Welcome!

Wright State University

New Employee Orientation

Retirement Plans
WSU and Ohio public institutions **DO NOT** contribute to the federal Social Security system for retirement, disability and survivor benefits.

**WSU employees contribute to Medicare**
- **1.45%** of eligible pay
- Amount matched by WSU
Windfall Elimination Provision (WEP)

The WEP effectively **REduces** your Social Security benefits:

- This provision affects anyone who has earned a pension from working in a job (WSU) where Social Security taxes were not withheld from your pay.
- And you also worked in other jobs long enough to qualify for Social Security retirement or disability benefits.
- Your social security benefit retirement or disability amount may be reduced.

**Additional information:**
http://www.socialsecurity.gov/gpo-wep/
All WSU staff and faculty are **REQUIRED** by Ohio law to participate in one of WSU’s retirement programs.
Retirement Program Choices

Full-time (75%-100% Annual FTE) employees must choose between OPERS/STRS and ARP **WITHIN 120 DAYS** of your hire date.

Your retirement contributions will be sent to OPERS/STRS until an election is made.

OR

WSU’s Alternative Retirement Plan (ARP)
Retirement Program Choices

Employees less than 75% Annual FTE will participate in:

Staff

Faculty
Staff
ELECTING OPERS
State Retirement System Plan Choices

• Full-time (75%-100% Annual FTE) employees must choose between OPERS and ARP within 120 days of your hire date

• If electing OPERS, you have any additional 60 days (180 days) to choose among the three (3) OPERS Plans

Traditional
Member Directed
Combined
Faculty
Electing STRS
State Teacher’s Retirement System Plan Choices

• Full-time (75%-100% Annual FTE) employees must choose between STRS and ARP within **120 days** of your hire date

• If electing STRS, you have any additional **60 days (180 days)** to choose among the three (3) STRS Plans
**OPERS Retirement Choices**

**Benefits and Investment Options**

**Traditional**

(Defined Benefit Plan)

- Your contribution: 10%
- WSU’s contribution: 14%

The employee makes no choices in how the employee and employer contributions are invested.

**Member Directed**

(Defined Contribution Plan)

- Your contribution: 10%
- WSU contribution: 14%
- 8.73% Investment Account
- 4.5% Retiree Medical Acct
- .77% *Mitigating Rate
- .77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law

To invest both employee and employer contributions, the EMPLOYEE chooses among several investment options which are managed by OPERS.

**Combined**

(Defined Benefit & Defined Contribution Plan)

- Your contribution: 10%
- WSU contribution: 14%
- 13.23% Investment Account
- .77% *Mitigating Rate
- .77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law

To invest employee contributions, the EMPLOYEE chooses among several investment options which are managed by OPERS.

Employee makes no choices in how employer contributions are invested.

*According to state law, Ohio Revised Code Section 3305.6(d) allows the public retirement systems to withhold a portion (up to 6%) of the employer's contribution to offset any negative financial impact the Defined Benefit Plans may experience by the offering of alternative retirement plan options.
OPERS Retirement Choices
Retirement Benefits

Traditional (Defined Benefit Plan)
Retirement, disability and survivor benefits are determined by formulas using employee’s age, service credit, and final average salary.

Member Directed (Defined Contribution Plan)
Retirement benefits are determined by based on account balance as well as investment gains and losses.

Combined (Defined Benefit & Defined Contribution Plan)
DB: Retirement benefits is determined by formulas using employee’s age, service credit, and final average salary.
DC: Retirement benefits is determined by your account balance as well as any investment gains and losses.
**Traditional**

- Your employee contributions are immediately vested.
- With five (5) years of service credit, you are vested to receive an additional refund amount equal to 33% of your employee contributions and interest.
- With ten (10) years of service credit, you are vested to receive an additional refund amount equal to 67% of your employee contributions and interest.

