Welcome!

Wright State University

New Employee Orientation
Retirement Plans

Ohio Public Employee Retirement System (OPERS)
Alternative Retirement Plan (ARP)
Supplemental Plans 403(b) & 457(b)
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
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.
Full-time (75%-100% Annual FTE) employees must choose between OPERS/STRS and ARP **WITHIN 120 DAYS** of your hire date.
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.
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
# Retirement Comparison

## Contributions & Investment Options

<table>
<thead>
<tr>
<th>OPERS Traditional</th>
<th>OPERS Member Directed</th>
<th>OPERS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee: 10%</td>
<td>Employee: 10%</td>
<td>Employee: 10%</td>
<td>Employee 10%</td>
</tr>
<tr>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
</tr>
<tr>
<td>8.73% Investment Acct</td>
<td>13.23% Investment Acct</td>
<td>13.23% Investment Acct</td>
<td>13.23% Investment Acct</td>
</tr>
<tr>
<td>4% Retiree Medical Acct</td>
<td>.77% *Mitigating Rate</td>
<td>.77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
<td>.77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
</tr>
<tr>
<td>.5% Administrative Fee</td>
<td>.77% *Mitigating Rate</td>
<td>.77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
<td>.77% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
</tr>
<tr>
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</tr>
</tbody>
</table>

**OPERS selects & manages the investments**

- **OPERS Target Date Funds**
- **OPERS Core Funds**

**Employee selects & manages employee contributions**

- **OPERS Target Date Funds**
- **OPERS Core Funds**

**OPERS selects & manages the employer contributions**

- **OPERS Target Date Funds**
- **OPERS Core Funds**

**Employee selects & manages the investments**

- **OPERS Target Date Funds**
- **OPERS Core Funds**
# Retirement Comparison

## Benefits Calculation

<table>
<thead>
<tr>
<th>OPERS Traditional (Defined Benefit Plan)</th>
<th>OPERS Member Directed (Defined Contribution Plan)</th>
<th>OPERS Combined (Defined Benefit &amp; Defined Contribution)</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement, disability and survivor benefits are determined by formulas using employee's age, service credit, and final average salary</td>
<td>Retirement benefits are determined by based on account balance as well as investment gains and losses</td>
<td>DB: Retirement benefits is determined by formulas using employee’s age, service credit, and final average salary (Unreduced or Reduced)</td>
<td>Retirement benefits are determined by based on account balance as well as investment gains and losses</td>
</tr>
<tr>
<td>Unreduced</td>
<td>DC: Retirement benefits is determined by your account balance as well as any investment gains and losses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service 32 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 57</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service 25 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Retirement Comparison

### Vesting Schedule

<table>
<thead>
<tr>
<th>OPERS Traditional</th>
<th>OPERS Member Directed</th>
<th>OPERS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
</tr>
</tbody>
</table>
| 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. | 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% | 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. | Employer contributions are immediately vested. |
<p>| 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 | | 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 | |</p>
<table>
<thead>
<tr>
<th></th>
<th>OPERS Traditional</th>
<th>OPERS Member Directed</th>
<th>OPERS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Health Care</td>
<td>Retiree Medical Account</td>
<td>Access to Health Care</td>
<td>No Health Care Coverage</td>
<td></td>
</tr>
<tr>
<td>Disability Benefits may be provided</td>
<td>There are no disability benefits payable other than the value of the account</td>
<td>Disability Benefits may be provided</td>
<td>There are no disability benefits payable other than the value of the account</td>
<td></td>
</tr>
<tr>
<td>Survivor Benefits are provided</td>
<td>There are no survivor benefits payable other than the value of the account</td>
<td>Survivor Benefits are provided</td>
<td>There are no survivor benefits payable other than the value of the account</td>
<td></td>
</tr>
</tbody>
</table>
OPERS Pension Change
Mitigating Rate

• January 1, 2016
  ➢ 1%

• January 1, 2017
  ➢ 1.5%

• January 1, 2018
  ➢ 2%
OPERS Pension Changes

Changes effective July 1, 2015
• *Plan changes* (members ability to change OPERS plans)
• *Plan change service purchases*
• *Retiree Medical Account (RMA) vesting schedule*

Changes effective Jan. 1, 2016
• *Member-Directed RMA contribution rate*
• *Member-Directed RMA interest rate*
• *Member-Directed and Combined plan administrative fees*
## Retirement Comparison

