

NAGDCA 2025 LEADERSHIP RECOGNITION AWARD

The State University of New York

Custom Target Date Fund - STARS

Program Background

At the heart of the State University of New York's (SUNY) commitment to its employees is a comprehensive retirement program designed to offer security and flexibility throughout their careers. Whether a professor embarking on a long-term journey with SUNY or a doctor navigating the early phases of their medical profession, SUNY provides retirement plan options that recognize and adapt to the varied needs of its workforce.

In its totality, the system includes 33 state university campuses, 30 community colleges, 3 hospital systems and New York State and New York City agencies with over 3,000 locations representing over 100,000 participants and \$26.7B in program assets.

In this submission, we focus on the SUNY Optional Retirement 401(a) Program (ORP), the Voluntary Savings 403(b) Plan (VSP), and the New York State Voluntary Defined Contribution (VDC) Program. The ORP and VDC are defined contribution plans under New York State Public Retirement, and include both employer and employee contributions. This program is complemented by the VSP, which allows for additional savings through pre-tax and Roth contributions. Together, these plans provide a comprehensive approach to retirement savings to help SUNY employees secure their financial futures.

Plan statistics as of 12/31/24:

ORP: 71K participants and \$15.1B in assets.

VSP: 48K participants and \$7.1B in assets.

VDC: 4k participants and \$368M in assets.

The recordkeeping responsibilities of the ORP and VSP are contracted with TIAA, Voya Financial, Fidelity Investments, and Corebridge Financial, who work in partnership with SUNY staff to administer the plans.

Project Background

We are nominating SUNY for their innovative launch of the SUNY Targeted Allocation Retirement Series (STARS), a custom target date solution serving as the new default investment alternative for the ORP, VSP, and VDC.

This project has been a two-year endeavor aimed at enhancing the SUNY retirement program and generating improved retirement outcomes. The journey began with SUNY partnering with its independent investment advisor, CAPTRUST, to determine the most suitable retirement solution for their participants. The initial step involved a thorough demographic analysis of participants including age, salary, savings rate, account balance, etc. to identify any gaps and outliers within the program. This analysis revealed critical areas for improvement, including the need for a customized glidepath tailored to the program's demographics as opposed to generic options and optimizing withdrawal methods. STARS addresses these gaps by enabling participants to annuitize their retirement savings through exposure to TIAA Traditional in the glidepath, while also incorporating an equity-favored tilt to enhance opportunities for growing retirement savings at all career stages.

Through the implementation of STARS participants experienced a reduction in fees, appropriate risk management through tailored investment allocations, and annuitization options with access to a guaranteed monthly lifetime income stream at retirement, significantly enhancing retirement security for SUNY's plan participants.

Goals of the STARS initiative and communication campaign:

1. **Custom Solution Tailored to Participant Needs:** STARS offers personalized investment strategies based on real-time participant demographic data to ensure relevance and optimal asset allocation.
2. **Cost Efficiency:** By reducing fees compared to the previous default investment alternative, STARS directly increases the retirement savings of participants. This focus on cost-efficiency demonstrates a commitment to maximizing participant benefits.
3. **Guaranteed Lifetime Income:** STARS includes the option to access guaranteed lifetime income through TIAA

Traditional, addressing the concern of outliving retirement savings

4. **Engaging Communication Strategy:** SUNY launched a galaxy-themed campaign to simplify complex retirement concepts and increase participant enthusiasm and engagement.
5. **Improved Participant Diversification:** The new investment option can also help participants with diversification during their accumulation years through the addition of a guaranteed asset class within the STARS model portfolio.
6. **Ongoing Performance Optimization and Improvements** CAPTRUST continuously monitor and adjusts the glidepath and underlying investments to align with market trends and participant needs, providing best-in-class investment options and fund management.

In their own words

“Given the diverse needs and varied demographics of our participants, a one-size-fits-all solution was not feasible. Our custom target date fund, STARS, provides tailored investment options that best suit each participant's profile, career stage and accumulated savings. By implementing a customized glidepath with a lifetime income solution, we’ve enhanced both security and growth opportunities for all our participants, ensuring a more effective and rewarding investment experience within our program.”

