



Decision Making Guide

When considering your financial future, there are many issues you'll want to consider. This guide will help walk you through these issues. You can compare your options to determine which of the two employer-paid retirement plans is right for you.

Disclaimer – Please read carefully

This guide provides an overview of PERS/OPSRP and the Optional Retirement Plan (ORP). The descriptions of PERS and OPSRP in this guide are based on Oregon Public Universities' understanding of applicable legislation, as amended and affected by judicial decisions, as of the date of this guide. In addition, PERS regularly adopts administrative rules to implement legislative and operational changes. The descriptions of OPSRP and PERS are therefore subject to modification and/or clarification by new legislation, court decisions and PERS' administrative rulemaking.

Optional Retirement Plan (ORP) – Public Employee Retirement System (PERS)

This material is intended to assist in the administration of the plan and it includes a summary of common ORP Plan provisions. Contact your benefits office for more information and assistance with questions, transactions, or circumstances not included in this guide.

In case of conflict between this guide and the official plan documents of the ORP and Oregon state law regulating PERS/OPSRP, the official plan documents, Oregon state law, and federal regulations will govern. A copy of the ORP plan document is available through your campus benefits office upon request or [here](#) on the OPURP website.

Table of Contents

Optional Retirement Plan	5
SECTION 1 – Highlights of the Optional Retirement Plan (ORP).....	7
ORP Investment Choices	7
ORP 401(a) Plan Design: Choice of Investment Service Providers	8
<i>ORP: Fidelity</i>	9
<i>ORP: TIAA</i>	9
<i>ORP: AIG</i>	9
<i>Vesting</i>	10
<i>Retirement Benefits</i>	10
<i>Contributions</i>	10
Historical ORP Contribution Rates (% of Salary)	11
Tier 4	12
Rollovers and Transfers	12
Loans	13
Leaving Oregon Public Universities Before Retirement.....	13
Retirement	14
Divorce	14
How Retirement Affects Your ORP Account.....	15
<i>Are you ‘Retired’ Under the ORP?</i>	15
Distributions While Retired	16
<i>Contributions While Retired</i>	16
<i>Working After ORP Retirement</i>	16
Answers to Other Common Questions About Retirement Under the ORP	17
Summary of Provisions	19
Distributions, Rollovers, and Rehire Provisions of the ORP	20
Your ORP Status after Leaving Oregon Public Universities Employment	21
SECTION 2 – Highlights of PERS/OPSRP	25
Hybrid Plan	25
Vesting	26
How Retirement Benefits are Determined	27
When You May Receive Retirement Benefits	27
Rollovers	28
Leaving Oregon Public Universities Before Retirement.....	28
Disability	29
Death Benefits.....	29
SECTION 3 – ORP Providers and Investments	30
More Information	30
SECTION 4 – Choosing Between the ORP and PERS/OPSRP	31
Questions to Ask Yourself	31

Introduction

The information in the ORP Retirement Plan Decision Making Guide is an integral part of the resources available to support your choice between two employer-paid retirement plans:

- Public Employees Retirement System (PERS) / Oregon Public Service Retirement Plan (OPSRP)
- Optional Retirement Plan (ORP)

The following materials encompass the critical resources available to help you make an informed decision. Please read all of these materials to ensure that you understand this important decision regarding your retirement benefits at Oregon Public Universities which include Eastern Oregon University, Oregon Institute of Technology, Oregon State University, Portland State University, Southern Oregon University, University of Oregon, and Western Oregon University.

The retirement benefits provided to you as an eligible academic or academic administrative employee of Oregon Public Universities can be a significant part of your income in retirement.

You must make a one-time, irrevocable decision by the end of a six month waiting period from your hire date. You may choose between membership in PERS/OPSRP or participation in the ORP. You may make your decision at any time during your six month waiting period, but keep in mind that this is a one-time opportunity.

The plan you choose will be the plan you participate in during the entire time you work for Oregon Public Universities as an eligible employee, even if you leave your employing institution and are later rehired.

Your PERS/OPSRP membership is based on your employment history with any PERS participating employer. Your ORP participation tier is based on your original date of hire by the Oregon Public Universities. Other rules may apply to PERS/OPSRP members – please see your benefits office for further details.

