



COMPARISON OF ASRS AND ORP PLANS

Plan Feature	Optional Retirement Plan (ORP)	AZ State Retirement System (ASRS)
Plan Type	Defined contribution plan qualified under Internal Revenue Code 401(a)	Defined benefit plan qualified under Internal Revenue Code 401(a)
Contribution Amount	You and the university each contribute 7% of gross earnings on a pretax basis, up to the maximum amount the IRS allows per year.	You and the university each contribute a percentage of earnings on a pretax basis as set by actuarial projections. Check the ASRS website for updated contribution percentages.
Control of the Investments	You select the investment company— Fidelity Investments or TIAA—and determine the investment allocations.	ASRS controls and monitors investments.
Retirement Benefits	Your retirement benefit is based on the performance of the investments you select. The ultimate account balance results from the amount of contributions invested into your account and the performance of your chosen investments.	Your retirement benefit is determined by the following formula determines your retirement benefit: Total Credited Service x A Graded Multiplier (a percentage set by statute based on total years of service at retirement) x Average Monthly Compensation.
Vesting	You are immediately vested in your contributions. You must participate in the ORP for five years or be age 65 to be fully vested in the university's contributions. You may be immediately vested in the university's contributions if you have an active contract (monies invested) in a qualified defined benefit or defined contribution retirement program with a college, university, higher education organization or research organization. Contact HR if you believe you should be immediately vested in the university's contributions.	Vesting applies if you terminate your ASRS membership. If you choose to withdraw your account balance, you are always fully vested in your contributions. For ASRS members on or after July 1, 2011, you forfeit the university's contributions if you withdraw the account balance upon termination of employment. This does not apply if you are terminated due to a reduction in force or position elimination, in which case an ASRS vesting schedule will apply.
Health Benefits Upon Retirement	Upon retirement, health and dental benefit plans are available through the ADOA or the ASRS. There is no health insurance premium subsidy upon retirement.	Upon retirement, health and dental benefit plans are available through the ADOA or the ASRS. A retiree health insurance premium subsidy is available if you have at least five years of credited service in the ASRS plan. The premium subsidy amount is based on your years of service.
Loans	No loans are available.	No loans are available.
Long-Term Disability (LTD)	LTD coverage is required as part of ORP participation. The university pays the premium cost. Maximum benefit: \$10,000/month. Provider: MetLife	LTD coverage is required and will begin with your ASRS membership. You and the university each contribute 0.15% of your salary. Maximum benefit: None Provider: Broadspire
Purchase of Service Credits	Service credit purchases are not available.	You may be eligible to buy service credit for certain forfeited or non-eligible years of service. Contact ASRS for additional information.
Retirement Age	Normal retirement: Age 65 Phased Retirement <ul style="list-style-type: none"> • Age 62 (minimum) • Fully vested • Enter a written agreement with the university • Allows for reduced work hours • The phased retirement period can be no longer than three years 	For ASRS members on or after July 1, 2011: Normal Retirement <ul style="list-style-type: none"> • Age 55 with 30 years of credited service; or • Age 60 with 25 years of credited service; or • Age 62 with 10 years of credited service; or • Age 65 Early Retirement At least age 50 with five years of credited service qualifies for reduced retirement benefits. For ASRS members before 2011, contact ASRS for more information.
Distribution Options at Retirement	<ul style="list-style-type: none"> • Full or partial cash withdrawal • Systematic withdrawal • Interest-only payments • Minimum distribution payments • Lifetime annuity option • Life expectancy option 	The ASRS offers annuity options that may provide a monthly benefit for life and non-annuity options.
Distribution Options at Separation from Employment	Separation from all Arizona University System employers: <ul style="list-style-type: none"> • Withdraw all or some of your vested funds • Roll over your account to an IRA or another qualified retirement account or • Leave the retirement account invested for a future benefit 	From all ASRS employers: <ul style="list-style-type: none"> • Obtain a refund of the vested portion of your account • Roll over pretax contributions to an IRA or another qualified retirement account or • Leave retirement account invested with ASRS in an inactive membership status for a future benefit
Return to Work After Retirement	A return to work arrangement cannot be made before retiring. If returning to work within the Arizona University System, you cannot take distributions once you are an active employee.	You cannot work more than 19 hours per week for any state employer for 12 months after starting distributions.