- **Michael Consorte, Director of University-wide Benefits, The State University of New York**

Project Description:

To make retirement planning engaging and accessible, SUNY developed a galaxy and astronomy-themed communication strategy for the STARS implementation. This theme was relevant and exciting due to SUNY campuses housing observatories and planetariums used for research, teaching, and public viewing. The campaign used analogies to connect astronomy with the new investment option, STARS, capturing participants' interest and simplifying complex concepts.

The communication campaign included a variety of materials and initiatives, including:

- **Interactive Webinars:** Educating participants on the benefits and features of STARS.
- **Informative Brochures:** Visually appealing materials explaining the new investment option.
- **Regular Email Updates:** Keeping participants informed and engaged.
- **Physical Mailers:** Ensuring all participants received essential information.

Customized deliverables by plan included:

- **Pre-Announcement Email/Self-Mailer:** Sent according to participant communication preference, with multiple versions based on plan type.
- **Transition Guide:** Mailed to the address of record, with multiple versions based on plan type.
- **Transaction Letters:** Personalized at the participant level, by plan.
- **Welcome Kits:** Personalized at the participant level, by plan/account type.

This comprehensive approach aimed to ensure a seamless transition and maximize benefits for SUNY's plan participants, making retirement planning and investing more relatable and enjoyable.

Results

As a result of the implementation and supporting communication campaign, the following key outcomes and measurable benefits were achieved:

- **Participant Enrollment:**
 - 19,859 participants enrolled in STARS.
 - Less than 1% of enrolled participants opted out.
- **Assets Movement:**
 - \$527M in assets moved into the STARS model portfolios.
 - \$89M moved into TIAA Traditional within STARS, increasing secure retirement income available to participants.

- **Fee Savings**
 - ORP: Annual estimated fee savings of \$500k (43% decrease in cost) compared to the original default investment utilized before implementing STARS.
 - VSP: Annual estimated fee savings of \$760k (56% decrease in cost) compared to the original default investment utilized before implementing STARS.
- **Webinars:**
 - Conducted 5 webinars.
 - 1,018 participants attended.
 - 317 questions answered during the webinars.
 - 81 individual counseling appointments scheduled during the webinars.

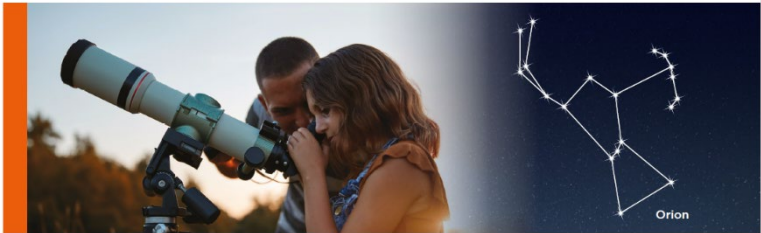
Additional Results (Compared to the 3 months prior to implementation):

- 11% increase in unique participants seeking advice (self-service, assisted, or through an assigned wealth management advisor).
- 7% increase in unique participants engaging with the TIAA National Contact Center, with only a 2% increase in call volume, demonstrating clear communication and understanding of the transition.

These results highlight the success of the STARS initiative and its positive impact on SUNY's plan participant.

STARS Enrollment Guide:

Key dates for retirement plan updates



Dates (2024)	Events
Week of July 15	Informational webinars on the plan changes begin.
July 23	Enrollment in a new plan account with TIAA is expected to occur for participants with any balances in the TIAA Access Nuveen Lifecycle variable annuities in your Retirement Choice (RC) account. You will receive an enrollment confirmation. New SUNY Targeted Allocation Retirement Series (STARS) is available in the SUNY ORP.

No longer employed by SUNY?

