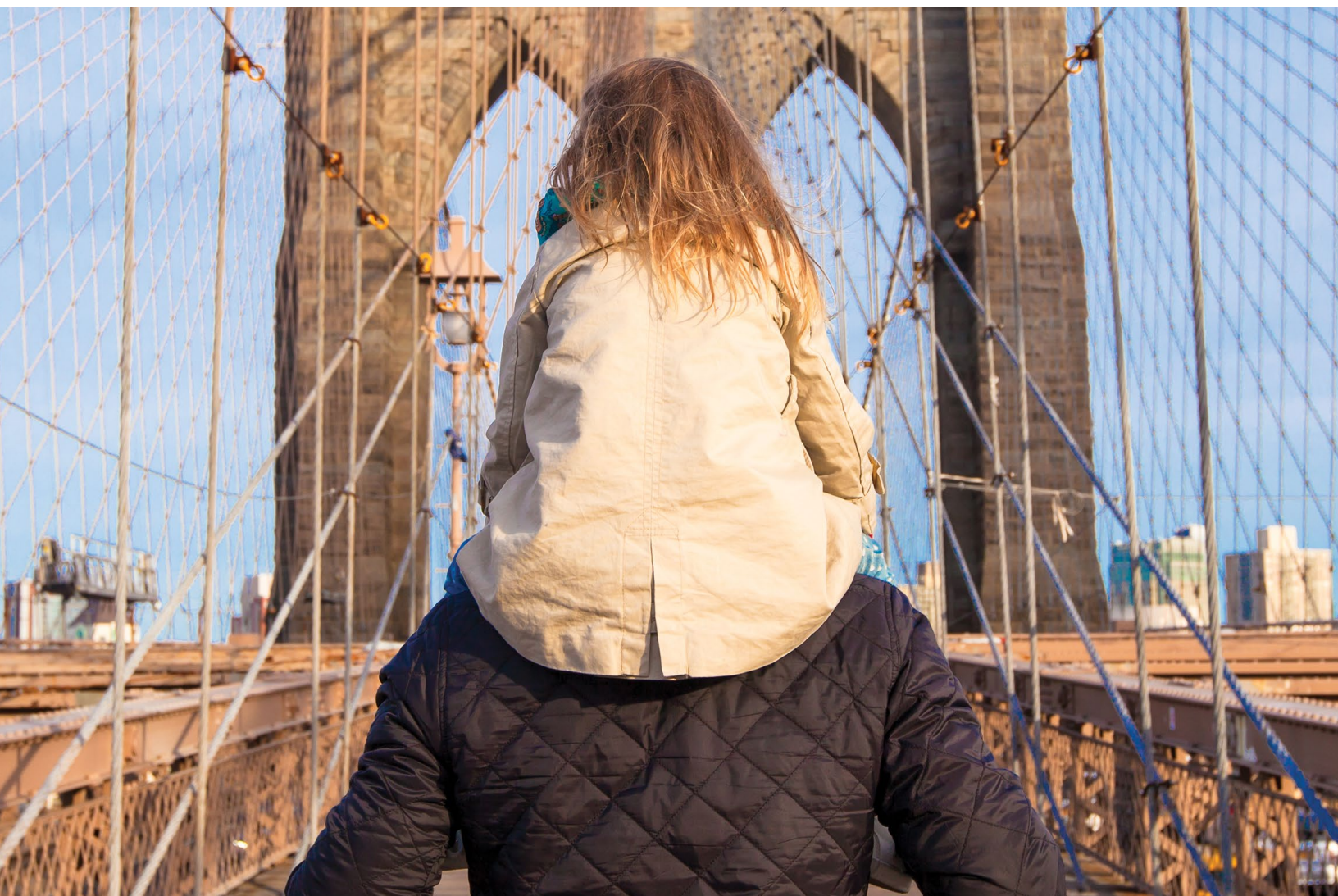




New York University

Retirement Choice Decision Guide



NYU

For Local 3882 employees hired after 12-31-18



NYU is committed to helping you plan and save for a secure retirement. We recognize that we all have different needs when it comes to our retirement benefits. As a recent hire of Local 3882, NYU is providing you with a one-time choice between two retirement plan options.

