

# 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	Eligible staff with appointments of at least 75% FTE	All staff	All staff	All staff
Plan Type	<b>Defined Contribution</b> <ul style="list-style-type: none"> <li>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.</li> <li>The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits.</li> </ul>	<b>Defined Contribution</b> <ul style="list-style-type: none"> <li>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.</li> <li>The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits.</li> </ul>	<b>Defined Benefit</b> <ul style="list-style-type: none"> <li>The benefit amount is based on a formula using your age, years of service credit, and final average salary.</li> </ul>	<b>Combination of Defined Benefit (DB) and Defined Contribution (DC)</b> <ul style="list-style-type: none"> <li>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.</li> <li>DB portion: The DB benefit amount is based on a formula using your age, years of service credit, and final average salary.</li> </ul>
Employee Contributions	<ul style="list-style-type: none"> <li>Your pre-tax contribution amount for any of these plans is 10%<sup>1</sup> of your eligible compensation<sup>2</sup> per pay.</li> </ul>			
University Contributions	<ul style="list-style-type: none"> <li>Ohio State contributes an amount equal to 14%<sup>1</sup> of your eligible compensation<sup>2</sup> per pay to your selected retirement plan, allocated as follows:</li> </ul>			
	<ul style="list-style-type: none"> <li>11.56%<sup>1</sup> goes to your selected ARP account provider.</li> <li>2.44%<sup>1</sup> goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law.</li> </ul>	<ul style="list-style-type: none"> <li>7.5%<sup>1</sup> goes to your individual OPERS account.</li> <li>4%<sup>1</sup> goes to your OPERS Retiree Medical Account (RMA).</li> <li>2%<sup>1</sup> goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law.</li> <li>.5% Administrative Expense</li> </ul>	<ul style="list-style-type: none"> <li>14.0%<sup>1</sup> goes to the OPERS Traditional Pension Plan to help fund your future OPERS retirement benefits.</li> </ul>	<ul style="list-style-type: none"> <li>12%<sup>1</sup> goes to the OPERS Traditional Pension Plan to help fund your future OPERS DB retirement benefits.</li> <li>2%<sup>1</sup> goes to the OPERS Traditional Pension Plan to help fund past service liabilities, as required by law.</li> </ul>
Vesting	<ul style="list-style-type: none"> <li>Contributions by you and the university are immediately vested.</li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>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%</li> <li>Retiree medical account has varied vesting based on hire date into OPERS.</li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>Vest for an additional 33% at 5 years and 67% at 10 years based on eligible contributions.<sup>5</sup></li> <li>Survivor benefits are vested at 18 months of service</li> <li>Disability benefits are vested at 5 years of service</li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>Vest for an additional 33% at 5 years and 67% at 10 years based on eligible contributions.<sup>5</sup></li> <li>Survivor benefits are vested at 18 months of service</li> <li>Disability benefits are vested at 5 years of service</li> </ul>
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.	<ul style="list-style-type: none"> <li>The DC account consists of your contributions, as well as with any investment gains or losses you may have on those contributions.</li> <li>The benefit amount from the DB portion grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation.</li> </ul>
Investment Management and Options	<ul style="list-style-type: none"> <li>You choose an approved ARP provider through which you invest and allocate contributions among a variety of investment options.</li> <li>You assume all investment risk and pay any associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>Contributions are invested with OPERS. You allocate the contributions among a variety of investment options.</li> <li>You assume all investment risk and pay any associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>OPERS manages all assets to fund your benefits.</li> <li>You assume no investment risk and pay no associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>DB portion: OPERS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees.</li> </ul>

