (i.e., through NYS employment prior to retirement while concurrently employed by NYPD).
<i>Eligibility</i> Retired and Receiving Pension	If we have a retiree collecting a TRS pension and are rehired would they be eligible to join VDC?	If an employee is actively receiving a public pension benefit, he/she is not eligible for VDC Program unless he/she elects to suspend that previous public benefit and otherwise meet eligibility requirements, and had not previously been offered the VDC Program as a retirement plan option (i.e., through NYS employment prior to retirement).
<i>Eligibility</i> Salary change increase	If an employee starts employment under \$75,000 but then gets an increase in salary over \$75,000, would they then be eligible?	Yes, if the hire date at that agency was on or after 7/1/2013 and the employee is otherwise eligible to enroll; in this circumstance, an employee should be given a one-time irreversible 30-day opportunity to switch to the VDC.
<i>Eligibility</i> Mandatory Contributions	Can an employee enroll in the VDC and a 457 plan at the same time?	Yes, Employee mandatory contributions to the NYS VDC Plan are not subject to TAMRA and they are not considered for purpose of 402(g) limits.

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Contributions

Category	Question	Answer
<i>Contributions</i>	Are Agencies going to be responsible for tracking the employee and employer contributions, or will the Office of the State Comptroller do this?	<p>If your payroll is administered by a centralized payroll (such as the New York State Office of the State Comptroller (OSC) or NYC Office of Payroll Administration (OPA), the census remittance file including indicative data, contribution amounts, management of the escrow contributions and funding will be managed by that Agency.</p> <p>NOTE: Centralized Payroll Administrators will calculate and remit contributions for vested or nonvested employees enrolled in the NYS VDC Plan. If your payroll is not administered by a centralized payroll administrator, you will calculate contributions and recordkeeping escrow contributions of nonvested employees.</p>
<i>Contributions</i> Impact of FMLA	What happens if the employee comes off payroll, i.e., FMLA? Would they have to make catch-up contributions? EXCEPTION: Employees on Disability	<p>Generally, no contributions would be made for a period during which an employee is on leave and not charging accruals — with the exception of military leave. These employees are afforded the opportunity to make contributions upon their return within applicable timelines and guidelines.</p> <p>FMLA is a nonpaid benefit; there are no contributions during the period they're not on payroll.</p>
<i>Contributions</i> Rates	What are the contribution rates for employees participating on the NYS VDC Program?	<p>Employer contribution is 8% of annual wages and the employee contributions are based on a schedule*:</p> <p>\$45,000 or less = 3% \$45,000.01 to \$55,000 = 3.5% \$55,000.01 to \$75,000 = 4.5% \$75,000.01 to \$100,000 = 5.75% Greater than \$100,000 = 6%</p> <p>*While eligibility determination is based on salary rate (see page two), contribution rate is based on actual wages.</p> <p>All amounts are subject to the 415 limit set by law each year. For additional information, please visit www.vdc.ny.gov.</p>

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Contributions **Impact on Other Plans**

Does this contribution affect the employee's ability to contribute to a 403b plan?

Employee mandatory contributions to the NYS VDC Plan are not subject to TAMRA and they are not considered for purpose of 402(g) limits.

Contribution **Rates**

Is there a cap on the employee contribution percentage? Can employee contribute more than the percentage required?

The cap on employee contribution percentage is 6% for employees at an annual wage of over \$100,000.00. The employee is not eligible to contribute more than the percentage required.

Contributions **Taxable**

Are these contributions through payroll deductions taxable?

Please refer to salary summary located on www.vdc.ny.gov.

Employee mandatory contributions are pretax, deducted from the employee's gross includable salary (annual salary plus pensionable factors (location/stipends) excluding non-pensionable items (uniform allowance, etc.). These contributions will be reported in the employee's W-2 as a separate item. The employee must include this amount on their NYS Tax Return.

NOTE ON DISTRIBUTIONS:

New York State tax law allows an annual state income tax exemption for employees who are members of New York State public retirement plans. The SUNY and CUNY Optional Retirement Plans (ORPs) are New York State public retirement plans; therefore, income paid from these plans to New York State or City employees who reside in New York is exempt from New York state taxes.

