




Welcome!

New Employee Orientation



WRIGHT STATE
UNIVERSITY

Social Security & Medicare Tax


Unreal Corporation Payroll Account		Check # 12345 Date: July 31, 20XX
Pay to the order of: I.M. Fictitious		\$1,834. ⁰⁰
*****ONE-THOUSAND, EIGHT-HUNDRED, THIRTY-FOUR AND NO/100 DOLLARS*****		
		
MEMO July payroll for Fictitious		Certainly Void
Detach below before depositing, and save for your records.		
Employee: I.M. Fictitious Pay period: July 20XX	Gross Earnings	\$3,000.00
	Deductions:	
	Federal Income Tax	\$349.00
	State Income Tax	117.00
	Social Security Tax	180.00
	Medicare/Medicaid Tax	45.00
	Insurance	175.00
	Retirement Savings Plan	200.00
	Charity	25.00
	Health/Child Care Plan	75.00
	Net Pay	\$1,834.00

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)

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	Charity	25.00
	Health/Child Care Plan	75.00
	Net Pay	<u>1,166.00</u> \$1,834.00

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/>

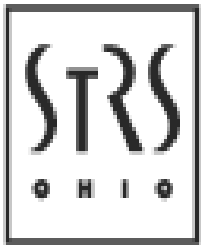
WSU Retirement Programs

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) **FACULTY** employees must choose between STRS and ARP **WITHIN 120 DAYS** of your hire date



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

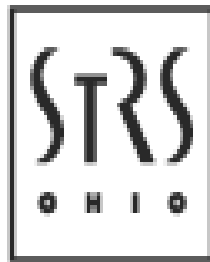
OR

WSU's
*Alternative
Retirement Plan
(ARP)*

**Your retirement
contributions will be
sent to STRS until an
election is made**

Retirement Program Choices

Faculty employees less than 75% Annual FTE will participate in:



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OF OHIO

Electing STRS

State Retirement System Plan Choices

- Full-time (75%-100% Annual FTE) faculty must choose between STRS and ARP within **120 days** of your hire date
- If electing STRS, you have an additional **60 days (180 days)** to choose among the three (3) STRS Plans



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Defined Benefit

Defined Contribution

Combined

Electing ARP

ARP Retirement System Plan Choices

- **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 seven 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

VALIC

Voya Insurance and Annuity Company (Formerly ING)

Lincoln National Life Insurance Company

Nationwide Life Insurance Company

TIAA-CREF

Contributions & Investment Options

STRS Defined Benefit	STRS Defined Contribution	STRS Combined	ARP
Employee: 14%	Employee: 14%	Employee: 14%	Employee 14%
WSU: 14%	WSU: 14% 9.5% Investment Acct 4.5%*Mitigating Rate <i>4.5% goes to STRS Defined Benefits Plan to help fund past liabilities, as required by law</i>	WSU: 14%	WSU: 14% 9.5% Investment Acct 4.5%*Mitigating Rate <i>4.5% goes to STRS Defined Benefits Plan to help fund past liabilities, as required by law</i>
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

Benefits Calculation

STRS Defined Benefit Plan	STRS Defined Contribution	STRS Combined (Defined Benefit & Defined Contribution)	ARP
<p>Retirement, disability and survivor benefits are determined by formulas using employee's age, service credit, and final average salary</p>	<p>Retirement benefits are determined by based on account balance as well as investment gains and losses</p>	<p>DB: Retirement benefits is determined by formulas using employee's age, service credit, and final average salary (Unreduced or Reduced)</p> <p>DC: Retirement benefits is determined by your account balance as well as any investment gains and losses</p>	<p>Retirement benefits are determined by based on account balance as well as investment gains and losses</p>

Vesting Schedule

STRS Defined Benefit Plan	STRS Defined Contribution	STRS Combined	ARP
Your employee contributions are immediately vested.	Your employee contributions are immediately vested.	Your employee contributions are immediately vested.	Your employee contributions are immediately vested.
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.	<p>Employer contributions made are vested as follows:</p> <p>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%</p> <p>You are not eligible for a refund of the employer contribution paid to STRS for its unfunded liability</p>	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.	Employer contributions are immediately vested.

Health, Disability & Survivor Benefits

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

Next Steps

FACULTY

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

**READ THE INFORMATION
INCLUDED IN YOUR PACKET**



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*

How To Make An Election?

