












COMPARING THE VOLUNTARY DEFINED CONTRIBUTION (VDC) PROGRAM AND DEFINED BENEFIT PLANS

Plan feature	VDC Program	Defined benefit plans
 What do you get when you retire?	Your balance is available when you retire, or you can choose a fixed monthly income through annuity investments.	A fixed, lifetime monthly income in retirement.
 When are you fully vested?¹	After one year and one day of service. Vesting is immediate if employee owns employer-funded retirement contracts with any of the authorized vendors, or if employee has 366 days prior service in a New York City or New York State defined benefit plan(s).	After five years of service. Part-time service is prorated. For example: if working part-time at 50%, vesting will occur after attaining 10 years of service.
 Can you choose your own investments?	Yes.	No.
 Are employee contributions required?	Yes. Same for both plan types. See contribution chart below.	Yes. Same for both plan types. See contribution chart below.
 How much does your employer/agency contribute?²	An amount equal to 8% of your salary (subject to IRS annual contribution limits).	Not a specific individual amount; your employer/agency contributes toward general pension funds rather than individual accounts.
 When can you retire and begin taking money from the plan?²	No minimum retirement age. <i>Tax penalties may apply if you withdraw money before turning 59½.</i>	Full benefits at age 63 when you have at least 5 years of service. You may retire as early as 55 with a 6.5% reduction for each year you are under age 63. The defined benefit plan(s) may offer a full benefit as early as age 57 with 30 years of service.
 Can your account move with you if you work for a different agency?	Yes.	No.
 Are loans available?²	Yes. One loan up to 50% of your balance with a maximum aggregate loan balance of \$50,000, reduced by the highest outstanding balance of loans from all qualified employer plans of the same employer.	Yes, up to 75% of the amount you contributed with a maximum of \$50,000.
 Can you name beneficiaries?	Yes.	Yes; you can choose to name beneficiaries and have a death benefit in exchange for a lower monthly annuity income (maximum amount: 3x your salary).

¹ Vested refers to an employee's right, usually earned over time, to receive some retirement benefits regardless of whether he/she remains with the employer.

² Subject to IRS limits and other salary limitations.



New York State

Voluntary Defined Contribution Program



CONTRIBUTION CHART

Annual salary rate of pay	Contribution rate
Wages of \$45,000 or less	3.00%
Wages of \$45,000.01 to \$55,000	3.50%
Wages of \$55,000.01 to \$75,000	4.50%
Wages of \$75,000.01 to \$100,000	5.75%
Wages greater than \$100,000	6.00%
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 Program.	

Note: For part-time employees, contributions are calculated based on the full-time equivalent salary rather than the employee's actual part-time salary.

Please note that this information has been prepared as a general summary of the Retirement System Options available to eligible New York State and New York City employees. It cannot provide you with the complete details on retirement matters. You should carefully review and research the options available to you before making a decision as to which Retirement System to join. Only authorized representatives from each Retirement System or Investment Provider are adequately knowledgeable and experienced to fully address your questions or to assist you with many of the technical aspects of their respective Systems. The information contained in all SUNY publications and websites is intended only as a basic summary overview and to provide you with basic points for your consideration. You are invited to contact representatives from the Retirement System in which you are interested for additional information or with specific questions about their respective System or specific benefits.

Additional important implications may flow from your enrollment decision that warrant your consideration. These may include eligibility for retiree health benefits. We urge you to consult with your Human Resources/Benefits Office to help you make an informed decision.



New York State
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