

Comparison of Retirement Plan Options for Staff

Feature	ARP Defined Contribution	OPERS Member-Directed Plan (Defined Contribution)	OPERS Traditional Pension Plan (Defined Benefit)	OPERS Combined Plan (Defined Benefit and Defined Contribution)						
Eligibility	<ul style="list-style-type: none"> Eligible staff with appointments of at least 75% FTE¹ 	<ul style="list-style-type: none"> Eligible staff of any FTE, as determined by OPERS 	<ul style="list-style-type: none"> All staff 	<ul style="list-style-type: none"> Eligible faculty of any FTE, as determined by OPERS 						
Enrollment	<ul style="list-style-type: none"> If you are eligible for the ARP, you have 120 days from the date of your eligible appointment to make an election between ARP and OPERS. You must complete the university Retirement Program Election form contained in your Retirement Program Choices packet or available online at hr.osu.edu/benefits/retirehome.htm to indicate your ARP or OPERS election. Your election is irrevocable. Return the university Retirement Program Election form to the Office of Human Resources, Retirement Services within 120 days of the effective date of your eligible appointment. If you do not make an election, you will default to OPERS 									
Electing Plan Options	<ul style="list-style-type: none"> You have 120 days from the date of your eligible appointment to make an ARP election and open an account with your chosen vendor. Contact a representative from an approved vendor to establish an account and select investment options for both your and the university's contributions. A list of approved vendors is on page 27 and available online at hr.osu.edu/benefits/retirehome.htm. To receive additional information about any vendor, contact them directly or visit their web site. 	<ul style="list-style-type: none"> You have up to 180 days from the effective date of your eligible appointment to make a plan election from among the three OPERS plan options. <ul style="list-style-type: none"> OPERS will mail an Ohio PERS Retirement Plans packet to your home address, which will contain additional information on each of the three plan options available through OPERS. Review this information carefully. Make your OPERS plan selection from among the three available options using the OPERS Retirement Plan Selection form included in the Ohio PERS Retirement Plans packet. Return the form directly to OPERS. If you choose one of the OPERS plans that allows you to select investment allocations, contact an OPERS representative to assist with your investment decisions. If you do not make a plan selection within 180 days of the effective date of your eligible appointment, you will default to the OPERS Traditional Pension Plan. 								
Plan Type	Defined Contribution <ul style="list-style-type: none"> Account balance consists of contributions made by you and Ohio State, as well as any investment return you may have on these contributions. The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. 	Defined Contribution <ul style="list-style-type: none"> Account balance consists of contributions made by you and Ohio State, as well as any investment return you may have on these contributions. The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. 	Defined Benefit <ul style="list-style-type: none"> The benefit amount is based on a formula using your age, years of service credit, and final average salary (three highest years). 	Combination of Defined Benefit (DB) and Defined Contribution (DC) <ul style="list-style-type: none"> DC portion: Account balance consists of your contributions and your investment returns. The DC benefit is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. DB portion: The DB benefit amount is based on a formula using your age, years of service credit, and final average salary (three highest years). 						
Employee Contributions	<ul style="list-style-type: none"> Your pre-tax contribution amount for any of these plans is 10%² of your eligible gross compensation.³ 									
University Contributions	<ul style="list-style-type: none"> Ohio State contributes an amount equal to 14%² of your eligible gross compensation² per pay to your selected retirement account. 13.23%² goes to your selected ARP account vendor. 0.77% goes to the OPERS pension plan account to help fund past service liabilities, as required by law. 	<ul style="list-style-type: none"> 8.73%² goes to your individual OPERS account. 4.5%² goes to your OPERS Retiree Medical Account (RMA). 0.77% goes to the OPERS pension plan account to help fund past service liabilities, as required by law. 	<ul style="list-style-type: none"> 14.0%² goes to the OPERS pension plan account to help fund your future OPERS retirement benefits. 	<ul style="list-style-type: none"> 13.23%² goes to the OPERS pension plan account to help fund your future OPERS DB retirement benefits. 0.77% goes to the OPERS pension plan account to help fund past service liabilities, as required by law. 						
Vesting	<ul style="list-style-type: none"> Your contributions are immediately vested. University contributions are vested after one year of Ohio State service. 	<ul style="list-style-type: none"> Your contributions are immediately vested. University contributions are fully vested after five years of contributing service in the plan. You are eligible to receive a percentage of university contributions based on years of service credit: <table border="0"> <tr> <td>1 Year – 20%</td> <td>4 Years – 80%</td> </tr> <tr> <td>2 Years – 40%</td> <td>5 Years – 100%</td> </tr> <tr> <td>3 Years – 60%</td> <td></td> </tr> </table> 	1 Year – 20%	4 Years – 80%	2 Years – 40%	5 Years – 100%	3 Years – 60%		<ul style="list-style-type: none"> Your contributions are immediately vested. After 1.5 years of service credit, you are vested for survivor benefits. After five years of service credit, you are vested for: <ul style="list-style-type: none"> an age and service retirement benefit. disability benefits.³ 	<ul style="list-style-type: none"> Your contributions are immediately vested. After 1.5 years of service credit, you are vested for survivor benefits. After five years of service credit, you are vested for: <ul style="list-style-type: none"> an age and service retirement benefit. disability benefits.³
1 Year – 20%	4 Years – 80%									
2 Years – 40%	5 Years – 100%									
3 Years – 60%										
How Your Benefit Grows	<ul style="list-style-type: none"> Your account grows with contributions made by you and the university, as well as with any investment returns you may have on those contributions. 	<ul style="list-style-type: none"> Your account grows with contributions made by you and the university, as well as with any investment returns you may have on those contributions. 	<ul style="list-style-type: none"> Your benefit amount grows by adding years of service credit (earned or purchased) and with increases to your salary. 	<ul style="list-style-type: none"> The DC account grows with your contributions, as well as with any investment returns you may have on those contributions. The benefit amount from the DB portion grows by adding years of service credit (earned or purchased) and with increases to your salary. 						
Investment Management and Options	<ul style="list-style-type: none"> You choose an approved ARP vendor through which you invest and allocate contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. 	<ul style="list-style-type: none"> Contributions are invested with OPERS where you allocate the contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. 	<ul style="list-style-type: none"> OPERS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees. 	<ul style="list-style-type: none"> DC portion: Contributions are invested with OPERS. You allocate the contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. DB portion: OPERS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees. 						
Taxes	<ul style="list-style-type: none"> There are important tax issues associated with how and when you may receive your benefit—consult with your tax advisor for more information. 									
Tax-Deferred Benefits	<ul style="list-style-type: none"> Your contributions are made on a pre-tax basis; federal and state taxes are deferred until benefits are paid. Benefits are exempt from local or municipal taxes within Ohio, except school district income tax. Any investment return your account earns is also tax-deferred. 									