RETIREMENT PLAN ELECTION FORM

(For employees hired/eligible on or after Aug. 1, 2005)

You will have **120 days** from the starting date of your employment to complete and return this election form to the Human Resources Department at your institution. If you want to become a member of an Ohio state retirement system, simply check the appropriate box in Section II below. If you want to participate in an alternative retirement plan (ARP) offered by a private plan provider, check the appropriate box in Section II below and select one of the plans. If you do not elect to participate in an ARP or do not return this form within the prescribed time period, you will be enrolled in the applicable state retirement system.

Section I — Biographical Information (Please print or type.)

Name _____ Social Security no. _____
 First Middle initial Last
 Address _____ Telephone number _____
 City State ZIP code Date of birth _____ Gender _____
 Employee identification number _____ Hire date _____
 Are you receiving a retirement benefit from one of these Ohio retirement systems: HPRS, OPERS, OP&F, SERS or STRS Ohio? ☐ Yes ☐ No
 If "Yes," which system? _____ Effective date of retirement _____

Section II — Election (Choose only one.)

☐ I elect to participate in the state retirement system for which I am eligible.

- OPERS*
- STRS Ohio*

I understand that I may not change my election to participate in the state retirement system after my election period expires and that my election will be irrevocable while I am continuously employed in a position at my current college or university.

*Eligible employees may be able to participate in a defined contribution plan. Contact your applicable retirement system for more information about those plans and eligibility.

☐ I elect to participate in an ARP; (Select only one of the following ARP carriers. You must contact your chosen carrier to enroll.)

- | | |
|--|--|
| <input type="checkbox"/> AIG VALIC | <input type="checkbox"/> ING Life Insurance and Annuity Co. |
| <input type="checkbox"/> AXA Equitable Life Insurance Co. | <input type="checkbox"/> Lincoln National Life Insurance Co. |
| <input type="checkbox"/> Fidelity Investments | <input type="checkbox"/> Nationwide Life Insurance Co. |
| <input type="checkbox"/> Great American Life Insurance Co. | <input type="checkbox"/> TIAA-CREF |

I understand that by electing to participate in an ARP I am irrevocably waiving my right to participate in the eligible state retirement system while I am continuously employed in a position at my college or university. I also understand that by electing to participate in an ARP offered by a private plan provider, I will be forever barred from claiming or purchasing service credit or participating in other plans offered by any state retirement system for the period that an election to participate in an ARP is effective.

Section III — Authorization

I hereby certify the election chosen above in Section II. I understand that I will be able to make an election to participate in another ARP or Ohio public retirement system if I cease to be continuously employed or am subsequently employed full time by another Ohio public institution of higher education in a position for which a retirement election is available.

Employee's signature _____

Date _____

OFFICE OF HUMAN RESOURCES USE ONLY

For ARP Elections Only

Contributions made to the applicable state system during the election period to be forwarded to the ARP provider:

Amount

Employee contributions _____

Total employer contributions _____

Less supplemental contributions _____

Employer contributions to ARP provider _____

Date of last payroll report with employee contributions to applicable state system _____

Applicable state system ☐ OPERS ☐ STRS Ohio

Annual compensation _____

Date election form received by college/university _____

First date eligible to participate in an ARP _____

Certified by _____

Title _____

College/University _____

Employer code _____



4/06/2
ARP-3

- Eligible faculty have **120-days** from the date of hire to make a final selection between

