Welcome!

New Employee Orientation
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% FTE) STAFF employees must choose between OPERS and ARP **WITHIN 120 DAYS** of your hire date.

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

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

Staff employees less than 75% FTE will participate in:
Electing OPERS
State Retirement System Plan Choices

• Full-time (75%-100% 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
Electing ARP

ARP Retirement System Plan Choices

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

• *If electing ARP, you must do so with one of five approved ARP annuity vendors*

• *Employees who choose to participate in the ARP, must establish an account, in advance, with the chosen ARP vendor*
## 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><strong>Employee:</strong> 10%</td>
<td><strong>Employee:</strong> 10%</td>
<td><strong>Employee:</strong> 10%</td>
<td><strong>Employee:</strong> 10%</td>
</tr>
<tr>
<td><strong>WSU:</strong> 14%</td>
<td><strong>WSU:</strong> 14%</td>
<td><strong>WSU:</strong> 14%</td>
<td><strong>WSU:</strong> 14%</td>
</tr>
<tr>
<td>7.5% Investment Acct</td>
<td>12% Investment Acct</td>
<td>2% *Mitigating Rate</td>
<td>11.56% Investment Acct</td>
</tr>
<tr>
<td>4% Retiree Medical Acct</td>
<td>2% *Mitigating Rate</td>
<td>2% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
<td>2.44% *Mitigating Rate</td>
</tr>
<tr>
<td>.5% Administrative Fee</td>
<td>2.44% *Mitigating Rate</td>
<td>2% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
<td></td>
</tr>
<tr>
<td>2% *Mitigating Rate</td>
<td></td>
<td></td>
<td>2.44% goes to OPERS Traditional Plan to help fund past liabilities, as required by law</td>
</tr>
</tbody>
</table>

**OPERS selects & manages the investments**
- OPERS Target Date Funds
- OPERS Core Funds

**Employee selects & manages the investments**
- OPERS Target Date Funds
- OPERS Core Funds

**Employee selects & manages employee contributions**

**Employee selects & manages the employer contributions**
## Benefits Calculation

<table>
<thead>
<tr>
<th>OPERS Traditional</th>
<th>OPERS Member Directed</th>
<th>OPERS Combined</th>
<th>ARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Defined Benefit Plan)</td>
<td>(Defined Contribution Plan)</td>
<td>(Defined Benefit &amp; Defined Contribution)</td>
<td></td>
</tr>
</tbody>
</table>

- **OPERS Traditional**
  - Retirement, disability and survivor benefits are determined by formulas using employee’s age, service credit, and final average salary.

- **OPERS Member Directed**
  - Retirement benefits are determined by formulas using account balance as well as investment gains and losses.

- **OPERS Combined**
  - **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 based on account balance as well as investment gains and losses.
# 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%  
Retiree Medical Account funds are vested as follows:  
Years 1-5 = 0%  
Years 6-15 = 10% per year  
15 years of participation = 100%  
You are not eligible for a refund of the mitigating rate paid to OPERS for its unfunded liability. | 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. |
| 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. | You are not eligible for a refund of the mitigating rate paid to OPERS for its unfunded liability. |
# Health, Disability & Survivor Benefits

<table>
<thead>
<tr>
<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>
</tr>
<tr>
<td>Disability Benefits may be provided</td>
<td>There are <strong>no disability benefits</strong> payable other than the value of the account</td>
<td>Disability Benefits may be provided</td>
<td>There are <strong>no disability benefits</strong> payable other than the value of the account</td>
</tr>
<tr>
<td>Survivor Benefits are provided</td>
<td>There are <strong>no survivor benefits</strong> payable other than the value of the account</td>
<td>Survivor Benefits are provided</td>
<td>There are <strong>no survivor benefits</strong> payable other than the value of the account</td>
</tr>
</tbody>
</table>
Next Steps

STAFF

Start exploring the differences between OPERS 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](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*
How To Make An Election?

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

- **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

- 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 Retirement System

- **120 days**: Decide between OPERS and ARP

- **180 days**: If OPERS is elected, choose 1 of the 3 plans

Final decision between OPERS or ARP. Election Form is in packet and on the HR website.

If decision to stay in OPERS, make OPERS plan selection. Submit to OPERS via phone, mail or online.
Retirement Choices

• Wright State University does not administer the retirement plans – these are administered by OPERS 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

<table>
<thead>
<tr>
<th>Approved Providers</th>
<th>403(b)</th>
<th>457(b)</th>
</tr>
</thead>
<tbody>
<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>Ohio Deferred Compensation</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>TIAA-Cref</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>VALIC</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Voya Insurance and Annuity Company (Formerly ING)</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
# 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>For employees of non profit organizations such as schools, hospitals etc.</td>
<td>Governmental employees</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>
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