Feature	ARP Defined Contribution	OPERS Member-Directed Plan (Defined Contribution)	OPERS Traditional Pension Plan (Defined Benefit)	OPERS Combined Plan (Defined Benefit and Defined Contribution)
Access to Funds at Termination/Retirement	<ul style="list-style-type: none"> Choose from a number of options¹: <ul style="list-style-type: none"> Leave your account balance with your ARP vendor. Roll the vested portion of your account into another qualified account or IRA. Receive the vested portion of your account in the following ways: <ul style="list-style-type: none"> Partial or full cash withdrawal Fixed-period payments over a set number of years Systematic withdrawal Single or joint life monthly annuity with continuing survivor protection. 	<ul style="list-style-type: none"> Choose from a number of options¹: <ul style="list-style-type: none"> Leave your account on deposit for future benefits. Roll the vested portion of your account into another qualified plan or IRA. Receive a lump sum refund of your contributions; you may also be eligible for a portion of the employer contributions plus interest.³ Receive fixed-period payments over a set number of years. Receive systematic withdrawal. Receive single or joint life monthly annuity from the vested portion of your account with continuing survivor protection. 	<ul style="list-style-type: none"> Choose from a number of options¹: <ul style="list-style-type: none"> Leave your account on deposit for future benefits. Roll your vested account funds into another qualified plan or IRA. Receive a lump sum refund of your contributions; you may also be eligible for a portion of the employer contributions plus interest.³ Receive a retirement pension benefit based on the plan formula. 	<ul style="list-style-type: none"> For the DC portion, choose from a number of options¹: <ul style="list-style-type: none"> Leave your account on deposit for future benefits. Roll the vested portion of your account balance into another qualified plan or IRA. Receive a lump sum refund of your contributions; you may also be eligible for a portion of the employer contributions plus interest.³ Receive fixed-period payments from the vested portion of your account balance over a set number of years. Receive systematic withdrawals. Receive single or joint life monthly annuity with continuing survivor protection. For the DB portion, choose from a number of options¹: <ul style="list-style-type: none"> Leave your account on deposit for future benefits. Roll your vested account funds into another qualified plan or IRA. Receive a lump sum refund of your contributions; you may also be eligible for a portion of the employer contributions plus interest.³ Receive a retirement pension benefit based on the plan formula.
Annual Cost-of-Living Adjustments	<ul style="list-style-type: none"> No automatic cost-of-living adjustment is provided. ARP vendors may offer an annuity benefit with payment options that allow retirees to keep pace with inflation. 	<ul style="list-style-type: none"> No automatic cost-of-living adjustment is provided. Members who annuitize their benefit through OPERS may receive a cost-of-living adjustment. 	<ul style="list-style-type: none"> An automatic 3%¹ cost-of-living adjustment is provided. 	<ul style="list-style-type: none"> DC portion: No automatic cost-of-living adjustment is provided; members who annuitize their benefit through OPERS may receive a cost-of-living adjustment. DB portion: An automatic 3%¹ cost-of-living adjustment is provided.
Retirement Age (to Begin Receiving Plan Benefits)	<ul style="list-style-type: none"> You may begin receiving retirement plan benefits at any age.⁴ 	<ul style="list-style-type: none"> You may begin receiving retirement plan benefits after age 55. 	<ul style="list-style-type: none"> You can retire:⁵ <ul style="list-style-type: none"> At age 60 with five years of total service credit. At age 55 with 25 years of total service credit. At any age with 30 years of total service credit. <p>Note: Under the DB portion, if you have less than 30 years or are under age 65 at retirement, your benefit will be reduced.</p>	<ul style="list-style-type: none"> You can retire:⁵ <ul style="list-style-type: none"> At age 60 with five years of total service credit. At age 55 with 25 years of total service credit. At any age with 30 years of total service credit. <p>Note: Under the DB portion, if you have less than 30 years or are under age 65 at retirement, your benefit will be reduced.</p>
