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# *Retirement System Basics: What Everyone Should Know*

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## *Binghamton University Office of Human Resources*

**This newsletter is intended to provide helpful information about the basics of SUNY Retirement Plans.**

### **Q: What retirement system am I a member of?**

A: If you are not sure, look at your paycheck stub. If you are currently a member, you will see a code under the deduction section which will be ERS, TRS, TIAA or PAF.

- **ERS** = NY State Employees Retirement System
- **TRS** = NY State Teachers Retirement System
- **TIAA** = Optional Retirement Program (ORP)
- **PAF** = NY State Police & Fire Retirement System (PFRS)

### **Q: What type of retirement system is ERS/TRS/PFRS?**

A: Each of these New York State pension systems are **defined benefit plans**. This means that you will be guaranteed a monthly annuity payment (monthly payments from retirement to death) upon retirement as long as you are a vested member of the system. The amount of your monthly pension payment is based on certain defined factors such as: age; years of credited service and final average salary.

### **Q: What type of retirement system is the ORP?**

A: The Optional Retirement Program is a **defined contribution plan** – 401(a). This means that the amount being contributed to your account, by both the employee and the employer, are defined. This money is then allocated and invested as you wish, with the company of your choosing. Under the ORP, you have the option as to where your money is invested. When you elect the ORP, you are initially set up with a TIAA contract; however, once vested, you then have the choice of which company you wish to invest with. The investment company options are Fidelity, MetLife, TIAA, VALIC or VOYA. You may have contracts and money with more than one of these companies. Your retirement benefit is then determined by the value of your contracts at retirement and how well your investments have performed over the period of your membership.

### **Q: What is vesting?**

A: Vesting is the time in which you need to be a member of that retirement system in order to be eligible to collect a benefit at retirement. Vesting periods are determined by which retirement system you are enrolled in and by the date in which you joined that system.

### **Q: Can I change my retirement system membership to a different system?**

A: In most cases the answer is no. Retirement system membership is irrevocable, meaning that once you make your election, you cannot change as long as you work for a SUNY or state agency that offers the system you are in.

**Exception:** If you become eligible for the ORP, you will then have the option to change during your first 30 days of eligibility.

**Q: How do I know what retirement system I am eligible to join?**

A: Any New York State employee (no matter title or union representation, including students), may join the **New York State Employees Retirement System (ERS)**. ERS membership is MANDATORY for all CSEA, PEF, MC-Classified, and NYSCOBPA represented employees that are full-time permanent. Membership for these part-time and full-time temporary employees is optional. ERS is also one of the choices for UUP and Management Confidential employees.

The **New York State Teachers Retirement System (TRS)** is an option only for employees in teaching titles. Employees in teaching titles have a choice of joining TRS, ERS or if full-time or part-time TERM, you would also have the option of the ORP. You may only elect one.

The **Optional Retirement Program (ORP)** will show as TIAA on your check stub and is only available to UUP represented employees who are full-time or part-time TERM; or Management Confidential employees. The ORP is one of the choices for UUP and MC employees. ERS and TRS (teaching titles) are also options. You may only elect one.

The **New York State Police and Fire Retirement System** is the only option for PBA-NYS police officers.

**Q: How can I get more information on my specific retirement system membership?**

**ERS and PFRS – [www.osc.state.ny.us/retire/](http://www.osc.state.ny.us/retire/) or (866) 805-0990**

Members of these systems are also provided an annual statement (issued around June) each year. These statements are specific to you and include very important information such as membership date, years of credited service, registration number, beneficiary(s) on file (make changes if necessary), projected retirement earnings and retirement options. Be sure to review this statement and retain for your records.

There are also ERS representatives that come to downtown Binghamton for individualized meetings. If you wish to meet with a representative, you should call the number above to schedule an appointment.

**TRS – [www.nystrs.org](http://www.nystrs.org) or (800) 348-7298**

Members will receive a personalized NYSTRS Benefit Profile sent to you annually. This will provide you with a summary of your membership status and a projection of your benefits, along with comprehensive explanations. You can also view your personal information online, including your Benefits Profile, with a MYNYSTRS account which can be set up on the TRS website.

**ORP**

Members of the ORP will receive statements directly from the applicable company where you have monies invested (TIAA, Fidelity, MetLife, VALIC, VOYA). These statements may be in print or can be accessed online, depending upon the company. Statements should include your contract number(s), and contract value, as well as gains and losses, and your particular investment choices. You can change investment allocations anytime by working directly with your investment provider.

Representatives from each ORP vendor are available on campus for individual free counseling sessions. Call for appointments.