The decision in front of you is an important one. That's why we're giving you several months to review your options. Only you know all the factors that will affect your choice. NYU is providing you with information, tools, and resources to help you in your decision making. By learning and comparing your options, you will be well equipped to make the best choice for your personal situation.

During your two-week individual election window, you will have a one-time opportunity to make an irrevocable choice between participating in the NYU Staff Pension Plan (SPP) plus NYU Supplemental Tax Deferred Annuity Plan (STDA Plan) or participating in the NYU Retirement Plan for Members of the Faculty, Professional Research Staff and Administration (NYU Retirement Plan). Regardless of the choice you make, you will keep any benefit from contributions you may have already made into the STDA Plan.

Because this is an important decision that can have a significant impact on your future income, NYU encourages you to take the time to learn, compare, and choose the option that is best for you. You may want to seek trusted financial and other external professional advice as you compare your options. However, if you do not choose an option, you will default to the SPP/STDA Plan.

Your Retirement Choice: Three Key Steps

NYU is providing you an opportunity to make an important choice about your future retirement benefit. You will choose if you would like to earn your retirement benefit through the:

Staff Pension Plan and STDA Plan;

or

NYU Retirement Plan.

Follow these three action steps to make your choice. You should do Steps 1 and 2 now and Step 3 during your two-week election window. The two-week election window, which will be approximately nine months after your hire date, is a one-time opportunity for you to make your retirement choice. You will receive an email that will notify you of the dates that your window is open as well as the deadline to make your choice.

1

LEARN

Learn about your two retirement options



2

COMPARE

Consider the future retirement benefit you could have under each option



3

DECIDE

Make your retirement choice by the deadline provided to you



Your Resources

NYU is providing the following resources to help you determine which retirement option best meets your needs.

- **This Retirement Choice Decision Guide.** This guide gives you detailed information about your two retirement options. In addition, this guide features profiles of sample employees and the factors each considered when making a choice.
- **[The Retirement Choice Video.](#)** The brief video highlights the key information you need to know about the retirement choice and when and where you can make your election.
- **Support.** For questions related to the STDA Plan or the NYU Retirement Plan, you can call the NYU Retirement Plans Helpline at TIAA at 844-NYU-TIAA (844-698-8422). For questions related to the SPP, call the Milliman Benefits Service Center at 866-767-1212. For questions about the election process, contact PeopleLink, NYU's benefits and payroll service center, at 212-992-LINK (5465) or askpeoplelink@nyu.edu.

Learn

RETIREMENT CHOICE OPTIONS AT-A-GLANCE

Here is a side-by-side comparison of your two options. Note that if you choose the NYU Retirement Plan, you will not lose any benefit from contributions you may have already made into the STDA Plan.

OPTION 1: NYU SPP plus STDA Plan		
This choice includes two plans with different provisions. NYU pays the full cost of the benefit in the SPP and you can make your own contributions to the STDA Plan		
	SPP	STDA
Plan Type	The SPP is a defined benefit (DB) plan.*	The STDA Plan is a defined contribution (DC) plan.**
Eligibility	Age 21 and 1 year of service after hire date	At hire date
Employer Contributions/Benefits	NYU pays the full cost of the Plan. Your benefit is calculated based on a percentage of your final average earnings times years of service.	None
Employee Contributions	None	Pre-tax contributions. You decide how much to contribute. There is no employer match on STDA contributions.
Vesting “Vesting” in a retirement plan means ownership.	After 5 years of service	100% vested from date of participation in the plan
Hardship Withdrawals	Not available	Under age 59½ and in financial hardship
Loans	Not available	Yes
Withdrawals at or after age 59½	Not available	Eligible to withdraw money from your account
Post-Employment Distributions	You have a choice: <ul style="list-style-type: none"> • Keep your accrued benefit in the Plan • Receive an annuity payment upon retirement eligibility At termination if lump sum is under \$50,000, receive a lump-sum distribution or roll over your lump sum to another eligible plan	You have a choice: <ul style="list-style-type: none"> • Keep your account balance in the Plan • Choose an annuity • Cash out of your investments or • Roll over your account balance to another eligible plan
Investment Management	Managed by the plan trustees. Investment performance does not impact your benefit amount.	You can choose from a variety of investment options or remain in the default investment. Investment performance impacts the amount of your account balance.