**Member Directed**

- Your employee contributions are immediately vested.
- Employer contributions made are vested as follows:
  - 1 year of participation = 20%
  - 2 years of participation = 40%
  - 3 years of participation = 60%
  - 4 years of participation = 80%
  - 5 years of participation = 100%

**Combined**

- Your employee contributions are immediately vested.
- With (5) years of service credit, you are vested to receive an additional refund amount equal to 33% of your employee contributions and interest.
- With at least ten (10) years of service credit, you are vested to receive an additional refund amount equal to 67% of your employee contributions and interest.
Staff

OPERS Retirement Benefits
Disability and Survivor Benefits

Traditional
Access to Health Care
Disability benefits are provided
Survivor benefits are provided

Member Directed
Retiree Medical Account
There are no disability benefits payable other than the value of the account
There are no survivor benefits payable other than the value of the account

Combined
Access to Health Care
Disability benefits are provided
Survivor benefits are provided
Faculty

STRS Retirement Choices
Investment Options

**Defined Benefit**
Your contribution 12%
WSU’s contribution 14%
14% goes towards pension plan to help fund your future STRS retirement benefits

The employee makes no choices in how the employee and employer contributions are invested

**Defined Contribution**
Your contribution 12%
WSU contribution: 14%
9.5% Investment Account
4.5% *Mitigating Rate
4.5% goes to STRS Defined Benefit to help fund past service liabilities

To invest both employee and employer contributions, the EMPLOYEE chooses among several investment options which are managed by STRS

**Combined (Defined Benefit & Defined Contribution Plan)**
Your contribution 12%
WSU contribution: 14%
14% goes to STRS Defined Benefit pension plan to fund your future STRS DB retirement benefits

DB: Employee makes no choices in how employer contributions are invested
DC: To invest employee contributions, the EMPLOYEE chooses among several investment options which are managed by STRS.

*According to state law, Ohio Revised Code Section 3305.6(d) allows the public retirement systems to withhold a portion (up to 6%) of the employer's contribution to offset any negative financial impact the Defined Benefit Plans may experience by the offering of alternative retirement plan options.*
Faculty

STRS Retirement Choices
Retirement Benefits

**Defined Benefit**
Benefit amount is based on a formula using the employee’s age, service credit, and final average salary.

**Defined Contribution**
Benefit amount is determined by the contributions made by the employee and WSU as well as any gains or losses.

**Combined**
(Defined Benefit & Defined Contribution Plan)
- **DB**: Benefit amount is based on a formula using the employee’s age, service credit, and final average salary.
- **DC**: Account balance consists of your contributions and your investment gains and losses. The DC benefits is determined by your account balance.
# Faculty STRS Retirement Choices

## Vesting Schedule

<table>
<thead>
<tr>
<th>Defined Benefit</th>
<th>Defined Contribution</th>
<th>Combined (Defined Benefit &amp; Defined Contribution Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your employee contributions are immediately vested.</td>
<td>Employer contributions are 100% vested after one (1) year. You are not eligible for a refund of the employer contribution paid to STRS for its unfunded liability</td>
<td>With at least five (5) years of service credit, you are vested to receive an additional refund amount equal to the present value of the future defined benefit which you have accrued.</td>
</tr>
<tr>
<td>With at least five (5) years of service credit, you are vested to receive an additional refund amount equal to 50% of your employee contributions and interest.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# STRS Retirement Benefits

## Medical, Disability and Survivor Benefits

### Defined Benefit

- May be eligible for healthcare
- After 1.5 years of service credit, you are vested for survivor benefits
- After 10 years of service credit you may be eligible for disability benefits

### Defined Contribution

- No healthcare benefits other than the value of the account
- There are no survivor or disability benefits payable other than the value of the account

### Combined (Defined Benefit & Defined Contribution Plan)

- May be eligible for healthcare
- After 1.5 years of service credit, you are vested for survivor benefits
- After 10 years of service credit you may be eligible for disability benefits
Staff and Faculty

Electing Alternative Retirement Plan (ARP)

ARP Retirement System Plan Choices

- **STAFF**: Full-time (75%-100% Annual FTE) employees must choose between OPERS and ARP within **120 days** of your hire date

