

## COMPARISON OF RETIREMENT PLAN OPTIONS FOR FACULTY

Feature	ARP Defined Contribution	STRS Defined Contribution Plan	STRS Defined Benefit Plan	STRS Combined Plan (Defined Benefit and Defined Contribution)
<b>Eligibility</b>	Eligible staff with appointments of at least 67% FTE	All Faculty (STRS plan option eligibility based on previous STRS membership.)	All Faculty (STRS plan option eligibility based on previous STRS membership.)	All Faculty (STRS plan option eligibility based on previous STRS membership.)
<b>Election Period</b>	120 Calendar Days from start date of eligible employment.	180 Calendar Days from start date, verify plan eligibility with STRS.	180 Calendar Days from start date, verify plan eligibility with STRS.	180 Calendar Days from start date, verify plan eligibility with STRS.
<b>Plan Type</b>	<p><b>Defined Contribution</b></p> <ul style="list-style-type: none"> <li>Account balance consists of contributions made by you and Ohio University, as well as any investment gains or losses you may have on these contributions</li> <li>The benefit amount is determined by your account balance and the payment option(s) you chose when you apply to receive benefits</li> </ul>	<p><b>Defined Contribution</b></p> <ul style="list-style-type: none"> <li>Account balance consists of contributions made by you and Ohio University, as well as any investment gains or losses you may have on these contributions</li> <li>The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits</li> </ul>	<p><b>Defined Benefit</b></p> <ul style="list-style-type: none"> <li>The benefit amount is based on a formula using your age, years of service credit and final average salary</li> </ul>	<p><b>Combination of Defined Benefit (DB) and Defined Contribution (DC)</b></p> <ul style="list-style-type: none"> <li>DC portion: Account balance consists of your contribution and your investment gains or losses. The DC benefit is determined by your account balance and the payment option(s) you chose when you apply to receive your benefits.</li> <li>DB portion: The DB benefit amount is based on a formula using your age, years of service credit, and final average salary.</li> </ul>
<b>Employee Contributions</b>	<ul style="list-style-type: none"> <li>Your pre-tax contribution amount for any of these plans in 14%<sup>1</sup> of your eligible compensation<sup>2</sup> per pay.</li> </ul>			
<b>University Contributions</b>	<ul style="list-style-type: none"> <li>Ohio University contributes an amount equal to 14%<sup>1</sup> of your eligible compensation<sup>2</sup> per pay to your selected retirement plan, allocated as follows:</li> </ul>			
	<ul style="list-style-type: none"> <li>9.53%<sup>1</sup> goes to your selected ARP account provider.</li> <li>4.47%<sup>1</sup> goes to the STRS Traditional Pension Plan to help fund past service liabilities, as required by law.</li> </ul>	<ul style="list-style-type: none"> <li>9.53%<sup>1</sup> goes to your individual STRS account.</li> <li>4.47%<sup>1</sup> goes to STRS Defined Benefit Plan to help fund past service liabilities, as required by law.</li> </ul>	<ul style="list-style-type: none"> <li>14.0%<sup>1</sup> goes to the STRS Traditional Pension Plan to help fund your future STRS retirement benefits.</li> </ul>	<ul style="list-style-type: none"> <li>14.0%<sup>1</sup> goes to the STRS Defined Benefit pension plan to help fund your STRS DB retirement benefits.</li> </ul>
<b>Vesting</b>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>University contributions are vested immediately.</li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>University contributions are vested 20% per year.</li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>After 5 years of service credit, you are vested for <ul style="list-style-type: none"> <li>-Survivor benefits.</li> <li>-An age and service retirement benefit</li> </ul> </li> <li>After 10 years of service you may be eligible for disability benefits<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Your contributions are immediately vested.</li> <li>After 5 years of service credit, you are vested for <ul style="list-style-type: none"> <li>-Survivor benefits.</li> <li>-An age and service retirement benefit</li> </ul> </li> <li>After 10 years of service you may be eligible for disability benefits<sup>3</sup></li> </ul>
<b>How your Benefit Grows</b>	Your account consists of contributions made by you and the university, as well as with any investment gains or losses you may have on those contributions.	Your account consists of contributions made by you and the university, as well as with any investment gains or losses you may have on those contributions.	Your benefit amount grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation.	<ul style="list-style-type: none"> <li>The DC account consist of your contributions, as well as with any investment gains or losses you may have on those contributions</li> <li>The benefit amount from the DB portion grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation.</li> </ul>

<sup>1</sup> Mitigating contribution payments to STRS Ohio go toward meeting the employer's proportionate share of the unfunded accrued liability. House Bill 520 includes a new method for calculating the mitigating rate, places a 4.5% maximum on the rate and requires that the rate be reviewed every five years. This rate is subject to increases or decreases based on applicable law retirement system mandates

<sup>2</sup> Subject to federal limits.