* **Defined Benefit:** A defined benefit pension plan is a type of retirement plan in which an employer promises a specified pension payment or lump-sum on retirement/termination that is predetermined by a formula based on the employee’s earnings history, tenure of service, and age, rather than depending directly on individual investment returns.

** **Defined Contribution:** A defined contribution plan is a type of retirement plan in which the employer, employee, or both make pre-tax contributions on a regular basis. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts plus any investment earnings on the money in the account.

This guide provides an overview of important plan details. For more information, refer to the Summary Plan Descriptions (SPDs) for the [SPP](#), [STDA](#), and [NYU Retirement Plan](#). You can also find the SPDs at nyu.edu/hr.

OPTION 2: NYU Retirement Plan

This choice is one plan that will include both NYU contributions (non-elective and match) and your own contribution

Plan Type	The NYU Retirement Plan is a defined contribution (DC) plan.**
Eligibility	1 year of service after hire date
Employer Contributions/Benefits	5% of your base salary non-elective contribution plus a dollar for dollar employer match on your own contributions, up to 5% of base pay. NYU makes the 5% non-elective contribution to your account whether or not you choose to contribute. To get the maximum employer match, you must contribute at least 5% of your base salary.
Employee Contributions	Pre-tax contributions. You decide how much to contribute. NYU will match dollar for dollar up to 5% of your base pay based on your contribution to the plan.
Vesting “Vesting” in a retirement plan means ownership.	100% vested from date of participation in the plan
Hardship Withdrawals	Under age 59½ and in financial hardship
Loans	Yes
Withdrawals at or after age 59½	Eligible to withdraw money from your account
Post-Employment Distributions	You have a choice: <ul style="list-style-type: none"> • Keep your account balance in the Plan • Choose an annuity • Cash out of your investments or • Roll over your account balance to another eligible plan
Investment Management	You can choose from a variety of investment options or remain in the default investment. Investment performance impacts the amount of your account balance.

Compare

Now that you have gathered the facts about the retirement plans, it is time to consider your two retirement choices. In this section, you will find:

- **Things to Consider**—Read a list of important factors to consider as you compare your options.
- **Employee Examples**—Learn how sample employees made their retirement choice.

THINGS TO CONSIDER

Only you can decide which option is best for you. As you consider each option, think about your career and financial goals, as well as your personal needs. In addition to reviewing this information, you may want to seek trusted financial and other external professional advice as you compare your options.

ASK YOURSELF

How long do I plan to work at NYU?

The more time you have until you retire, the more time you have to build up your benefit amounts. Depending on when you plan to leave or retire, one of the retirement choices may provide a higher benefit than the other one.

If you leave NYU in less than 5 years, you will not vest in the SPP (thus, not receive an SPP benefit) but you are always 100% vested in the STDA Plan and NYU Retirement Plan.

What if I want to access my money in case of an emergency or important life event?

The NYU Retirement Plan provides options for accessing your money through a loan or hardship withdrawal in the case of an emergency or major life event. The STDA also provides options for accessing your money through a loan or hardship withdrawal in the case of an emergency or major life event. The SPP does not provide options for accessing your money before retirement.



ASK YOURSELF

What are my options for receiving my benefit when I leave or retire from NYU?

With the NYU Retirement Plan, you can receive your account balance in a lump sum when you leave NYU or select an annuity. When you leave NYU, you may want to roll over your account balance to another qualified plan or an Individual Retirement Account (IRA).