In order to claim this tax exemption, clients who receive income from a SUNY and/or CUNY plan must be able to itemize the amounts received from SUNY and CUNY, differentiated from any other plan from which they may be receiving income. We cannot offer tax or legal advice. Employees must seek the advice of their own tax, legal and finance counsel.

Contributions **Salary Base**

Are the contribution deductions calculated based on gross minus the nontaxable deductions, or on the full gross amount?

Employee contributions are calculated based on employee's gross includable salary (annual salary plus pensionable factors (location/stipends) excluding no-pensionable items (uniform allowance, etc.). Please refer to salary summary located on www.vdc.ny.gov.

Contributions **Employer**

Is cost to employer 4% or 8%?

Employer contributes 8%

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*Employer
Contribution
Management*

How often does the employer submit the 8% contribution? Are we billed or do we calculate ourselves

Employer will remit 8% contribution based on the payroll schedule on behalf of the employee. If your payroll is administered by a centralized payroll (such as the New York State Office of the State Comptroller (OSC) or NYC Office of Payroll Administration (OPA), the census remittance file including indicative data, contribution amounts, management of the escrow contributions and funding will be managed by that Agency. NOTE: Centralized Payroll Administrators will calculate and remit contributions for vested or non-vested employees enrolled in the NYS VDC Plan. If your payroll is not administered by a centralized payroll administrator, agency will calculate contributions and recordkeeping escrow contributions of non-vested employees.

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Vesting

Category	Question	Answer
<i>Vesting</i> Validation	How will we know if an employee has already met the vesting period from a previous employer (public or private)?	<p>Employees are required to complete the Retirement Plan Election (RPE) section of the enrollment process. RPE will ask the employee to provide prior ERS/TRS plan participation. Agency Plan Administrators should track each EE's Plan Entry Date provided so the 366-day period can be appropriately calculated.</p> <p>When the employees enroll, they'll be asked a series of questions, e.g.:</p> <ol style="list-style-type: none">1. Do you have an existing contract? If so, provide contract # (to be verified later)2. Are you currently receiving a pension from a publicly administered retirement system within NYS?3. Are you currently a member of ERS/TRS? If transferring from another NYS public employer with past ERS/TRS history, this service can be counted toward the 366-vesting period (funds can be transferred). <p>These questions will help gauge if an employee is eligible for VDC.</p>
<i>Vesting</i> Verification	How can we be expected to validate what a new staff member presents as their history for verifying vesting?	<p>Employees will provide you their employee history when they are elected to join. You will contact ERS or TRS to verify. For State agencies, they can contact their payroll processors. If the employee notes they have an existing contract with one of the investment providers under the VDC program, you can call that investment provider to determine if the employee vests immediately or if their contributions will need to be sent to the escrow account. The employee could also provide a statement from the approved investment provider that should show vesting percentage.</p>
<i>Vesting</i> Date	Is the vesting date based on the date the employee applied for enrollment into the VDC Program?	<p>Vesting date, for full time employees, is based on hire date not election date. For temporary employees the vesting date is based on election date.</p>

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ADMINISTRATION

Remittance

Category	Question	Answer
Census Remittance File	<p>The Payroll Administrator for my Agency is centralized (OSC or OPA).</p> <p>Do I have to submit a file for my Agency?</p>	<p>Generally no. Your Payroll Administrator will submit the Census Remittance (Indicative Data and Contribution information.)</p> <p>Refer call to respective Payroll Bulletin or Contacts for OSC or OPA.</p> <p>REMINDER: Regardless of whether or not the Agency is managed by a centralized payroll, the Agency must ensure that the employee is added to the data file.</p> <p>For Decentralized Agency: where roles and responsibilities for this plan are shared, Agency must establish a work flow to ensure that the new plan entrant is included on the next submission to the Third-Party Administrator.</p> <p>Prior to being added to the contribution file, the plan administrator will need to approve or decline the employee.</p>
Census Remittance File	<p>Can the census file be submitted less than 3 days before a payroll date?</p>	<p>We prefer a three-day Census Remittance process. This gives the institution the ability to Remit a file on Day One, Receive a Funding Request on Day Two, and Send funds on Day Three. If there are any issues with the file or an adjustment is required, a three-day process is preferred over a two-day process since the funding / trade date have a better likelihood of being applied appropriately. Under a two-day process, funding must be received on day two by 12 p.m. (ET) in order to capture a trade date for that day, provided no other issues exist.</p>