If you are interested in the ORP, allow yourself enough time before your enrollment deadline to contact the ORP providers, obtain plan literature, and complete an account application.

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) is a defined contribution, participant-directed plan that is exclusively for Oregon Public Universities' employees.

If you elect to participate in the ORP, your participation date and contribution tier are based on the date you are hired as an ORP eligible employee. Prior PERS service time while employed by any of the Oregon Public Universities, if any, is recognized for vesting purposes. However, if you subsequently leave to work for another PERS employer, PERS does not give credit for the time you were an ORP participant.

Additional, Voluntary Retirement Plans

In addition to PERS/OPSRP and the ORP retirement plans, two voluntary retirement savings plans are also available. You may enroll in these plans as soon as your employment begins or any time thereafter. You decide the amount of your pre- and post- tax contributions.

- Tax-Deferred Investment 403(b) Plan – TDI
The TDI program is an IRS Section 403(b) plan that offers tax-sheltered annuities and mutual funds. See an online description of the Oregon Public Universities Tax-Deferred Investment 403(b) Plan at <http://www.opurp.org/tdi-403b-plan>
- Oregon Savings Growth Plan (OSGP)
The OSGP is a governmental IRS Section 457(b) deferred compensation plan. A description of the OSGP is available online at <http://www.oregon.gov/pers/OSGP/Pages/index.aspx>

This guide will help you make your retirement plan enrollment decision, and contains many helpful features:

- Issues you may want to consider as you make your enrollment decision
- Questions to help focus your decision making
- Enrollment instructions

You must return your completed **ORP or PERS Election Form** to your campus Benefits Office by the 10th of the month in which you are eligible.

Eligible employees who do not make a written enrollment selection during this period of time will be automatically enrolled in PERS/OPSRP.

Your decision to participate in the ORP or PERS/OPSRP is, by law, a one-time irrevocable decision.

This section of the Decision Making Guide highlights key provisions of the Optional Retirement Plan (ORP), the Oregon Public Service Retirement Plan (OPSRP), and the Public Employees Retirement System (PERS). For more information, refer to these Retirement Options Comparisons:

- Guide #3 for PERS/ORP Tier One and Tier Two employees
- Guide #4 for OPSRP/ORP Tier Three employees
- Guide #5 for OPSRP/ORP Tier Four employees
- Guide #8 for ORP Postdoc employees

The summaries in these guides compare key features of your retirement options and are available [here](#) on the OPURP website.

Section 1 – Highlights of the Optional Retirement Plan (ORP)

ORP Investment Choices

You direct how your employer and employee contributions are invested.

Transfers among investments may be made to the extent allowed by each provider and as permitted under applicable Income Tax Regulations. Information about available investments including investment performance, expenses, prospectuses and fund fact sheets can be obtained from the ORP Plan Providers.

Mutual fund and/or annuity investments are currently offered through these providers:

- **Fidelity Investments**
- **TIAA**
- **AIG** (closed to new participants)

When you enroll in the ORP, you select a provider to invest contributions (employer, employee, tier 4 ORP employer match, Postdoc match, and, if applicable, rollovers) in the investment funds you choose.

- You may change investment companies for future contributions once per calendar year, subject to any restrictions or fees required by your current provider.
- You may transfer existing account balances among ORP investment companies at any time, subject to provider fees and restrictions.
- You may change among investment funds offered by your current provider as often as permitted by the provider.

See the ORP Plan Highlights for more information about the providers and where to find information about the investment programs and services they offer.

ORP 401(a) Plan Design

Choice of Investment Service Providers

ORP 401(a) and TDI 403(b) Plans

Participants' Choice of Programs

Fidelity	TIAA	AIG
CORE MENU	TIAA Traditional, Fixed Annuity	CORE MENU
Target Retirement Date Funds	CREF Variable Annuities	Target Retirement Date Funds
Passively Managed Index Funds	TIAA-CREF Mutual Funds	Passively Managed Index Funds
Actively Managed Mutual Funds		Actively Managed Mutual Funds
Fidelity Brokerage Account		Fixed Annuity
		Variable Annuity

ORP: offers a custom-constructed investment menu to suit a wide range of investor preferences, including:

- “Lifecycle” target retirement date mutual funds designed for “hands-off” investors
- A core investment menu of mutual funds spanning a broad range of asset classes
- Fixed and variable annuities in TIAA and AIG
- A brokerage account for investors who want maximum flexibility and accept full personal responsibility for the performance and costs associated with a wide array of mutual funds available as an additional choice

ORP: Fidelity

Fidelity Investments has provided services to the Oregon Public Universities Retirement Plans since 1992. As record-keeper to the ORP, Fidelity provides account administration, participant education and retirement consultations. Fidelity offers investment management, retirement planning, brokerage services, and state of the art technology services.