The STDA has the same options for receiving your benefit as the NYU Retirement Plan. With the SPP, you can receive your vested benefit as a lifetime annuity (in monthly payments). You can receive your benefit when you are eligible to retire (age 60 with 5 years of service, or at any age with 25 years of service). You can also receive a lump sum within 6 months of termination if the lump sum value is less than or equal to \$50,000.

How much control do I want over investing my retirement benefit?

Do I want to be responsible for diversifying my investments?

With the NYU Retirement Plan, you control how your entire account balance is invested. You can choose from a variety of investment options or, if you prefer not to choose, your account will be invested in the Plan's default investment fund.

The STDA Plan also allows you to choose your own investments or stay in the default fund. The SPP is fully managed by NYU—requiring no investment decisions on your part. With the SPP, the benefit you receive from the Plan is not affected (positively or negatively) by investment results.

Employee Examples

On the following pages, take a look at the factors that these sample employees considered, and which option they each chose.

ASSUMPTIONS USED IN EXAMPLES

Pay projected using a 2.5% annual increase. NYU Retirement Plan and STDA Plan account balances projected assuming a 6% annual investment return. Employee contribution is assumed to be 5% of pay to receive the maximum 5% employer match (as well as the 5% non-elective employer contribution). All values shown are lump sum values for illustrative purposes only. Lump sum amounts in the SPP are payable to participants up to \$50,000 and election within 6-months from termination/retirement.



EXAMPLE 1: RASHEED

Rasheed is 30 years old, single, and is considering moving back to Ohio in a few years where his family lives. The following benefits are expected for his circumstances (based on the modeling assumptions).

- Age at hire: 30
- Salary at hire: \$55,000
- Termination in 3 years
- Employee contribution percentage: 5%

The fact that Rasheed does not plan to stay at NYU long term is a key decision factor for his choice. Also impacting his decision is:

- The SPP has a 5-year vesting period and he's uncertain if he'll be working at NYU in 5 years.
- The Retirement Plan has immediate vesting.
- The Retirement Plan provides a 5% non-elective contribution and employer match.

	SPP plus STDA Plan	NYU Retirement Plan
Employee Contributions and Earnings	STDA: \$5,890	\$5,890
Employer Contributions and Earnings	SPP: \$0	\$11,780
TOTAL	\$5,890	\$17,670

Rasheed chooses the NYU Retirement Plan.

Because Rasheed chooses the NYU Retirement Plan, investment returns will have an impact on his benefit. The \$17,670 total shown in the table assumes a 6% annual rate of return. If the market doesn't perform as well and the rate of return is 3%, Rasheed's total would be \$17,185.



EXAMPLE 2: ELENA

Elena is 35 years old and married with 2 small children. She plans on staying with NYU for at least 10 years. The following benefits are expected for her circumstances (based on the modeling assumptions).

- Age at hire: 35
- Salary at hire: \$55,000
- Termination in 10 years
- Employee contribution percentage: 5%

If Elena stays with NYU for 10 years, she would be eligible to receive a benefit under both plans. To make her choice, she considers the following factors:

- She is able to make a contribution of 5%.
- The Retirement Plan provides a 5% non-elective contribution and employer match.
- The SPP is fully employer-paid based on age and tenure.
- Given her age and her tenure, the Retirement Plan would provide a larger benefit.

	SPP plus STDA Plan	NYU Retirement Plan
Employee Contributions and Earnings	STDA: \$35,562	\$35,562
Employer Contributions and Earnings	SPP: \$46,190	\$71,124
TOTAL	\$81,752	\$106,686

Elena chooses the NYU Retirement Plan.

This option works best for Elena because she plans on making an employee contribution of 5%. However, if Elena chooses not to contribute and does not take advantage of the employer match, her total in the NYU Retirement Plan would be \$35,562, compared to the \$106,686 shown in the table above.