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*

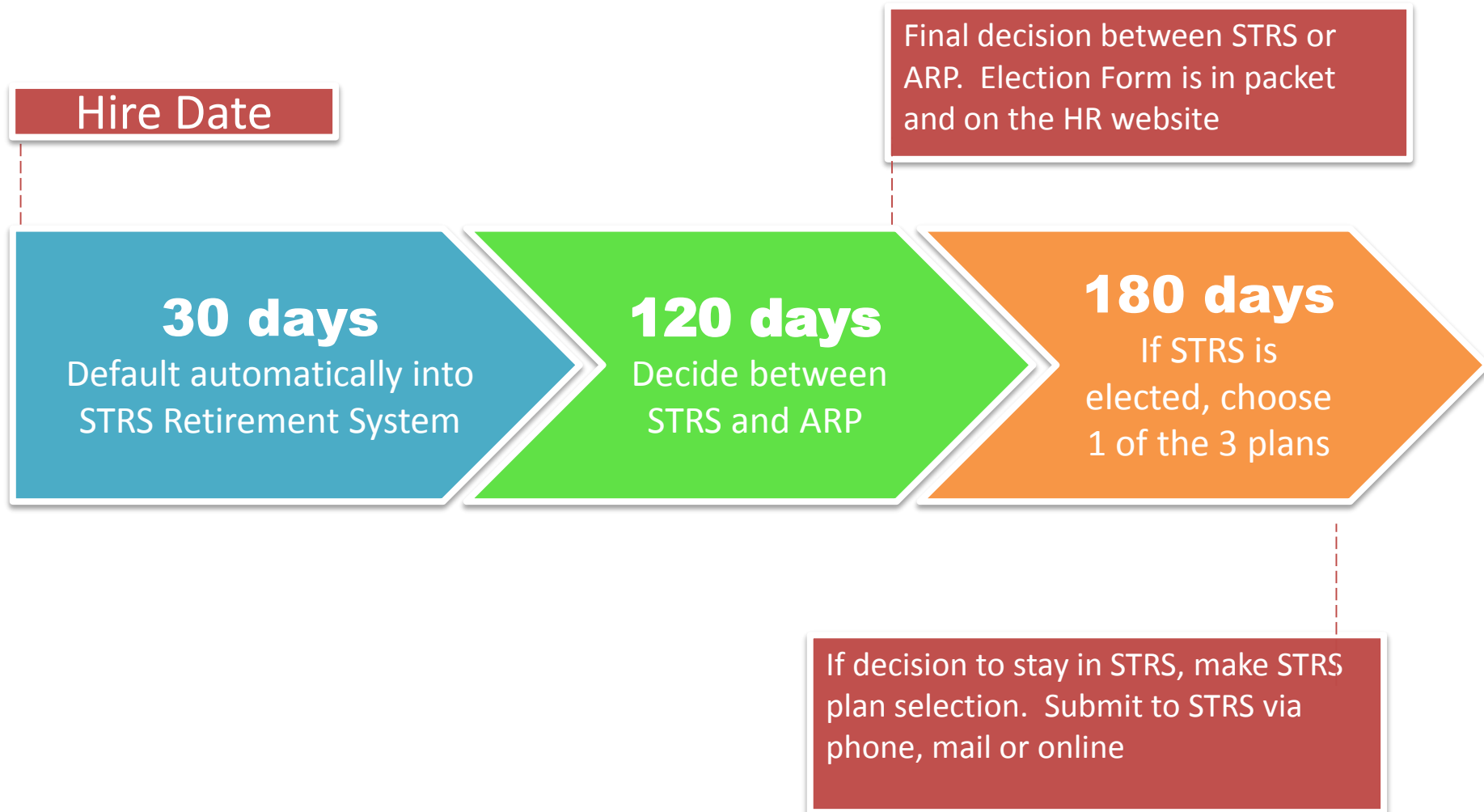
Failure To Make An Election



- **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 STRS 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



Retirement Choices

- Wright State University does not administer the retirement plans – these are administered by STRS or your ARP provider
- If you choose ARP
 - Watch for and review your quarterly statements from your vendor to ensure your ARP contributions are being processed per your election

Supplementing Your Retirement

403(b) and 457(b) Plans

Extra savings vehicles for retirement

Supplemental 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*



Approved 403(b) & 457(b) Providers

Approved Providers	403(b)	457(b)
Ameriprise Financial Services, INC	X	
AXA Advisors, LLC	X	
Fidelity Investments	X	
FTJ Fund Choice	X	
Great American Life Insurance Company	X	
General Pension Planning	X	
Voya Insurance and Annuity Company (Formerly ING)	X	X
MetLife Resources, INC	X	
Ohio Deferred Compensation		X
Oppenheimer Funds	X	
Putnam Investments	X	
TIAA-Cref	X	
VALIC	X	X

403(b) & 457(b) Comparison

	403(b)	457(b)
	For employees of non profit organizations such as schools, hospitals etc.	Governmental employees
IRS Limits	\$18,000	\$18,000
Catch Up Contribution <i>(Age 50 and older)</i>	\$6,000	\$6,000
Contribution Coordination	There is no coordination between 403(b) and 457(b) plans. Employees can contribute the maximum to both	There is no coordination between 403(b) and 457(b) plans. Employees can contribute the maximum to both
Taxes	Amounts are taxed when distributed	Amounts are taxed when distributed
Loans	Yes , certain Providers	No
Hardship Withdrawal	Yes	No
Unforeseeable Emergency	No	Yes
Triggering Events to Access Account	Earliest to occur of: separation from employment, age 59½, retirement, disability or death	Separation from employment, retirement or death
Early Withdrawal Penalty	Yes	No

Start Your Contributions



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>