Fidelity offers an advised core investment menu of mutual funds, including target date “lifecycle” funds, passively managed index funds, and actively managed funds for each of the nine Morningstar asset classes. Investments on the core menu are monitored for performance and fees by an investment advisor and committee, and may be changed from time to time as needed to meet the investment policy of the plan. Each investment bears different expenses for investment management. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

For more information, call Fidelity Investments at 1-800-343-0860 or visit www.netbenefits.com/opurp/

ORP: TIAA

TIAA (Teachers Insurance and Annuity Association) is a leading financial services organization. The firm is a leader in helping those in the academic, medical, cultural, governmental and research fields plan for and live in retirement. TIAA offers a wide range of products and services through non-commissioned consultants. TIAA offers fixed and variable annuities, including a guaranteed interest account, four equity, and three fixed income accounts, as well as mutual funds representative of major asset classes including a suite of target retirement date “lifecycle” funds.

For more information, call TIAA at 1-800-842-2776 or visit www.tiaa.org/opurp

ORP: AIG

AIG is closed to enrollment after October 10, 2007

AIG comprises a national team of nearly 2,000 financial advisors and financial planners who, while offering a wide array of investment services, provide personal face to face service. AIG manages plans for nearly 25,000 groups, servicing more than 2 million participants. AIG offers more than 60 fixed and variable investment options managed by various well-known fund families. As of January 31, 2018, AIG added a menu of investment funds, including target date “lifecycle” funds, passively managed index funds, and actively managed funds for each of the nine Morningstar classes. Participants may move into the mutual funds from the annuity funds at any time with no surrender fee.

For more information, call AIG at 1-800-448-2542 or visit www.VALIC.com

Vesting

Vesting is a form of ownership. You earn a non-forfeitable right to your Employer Contribution Account based on the years of service.

- A year of service is each plan year that an employer contribution was made for you.
- You are 100% vested in your Employer Account after having five (5) years of contributions. For all years after 2013, if you work any hours in a calendar year, the year counts as a year of service for vesting.
- You may also become vested in your Employer account if you are working for any of the Oregon public universities at age 50 or older, even if you haven't worked five years in a qualifying position.
- A participant who dies within 120 days of leaving Oregon Public Universities employment is 100% vested upon death.
- If you have participated in PERS during previous employment with any Oregon Public University, your years of qualifying service with PERS apply toward vesting in the ORP. While with the Oregon Public Universities, if you were vested in PERS when you enroll in the ORP Tiers 1, 2, or 3, you will also be vested in your ORP Employer Account.
- You are always 100% vested in your Employee Account, Rollover Account, Tier 4 ORP Employer Match Account, and Postdoc match account, including any related earnings.

Retirement Benefits

Your retirement benefit is based on the value of your Employee Account, Tier 4 ORP Employer Match Account, or Postdoc match account, plus the value of your Employer Account at the time you begin to receive benefits.

Benefit payments are available as a single lump sum or any payment option offered by the provider with which you are investing. Contact the ORP providers for more specific information on the benefit payment options available.

Contributions

Employer and Employee/Tier Four ORP Employer Match and Postdoc Match contributions are made to the ORP for each employee who has met ORP Initial Eligibility requirements.

Under state law, the employer contribution to the ORP Tier 1, 2, and 3 are based on the contribution rate for PERS/OPSRP and the PERS/OPSRP Individual Account Program (IAP). Contributions to the ORP Tier 4 are as described in Guide 5. Contributions to Postdocs are described in Guide 8.

Current contribution rates can be found in the ORP Plan Highlights and the Retirement Option Comparison guide for your contribution tier.

