

## Retirement Plans Comparison

	Arizona State Retirement System (ASRS)	Optional Retirement Plan (ORP)
Type of Plan	<p><b><u>Defined Benefit Plan</u></b></p> <p>This is a pension plan where your retirement benefit is clearly defined and calculated through a standard formula. The plan assumes the investment risk.</p> <p>Qualified under Internal Revenue Code 401(a)</p>	<p><b><u>Defined Contribution Plan</u></b></p> <p>Your retirement benefit is determined by the market and your investment choices.</p> <p>Qualified under Internal Revenue Code 401(a)</p>
Control of the investments	<p>ASRS determines and monitors the investments.</p>	<p>You select the investment company (Fidelity Investments or TIAA) and determine how your contributions are invested.</p> <p>ABOR, ASU, NAU and UA monitor the performance of core investment options with the assistance of CAPTRUST, an independent investment research and advisory firm.</p>
Retirement benefits	<p>You can receive a <b>monthly benefit for life</b> that is determined through the <a href="#">following formula</a>:</p> <ul style="list-style-type: none"> <li>• Total Credited Service (The period during which you are making contributions to ASRS)</li> </ul> <p style="text-align: center;">Multiplied by</p> <ul style="list-style-type: none"> <li>• Graded Multiplier (A percentage set by statute that is based on total years of service at retirement)</li> </ul> <p style="text-align: center;">Multiplied by</p> <ul style="list-style-type: none"> <li>• Average Monthly Compensation (Determined by one of two calculation methods)</li> </ul> <p>View your personal estimated retirement benefit on the <a href="#">ASRS website</a>.</p>	<p>Your retirement benefit is determined by the amount of contributions deposited to your account and the performance of the investments selected.</p> <p>View the ORP investment options in the <a href="#">ORP Guide</a>.</p>

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Contribution Amount	<p>For fiscal year 19-20, you and the University each contribute 11.94% of earnings on a pretax basis. This contribution amount can change each fiscal year.</p> <p>IRS rules require that contributions stop once you and the University each contribute \$33,432 in the fiscal year. Contributions resume at the start of the next fiscal year.</p>	<p>You and the University each contribute 7% of earnings on a pretax basis.</p> <p>IRS rules require that contributions stop once you and the University each contribute \$19,600 in the calendar year. Contributions resume at the start of the next calendar year.</p>
Vesting (ownership of contributions)	<p>You are 100% vested in your own contributions.</p> <p><u>University contributions:</u> Vesting applies upon termination and varies depending on when you started contributing to ASRS:</p> <p>ASRS membership began <b>prior to July 1, 2011:</b> If you elect to withdraw contributions upon termination, you are partially vested in the University's contributions after five years of ASRS participation and fully vested after 10 years.</p> <p>You may also leave contributions with ASRS and receive a pension when you meet retirement eligibility.</p> <p>ASRS membership began <b>on or after July 1, 2011:</b> If you elect to withdraw contributions upon termination, you will not have access to the University's contributions, only your own.</p> <p>You may also leave contributions with ASRS and receive a pension when you meet retirement eligibility.</p>	<p>You are 100% vested in your own contributions.</p> <p>Five years of retirement-eligible University employment is required to be fully vested in the University contributions.</p> <p>Previous participation in ASRS will be applied to the vesting period for the ORP if there has not been a break in service. <b>Prior ASRS contributions must remain with ASRS while actively employed and cannot be rolled into your ORP account.</b></p> <p>Prior to vesting, employer contributions for the ORP are held in a trust account. When you reach the five-year vesting requirement, the employer contributions are transferred to your ORP account in full.</p>

