



**ADMINISTRATIVE
POLICIES AND PROCEDURES MANUAL**

**DATE ISSUE
6/1/98**

**REVISION
1**

**PAGE
D5-140.0**

SUBJECT

RETIREMENT PLANS

SUB-TOPIC
OPTIONAL RETIREMENT PROGRAM (ORP)

THE PLAN

This voluntary retirement program is available to eligible "faculty members" (appointed September 2, 1968 and subsequent) who do not elect to join the Teacher Retirement System (TRS). If this program is not selected within the first ninety (90) days of employment, the employee will automatically be placed in the Teacher Retirement Program.

ORP provides that a percentage of an employee's salary be deducted from his/her salary, and the State contributes a percentage. This total amount, comprising over 15% of an employee's basic salary, is sent to an approved carrier of the employee's choice.

In ORP, there is a vesting period of one (1) year and one (1) day, deferred tax status and annuity payment benefits. Insurance protection such as death, survivor and disability benefits, are not included in ORP. Additionally, the employee may elect to have his/her contribution put into a variety of investment and savings programs. Contact the Human Resources Office for a list of approved carriers. Application blanks of authorized carriers will not be furnished by Human Resources. An employee wishing to participate in the ORP must contact the carrier of his/her choice for an application form.

ELIGIBILITY TO PARTICIPATE

The following employees are eligible to participate in the ORP and are deemed "faculty members" only for purposes of the ORP:

1. Full-time faculty appointed at least four and one-half (4 1/2) months.
2. Certain full-time Administrative and Professional employees and research employees appointed for at least four and one-half (4 1/2) months, excluding any employee within the Classified Service.
3. A person employed full-time as a "faculty member" if he/she remains employed for four and one-half (4 1/2) months or longer from the initial appointment date as a "faculty member" even though initial appointment period was for less than four and one-half (4 1/2) months.



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OPTIONAL RETIREMENT PROGRAM (ORP), Continued

ELIGIBILITY TO PARTICIPATE, Continued

4. A full-time employee who entered ORP as a "faculty member" and is subsequently made a part-time employee.

ELECTION TO PARTICIPATE

A new "faculty member" will be placed in TRS until he/she elects to participate in ORP within ninety (90) days of the date of appointment. Once this ninety (90) day period has expired, the "faculty member" will no longer be eligible to participate in ORP and will automatically become a member of TRS. If the "faculty member" elects to participate in ORP, a refund will be made by TRS for the amount contributed, if any, except for the annual membership fee which covers administrative expenses.

In order to elect ORP, a "faculty member" must complete the appropriate forms which are available in Human Resources.

EFFECTIVE DATE OF PARTICIPATION

1. Eligible employees appointed September 1, 1968 and prior should have elected participation in ORP not later than August 1, 1969. If this election was not exercised, then that employee is a member of TRS and may not join ORP.
2. Eligible employees appointed September, 1968, and subsequently, have ninety (90) days to elect participation in ORP. If this election is or was not exercised, the employee will automatically be considered a member of TRS and cannot join ORP.

The cutoff date for processing an employee's election to join ORP is the last working day of a month and will be effective the first of the following month.