July 2005

Dear CUNY Employee:

We have important news regarding changes to the City University of New York’s (CUNY) Tax Deferred Annuity Program, as well as changes to the Optional Retirement Program (ORP) currently funded through the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). These changes will affect all CUNY employees participating in a CUNY tax deferred annuity and/or the ORP.

The CUNY Board of Trustees adopted five amendments at its June 27, 2005 meeting; one will enhance the CUNY Tax Deferred Annuity Program and four will enhance the Optional Retirement Program. These changes are summarized below:

**CUNY Tax Deferred Annuity Program Change, Effective July 1, 2005**

**Amendment 1** - Employees enrolled in the TIAA-CREF, Lincoln Life, and CitiStreet Tax Deferred Annuity plans will be permitted to use tax deferred annuity funds to purchase past service credit for the defined benefit plans (e.g., The Teachers’ Retirement System of New York or the New York City Employees’ Retirement System) thus enabling them to enhance their savings for retirement.

**ORP Changes, Effective September 1, 2005**

**Amendment 1** - Upon severance from employment with the University and reaching eligibility for cash withdrawals, cash distributions will be permitted directly from the TIAA Traditional Annuity Account subject to the TIAA Traditional Account withdrawal restrictions. Previous to this change, cash withdrawals were only allowed directly from the CREF and Real Estate Variable Annuity accounts.

**Amendment 2** - Employees who have a terminal illness will be allowed to make a cash withdrawal from their ORP accumulations prior to reaching normal retirement age. Determinations as to terminal illness must be made by the designated long term disability carrier. Previous to this change, withdrawals in such instances were not allowed.

**Amendment 3** - Upon severance from employment with the University, an employee who is eligible for retiree health benefits will be required to keep a fixed dollar amount of $50,000 in reserve with TIAA-CREF to fund retiree health insurance premiums. It will replace the current requirement that 1/3 of an employee’s holding be held in reserve to fund such benefits. This amendment will also eliminate the current requirement to return 100% of accumulations to TIAA-CREF from the Alternate Funding Vehicles (currently MetLife & Guardian) upon distribution of retirement plan accumulations. If the TIAA-CREF accumulations under the retirement plan fall below $50,000, appropriate accumulations with the AFV’s must be
transferred back to TIAA-CREF to maintain a balance of at least $50,000 prior to making any distribution from the AFV's.

**Amendment 4** – After separation from service, CUNY’s policies on withdrawal of cash from the retirement annuity accounts will remain in effect. Previous to this change, the policies of a subsequent employer could govern withdrawals of funds accrued under the CUNY retirement plan.

These changes are important and are complex in nature and you may want to speak with your campus Benefits Officer. For personalized information regarding your account contact the TIAA-CREF Telephone Counseling Center from 8:00 a.m.-10:00 p.m. ET weekdays, or from 9:00 a.m.-6:00 p.m. ET on Saturday at 1 800 842-2776.

We hope you find that these new provisions are helpful, as they will greatly extend the financial flexibility of your retirement plan.

Sincerely,

*Leslie E. Williams*

Leslie E. Williams  
University Director of University  
Employee Benefits

Cc: Vice Chancellor Brenda Malone