<sup>3</sup> Based on eligible requirements. Visit [www.strsoh.org](http://www.strsoh.org)

<sup>4</sup> Withdrawals made before age 59 ½ may be subject to additional federal tax penalty

Feature	ARP Define Contribution	STRS Member-Directed Plan (Defined Contribution)	STRS Defined Benefit Plan	STRS Combined Plan (Defined Benefit and Define Contribution)
<b>Investment Management and Options</b>	<ul style="list-style-type: none"> <li>You choose an approved ARP provider through which you invest and allocate contributions among a variety of investment options.</li> <li>You assume all investment risk and pay any associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>Contributions are invested with STRS. You allocate the contributions among a variety of investment options.</li> <li>You assume all investment risk and pay any associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>STRS manages all assets to fund your benefits.</li> <li>You assume no investment risk and pay no associated management fees.</li> </ul>	<ul style="list-style-type: none"> <li>DC portion: Contributions are invested with STRS. You allocate the contributions amount a variety of investment options. You assume all investment risk and pay any associated management fees.</li> <li>DB Portion STRS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees.</li> </ul>
<b>Taxes</b>	<ul style="list-style-type: none"> <li>There are important tax issues associated with how and when you may receive your benefit- consult with your tax advisor for more information.</li> </ul>			
<b>Tax-Deferred Benefits</b>	<ul style="list-style-type: none"> <li>Your contributions are made on a pre-tax basis; federal and state taxes are deferred until benefits are paid</li> <li>Benefits are exempt from local or municipal taxes within Ohio, except school district income tax.</li> <li>Any investment return your account earns is also tax-deferred.</li> </ul>			
<b>Access to Funds at Termination/ Retirement</b>	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup></li> <li>-Leave your account balance with you ARP provider</li> <li>-Roll the vested portion of your account into another qualified account or IRA</li> <li>-Receive the vested portion of your account in the following ways: <ul style="list-style-type: none"> <li>Partial or full cash withdrawal</li> <li>Fixed-period payments over a set number of years</li> <li>Systematic withdrawal</li> <li>Single or going life monthly annuity with continuing survivor protection</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup></li> <li>-Leave your account on deposit for future benefits.</li> <li>-Roll the vested portion of your account into another qualified plan or IRA</li> <li>-Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest.</li> <li>-Receive fixed-period payments over a set number of years.</li> <li>-Receive systematic withdrawals.</li> <li>-Receive single or joint life monthly annuity from the vested portion of your account with continuing survivor protection.</li> </ul>	<ul style="list-style-type: none"> <li>Choose from a number of options<sup>4</sup></li> <li>-Leave your account on deposit for future benefits</li> <li>-Roll your vested account funds into another qualified plan or IRA.</li> <li>-Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest.</li> <li>-If eligible, receive a retirement pension benefit based on the plan formula.</li> </ul>	<ul style="list-style-type: none"> <li>For the DC portion choose from a number of options<sup>4</sup></li> <li>-Leave your account on deposit for future benefits.</li> <li>-Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest.</li> <li>-Receive fixed-period payments from the vested portion of your account balance over a set number of years.</li> <li>-Receive systematic withdrawals.</li> <li>-Receive single or joint life monthly annuity with continuing survivor protection.</li> <li>For the DB portion choose from a number of options<sup>3</sup>:</li> <li>-Leave your account on deposit for future benefits.</li> <li>-Roll your vested account funds into another fund into another qualified plan or IRA.</li> <li>-Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest.</li> <li>-If eligible, receive a retirement pension benefit based on the plan formula.</li> </ul>
<b>Additional Benefits</b>	No additional benefits other than vested account balance if disabled (tax implications may apply).	No additional benefits. You will have access to Retiree Medical Account to be reimbursed for eligible health care expenses and access to vested account balance if disabled (tax implications may apply).	You may be eligible for health care, disability, and survivor benefits. Specific eligibility criteria must be met.	You may be eligible for health care, disability, survivor benefits. Specific eligibility criteria must be met.
<b>Impact on Social Security Benefits</b>	If eligible, there may be a reduction in your Social Security benefit			
<b>Other Considerations</b>	The above comparison is not a comprehensive list. You should carefully consider your retirement options and personal needs when selecting a retirement plan. For additional information contact Human Resources, STRS, the ARP providers, &/or a financial planner			

<sup>1</sup> Mitigating contribution payments to STRS Ohio go toward meeting the employer's proportionate share of the unfunded accrued liability. House Bill 520 includes a new method for calculating the mitigating rate, places a 4.5% maximum on the rate and requires that the rate be reviewed every five years. This rate is subject to increases or decreases based on applicable law retirement system mandates

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