Although you are not actively contributing to the retirement plan, you have balances in one or more accounts. Please review this information to determine how the changes may affect you. Contact a TIAA financial consultant if you have additional questions.

Contents

Charting your retirement future through the STARS	2
Key dates for retirement plan updates	3
SUNY Targeted Allocation Retirement Series (STARS)	4-6
Your transition experience	7-10
Retirement Choice core investment lineup	11-12
Retirement planning resources	13
Informational events	14
Q&A	15-18
Disclosures	19-21
We're here to help	

Follow *your* North Star to retirement security

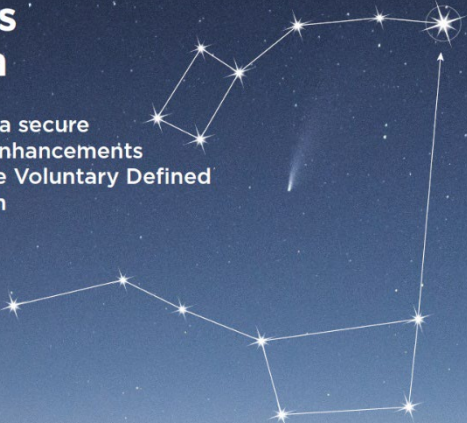
The North Star is a powerful symbol that has been used throughout history. It's used to reference direction, guidance, stability and purpose as it remains almost exactly at the same point relative to all other stars—no matter how much they appear to move around. It reminds us to follow our path, even if the future seems uncertain.

As part of the upcoming plan changes, the State University of New York (SUNY) has developed a new default investment option for the plans or, said differently, a new North Star for plan participants. The SUNY Targeted Allocation Retirement Series (STARS) will help you chart your course to a secure retirement and serve as the plans' default investment option, replacing the current TIAA default choice.

The changes outlined in this transition guide provide an opportunity for you to review your account and your retirement goals to see how the plan changes may benefit you.

When stars align, good things can happen

Chart your course to a secure retirement with the enhancements to the New York State Voluntary Defined Contribution Program



STARS Participant Annoucement Letters

SUNY

Are you ready to navigate the STARS? Introducing the SUNY Targeted Allocation Retirement Series (STARS)



STARS is a *custom* target date portfolio that is more tailored to SUNY's demographics, leverages the core investment menu and uniquely includes TIAA Traditional as part of the portfolio.

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Charting your retirement future through the STARS

Polaris, known as the North Star, sits more or less directly above the Earth's north pole along our planet's rotational axis. Locating Polaris is easy on any clear night. Just find the Big Dipper. The two stars on the end of the Dipper's "cup" point the way to Polaris, which is the tip of the handle of the Little Dipper or the tail of the little bear in the constellation Ursa Minor.¹

Sound complicated? Difficult to see? *Sometimes...* depending on your perspective. The same may hold true for finding your North Star for your retirement portfolio. That's why the State University of New York (SUNY), the plan sponsor for the SUNY Optional Retirement Program (ORP), has developed a new default investment option for the plan at TIAA—the SUNY Targeted Allocation Retirement Series (STARS). Think of it as your North Star to help orient your retirement portfolio for your future.

SUNY, in partnership with CAPTRUST (an independent financial consultant), recently reviewed the retirement plan to identify opportunities to improve the services and investment offerings at TIAA. As a result of this review, in **July 2024** we'll be making the enhancements to the SUNY ORP introduced in this notice.

The plan enhancements do not require you to take any action at this time.

Navigate the STARS and make the most of your retirement benefits

These updates provide an opportunity for you to review your TIAA account and your retirement goals to see how the plan changes may benefit you. To help you prepare for the changes, in **mid-June** a detailed Transition STARS Guide with important details, including key dates, informational webinars and other available resources, will be mailed to the address on file of anyone with a balance in the plan.

Enhancements to the SUNY Optional Retirement Program

SUNY Targeted Allocation Retirement Series (STARS)

We all need a guiding light sometimes. Just like ancient navigators relied on constellations to chart their courses, the new STARS service automatically manages your investments, making it easier for you to stay on track with your retirement goals.