- Federal and state income taxes are deferred on contributions and any related earnings as long as they remain in the plan.
- ORP Tiers 1, 2, and 3 contribution rates may increase or decrease whenever PERS/OPSRP defined benefit pension plan funding methods are revised, or the PERS/OPSRP pension is valued to reflect new costs of providing member benefits.
- Oregon Public Universities Retirement Plans cannot predict ORP Tiers 1, 2, and 3 contribution rates over the long term because the funding of PERS' defined benefit pension plans rely on market performance, wages of active PERS members, utilization by retirees, and management decisions of the PERS Board.
- Action by the state legislature and plan management actions by the PERS Board impact ORP Tiers 1, 2, and 3 contribution rates.

Historical & Current ORP Contribution Rates – as of 01/01/2022

These past rates do not predict future contribution rates.

Percent of Salary

	Tier 1, Tier 2	Tier 3	Tier 1, Tier 2, Tier 3
Dates in Effect	Employer Contribution		Employee Contribution (from 1/2004)
7/2005 - 6/2007	16.75	8.04	6.00
7/2007 - 6/2009	16.01	5.82	6.00
7/2009 - 6/2011	11.89	5.89	6.00
7/2011 – 6/2013	16.14	6.21	6.00
7/2013 – 6/2015	16.50	6.42	6.00
7/2015 – 6/2017	20.45	7.94	6.00
7/2017 – 6/2019	23.68	9.29	6.00
7/2019 – 6/2021	27.2	9.85	6.00
7/2021 – 6/2023	26.30	9.63	6.00

Optional Retirement Plan (ORP)

Tier 4		
Dates in Effect	Employer Contribution	Matching Contribution
7/1/2014	8%	1- 4% matching Employee's contribution to TDI 403(b) Plan

Postdoc participants follow a different retirement plan structure. Please see the Postdoc Scholars information (Guide #8) under Optional Retirement Plan for details.

Important Note about Contribution Limits

The ORP is a Defined Contribution Plan and is subject to IRS limits on contributions. The current IRS limits can be found in the ORP Guidebooks. Contributions to your ORP accounts will be monitored annually by Oregon Public Universities Retirement Plans to ensure that these limitations are not exceeded. If your account is affected, you will be notified by the Plan Administrator of any corrective measures that may be needed.

Contributions made to the Tax-Deferred Investment (TDI) 403(b) Plan are subject to limits of that plan. When planning your TDI contributions, pay careful attention to the limits applicable to the TDI Plan. If you meet the annual elective deferral limit early, your match will continue each month for the full 12 months.

Rollovers and Transfers

Rollovers and transfers may be made to the ORP from several sources:

- PERS. If you are not vested in PERS and elect to join the ORP, your Member Account will be transferred to the ORP regardless of whether you request it.
- PERS/OPSRP IAP. You may transfer your vested IAP Employee Account balance(s) to the ORP at the time you elect to participate in the ORP. **If you choose to transfer your IAP funds to the ORP, you will forfeit your OPSRP/PERS pension benefits.**
- OPSRP Pension. If the value of your OPSRP vested pension is \$5,000 or less you may transfer that balance to the ORP at the time you elect to participate in the ORP.
- PERS Tier One / Tier Two Pension. If you elect to transfer your PERS (Tier one or Tier two) Member Account to the ORP, you will forfeit your PERS pension and any rights to future PERS retirement benefits, whether or not you are vested.
- Another employer's qualified retirement plan, subject to certain restrictions and provider rules.
- A tax-sheltered annuity under Internal Revenue Code Section 403(b).

- An eligible governmental deferred compensation plan under Internal Revenue Code Section 457(b).
- An Individual Retirement Account (IRA) if funds were rolled over to the IRA from a qualified retirement plan.

Note: The Internal Revenue Service has specific rules and time limits regarding rollovers and transfers. In addition, some investment companies may restrict rollovers.

If you are considering a rollover to the ORP, please contact the provider you wish to invest with for information and rules affecting rollovers.

Loans

Beginning September 1, 2018, new loans are not available with the ORP.

Participants who currently have a loan in the ORP and have an outstanding loan balance are permitted to repay that loan according to the original terms and conditions. Please note that these loans did not need to be paid off by September 1st.

