



MEMO

To: Optional Retirement Program Participants
From: David M. Morrell, University-Wide Benefits Administrator
Date: September 5, 2007
Subject: SUNY Optional Retirement Program (ORP) Enhancements

The State University of New York has worked closely with the ORP investment providers, the SUNY Benefits Advisory Committee, and consultants to implement some exciting new investment options, services, and resources. This letter provides a summary of these ORP enhancements.

New Fund Additions:

The list of funds available for investment in the ORP has been expanded.

A series of target-date retirement funds have been added to the plan. Target-date funds are based on an anticipated date of retirement, usually in five year increments, where the fund is periodically rebalanced to become incrementally more conservative as the selected retirement date approaches. These funds are typically a mix of cash, bonds and stocks, including in many cases some foreign stocks. This automatically changing asset allocation approach helps to provide for stability and growth while eliminating some of the confusion that employees may experience when faced with a wide array of fund choices.

Other new funds have been added to the menus of some ORP investment providers to fill asset class gaps to ensure that an appropriate mix of funds exists to provide adequate asset allocation strategies across all of the ORP investment providers.

If you wish to leave your investments as you currently have them, you do not need to take any action. However, you are strongly encouraged to take this opportunity to review your investment strategy. In an ever-changing market, it is important to periodically review your portfolio allocation to ensure it is still consistent with your financial goals. Please keep in mind that there are risks when investing in any variable annuity, including target-date retirement funds. You should consider the investment objectives, risks, charges and expenses carefully before investing. Please review each applicable prospectus before investing. Fund prospectuses and performance data can be obtained from the individual investment provider's web site listed in the Vendor Specific Enhancements section below.

*Attached is an updated listing of the funds currently available in the ORP listed by investment provider. The new funds are highlighted in red.

*Please visit the Stony Brook University Human Resource Services web site for all attachments. <http://stonybrook.edu/hr>

Advice and Planning Service:

Each investment provider in the ORP now offers professional investment advice, planning, and active investment management services for ORP enrollees.

These optional services may be obtained online or through individual counseling sessions with a licensed investment representative.

Investment advice and planning services and fees vary by ORP investment provider. Please consult each provider for details about their specific offerings.

ORP Employee Contributions:

Members who joined the ORP on or after July 27, 1976 are required to contribute three percent of their salary to their ORP contract(s).

The Governor has recently signed legislation that will eliminate the three percent employee contribution for employees with ten or more years of ORP membership. The State, or sponsoring organization, will now pick up the cost of the three percent contribution after ten years of ORP membership by increasing the employer contribution as the employee contribution is correspondingly reduced.

This legislation will be phased in over a three year period. Employees who currently have ten or more years of ORP membership, or those who will achieve ten or more years of membership over the next three years, will have one percent of the employee contribution eliminated effective April 1, 2008; two percent eliminated effective April 1, 2009; and the full three percent eliminated effective April 1, 2010. Employees reaching ten years of ORP membership on or after April 1, 2010 will have the full three percent eliminated when they reach ten years of service. The exact payroll effective dates for these transactions have yet to be determined and will be announced by your employing campus once implemented.

Affected employees are strongly encouraged to consider opening, or increasing their contribution to, a tax-deferred savings plan such as the SUNY 403(b) Voluntary Savings Plan or the 457 NYS Deferred Compensation Plan. Using the savings resulting from the reduction and eventual elimination of the employee contribution to make voluntary tax-deferred contributions is a painless way to increase your overall retirement savings which will help you reach your personal retirement savings goals more quickly.

We are attaching a copy of the recently signed legislation here for your reference.

**Please visit the Stony Brook University Human Resource Services web site for all attachments. <http://stonybrook.edu/hr>*

Vendor Specific Enhancements:

- **TIAA-CREF**

You now have additional investment choices available including TIAA-CREF Lifecycle Funds; personalized advice and planning services; and a dedicated website putting your retirement savings

plan information at your fingertips. These enhancements are designed to make it easier than ever for you to manage your retirement savings investments using the following strategies:

- **One Decision Strategy** – Take a “hands free” approach to managing your portfolio by choosing to invest in one of the TIAA-CREF Lifecycle Funds. These funds target your estimated retirement date, from 2010 through 2040 in five-year increments. All you do is select the fund closest to your estimated year of retirement. Each TIAA-CREF Lifecycle Fund starts with an asset allocation generally considered appropriate for investors at different stages of retirement planning. Each fund readjusts periodically to maintain an appropriate asset allocation for the remaining time horizon.
- **Build Your Own Portfolio Strategy** – For the more “hands on” investor, tailor your long-term portfolio by choosing from your menu of investment choices, which now will include 24 new investment choices.

