THE CITY UNIVERSITY OF NEW YORK

Adoption of a University Investment Policy Statement
for the Optional Retirement Program and Tax-Deferred Annuity Plan

RESOLVED, That the Board of Trustees of The City University of New York adopt the attached University Investment Policy Statement for the Optional Retirement Program and Tax-Deferred Annuity Plan, effective January 28, 2014.

EXPLANATION: The City University of New York sponsors and maintains two employee defined contribution retirement plans, the Optional Retirement Program (“ORP”) and the Tax Deferred Annuity Plan (“TDA”), hereinafter referred to as the “Plans.” Both are defined contribution plans, meaning that each participating employee has a retirement account into which contributions made by CUNY and by the employee are deposited. As defined under the IRC and the Employee Retirement Income Security Act (“ERISA”), the Plans are governmental plans and as such are exempt from ERISA.

As sponsor of the Plans, CUNY has a fiduciary obligation to plan participants. A principal responsibility for a fiduciary in a defined contribution retirement plan is the selection of suitable plan investments, and monitoring those investments to ensure that they remain suitable. This includes examining investment performance, fees, management and history, and providing a variety of investment choices to allow participants to create a diversified portfolio.

The purpose of the CUNY ORP and TDA Investment Policy Statement (the “IPS”) is to establish and document the investment goals and objectives for the Plans. While an investment policy statement is not required by either federal or state law, it will provide the University with crucial guidelines on the objectives it is trying to meet, and the process it follows in selecting and monitoring investments. It can also protect the University against a complaint that the funds offered under the Plans are unsuitable or inappropriate by documenting the decision-making process.

NY Education Law Article 125A, which established the CUNY ORP, requires that the University’s Board of Trustees give “due consideration” to the suitability of the contracts used to fund the Plans. Under the IPS, the Board will have final discretionary authority for selecting and terminating investment options, approving amendments to the IPS, and delegating responsibility for advising the Board on all matters relating to investment options to the Board Committee on Faculty, Staff and Administration.

The University’s adoption of the IPS in no way constitutes investment advice to participants in the Plans. Its objectives will apply solely to the selection of available investments. It will not provide recommendations or advise participants how to allocate the available investments among their own accounts.

The CUNY ORP and TDA Investment Policy Statement shall remain in force until modified in writing and approved by the Board of Trustees.