- **FACULTY**: Full-time (75%-100% Annual FTE) employees must choose between STRS and ARP within **120 days** of your hire date

- **If electing ARP, you must do so with one of eight approved ARP annuity vendors**

- **Employees who choose to participate in the ARP, must establish an account, in advance, with the chosen ARP vendor**

WSU’s *Alternative Retirement Plan (ARP)*

- AXA
- Fidelity Investments
- Great American Insurance Company
- Voya Insurance and Annuity Company (Formerly ING)
- Lincoln National Life Insurance Company
- Nationwide Life Insurance Company
- TIAA-CREF
- VALIC
Staff and Faculty

ARP Retirement Benefits
Benefits, Investment Options, Disability and Survivor Benefits

Alternative Retirement Plan
(Defined Contribution Plan)

**STAFF:**
Your contribution: 10%
WSU contribution: 14%
  - 13.23% ARP Investment Account
  - .77% Mitigating Rate
  - .77% goes to the OPERS Traditional Pension Plan to help fund past liabilities, as required by law

**FACULTY:**
Your contribution: 12%
WSU contribution: 14%
  - 9.5% ARP Investment Account
  - 4.5% Mitigating Rate
  - 4.5% goes to the STRS Defined Benefit Plan to help fund past liabilities, as required by law

Alternative Retirement Plan
(Defined Contribution Plan)

To invest both employee and employer contributions, the **EMPLOYEE chooses** among the investment options managed by the selected ARP vendor

Retirement benefits are determined by the amount of money, including investment earnings, which the employee’s account accumulates

Both employee and employer contributions are immediately vested

There is no health insurance coverage, no survivor benefits, and no disability benefits payable other than the value of the account
As a result of pension reform, faculty contributions to STRS or the ARP will be increasing. Members will contribute:

- 12% current contributions
- 13% beginning July 1, 2015
- 14% beginning July 1, 2016
Staff and Faculty

Next Steps

**STAFF**

Start exploring the differences between OPERS and the Alternative Retirement Plan (ARP)

READ THE INFORMATION INCLUDED IN YOUR PACKET

**FACULTY**

Start exploring the differences between STRS and the Alternative Retirement Plan (ARP)

READ THE INFORMATION INCLUDED IN YOUR PACKET
**OPERS**

- Register with OPERS, [www.opers.org](http://www.opers.org)
- Register for the web seminar “How to Select Your OPERS Retirement Plan” at [https://www.opers.org/members/Plan-select/web-how-to-select.shtml](https://www.opers.org/members/Plan-select/web-how-to-select.shtml)
- Use the *Plan Benefit Estimator*, a web-based benefit estimator that you can use at any time to run estimate scenarios yourself
- Call OPERS at 1-800-222-PERS (7377) to speak to a Counselor

**ARP**

- Contact each ARP provider of interest and evaluate the overall philosophy and investment products available through each provider
- ARP providers offer a variety of investment fund options with which you can build a financial portfolio
- Consider the following:
  - *Stability and experience*
  - *Retirement fund objectives*
  - *Range of investment*
  - *Expenses and fees*
  - *Retirement income options*
Additional Steps

**STRS**
- Register with STRS, www.strsoh.org
- Review “Choosing a Plan” on website
- Use the **Calculator**, a web-based benefit estimator that you can use at any time to run estimate scenarios yourself
- Call STRS at 1-888-227-7877 to speak to a Member Service Representative

**ARP**
- Contact each ARP provider of interest and evaluate the overall philosophy and investment products available through each provider
- ARP providers offer a variety of investment fund options with which you can build a financial portfolio
- Consider the following:
  - Stability and experience
  - Retirement fund objectives
  - Range of investment
  - Expenses and fees
  - Retirement income options
**Staff and Faculty**

**How To Make An Election?**

- Eligible employees have **120-days** from the date of hire to make a final selection between **STAFF: OPERS and ARP**
- **FACULTY: STRS and ARP**

- Employees must indicate this election by submitting a “Retirement Plan Election Form (ARP-3)” to Human Resources:

- If electing ARP, you must contact the vendor and complete the required forms to establish an account.

