SUNY The State University of New York

State University of New York Voluntary Savings Programs

\As an employee of the State University of New York (SUNY), you have access to two different types of voluntary savings programs to help you save money for your future: the SUNY Voluntary 403(b) and the NYS Deferred Compensation (457) Plans.

Both of these programs allow you to deduct money from your paychecks on a pre-tax and an after-tax basis. The money deducted is deposited into one or more investment accounts you choose. When you are no longer employed by SUNY, you can withdraw money from these accounts to supplement your income. In some circumstances, you may be able to withdraw money before your employment ends.

The two types of deduction options are as follows:

The pre-tax option **(Traditional Tax-Deferred Savings)** - Federal and State income taxes are deferred until money is withdrawn, in accordance with Plan rules, upon your retirement or separation from service. Money deducted from your paycheck is not included in your current taxable income. In addition, earnings on your investments accumulate tax-deferred.

The after-tax option **(Roth)** – Federal and State income taxes apply on money deducted from your paycheck, however, "qualified" distributions are tax-free, which you can receive once you are separated from service, are at least age 59½, and it has been at least five taxable years since the initial Roth deposit. Therefore, all earnings under this savings option are not taxable to you when you take qualified distributions.

Both of these savings programs are governed by different sections of the Internal Revenue Service Code, so there are some differences in plan provisions.

- The **SUNY Voluntary Savings Plan** is a program authorized under section 403(b) of the Internal Revenue Code. This program is administered by the State University of New York and allows you to choose among four authorized investment providers: *Corebridge, Fidelity, TIAA and Voya.*
- The **New York State Deferred Compensation Plan** is a program authorized under Section 457 of the Internal Revenue Service Code. This program is administered by the New York State Deferred Compensation Board. The Plan provides an array of investment options carefully selected by the Board.

It is particularly important to note that you may participate in both plans concurrently and can contribute up to the annual maximum, which is currently *$23,500,* to each plan for a combined deferral maximum of up to *$47,000* in *2025*!

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

Comparison between the SUNY Voluntary Savings 403(b) Plan and the New York State Deferred Compensation 457 Plan

Plan Feature	SUNY Voluntary Savings 403(b) Plan Traditional (pre-tax deductions)	NYS Deferred Compensation 457 Plan Traditional(pre-tax deductions)	Roth Savings options (after-tax deductions) for both 403(b) and 457 Plans
Eligibility	All active employees of SUNY are eligible to participate.		
Maximum Contribution Limit	Annual **standard limit for 2025 is $23,500**. (If age 50 and older or between age 60-64, see **Additional Contributions** noted below).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.		Each Plan allows Roth contributions combined with Traditional contributions up to the Total Annual limit.
Vesting	Employee voluntary contributions are fully vested immediately. If you separate from service with SUNY you have the option of leaving your investments in the Plan, transferring assets into a new employer account (if permitted by the other Plan) or rolling money into an Individual Retirement Account (Traditional or Roth IRA).		
Additional Contributions **Age 50 Catch-up** **Age 60-64 Increase**	Up to $7,500 additional annual contributions over the standard limit are permitted for those **age 50 and over**. (for maximum of **$31,000**) Effective January 2025, up to $11,250 additional annual contributions over the standard limit are permitted for those **60-63** (age as of 12/31) (for maximum of **$34,750)**		
Other Catch-up Provision		The Special Retirement Catch-up Provision allows participants who have contributed less than the maximum limit in previous years to contribute up to double the regular deferral maximum ($47,000) in the three years prior to the individual's elected normal retirement age.	Catch-up provisions are the same as reflected under contributions for each Plan respectively. Each Plan allows Roth contributions combined with Traditional contributions up to the total annual limit.
In-Plan Conversions (Traditional to Roth)	Plan allows pre-tax traditional assets to be converted to after-tax Roth category. The amount converted is taxable income in the calendar year it is made. Plan conversions into the Roth option are irrevocable. No tax withholding will apply on the conversion. Consult with a tax advisor to see if tax withholding on payroll should be increased or if making an estimated tax payment is necessary.		Not applicable
Loans	Loans are permitted in accordance with Plan rules for active employees, terminated or retired employees are not eligible. A maximum of two outstanding loans are permitted at a time, unless grandfathered, as issued prior to September 4, 2018.	Loans are permitted in accordance with Plan rules for active employees. Terminated or retired employees are not eligible. A maximum of one outstanding loan is permitted at a time.	Loans are **not permitted** from Roth accounts for the 403(b) Plan.
Hardship Distributions	Hardship distributions are available for participant's immediate and heavy financial need, in accordance with IRS "safe harbor" guidelines.	Unforeseeable Emergency withdrawals are 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.	Roth provisions are the same as reflected under Traditional options for each plan respectively.