EXAMPLE 3: JIN

Jin is 40 years old, married, and intends to spend the rest of his career at NYU. The following benefits are expected for his circumstances (based on the modeling assumptions).

- Age at hire: 40
- Salary at hire: \$55,000
- Termination/Retirement at age 65
- Employee contribution percentage: 5%

If Jin spent the rest of his career with NYU, he would be eligible to receive a benefit under both choices, so his decision is based on:

- The SPP is a fully employer-paid plan based on age and tenure.
- Because his plan is to retire from NYU after a long career, the SPP/STDA Plan would provide a larger benefit than the Retirement Plan at retirement, even with the full employer match.

	SPP plus STDA Plan	NYU Retirement Plan
Employee Contributions and Earnings	STDA: \$180,806	\$180,806
Employer Contributions and Earnings	SPP: \$432,318	\$361,612
TOTAL	\$613,124	\$542,418

Jin chooses the SPP/STDA Plan option.

Decide

Approximately nine months after your hire date, you'll be able to choose the retirement plan that is best for you during your individual two-week election window by following these steps:

1. Read the email sent to your NYU.edu email address, which includes important information and key dates for your two-week election window. Click on the link in the email to begin the election process.
2. Review the instructions and make your choice. If you need help or more information, contact one of the following resources:
 - For questions about how and when you can make your election, contact PeopleLink, NYU's benefits and payroll service center, at 212-992-LINK (5465) or askpeoplelink@nyu.edu.
 - For questions related to the STDA Plan or the NYU Retirement Plan, call the NYU Retirement Plans Helpline at TIAA at 844-NYU-TIAA (844-698-8422).
 - For questions related to the SPP, call the Milliman Benefits Service Center at 866-767-1212.
3. After you submit your election, you will receive an email confirming your choice. **This is a one-time irrevocable election.**