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Compliance	Are contributions to NYS VDC subject to limits monitoring?	<p>The employee mandatory contributions to the NYS VDC Plan are not considered to be elective deferrals and are not subject to 402(g) limits.</p> <p>Employer contributions to the NYS VDC Plan are not subject to the Governor's Cap. Employer contributions to the NYS VDC plan are subject to the 401(a)(17) limit on compensation that may be counted for benefits under the plan.</p> <p>All contributions are subject to the IRC Section 415 annual limit. For 2013, the 415(c) limit is 100% of compensation or \$51,000, whichever is less. All contributions and forfeiture allocations are included in the limit.</p> <p>Regardless of whether your Agency's payroll is administered by a Centralized Payroll Administrator, limits monitoring is the role and responsibility of the Agency, working with the centralized payroll administrator and TIAA-CREF, the plan recordkeeper as needed.</p>
Contribution Remittance	Is the 8% contribution monthly or can we remit at the end of the year?	<i>Contributions are to be contributed on a scheduled per pay period.</i>
Remittance for vested employee contributions	Should I include both the employee and employer contributions of a vested employee?	<p>Yes. Both employer and employee contributions for employees validated as vested should be included in the remittance to TIAA-CREF as soon as administratively possible.</p> <p>Employer and employee contributions of employees who are not vested are record kept by the employer until the vesting period has been completed. The employer and employee contributions and interest on those contributions (simple interest calculated at 4%) are remitted in the pay cycle following employee vesting.</p> <p>Upon receipt of the associated funding the contributions will be disbursed by TIAA-CREF to the investment provider(s) selected by the employee.</p> <p>NOTE: If the employee does not complete the vesting period the agency will refund the employee contributions directly to the employee.</p> <p>The contributions should not be remitted to TIAA-CREF as an employee who has terminated before meeting the vesting period is not considered to be a plan participant.</p> <p>The refund will include only the employee contributions along with interest up to the date of termination. The Employee unvested pre-tax contributions should be refunded to the employee and returned on their final separation check (along with simple interest), so that it may be reported correctly on their wage and tax statement at year-end.</p> <p>Keep in mind that this is a 414h(2) plan and is treated similar to the ERS DB plan in regards to tax reporting, if you would like additional tax reporting advice on how to report the contributions/distributions we advise you to consult with your legal department and/or internal tax advisor.</p>

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Data File Submission

Category	Question	Answer
<i>Data Administration</i> File Format	What file format should be used for my Agency? With the SPARK file, is it greater than 250 EMPLOYEES or PARTICIPANTS?	<p>The SPARK Census Remittance (CR) File must be used for any Agency reporting for more than 250 plan participants.</p> <p>If you anticipate that your eligible population will be 200 or more within the next two to five years, you must submit your data using the SPARK CR Format.</p> <p>For Agencies whose number of plan participants will not exceed 250 within the next two to five years, the Simplified Open Plan Solution Spreadsheet (SOPS) is recommended.</p>
<i>Data Administration</i> File Format	Can we choose to use the SPARK Census Remittance File format even if we have less than 250 enrollees?	<p>Yes. Please keep in mind that this file format takes some additional coding efforts.</p>
<i>Data Administration</i> Reporting	Should I include employees who meet the 366 day vesting requirement on the Data Administration file when they elect to participate in the NYS VDC Program.?	<p>No.</p> <p>The Agency must recordkeep the escrow contributions on a per pay period basis. Once the employee vests, you must add the employee to your file and report the escrowed employer and employee contributions (the interest on the amounts) and the first contribution.</p> <p>If your payroll is performed by a central payroll administration, please contact the Agency regarding this function.</p> <p><i>Example:</i></p> <p>Employee must meet the 366 vesting period if hired on August 1, 2013. Vesting Date: August 1, 2014. Date Added to data Administration file: Not before August 1, 2014.</p>

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Data
Administration

**Agency is a
TIAA-CREF
participating
Agency**

My Agency has other plans with TIAA-CREF; can we use the same file to report participation in the NYS VDC Program?