Leaving Oregon Public Universities before Retirement

ORP benefits become available when you leave Oregon Public Universities. You are eligible to receive your Employee/Tier 4 ORP Employer Match or Post-doc Match Account balance and, if vested, your Employer Account balance (if applicable). However, if you withdraw funds before the year you reach age 55 and do not roll them over to a qualified plan or IRA, the distribution may be subject to an additional 10% early withdrawal penalty levied by the IRS and paid when you file your tax return.

You may leave your money in the ORP and continue to receive investment earnings and losses on your account balance until you withdraw your funds.

Check with the ORP providers for information and rules affecting distributions or rollovers from your account if you leave Oregon Public Universities before retirement.

In addition to the details mentioned above, there are a number of ORP provisions to consider about whether and when to take a distribution or rollover from the ORP. These may affect your distribution, rollover or ORP tier level if you are rehired.

More information about these provisions can be found in ‘Distribution, Rollover and Rehire Provisions of the ORP’

Retirement

Optional Retirement Plan vested benefits are available for distribution or rollover when an employee leaves Oregon Public Universities' employment. An employee who has reached the normal retirement date of the plan (age 55 as of July 1, 2018) or who is participating in a formal retirement incentive program – such as (but not limited to) tenure relinquishment at separation – becomes a retired participant by meeting certain criteria.

A retired participant's eligibility criteria, distributions and rehire provisions are outlined in 'How Retirement Affects your ORP Account.'

An employee who leaves one or more of the Oregon Public Universities but is not retired and an employee who retired both receive the same retirement benefit.

Divorce

In a divorce your account may be subject to division through a legal document called a Qualified Domestic Relations Order (QDRO). A Qualified Domestic Relations Order is one of the few ways in which a retirement plan account may be distributed to anyone other than a plan participant. A domestic relations order is an order signed by a judge relating to the provision of child support, alimony payments, or marital property rights made pursuant to state domestic relations law.

Detailed procedures regarding divorce distributions can be found on the [OPURP website](#) or by contacting the Oregon Public Universities Retirement Plans at 541-346-5784.

How Retirement Affects Your ORP Account

Whether you are approaching retirement or you're already there, there are many important provisions of the Optional Retirement Plan (ORP) you should know. This document provides important information in the following pages:

- Are you 'Retired' under the ORP?
- Distributions while Retired
- Contributions while Retired
- Working after ORP Retirement
- Post-Retirement Work Limit
- Answers to other common questions about Retirement under the ORP
- Summary of Provisions
- Additional Resources

Are you 'Retired' under the ORP?

Knowing your status under the ORP is vital to determining how the ORP provisions will apply to you.

Retiring under PERS does not – in and of itself – cause you to be retired under ORP definitions.

You can become a "Retired Participant" in the ORP in one of two ways:

1. You have separated from service after age 55 AND you *have* taken a partial distribution from your ORP account.

NOTE: If you have separated from service after age 55 and you *have not* taken any type of a distribution from your ORP account, then you are considered an Inactive Participant. However, as soon as you take a partial distribution, you become a Retired Participant for purposes of the ORP.

2. You are or were a participant in a retirement incentive program including, but not limited to, tenure relinquishment, tenure reduction or an early retirement incentive program.

Distributions while Retired

A Retired Participant may receive ORP account distributions. If you have attained the Plan's normal retirement age and have accepted a post-retirement appointment as part of your retirement incentive agreement, you may withdraw income from your vested ORP accounts during the identified period that you are performing work for your institution.

Contributions while Retired

As a Retired Participant, you receive no further ORP contributions based on work you perform for your institution after retirement. This includes work that is specified in your agreement, if any, and all other unrelated post-retirement work you perform as a Retired Participant.

Working after ORP Retirement

What happens if I am rehired at an Oregon Public University while I am retired under the ORP?

A Retired Participant becomes an Active Participant under the same terms as a new employee.

If a Retired Participant is in a retirement incentive program, the Participant is not eligible to become an Active Participant until after the end of any post-retirement period of work. If the agreement provides, for example, a post-retirement appointment for each of five successive years after retirement, any work performed after the end of that 5-year period begins a new ORP waiting period, after which the Retired Participant may re-establish Active Participant status.