SUNY has a dedicated website (www.tiaa-cref.org/suny) that is a customized online resource for tracking and managing your TIAA-CREF accounts. You will be able to visit the site any time from anywhere for information about TIAA-CREF and your investment choices, as well as access to retirement planning tools and more. The site also links you to the TIAA-CREF website (www.tiaa-cref.org), where you can update your account, monitor account performance and sign up for e-delivery of account statements, transaction confirmations and other communications. You can rest assured that all your on-line transactions are handled in a secure environment.

Personalized advice and planning services will be available to you for developing a plan to pursue your retirement income goal, or to find out if your current retirement planning strategy is on the right track.

- **AIG VALIC**

AIG will be reducing our variable account fund fees by twenty basis points. You will also now have access to AIG VALIC’s Guided Portfolio Services (GPS); you can receive professional investment advice that includes a comprehensive wealth forecast that determines the probability of meeting your retirement goals and whether you are likely to have a retirement income shortfall. GPS also provides a recommendation on how much to save, along with advice about how to diversify your assets and invest in specific investment options – all tailored to *your* situation and goals. The program offers two levels of service:

- *Portfolio Advisor* -- for highly involved investors who wish to retain complete control of their investment decisions with the help of a state-of-the-art investment advisory tool. This service is delivered via the Internet, with telephone support from AIG VALIC’s licensed representatives.
- *Portfolio Manager* -- for investors who prefer to have an independent expert manage their portfolio. This program offers a personalized wealth forecast and investment advice recommendations that are automatically executed in the plan record-keeping system. The result is a portfolio managed according to the investor’s retirement goals. Service is delivered by Internet, by licensed telephone representatives or, most often, by your local AIG VALIC financial advisor.

You also have access to the *new* SUNY customized retirement planning website at www.aigvalic.com/SUNY - This site provides information regarding the SUNY Optional Retirement Plan. It is more than just a website, it's a powerful tool that offers you access to your account, information and education, 24/7 via a secure website.

New participants now have the option to enroll on-line as well, for more information please contact 518-783-6464.

AIG VALIC's goal is to help you plan for the future by offering objective and expert retirement planning by three choices, personal face-to-face meetings with a financial advisor, SUNY customized retirement planning website and via the telephone.

- **ING**

ING offers a high level of service combined with a comprehensive plan including numerous investment options and a contractual death benefit to your beneficiaries in the event of your death. (Please request the contract prospectus summary for additional information on this important account feature).*

- **Available Service**

A team of ING Registered Representatives and Financial Planners specialize in working exclusively with employees of the State University of New York. Your ING counselor offers expertise in all facets of your retirement plan including asset allocation and long term income planning for retirement. You have the opportunity to maintain an ongoing relationship with a specific counselor available to personally meet with you on an ongoing basis. As your life plans come to fruition or perhaps may bring unanticipated events, ING is available to assist you with the financial questions that arise both while you are working and into your retirement years.

- **Investment Selection**

The ING SUNY Optional Retirement Plan now offers close to 50 investment options representing multiple investment asset categories with numerous investment fund families spanning the risk/reward spectrum. SUNY has recently approved eight new investment choices further increasing your diversification opportunities. Your ING counselor can assist you with the selection process; you also may take advantage of the ING Allocation Mentor™ investment strategy program newly available to SUNY participants. The investment selection committee of ING Financial Advisers, LLC, in conjunction with the Frontier Division of Sungard® Online Investment Systems (Frontier) develops general model portfolios based on individual risk profiles. Frontier is an independent investment research firm, not affiliated with ING, which offers market-leading expertise in economic and market analysis. Investment selection is chosen first on the risk level of the portfolio model and then further by suggesting specific investment options within that model. The evaluation is an ongoing process repeated quarterly, more often if market conditions warrant.