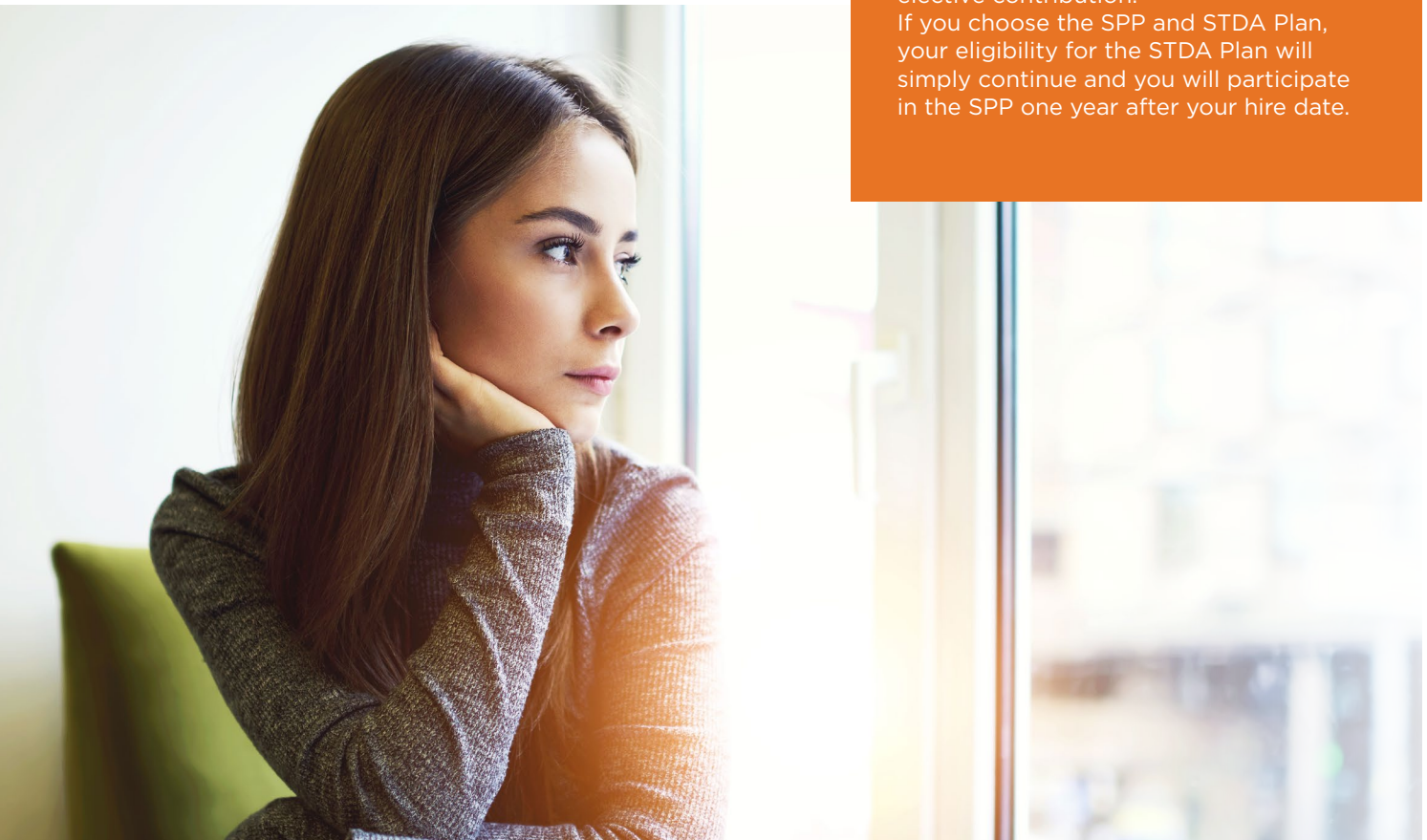
IF YOU DO NOT ACTIVELY MAKE A RETIREMENT CHOICE

If you do not actively make a retirement choice, you will continue to participate in the STDA Plan, to the extent you have elected to do so, and be enrolled in the SPP. **This is the only opportunity you will have to choose the NYU Retirement Plan.** Because one option could mean a larger future benefit for you, you are strongly encouraged to carefully compare and actively make an election.

WHEN YOUR RETIREMENT CHOICE BECOMES EFFECTIVE

If you choose the NYU Retirement Plan, you will be eligible for the plan one year after your hire date and you will be immediately vested for employer contributions. You will not lose any benefit you may have earned in the STDA Plan, but will no longer be eligible to make contributions to the STDA Plan. Once your participation in the Retirement Plan commences, you will begin to receive your 5% of base pay NYU non-elective contribution.

If you choose the SPP and STDA Plan, your eligibility for the STDA Plan will simply continue and you will participate in the SPP one year after your hire date.



Key Dates

Starting Today: Compare & Learn

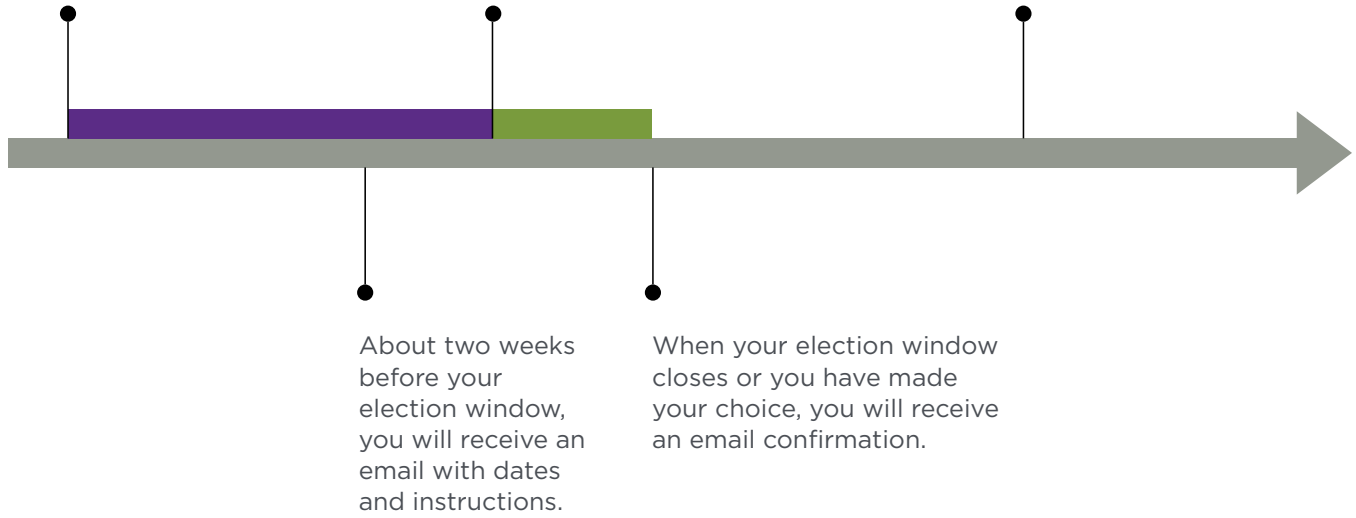
Learn about your options by reviewing this guide.