### Contributions & Investment Options

<table>
<thead>
<tr>
<th>STRS Defined Benefit</th>
<th>STRS Defined Contribution</th>
<th>STRS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee: 12%</td>
<td>Employee: 12%</td>
<td>Employee: 12%</td>
<td>Employee 12%</td>
</tr>
<tr>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
<td>WSU: 14%</td>
</tr>
<tr>
<td>9.5% Investment Acct</td>
<td></td>
<td></td>
<td>9.5% Investment Acct</td>
</tr>
<tr>
<td>4.5%*Mitigating Rate</td>
<td></td>
<td></td>
<td>4.5%*Mitigating Rate</td>
</tr>
</tbody>
</table>

4.5% goes to STRS Defined Benefits Plan to help fund past liabilities, as required by law

- **STRS selects & manages the investments**
- To invest both employee and employer contributions, the EMPLOYEE chooses among several investment options which are managed by STRS
- Employee selects & manages employee contributions
- STRS selects & manages the employer contributions
- Employee selects & manages the investments
## Faculty Retirement Comparison

**Benefits Calculation**

<table>
<thead>
<tr>
<th>STRS Defined Benefit Plan</th>
<th>STRS Defined Contribution</th>
<th>STRS Combined (Defined Benefit &amp; Defined Contribution)</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement, disability and survivor benefits are determined by formulas using employee’s age, service credit, and final average salary</td>
<td>Retirement benefits are determined by account balance as well as investment gains and losses</td>
<td>DB: Retirement benefits is determined by formulas using employee’s age, service credit, and final average salary (Unreduced or Reduced)</td>
<td>Retirement benefits are determined by account balance as well as investment gains and losses</td>
</tr>
<tr>
<td>Unreduced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 60</td>
<td></td>
<td>DC: Retirement benefits is determined by your account balance as well as any investment gains and losses</td>
<td></td>
</tr>
<tr>
<td>Service 35 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Any</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service 30 Years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

- **STRS Defined Contribution**
  - Retirement benefits are determined by account balance as well as investment gains and losses.

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

- **ARP**
  - Retirement benefits are determined by account balance as well as investment gains and losses.
## Faculty Retirement Comparison

### Vesting Schedule

<table>
<thead>
<tr>
<th>STRS Defined Benefit Plan</th>
<th>STRS Defined Contribution</th>
<th>STRS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
<td>Your employee contributions are immediately vested.</td>
</tr>
<tr>
<td>With 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>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>
<td>Employer contributions are immediately vested.</td>
</tr>
</tbody>
</table>
# Faculty Retirement Comparison

## Health, Disability & Survivor Benefits

<table>
<thead>
<tr>
<th>STRS Defined Benefit Plan</th>
<th>STRS Defined Contribution</th>
<th>STRS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>May be eligible for Health Care</td>
<td>No Health Care Coverage</td>
<td>May be eligible for Health Care</td>
<td>No Health Care Coverage</td>
</tr>
<tr>
<td>After 10 years of service credit you may be eligible for disability benefits</td>
<td>There are <strong>no disability benefits</strong> payable other than the value of the account</td>
<td>After 10 years of service credit you may be eligible for disability benefits</td>
<td>There are <strong>no disability benefits</strong> payable other than the value of the account</td>
</tr>
<tr>
<td>After 1.5 years of service credit, you are vested for survivor benefits</td>
<td>There are <strong>no survivor benefits</strong> payable other than the value of the account</td>
<td>After 1.5 years of service credit, you are vested for survivor benefits</td>
<td>There are <strong>no survivor benefits</strong> payable other than the value of the account</td>
</tr>
</tbody>
</table>
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
Faculty

STRS Pension Change
Mitigating Rate

July 1, 2015
- 5%

July 1, 2016
- 5.5%
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
Additional Steps

**OPERS**
- Register with OPERS, 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
- 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 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 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
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></td>
<td>For employees of non profit organizations such as schools, hospitals etc.</td>
<td>Governmental employees</td>
</tr>
<tr>
<td>IRS Limits</td>
<td>$18,000</td>
<td>$18,000</td>
</tr>
<tr>
<td>Catch Up Contribution</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>(Age 50 and older)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Coordination</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>Taxes</td>
<td>Amounts are taxed when distributed</td>
<td>Amounts are taxed when distributed</td>
</tr>
<tr>
<td>Loans</td>
<td>Yes, certain Providers</td>
<td>No</td>
</tr>
<tr>
<td>Hardship Withdrawal</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Unforeseeable Emergency</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Triggering Events to Access Account</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>Early Withdrawal Penalty</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