Included in your newly offered investments, ING proudly offers the Solution Portfoliossm; your selection is based on the target year of your goal. Objective, professional fund managers

allocate the Portfolio among asset classes and specific funds representing a 'fund of funds' strategy. Rather than investing in individual securities (such as traditional balanced or asset allocation funds), these portfolios invest in an underlying portfolio of investment options available in ING's product lineup. The ING Solution Income Portfolio is designed for people who plan to be living their retirement plan between now and 2010. The solution portfolios range with a target goal of 2015 with ten year incremental timeframes offered through 2045.

More information...

Although we always encourage you to meet with your ING campus representative, general information on the SUNY ORP program features offered by ING can be reviewed at www.ingretirementplans.com/custom/suny. In addition, ING offers local participant service with our processing center located in Latham, NY as well as several regional offices throughout the State. To request an appointment with your campus representative, to receive information via e-delivery, or for additional information, please contact 1-800-438-1272 for assistance.

** Guarantees are based on the claims-paying ability of the issuing insurance company.*

- **MetLife**

MetLife has made available fifteen additional funding options in their ORP product, the Financial Freedom Account (FFA) variable annuity*, bringing the total to thirty-eight. Included in the expansion are five Asset Allocation Portfolios that are compatible with various risk tolerances from conservative to aggressive.

MetLife also provides fee-based planning for those members that feel comprehensive planning would be valuable. Planning encompasses cash flow, accumulation goals, risk tolerance, risk management, and legacy planning.

The SUNY MetLife Website, www.metlife.com/suny, has been updated and will be available for viewing. The website contains links and various pages designed to inform and educate participants on their retirement savings. There are links to the RETIREMENT WEBSITE and LIFE ADVICE WEBSITE developed by MetLife. There is also a link dedicated to a SUNY ORP GUIDE with a list of frequently asked questions. You may contact MetLife via the website for information, to ask questions or to request a representative contact you.

Look for an upcoming link to the FINANCIAL PLANNING WEBSITE to help participants learn more about planning. MetLife is committed to face-to-face distribution and the continued support and education of ORP participants.

** Financial Freedom Account variable annuity is issued by Metropolitan Life Insurance Company (MLIC) and is sold by prospectus which you can get from your MetLife Financial Services Representative. Securities products and financial planning services are offered through registered representatives and qualified financial planners, respectively, of MetLife Securities, Inc. (MSI)(member FINRA/SIPC), and a registered investment advisor. MLIC, and MSI are affiliates and are both located at 200 Park Ave., New York, NY 10166.*

Listed below are the vendor contacts of the assigned campus representatives for each of the ORP investment providers. You can also contact your campus Human Resources Office for information

regarding when your representatives will be on-site to conduct individual counseling and information sessions.

Additional ORP Resources:

Summary Plan Description

We have worked with the SUNY Benefits Advisory Committee and the ORP investment providers to develop a Summary Plan Description (SPD) for the SUNY ORP.

The SPD summarizes in simple language the major features of the ORP including what kind of plan it is, how it is funded, who is eligible to participate, what steps must be taken to participate, how benefits will be paid out, etc.

This document will be provided to all newly hired ORP eligible employees, and made available to existing members, to help explain the plan structure, rules, and features in a concise easy-to-understand format.

*We are attaching the new ORP SPD for your reference.

*Please visit the Stony Brook University Human Resource Services web site for all attachments. <http://stonybrook.edu/hr>

- **SUNY Benefits Web Site**

The SUNY Benefits Web Site (www.suny.edu/benefits) is in the process of being updated to include expanded information about the SUNY ORP, links to investment provider web sites, and additional tools and resources of interest to ORP members.

We are pleased to bring these exciting plan enhancements to you. With new investment choices, services, resources and other features, you should find it easy to customize a retirement portfolio that suits your unique needs within the SUNY ORP.

Stony Brook University Vendor Contact List			
<i>Vendor</i>	<i>Contact</i>	<i>Telephone Number</i>	<i>Email Address</i>
TIAA-CREF	Kevin Fahy	800-842-2011	kfahy@tiaa-cref.org
Valic-AIG	Dennis Klein	800-892-5558	Dennis_klein@aigvalic.com
ING	Tony Amalfitano	631-755-0826	SUNYORP@US.ING.COM
METLIFE	Rocco Capobianco	716-634-2117	rcapobianco@metlife.com