Feature	ARP Defined Contribution	OPERS Member Directed Plan (Defined Contribution)	OPERS Traditional Pension Plan (Defined Benefit)	OPERS Combined Plan (Defined Benefit and Defined Contribution)
Taxes	<ul style="list-style-type: none"> <li>There are important tax issues associated with how and when you may receive your benefit—consult with your tax advisor for more information.</li> </ul>			
Tax-Deferred Benefits	<ul style="list-style-type: none"> <li>Your contributions are made on a pre-tax basis; federal and state taxes are deferred until benefits are paid.</li> <li>Benefits are exempt from local or municipal taxes within Ohio, except school district income tax.</li> <li>Any investment return your account earns is also tax-deferred.</li> </ul>			
Access to Funds at Termination/Retirement	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup>: <ul style="list-style-type: none"> <li>Leave your account balance with your ARP provider.</li> <li>Roll the vested portion of your account into another qualified account or IRA.</li> <li>Receive the vested portion of your account in the following ways: <ul style="list-style-type: none"> <li>partial or full cash withdrawal</li> <li>fixed-period payments over a set number of years</li> <li>systematic withdrawal</li> <li>single or joint life monthly annuity with continuing survivor protection</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup>: <ul style="list-style-type: none"> <li>Leave your account on deposit for future benefits.</li> <li>Roll the vested portion of your account into another qualified plan or IRA.</li> <li>Receive a lump sum refund of your contributions; you also may be eligible for all or a portion of the value of the employer contributions and Retiree Medical Account based on their respective vesting schedules</li> <li>Receive single, joint or multiple life (survivor protection) monthly annuity on entire vested account balance or a partial annuity with remaining account balance rolled over or distributed as a lump sum.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup>: <ul style="list-style-type: none"> <li>Leave your account on deposit for future benefits.</li> <li>Roll your vested account funds into another qualified plan or IRA.</li> <li>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.<sup>5</sup></li> <li>Receive a single, joint or multiple life monthly pension payment based on the plan formula.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For the DC portion, choose from a number of options<sup>4</sup>: <ul style="list-style-type: none"> <li>Leave your account on deposit for future benefits.</li> <li>Roll the vested portion of your account balance into another qualified plan or IRA.</li> <li>Receive a lump sum refund of your contributions; you also may be eligible for all or portion of the value of the employer contributions, based on their respective vesting schedules.</li> <li>Receive single, joint or multiple life (survivor protection) monthly annuity on entire DC account balance or on a portion of the balance rolled over or distributed as a lump sum.</li> </ul> </li> <li>For the DB portion, choose from a number of options<sup>4</sup>: <ul style="list-style-type: none"> <li>Leave your account on deposit for future benefits.</li> <li>Roll your vested account funds into another qualified plan or IRA.</li> <li>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.<sup>5</sup></li> <li>Receive a single, joint or multiple life monthly payment plan based on the plan formula.</li> </ul> </li> </ul>
Additional Benefits	No additional benefits other than vested account balance if disabled.	No additional benefits. You will have access to Retiree Medical Account to be reimbursed for eligible health care expenses and access to vested account balance if disabled.	You may be eligible for health care, disability, and survivor benefits. Specific eligibility criteria must be met.	You may be eligible for health care, disability, and survivor benefits. Specific eligibility criteria must be met.
Impact on Social Security Benefits	If eligible, there may be a reduction in your Social Security benefit.			
Other Considerations	The above comparison is not a comprehensive list. You should carefully consider your retirement options and personal needs when selecting a retirement plan.			

<sup>1</sup> Subject to increase or decrease based on applicable law retirement system mandates.

<sup>2</sup> Subject to federal limits. Refer to Retirement Contribution and Distribution Rates link at [hr.osu.edu/benefits/retirement](http://hr.osu.edu/benefits/retirement).

<sup>3</sup> Based on eligibility requirements. Visit [opers.org/members/traditional/benefits/disability.shtml](http://opers.org/members/traditional/benefits/disability.shtml).

<sup>4</sup> Withdrawals made before age 59½ may be subject to an additional federal tax penalty

<sup>5</sup> "Eligible contributions" are employee contributions made to the plan, any amounts the employee paid to purchase certain types of service, and interest.

**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.