Plan Feature	SUNY Voluntary Savings 403(b) Plan Traditional (pre-tax deductions)	NYSDeferred Compensation 457 Plan Traditional(pre-tax deductions)	Roth Savings options (after-tax deductions) for both 403(b) and 457 Plans
Rollovers / Transfers into the Plan	Permitted from traditional IRAs, 401(a), 401(k), public 457(b) and other 403(b) plans. Rollovers or Transfers are not permitted from private 457(b) plans.		Permitted among Roth 403(b), 401(a), 401(k) and other public Roth 457(b) plans. Rollovers or Transfers are not permitted from private 457(b) plans. Roth IRAs cannot be rolled into either Plan in accordance with IRS regulations.
Rollovers / Transfers out of the Plan	After being distribution eligible, rollovers and transfers are permitted among traditional IRAs, 401(a), 401(k), public 457(b) and other 403(b) plans. Rollovers into the Plan are always eligible for distribution or Rollover/Transfers from both Plans.		After being distribution eligible, rollovers and transfers are permitted to the following Roth savings options: IRAs, 401(a), 401(k), public 457(b) and other 403(b) plans. Rollovers or Transfers are not permitted from private 457s.
Distribution (Withdrawal Options)	After age 59½ if still employed, or any age if no longer employed, death, disability or qualifying hardship. Lump Sums, Systematic Withdrawals, Fixed-period payments, Lifetime Annuities and Required Minimum Distributions (RMD).	After age 59½ if still employed, or any age if no longer employed, death, disability or qualifying unforeseen emergency withdrawals. Lump Sums, Periodic payments Withdrawals, Fixed-period payments, and Required Minimum Distributions (RMD).	Eligibility for distributions for Roth Plan investment earnings are the same as reflected under Traditional savings for each respective Plan. Lump Sums, Systematic Withdrawals, Fixed-period payments, and Required Minimum Distributions (RMD). Note; RMD does not apply to Roth IRA, However, it does apply to the Roth SUNY retirement savings options 457(b) and 403(b).
Income Tax on Distributions (withdrawals)	Distributions are taxed as ordinary income For New York State income tax purposes, if you are over the age of 59½, you may qualify for a pension and annuity exclusion of up to $20,000 annually on distributions from SUNY savings plans. This exclusion from New York State taxable income applies to pension and annuity income included in your federal adjusted gross income. For more information on the pension exclusions and other benefits for retired people, see *NYS Publication 36, General Information for Senior Citizens and Retired Persons*		Withdraw your contributions and any earnings tax-free, as long as the distribution is considered "qualified": Made after 5 consecutive tax years since the year of first contribution AND The distribution is made – after age 59½, (and separated from service for the Roth 457) or due to death, or disability.

Plan Feature	SUNY Voluntary Savings 403(b)Plan Traditional (pre-tax deductions)	NYSDeferred Compensation 457 Plan Traditional(pre-tax deductions)	Roth Savings options (after-tax deductions) for both 403(b) and 457 Plans
IRS 10% Premature Distribution Penalty Tax	An IRS 10% premature distribution penalty tax applies unless the distribution is due to one of the following statutory exemptions: • On or after reaching age 59½ • 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"	Generally an IRS 10% premature distribution penalty tax is not applicable. However: • Amounts rolled over from a 457(b) plan to a different plan type are 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 continue 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.	Premature 10% penalty tax on distributions for 403(b) Roth Plan only apply to investment earnings and are the same as reflected under tax-deferred savings. The 10% penalty tax does not apply to Roth 457(b) Plans.
Defined Benefit (DB) Plan (ERS or TRS) 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.	Not Applicable to Roth savings
Required Minimum Distribution (RMD)	2025, participant must begin receiving distributions upon reaching age 73, provided they have terminated employment with SUNY. **Note:** Required Minimum Distributions (RMD) are not required on Roth Retirement Plan assets.		

Please consult with an authorized provider under the SUNY Plans and qualified tax advisor to address individual circumstances.

This document provides only a summary of the main features of the SUNY Voluntary 403(b) Plan, and the Plan document will govern in the event of any discrepancies.
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