No.

The NYS VDC Program has a different plan number and file naming conventions.

If your Agency's Centralized Payroll Administrator currently submits a data file to TIAA-CREF for other plans, TIAA-CREF will work directly with the Centralized Payroll Administrator.

If your Agency's payroll is not administered by a Centralized Payroll Administrator and your Agency participates in other TIAA-CREF plans, TIAA-CREF will work with you.

If you are using the SPARK Census Remittance Format, you must create a new file for the NYS VDC Program. The NYS VDC Program has a different Plan #. VDC file will follow a different naming convention.

If you are not using the SPARK Census Remittance Format and the participation in the NYS VDC program will exceed 250 participants in the two to five years, you must implement the SPARK CR Format. Otherwise, you will submit your data using the Simplified Open Plan Solutions (SOPS) Spreadsheet.

Data
Administration

**Submitting
your file**

When do I submit my file?

What is the difference between a payroll date and a check date?

The Common Remitter Cycle is based on a three-day process.

The data is submitted three days prior to your pay period ending date or your check date.

The date that you submit your file is based on the Schedule that you provide to TIAA-CREF, the Third-Party Administrator.

THE THREE-DAY COMMON REMITTER CYCLE

- **Day 1** Agency/Payroll Administrator submits file before 4 p.m. (ET.)

If the data is in Good Order, it will be dispersed to the investment providers.

- **Day 2** TIAA-CREF notifies the Agency/Centralized Payroll Administrator of the Funding Amount(s).

Agency/Payroll Administrator executes financial transaction to be received by the TPA or each investment provider no later than Noon (ET) of Day 3.

- **Day 3** If TPA is providing Treasury Services the funds, they are dispersed to the investment providers.

NOTE: The trade date for the contributions remitted to the investment providers is determined by each investment provider's Good Order Assessment.

Distributions

What is the penalty for withdrawing funds upon termination of State employment (i.e. not yet vested?)

If an employee terminates and has not met the vesting requirement, upon request, the employee contributions plus interest would be refunded to them. They would not be eligible to receive the employer contributions. If distribution is received in cash and the EE is under 59 ½ — IRS will impose a 10% penalty. Normal federal taxes are applicable. *We advise employee to consult with their tax advisor for additional tax information.*

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Enrollment

Category	Question	Answer
<i>Enrollment</i> Retirement Plan Election (RPE)	Will the Agency enter employees into the Retirement Plan Election System or will the employees enter themselves and we will receive notification?	<p>Agency Administrators determine eligibility and employee will enroll themselves online.</p> <p>If the employee cannot access the website to enroll online, they can call the dedicated NYS VDC telephone center and a consultant will assist employee through the enrollment process. This is an exception.</p> <p>Once the employee completes his/her election (including Retirement Plan History), the Agency will receive a message to review a new item on his/her work list in the Administrator Web Center.</p> <p>The Agency accesses Retirement Plan Enrollment through the TIAA-CREF Secure Web Center.</p> <p>IMPORTANT: The action to review is time sensitive because any delay in approving the employee delays the downstream process to pass the contributions to the recordkeeping system. The Agency approves or declines the employee's election.</p> <p>The Agency may contact TIAA-CREF to help verify prior retirement plan participation.</p> <p>An online report will identify who has completed the enrollment process.</p>
<i>Enrollment</i> Retirement Plan Election	Will TIAA-CREF, the plan recordkeeper, inform the Agency that the employee has or hasn't enrolled (selected) a retirement plan within 30 days of his/hire date?	<p>No.</p> <p>The Agency must monitor retirement plan election.</p> <p>Access Retirement Plan System through the TIAA-CREF Secure Administrator Web Center.</p> <p>Each new hire must be provided with How to Enroll Card as well as an additional reminder from the Agency to take action within 30 days from his/her hire date.(otherwise the employee will be defaulted into ERS)</p> <p>IMPORTANT: The action to review is time sensitive as any delay in approving the employee delays the downstream process and the employee's first contribution.</p> <p>NOTE: If the employee does not complete an enrollment with the investment provider he/she selected, contributions will be applied as per the NYS VDC plan document and the investment and beneficiary settings per each investment provider.</p>