STARS is a *custom* target date portfolio that is more tailored to SUNY's demographics, leverages the core investment menu and uniquely includes the TIAA Traditional Annuity as part of the portfolio. Unlike many off-the-shelf target date funds that include a fixed income option to provide more stability of returns, the TIAA Traditional option built into STARS not only helps offset the risks of other investments, but it can also provide monthly income payments for life in retirement and growth and income opportunities beyond the guaranteed rates.² Overall, STARS improves diversification, guarantees growth and, when you're ready, allows you to choose the lifetime income you expect from a retirement plan—all at a lower cost than the current default option in the plan.³

With the change to the new plan default, if you currently have a balance in the TIAA Access Nuveen Lifecycle variable annuities in your Retirement Choice (RC) account, a STARS model portfolio will be selected for you if you don't choose another investment option.

New account and balance transfer if you currently invest in the TIAA Access Nuveen Lifecycle variable annuities in your RC account

Similar to how a constellation is formed by specific stars and lines, if you currently invest in the TIAA Access Nuveen Lifecycle variable annuities, you will be enrolled in a new type of plan account that will be aligned with the new STARS investment option. Your account access information will remain the same, and your account balances (excluding balances in the TIAA Traditional and TIAA Stable Value guaranteed annuities) will be transferred to your new account and the STARS model portfolio that corresponds to your anticipated retirement age.

In addition to STARS, a new investment option will be added to the core investment lineup

The TIAA Access Amana Participation Institutional T1 option (a halal investment) will be added to the core lineup as part of these enhancements. Did you know that the first observatory was in Baghdad? Or that it predated telescopes? The Islamic scholars invented the sextant to measure the movement of stars.⁴ To learn more about the halal options in the lineup, please visit TIAA.org/suny, navigate to *View plan details* and scroll down to *Show investments*.



Retirement plan investment advice⁵

Think of the TIAA financial consultants as your own personal astronomers. Just as **Galileo** and **Maria Mitchell** helped guide our knowledge of the stars, so too can a TIAA financial consultant guide you on your own STARS and the upcoming plan enhancements.^{6,7} You can continue to receive investment advice from a TIAA financial consultant at *no additional cost* to you.



We'll keep you informed throughout the upcoming transition.

However, if you have questions, visit TIAA.org/suny or call TIAA at **866-662-7945**, weekdays, 8 a.m. to 10 p.m. (ET).

¹ science.nasa.gov/solar-system/skywatching/what-is-the-north-star-and-how-do-you-find-it/

² Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

³ TIAA Traditional Annuity interest and income benefits include guaranteed amounts plus additional amounts as may be established on a year-by-year basis by the TIAA Board of Trustees. Such additional amounts, when declared, remain in effect for the "declaration year," which begins each March 1 for accumulating TIAA Traditional annuities and January 1 for payout annuities. Additional amounts are not guaranteed beyond the period for which they are declared.

⁴ Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

⁵ astronomy.com/science/how-islamic-scholarship-birthed-modern-astronomy/

⁶ Advice is obtained using an advice methodology from Morningstar Investment Management, LLC.

⁷ **Galileo** – Early astronomer who revolutionized astronomy and discovered the four biggest moons of Jupiter (now called the Galilean moons) and the rings of Saturn.

⁸ **Maria Mitchell** – First professional woman astronomer in the United States and established the orbit of a new comet in 1847, which became known as "Miss Mitchell's Comet."

Effective May 1, 2024, certain TIAA-CREF Funds and TIAA Access variable annuities were renamed to Nuveen. Nuveen is TIAA's global asset manager. In addition, the Retail, Advisor, and Institutional share classes were renamed to align with Nuveen's share classes. Learn more at TIAA.org.

Important note: If you have a foreign mailing address on file, there may be restrictions due to international securities laws on investing in the new options, and TIAA may be restricted from processing certain mutual fund transactions on your behalf.

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You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to TIAA.org/suny for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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