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Normal Retirement	<p>If your ASRS membership date is on or after July 1, 2011, normal retirement is:</p> <ul style="list-style-type: none"> <li>• Age 65, or</li> <li>• Age 62 with at least 10 years of service, or</li> <li>• Age 60 with at least 25 years of service, or</li> <li>• Age 55 with at least 30 years of service</li> </ul> <p>If your ASRS membership date is before July 1, 2011, normal retirement is:</p> <ul style="list-style-type: none"> <li>• Age 65, or</li> <li>• Age 62 with at least 10 years of service, or</li> <li>• When the sum of you age and years of service equals 80 points</li> </ul>	Age 65
Loans	No loans are available.	No loans are available.
Additional Contributions	No additional contributions permitted.	<p>No additional contributions permitted.</p> <p>However, rollover and transfer of some eligible funds into the ORP is allowed under the plan provisions.</p>
Purchase of Service Credits	<p>You may be eligible to purchase past service time for:</p> <ul style="list-style-type: none"> <li>• Other public service</li> <li>• Forfeited ASRS service</li> <li>• Military service</li> <li>• An unpaid leave of absence with an ASRS employer</li> </ul> <p>Purchasing additional service credit may increase your lifetime monthly benefit and/or qualify you for retirement at an earlier date.</p> <p>Visit the <a href="#">ASRS website</a> for details.</p>	Service credit purchases are not available.

	Arizona State Retirement System (ASRS)	Optional Retirement Plan (ORP)
Long-term Disability (included with your retirement plan)	<p>Long-term disability (LTD) coverage will pay up to 66% of your pre-disability monthly earnings, reduced by some income from other sources. There is no maximum benefit limitation.</p> <p>You and the University each contribute 0.17% of pre-tax earnings for this coverage. This coverage is required as part of ASRS participation and is administered by Broadspire.</p>	<p>Long-term disability (LTD) coverage will pay up to 66% of your first \$10,000 of pre-disability monthly earnings, reduced by some income from other sources.</p> <p>This is University-paid coverage with no cost to you. This LTD coverage is administered by MetLife.</p>
Health Benefits upon Retirement	<p>Retiree medical and dental plans are available through the Arizona Department of Administration and ASRS.</p> <p>You are eligible for a health insurance premium subsidy as a retiree if you have at least five years of service in the ASRS plan. The amount of the premium subsidy ranges from \$75 to \$260 per month and is based on years of service and the coverage you select.</p> <p>Visit the <a href="#">ASRS website</a> for details.</p>	<p>Retiree medical and dental plans are available through the Arizona Department of Administration and ASRS.</p> <p>There is no health insurance premium subsidy available with the ORP. You may be eligible for a subsidy if you retire from ASRS with 5 years of service in the ASRS plan.</p>
Distribution Options at Retirement*	<p>ASRS offer a variety of annuity options that provide a monthly benefit for life. Visit the <a href="#">ASRS website</a> for details on these options.</p>	<p>The following distribution options may be available upon retirement depending on your investment choices:</p> <ul style="list-style-type: none"> <li>• Full or partial cash withdrawal</li> <li>• Systematic withdrawal</li> <li>• Interest-only payments</li> <li>• Minimum distribution payments</li> <li>• Lifetime annuity option</li> <li>• Life expectancy option</li> </ul> <p>Speak with a <a href="#">Fidelity or TIAA representative</a> for more information.</p>

	<b>Arizona State Retirement System (ASRS)</b>	<b>Optional Retirement</b>
Distribution Options at Termination*	<p>The following distribution options are available if you separate employment from all ASRS employers:</p> <ul style="list-style-type: none"> <li>• Obtain a refund of the vested portion of your account (see vesting section)</li> <li>• Roll over contributions to an IRA or another qualified retirement account</li> <li>• Leave contributions with ASRS for a future pension benefit</li> </ul>	<p>The following distribution options are available if you separate employment with the entire Arizona University System (UA, ASU, NAU):</p> <ul style="list-style-type: none"> <li>• Withdraw all or some of vested funds</li> <li>• Roll over contributions to an IRA or another qualified retirement account</li> <li>• Leave contributions in your ORP account for a future benefit</li> </ul>

\*Distributions may be subject to taxes and IRS penalties.