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<i>Enrollment</i> RPE	Will the election form have an option to decline if they are not mandated?	No – RPE collects affirmative participation in VDC.
<i>Enrollment</i> Notifications	Are notifications sent from the site to let us know when someone has completed his/her elections in the system, or do we need to manually check the site for alerts?	<p>The answer is both.</p> <p>Yes, email alerts are sent to you, but as Plan Administrator, you will need to log in to The Administrator Web Center and check for “alerts” routinely regarding employee Retirement Plan Election (RPE) submissions. These will show up in your work queue.</p> <p>It’s a good habit to visit the secured Web Center routinely as an administrator.</p>
<i>Enrollment</i> Administration Enrollment – Alert	What is the average time frame between when an employee enrolls online and the administrator receives notification?	<p>Once an employee enrolls online, information is fed to the TIAA-CREF Secure Administrator Web Center. Concurrently the Agency will receive a notification to review the new item on his/her work list each day that there is an action item to complete.</p> <p>IMPORTANT: The action to review is time sensitive as any delay in approving the employee participation can result in the first contribution being delayed.</p> <p>Each new hire must choose his/her retirement plan within 30 days of his/her hire date.</p>
<i>Enrollment</i> Alerts	Once the Agency approves the employee’s participation in the NYS VDC Program, what’s next?	<p>The Agency must ensure that the employee is added to the data file, if fully vested or you must add the employee to PayServ (see Payroll Bulletin for centralized administered payrolls).</p> <p>For a decentralized Agency: where roles and responsibilities for this plan are shared, the Agency must establish a work flow to ensure that the new plan entrant is included on the next submission to the Third-Party Administrator.</p>
<i>Enrollment</i> Requirements if no hiring	My Agency will not be hiring for the foreseeable future. Is any action required at this time?	<p>The NYS VDC Program is effective for new hires as of July 1, 2013.</p> <p>By law, you are required to notify employees of their eligibility to participate in the retirement plan options and also provide the employee with materials to make an election within thirty (30) days of his/her hire date.</p> <p>While no action is required at this time, please keep in mind that the onboarding process takes six to eight weeks regardless of whether or not your Agency’s payroll is managed by a Centralized or Decentralized Payroll Administrator.</p>
<i>Enrollment</i> Effective Date	How is the effective date determined if they enroll in the VDC? Is it the day he/she enrolls or is it retroactive back to their hire date since he/she has 30 days to enroll?	<p>It is retroactive back to the employee’s hire date for mandatory membership. If he/she is an optional member, then it’s done prospectively from the date the application was received.</p>