Nine Months After Hire: Make Your Election

Approximately 9 months after your hire date, you will be eligible to make your choice during a **two-week** election window.

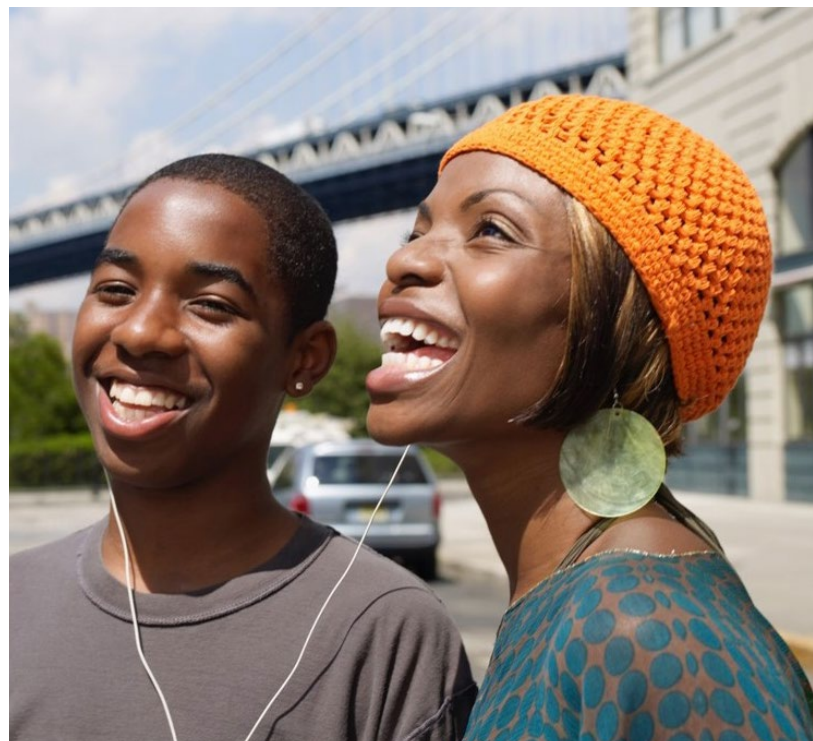
One Year After Hire: Choice Effective

Your election becomes effective one year after your hire date.



NYU has designed this decision guide to help you understand the retirement choices available to you. As you review this information, please keep in mind that:

- NYU is providing you this guide for your information only as you make your choice. If there is any discrepancy between the information presented in this guide and the official Plan documents, the Plan documents will always govern.
- The descriptions of benefit options and plans provided in this document are intended only to be summaries of certain provisions of the Plans. NYU reserves the right to determine eligibility for all benefits and to interpret any and all terms of the retirement benefit plans. NYU shall also have the power and discretion to determine all questions arising in connection with administration, interpretation, and application of the Plans.





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