Retiree Medical Benefits	<ul style="list-style-type: none"> Medical benefits are not provided. 	<ul style="list-style-type: none"> You are not eligible for health care benefits through OPERS. You will have access to a retiree Medical Account (RMA) to pay for qualified health care expenses.^{5,6} 	<ul style="list-style-type: none"> You may be eligible for health care benefits through OPERS.^{5,6} 	<ul style="list-style-type: none"> You may be eligible for health care benefits through OPERS.^{5,6}
Disability Benefits	<ul style="list-style-type: none"> Separate disability benefits are not available. You are eligible to receive your vested account balance after separation of service in the event of a disability. While you are an active employee, Ohio State provides long-term disability benefits and offers a select-term disability option that you may purchase.³ 	<ul style="list-style-type: none"> Separate disability benefits are not available. You are eligible to receive your vested account balance after separation of service in the event of a disability. 	<ul style="list-style-type: none"> You may be eligible to apply for disability benefits.³ 	<ul style="list-style-type: none"> You may be eligible to apply for disability benefits.³
Survivor Benefits	<ul style="list-style-type: none"> In the event of your death, your beneficiary receives your vested account balance with the same benefit payment options available to you as a plan member. 	<ul style="list-style-type: none"> In the event of your death, your beneficiary is entitled to a lump sum distribution of your vested account balance. Your beneficiary (if a surviving spouse or dependent) has access to your vested balance in the Retiree Medical Account (RMA).^{5,6} 	<ul style="list-style-type: none"> In the event of your death:⁵ <ul style="list-style-type: none"> If you have less than 18 months of service credit, your beneficiary may receive a lump sum distribution of your account contributions. If you have at least 18 months of service credit, your beneficiary may receive a benefit based on program guidelines.⁴ Survivors may also be eligible to participate in the OPERS health care program.⁴ A lump sum death benefit may be available if you are receiving a retirement or disability benefit. 	<ul style="list-style-type: none"> In the event of your death:⁵ <ul style="list-style-type: none"> If you have less than 18 months of service credit, your beneficiary may receive a lump sum distribution of your account contributions. If you have at least 18 months of service credit, your beneficiary may receive a benefit based on program guidelines.⁴ Survivors may also be eligible to participate in the OPERS health care program.⁴ A lump sum death benefit may be available if you are receiving a retirement or disability benefit.
Impact on Social Security Benefits	<ul style="list-style-type: none"> If eligible, there may be a reduction in your Social Security benefit. 			

¹ Available to classified civil service staff hired on or after August 1, 2005, and unclassified staff.

² Subject to increase or decrease based on state and retirement system mandates.

³ Subject to federal limits (2009 compensation limit is \$245,000; 2009 contribution limit is \$49,000 for ARP, OPERS Traditional, OPERS DC, and the OPERS Combined Plans).

⁴ Withdrawals made before age 59½ may be subject to an additional federal tax penalty.

⁵ Based on eligibility requirements.

⁶ This benefit is not statutorily mandated and is not guaranteed.

Note: This is intended to be a summary of plan provisions. For additional information, contact the Office of Human Resources, OPERS, and/or your selected ARP vendor.