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<i>Enrollment</i> Plan Election Irrevocable	What are the consequences of an employee who does not choose a retirement plan in 30 days from his/her date of hire?	As of July 1, 2013, new hires who meet the eligibility criteria for the NYS VDC plan must by law be provided with information about this plan. The retirement plan choice is irrevocable during employment. If the employee does not take action within 30 days, he/she will be required to enroll in one of the State defined benefit systems (ERS/TRS).if in a position for which retirement is mandatory.
<i>Enrollment</i> New Hire Employee cannot Access Retirement @Work	Can you help the New Hire Employee who cannot access the Retirement Plan Election System?	The Agency must ensure that the employee selects a retirement plan. TIAA-CREF, the plan recordkeeper can assist employees in specific ways. The employees can contact the TIAA-CREF National Contact Center at 866 271-0960 to speak with a representative who can walk him/her through the process to select a retirement plan. If the employee needs assistance enrolling with TIAA-CREF, a TIAA-CREF representative will provide that assistance. For enrollment with another investment provider, a TIAA-CREF Representative will introduce the employee to the investment provider (ING, VALIC, MetLife) or direct the employee to make direct contact. NOTE: If you have an employee who is limited under ADA and cannot use the automated system to select a retirement plan, you may use the Retirement Program Election form and Vendor Election Form that will be located on the Administrator Information Resource Center.
<i>Enrollment</i> 30 days	How do we give an employee a 30 day election period between VDC and the default retirement system? An employee is paid on a weekly basis and payroll deductions are started immediately.	In the event you are able to get an employee enrolled immediately, this is fantastic. Many agencies know they are going to hire an employee in advance, and would send the materials to them prior to payroll. This allows the employee to review the materials in advance. This way he/she can make a decision on day one. If the employee doesn't take action, the employee is required to enroll him/her in ERS or TRS, depending on title. With VDC, she/he has another option and you need to make sure they have the opportunity to make an informed decision.
<i>ESCROW</i> Escrow	What is an ESCROW account and who manages it?	Escrow is a trust account established for the purpose of holding funds on behalf of the employee. The employee's contributions are held in escrow until the employee vests with the retirement plan (366 days after hire). If your Agency's payroll is managed by a Centralized Payroll Administrator, they will recordkeep the per pay period escrow employer and employee contributions. Once the employee vests, the Centralized Payroll Administrator will remit the escrowed contributions and interest. If your Agency payroll is not administered by a Centralized Payroll, you must create an ESCROW account. The agency must recordkeep the employer and employee contributions, and apply the required interest at the time of vesting. Please check with your Finance Dept. (CFO, Chief Account Officer), they can help determine if there's an existing escrow account to hold retirement plan assets. Essentially, you're segregating these assets from creditor accounts.

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<i>ESCROW</i> How Many?	Is one escrow account needed for all employees in the vesting wait period or one each per employee?	One per Agency, as long as the institution tracks the Escrow balance per employee.
<i>ESCROW</i> Interest earned	Can the employer earn interest on the funds in the ESCROW account?	Your obligation is the 4% interest rate. If your funds are accruing greater than 4%, the excess earnings can simply benefit the overall ESCROW or the Agency.
<i>ESCROW</i> Interest	Who pays the 4% interest rate on the ESCROW?	You the Agency are responsible for paying this. You will hold the money in an escrow account until the employee vests after 366 calendar days or withdraws his/her funds upon separation from employment. You would calculate 4% simple interest on those funds and submit to the pension system or to the employee if the employee requests a refund of his/her unvested contributions after separating from service.
<i>ESCROW</i> Interest	Is the 4% interest in escrow in addition to the 8% agency contribution?	Yes. The employer contribution of 8% is in addition to the 4% escrow interest.
<i>ESCROW</i> Interest Legislation	Where do we get the legislation information on the 4% interest rate on funds in the escrow account?	This is noted in New York Education - Article 8-B - § 392 Rates of Contribution.
Investment Provider Selection	Can an employee select to contribute to only one or multiple vendors?	An employee may choose one or combination.
Rollover(In) – Employee Transactions	Will the employee be able to roll over 401(k) assets at any time (i.e. one year later) into the VDC account?	The VDC Program does not have a rollover provision at this time.
Loans	Can employees take loans from the VDC? If employees can take loans through the VDC are they eligible during the first 366 day?	Employees are allowed to take loans from their VDC plan. VDC funds are available for loan once the vesting requirement has been satisfied."

Revised Draft

Notes:

The State University of New York has assembled a list of questions that were asked during webinars introducing the VDC Program to State Agencies. These questions address a variety of areas such as eligibility, vesting, and administration. Each question is accompanied by a brief answer.

This is only a general guide and responses are not meant to capture every scenario. The material provided in this booklet is for general information purposes only. Although every effort has been made to ensure its accuracy, the rules of SUNY's Optional Retirement Program are binding

Specific questions should be directed to the Plan Administrator, The State University of New York or the Plan Recordkeeper, TIAA-CREF.

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