- **An employee’s election or plan default is irrevocable**

  *Exception: Rehired at WSU with more than 1 year break in service*
Staff and Faculty

Failure To Make An Election

- **STAFF:** If no choice is submitted during the 120-day period, by default you will remain a member of OPERS
  - If you fail to notify OPERS of your plan election within the 180-day period, by default you will be enrolled in the Traditional Plan
- **FACULTY:** If no choice is submitted during the 120-day period, by default you will remain a member of STRS
  - If you fail to notify OPERS of your plan election within the 180-day period, by default you will be enrolled in the Defined Benefit Plan
- An employee’s election or plan default is irrevocable*

* Exception: Rehired at WSU with more than 1 year break in service
Election Timeline

- **Hire Date**
- **30 days**
  Default automatically into OPERS/STRS Retirement System
- **120 days**
  Decide between OPERS/STRS and ARP
- **180 days**
  If OPERS/STRS is elected, choose 1 of the 3 plans

- Final decision between OPERS/STRS or ARP. Election Form is in packet and on the HR website.
- If decision to stay in OPERS/STRS, make OPERS/STRS plan selection. Submit to OPERS/STRS via phone, mail or online.
# Staff and Faculty: What’s My Deadline?

<table>
<thead>
<tr>
<th>Hire Date</th>
<th>Election Deadline</th>
<th>If OPERS or STRS, Plan Selection Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OPERS or ARP</td>
<td>(120 days)</td>
</tr>
<tr>
<td></td>
<td>STRS or ARP</td>
<td>(180 days)</td>
</tr>
</tbody>
</table>
Supplementing Your Retirement

403(b) and 457(b) Plans

Extra savings vehicles for retirement
Supplemental Retirement allow you to enhance your retirement plan savings through voluntary pre-tax contributions

- **457(b) plan**
- **403(b) plan**

- The university does not make contributions
- Contributions are deducted from your pay on a pre-tax basis
- You may enroll, change contribution amount or providers at any time during your employment
- You must open an account with an approved provider
## Staff and Faculty

### Approved 403(b) and 457(b) Providers

<table>
<thead>
<tr>
<th>Approved Providers</th>
<th>403(b)</th>
<th>457(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ameriprise Financial Services, INC</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>AXA Advisors, LLC</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Fidelity Investments</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>FTJ Fund Choice</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Great American Life Insurance Company</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>General Pension Planning</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Voya Insurance and Annuity Company (Formerly ING)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>MetLife Resources, INC</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Ohio Deferred Compensation</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Oppenheimer Funds</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Putnam Investments</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>TIAA-Cref</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>VALIC</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
## Staff and Faculty

### 403(b) & 457(b) Comparison

<table>
<thead>
<tr>
<th></th>
<th>403(b)</th>
<th>457(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For employees of non profit organizations such as schools, hospitals etc.</strong></td>
<td>Governmental employees</td>
<td></td>
</tr>
<tr>
<td><strong>IRS Limits</strong></td>
<td>$18,000</td>
<td>$18,000</td>
</tr>
<tr>
<td><strong>Catch Up Contribution (Age 50 and older)</strong></td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>Contribution Coordination</strong></td>
<td>There is no coordination between 403(b) and 457(b) plans. Employees can contribute the maximum to both</td>
<td>There is no coordination between 403(b) and 457(b) plans. Employees can contribute the maximum to both</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>Amounts are taxed when distributed</td>
<td>Amounts are taxed when distributed</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td>Yes, certain Providers</td>
<td>No</td>
</tr>
<tr>
<td><strong>Hardship Withdrawal</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Unforeseeable Emergency</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Triggering Events to Access Account</strong></td>
<td>Earliest to occur of: separation from employment, age 59½, retirement, disability or death</td>
<td>Separation from employment, retirement or death</td>
</tr>
<tr>
<td><strong>Early Withdrawal Penalty</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
After your 403(b) and/or 457(b) account has been established with an approved provider, log onto our Retirement Manager website to start your contributions

https://www.myretirementmanager.com/?wsu