

### TDI-Matching ORP Contributions 2024

Academic and administrative employees hired on or after July 1, 2014 may use their 403(b) Voluntary Savings contribution to receive an additional matching contribution to the Optional Retirement Plan (ORP). If you are eligible to participate in the ORP in lieu of becoming a PERS member, read further for a description of the ORP Tier 4 Employer Match contribution and how your participation in the TDI plan can add to your overall retirement savings.

The TDI-matching contribution to the ORP, called the ORP Employer Match, is specifically for ORP Tier 4 participants. It is the result of 2013 action by the Oregon Legislative Assembly to create an ORP contribution rate structure designed to support:

- A pathway to sufficient retirement savings that can be adjusted to meet a participant's personal retirement income needs;
- Participants' choice and active engagement in their retirement savings plan;
- Integration with the TDI voluntary retirement savings plan;
- Year-to-year consistency in contribution rates; and
- Contribution rates closely based on national norms for defined contribution plans.

This document describes what you will want to know if you are an ORP Tier 4 participant.

Consider the investment objectives, risks, and expenses of the investment options before investing. Prospectuses and fund fact sheets can be obtained by contacting the TDI Provider. Please read carefully before investing.

#### Disclaimer – Please read carefully

The TDI Guide and Plan Supplement are intended to assist in the administration of the plan, and it includes a summary of common TDI Plan provisions. To obtain additional information about the Plan, contact your campus' benefits office for specific assistance or visit the OPURP website [here](#) to view the official plan document.

In case of conflict between this guide and the official plan documents of the Tax-Deferred Investment 403(b) Plan (TDI), the Optional Retirement Plan (ORP) and Oregon state law, the official plan documents, Oregon state law, and federal regulations will govern.

# TDI Match in ORP Tier Four

## Tax-Deferred Investment Plan – TDI 403(b)

### Are you an ORP Tier 4 participant?

You become an ORP Tier 4 participant when the following criteria apply to you:

1. You were first employed by one of the seven public universities on or after July 1, 2014;
2. You are an academic or administrative employee rather than classified staff;
3. During the 6-month waiting period, you met the initial eligibility requirements to select the ORP that included one of the following “600 hour” equivalents:
  - a. A 12-month appointment of at least 0.3 FTE;
  - b. A 9-month appointment of at least 0.4 FTE;
  - c. A 9-11 month or variable hours appointment such as a term-by-term appointment that requires 50 hours/month in each full month of the waiting period.
4. You elected participation in the ORP in lieu of the OPSRP

### How does the matching contribution work?

For Tier Four participants, your university matches employee contributions to the Tax-Deferred Investment (TDI) 403(b) Plan up to a maximum of 4% per pay period. The Employer Match is a 100% match of your pre-tax and Roth 403(b) contributions, up to the first 4% of pay (subject to IRS limits).

ORP Tier 4 contributions are made up of:

1. An Employer Contribution of 8% of pay, and
2. An Employer Match of 1%, 2%, 3%, or 4% of pay, depending on your Voluntary Savings percentage.

### Employer Match Contributions to the ORP are 100% Vested.

The contributions your university makes to your Employer Match account are 100% vested. This means that you have a non-forfeitable right to that account if you leave employment.

### Deciding on your TDI-matching contribution

If you contribute at least 4% to the TDI, your total ORP contribution will be 12% of pay (8% Employer ORP Contribution plus 4% ORP Employer Match equals 12%). Your TDI contribution amount may exceed 4% of pay, but will not increase your ORP Employer Match above 4%.

By contributing at least 4% to the TDI, the university contributions to the ORP, i.e. the Employer Contribution and the ORP Employer Match Contribution, will be maximized at 12% of pay. The additional 4% you contribute into the TDI brings your total retirement contributions rate to 16% of pay.

If your TDI contribution is lower than 4%, your ORP Employer Match is the same lower percentage.

If you do not contribute to the TDI at all, you will not receive the ORP Employer Match. You will receive only the 8% Employer Contribution to your ORP account.

### Special Note Regarding Annual TDI Contribution Limits:

When planning your TDI contributions, pay careful attention to the annual contribution limits for the TDI Plan.

- Check the TDI Plan Highlights each year to see if your TDI salary reduction percent will exceed the limit, and use the calculator on the 403(b) Voluntary Savings Form (VSF) to confirm that your contribution rate will not inadvertently reach the maximum deferral rate before year's end.
- Remember, you can change your contribution rate during the year by completing a new 403(b) VSF. If you find you may exceed the limit, you can reduce your contribution percentage in future months.
- For help in understanding how your TDI contribution and ORP Employer Match contribution rates interact with each other, contact your university benefits office. The university cannot advise you on a specific voluntary savings rate, but can work with you to confirm how your proposed TDI contribution rate and expected months of work will or will not affect your ORP Employer Match Contributions.

### **Part of my TDI Contribution is in my 403(b) Roth account – does that matter?**

No. The ORP Employer Match amount includes your TDI-matching percent of salary whether you contribute through the pre-tax or Roth option. However, the ORP Employer Match is strictly a pre-tax contribution.

### **Changing the TDI-matching amount**

Your TDI contribution percentage can be changed during the year, and when you change it, the amount of Employer Match to the ORP may change. Remember that if you reduce your voluntary TDI contribution below 4%, your Employer Match percentage will drop to the same level.

### **Choice and changing vendors**

An ORP Tier 4 participant must use the same investment company for both the ORP and TDI plans. For example:

- If your ORP account is with TIAA, your TDI account must also be with TIAA.
- If your ORP is at Fidelity, your TDI account must also be at Fidelity.

If you wish to change your investment provider, you may do that one time each calendar year.

- Complete a new 403(b) VSF and an ORP Change Form, and send both to your university's benefits office.
- Enroll in both the TDI and ORP with the new provider.

Taking these steps will direct all new contributions to the new provider's TDI and ORP accounts.

If you wish to transfer your existing accounts, follow the instructions in the TDI Guide and the ORP Retirement Decision-Making Guide.

### **Loans, hardship, and divorce distributions (TDI-matching/ORP Match)**

- **Loans**  
No loans are available in the ORP.
- **Hardship Withdrawals**  
The ORP Employer Match balance is not available for a Hardship.
- **Divorce Distributions**  
If your TDI or ORP account is divided pursuant to a divorce decree or qualified domestic relations order, the accounts and plans must be identified in the court documents. Distributions of your ORP Employer Match account as part of your ORP account, without reference to your TDI account, and vice versa, is possible.