## Comparison of Retirement Plan Options for Staff

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<th>Feature</th>
<th>ARP Defined Contribution</th>
<th>OPERS Member Directed Plan (Defined Contribution)</th>
<th>OPERS Traditional Pension Plan (Defined Benefit)</th>
<th>OPERS Combined Plan (Defined Benefit and Defined Contribution)</th>
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<td><strong>Eligibility</strong></td>
<td>Eligible staff with appointments of at least 75% FTE</td>
<td>All staff</td>
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<td><strong>Plan Type</strong></td>
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| Defined Contribution         | • Account balance consists of contributions made by you and Ohio State, as well as any investment gains or losses 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  
• Account balance consists of contributions made by you and Ohio State, as well as any investment gains or losses 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  
• The benefit amount is based on a formula using your age, years of service credit, and final average salary. | Combination of Defined Benefit (DB) and Defined Contribution (DC)  
• DC portion: Account balance consists of your contributions and your investment gains or losses. 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. |
| **Employee Contributions**   | • Your pre-tax contribution amount for any of these plans is 10%¹ of your eligible compensation² per pay. |                                                  |                                                  |                                                              |
| **University Contributions** | • Ohio State contributes an amount equal to 14%¹ of your eligible compensation² per pay to your selected retirement plan, allocated as follows: |                                                  |                                                  |                                                              |
|                             | 11.56 percentile³ goes to your selected ARP account provider.  
2.44 percentile² goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law. | 8 percent⁴ goes to your individual OPERS account.  
4 percent⁴ goes to your OPERS Retiree Medical Account (RMA).  
1.5 percent⁴ goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law.  
.5 percent⁴ Administrative Expense | 14.0 percent⁴ goes to the OPERS Traditional Pension Plan to help fund your future OPERS retirement benefits. | 12.5 percent⁴ goes to the OPERS Traditional Pension Plan to help fund your future OPERS DB retirement benefits.  
1.5 percent⁴ goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law. |
| **Vesting**                 | • Your contributions are immediately vested.  
• University contributions generally are vested after 12 months of Ohio State service. | • Your contributions are immediately vested.  
• University contributions are fully vested after five years of contributing service in the plan.  
You are vested in a percentage of university contributions based on years of service credit:  
1 Year: 20%;  
2 Years: 40%;  
3 Years: 60%;  
4 Years: 80%;  
5 Years: 100%  
• Retiree medical account has varied vesting based on hire date into OPERS | • Vest for an additional 33% at 5 years and 67% at 10 years based on eligible contributions.⁵  
• Survivor benefits are vested at 18 months of service  
• Disability benefits are vested at 5 years of service | • Your contributions are immediately vested.  
• Vest for an additional 33% at 5 years and 67% at 10 years based on eligible contributions.⁵  
• Survivor benefits are vested at 18 months of service  
• Disability benefits are vested at 5 years of service |
| **How Your Benefit Grows**   | Your account consists of contributions made by you and the university, as well as with any investment gains or losses you may have on those contributions. | Your account consists of contributions made by you and the university, as well as any investment gains or losses you may have on those contributions. | Your benefit amount grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation. | The DC account consists of your contributions, as well as with any investment gains or losses 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 eligible compensation. |
| **Investment Management and Options** | • You choose an approved ARP provider through which you invest and allocate contributions among a variety of investment options.  
• You assume all investment risk and pay any associated management fees. | 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. | OPERS manages all assets to fund your benefits.  
You assume no investment risk and pay no associated management fees. | 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. |
### Feature

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<td><strong>Access to Funds at Termination/Retirement</strong></td>
<td><strong>Additional Benefits</strong></td>
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| • There are important tax issues associated with how and when you may receive your benefit—consult with your tax advisor for more information. | • Your contributions are made on a pre-tax basis; federal and state taxes are deferred until benefits are paid. | • Choose from a number of options*:  
  - Leave your account balance with your ARP provider.  
  - Roll the vested portion of your account into another qualified account or IRA.  
  - Receive the vested portion of your account in the following ways:  
    - 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 | No additional benefits other than vested account balance if disabled. |
| **Taxes**               | **Tax-Deferred Benefits**                     | **Access to Funds at Termination/Retirement**  | **Impact on Social Security Benefits**           |
| • 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. | • Choose from a number of options4:  
  - 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 an additional amount, which is 33% at 5 years and 67% at 10 years of eligible contributions.5  
  - Receive a single, joint or multiple life monthly pension payment based on the plan formula. | If eligible, there may be a reduction in your Social Security benefit. |
| **Taxes**               | **Tax-Deferred Benefits**                     | **Access to Funds at Termination/Retirement**  | **Other Considerations**                         |
| • Benefits are exempt from local or municipal taxes within Ohio, except school district income tax. | • Any investment return you account earns is also tax-deferred. | • For the DC portion, choose from a number of options*:  
  - 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 all or a portion of the value of the employer contributions and Retiree Medical Account based on their respective vesting schedules  
  - Receive single or joint life monthly annuity with continuing survivor protection. | The above comparison is not a comprehensive list. You should carefully consider your retirement options and personal needs when selecting a retirement plan. |
| **Taxes**               | **Tax-Deferred Benefits**                     | **Access to Funds at Termination/Retirement**  | **Other Considerations**                         |
| • Any investment return you account earns is also tax-deferred. | • There are important tax issues associated with how and when you may receive your benefit—consult with your tax advisor for more information. | • For the DB portion, choose from a number of options*:  
  - 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; vest for an additional 33% at 5 years and 67% at 10 years based on eligible contributions.5  
  - Receive a single, joint or multiple life monthly payment plan based on the plan formula. | 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 provider. |

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1. Subject to increase or decrease based on applicable law retirement system mandates.
2. Subject to federal limits. Refer to Retirement Contribution and Distribution Rates link at hr.osu.edu/benefits/retirement.
4. Withdrawals made before age 59½ may be subject to an additional federal tax penalty.
5. “Eligible contributions” are employee contributions made to the plan, any amounts the employee paid to purchase certain types of service, and interest.