- **TIAA:** [www.tiaa.org/suny/](http://www.tiaa.org/suny/) or (800) 842-2776 / **appointments: (800) 732-8353**
- **Fidelity:** [www.netbenefits.com/SUNY](http://www.netbenefits.com/SUNY) or (844) 367-7869/**appointments: (800) 642-7131**
- **MetLife:** [www.metlife.com](http://www.metlife.com) or (607) 798-1624
- **VALIC:** [www.aigvalic.com](http://www.aigvalic.com) or (800) 448-2542
- **VOYA:** [www.voyaretirementplans.com](http://www.voyaretirementplans.com) or (800) 584-6001

**Q: How can I contribute more money towards my retirement?**

A: You cannot contribute more money directly to any of the “main” retirement accounts (ERS, TRS, PFRS, or ORP). However, there are a variety of ways that you can contribute to a supplemental retirement account. These are voluntary plans, separate from your main retirement account, and can be started, stopped or changed at any time. These accounts include your money only, there are no employer contributions made to these plans. You can select the tax deferred company of your choice from the NY State approved vendors and your deductions are taken directly from your paycheck on a tax deferred basis. You can contribute **any** amount up to the annual limit determined each year by the IRS.

2016 Limits

- General limit - up to \$18,000
- Age 50 or over - may contribute up to an additional \$6,000 for a total of \$24,000
- 15 years or more of SUNY service -may also be eligible to contribute an additional amount as determined by the carrier

**Q: What are my options for supplemental retirement plans?**

A: Representatives from each vendor are available on campus for one on one free counseling sessions. Call for appointments.

- **New York State Deferred Compensation Plan (457 plan and Roth IRA available): [www.nysdcp.com](http://www.nysdcp.com) or (800) 422-8463, Ext. 8544383**
- **TIAA: [www.tiaa.org/suny/](http://www.tiaa.org/suny/) or (800) 842-2776 / appointments: (800) 732-8353**
- **Fidelity: [www.netbenefits.com/SUNY](http://www.netbenefits.com/SUNY) or (844) 367-7869/appointments: (800) 642-7131**
- **MetLife: [www.metlife.com](http://www.metlife.com) or (607) 798-1624**
- **VALIC: [www.aigvalic.com](http://www.aigvalic.com) or (800) 448-2542**
- **VOYA: [www.voyaretirementplans.com](http://www.voyaretirementplans.com) or (800) 584-6001**

**Q: How do I start or make a change to my supplemental retirement plan?**

A: You first need to decide which company you wish to work with and establish a SUNY tax deferred account directly with them. Once the account is open, you will complete a Salary Reduction Agreement (SRA) form with the Human Resources Office. This form will allow you to tell us how much of a deduction you would like taken from your pay check. You can elect a bi-weekly amount or an annual amount.

Changes or cancellations would also be done on the SRA form and turned into the HR office.

**NOTE:** Contributions/changes or cancellations for the New York State Deferred Compensation Plan are done directly with them.

**Q: Why is it so important to keep my beneficiary(ies) current?**

A: If you are a member of any retirement system (ERS, TRS, PFRS, ORP), and/or a supplemental retirement plan, there is a death benefit associated with your membership (determined by your retirement system). This means that upon your passing, your named beneficiary(ies) will receive a death benefit payment. If your beneficiary is not current, the payment will go to the beneficiary(ies) on record, even if this is not your intention. This could result in a legal nightmare for your loved ones.

**PLEASE BE SURE THAT YOUR BENEFICIARY IS ALWAYS UP TO DATE!**

## RETIREMENT SYSTEM MEMBERSHIP GUIDELINES

APPOINTMENT TYPE	ERS	TRS	ORP	PFRS
CSEA/PEF/NYSCOPBA/MC-classified – part time temporary	Optional			
CSEA/PEF/NYSCOPBA/MC-classified – full time temporary	Optional			
CSEA/PEF/NYSCOPBA/MC-classified – full time permanent or contingent permanent	MANDATORY			
UUP (NON-teaching titles) – part time temporary	Optional			
UUP (NON-teaching titles) – part time TERM	Optional membership - choice between ERS or the ORP		Optional membership - choice between ERS or the ORP	
UUP (NON-teaching titles) – full time	MANDATORY membership – choice between ERS or the ORP		MANDATORY membership – choice between ERS or the ORP	
UUP (teaching title) – part time temporary	Optional membership – choice between ERS OR TRS			
UUP (teaching title) – part time TERM	Optional membership – Choose ERS or TRS or the ORP			
UUP (teaching title) – full time	MANDATORY membership – choose ERS or TRS or the ORP			
Management Confidential – (unclassified 13) – part time	Optional		Optional	
Management Confidential – (unclassified 13) – full time	MANDATORY membership – choice between ERS or the ORP		MANDATORY membership – choice between ERS or the ORP	
NYS-PBA				MANDATORY
GSEU - Graduate or Teaching Assistants	Optional			
Students or Casual employees	Optional			
<ul style="list-style-type: none"> <li>• You may be a member of only one retirement system.</li> <li>• Retirement system election is irrevocable unless you newly become eligible for a retirement system that you were previously not eligible to join. Example: UUP part-time change to full-time; CSEA change to UUP.</li> <li>• Decision must be made within 30 days of new eligibility.</li> </ul>				