A Retired Participant who re-enters the Plan is one who:

1. Is appointed to a Qualified Position
2. Serves a 6-month waiting period that is uninterrupted by more than 30 days; and
3. Establishes Active Participant status on the first of the month after completion of the waiting period; and
4. Is eligible for the contribution tier that is available to new employees on the date the Retired Participant is rehired; and
5. Is fully vested in both the Employer and Employee accounts if 50 years of age or older; and
6. Is eligible for an ORP distribution until Active Participant status is restored.

If you return to service with an Oregon Public University, your original election to participate in the ORP is unchanged whether or not you have taken any form of distribution from your ORP account.

Post-Retirement Work Limit

The ORP does not authorize or limit how many hours a Retired Participant may work each calendar year. Instead, a Retired Participant who is rehired in to a Qualifying Position will lose Retired Participant status and will re-enter the plan as a new Active Participant (after a 6-month waiting period that is uninterrupted by more than 30 days). A Retired Participant cannot become an Active Participant during a period of post-retirement work or benefit provided through a retirement incentive program.

Answers to Other Common Questions about Retirement under the ORP

Q1: When does Retired Participant status end?

A1: A Participant is retired until the sooner of:

- a. The date the Retired Participant received a full distribution of the ORP account and ceases to be an ORP participant, or
- b. The individual re-enters the ORP as an Active participant in a qualifying position, or
- c. The end date of the period of post-retirement work or benefit provided through a retirement incentive agreement.

Q2: When may I take a distribution from my ORP account?

A2: There are two opportunities to receive part or all of your ORP account as a distribution or rollover:

- a. When you terminate from all employment with Oregon Public Universities, or
- b. If you are a Retired Participant under the ORP and you are older than the plan's Normal Retirement Date.

Q3: What is the ORP Normal Retirement Date?

A3: Normal Retirement Date is currently the first of the month coinciding with or immediately preceding a Participant's 55th birthday or completion of 30 Years of Service, whichever occurs first.

Q4: Will I be eligible for ORP contributions if I accept qualifying employment at another Oregon Public University during the period that my retirement incentive agreement is in effect?

A4: No. During the period of benefits or payments under a retirement incentive agreement, you are a Retired Participant, and are ineligible for ORP contributions, regardless of other employment within the University System.

Q5: Is there a limit to the hours per year that an ORP Retired Participant may work in a post-retirement appointment?

A5: The ORP does not authorize or limit the number of worked hours that are permitted in a calendar year. Post-retirement work is limited by the terms of a retirement incentive agreement or, absent a retirement incentive agreement, by the number of hours a Retired Participant may work before qualifying as an Active Participant and reverting to Active Participant status.

- a. Retirement Incentive Retirees: Post-retirement work may be included as a benefit or payment for tenure relinquishment/reduction or early retirement through a formal program of the university that specifies the number of hours and period during which a Retired Participant will be engaged to work after retirement.
- b. Non-Incentive Retirees: A Retired Participant who has not participated in a retirement incentive program will not lose Retired Participant status until the first of the month after she/he is rehired into a Qualifying Position.

Q6: How does a Retired Participant re-enter the Plan as an Active Participant, and what are the consequences of doing that?

A6: A Retired Participant who has never participated in or has completed a retirement incentive program may again become an Active Participant of the ORP by working for six months in a Qualifying Position.

- a. The participant re-enters the ORP at the contribution tier and rate that is available to newly-eligible employees.
- b. ORP contributions begin the first of the month following completion of the 6-month waiting period.
- c. In-service distributions are permitted until a re-employed Retiree becomes an Active participant and eligible for new ORP contributions.
- d. Vesting in the employer contribution account is the sooner of the date that the Active Participant reaches age 50 or has received ORP contributions in a Qualifying Position in each of five years.

Q7: How long am I a Retired Participant and subject to the plan rules for ORP distributions and contributions?

A7: You are a Retired Participant under the ORP until the sooner of when:

- a. You have received all of your ORP benefits and cease to be an ORP Participant; or
- b. You are re-employed and qualify to become an Active Participant under the terms of the Plan for Retirees and ceased Participants. You may not currently be under a retirement incentive program to qualify to become an Active Participant.

Summary of Provisions

Plan Provisions	Retiree 1: Age & Distribution	Retiree 2: Retirement Incentive
Definition of Retiree	Has reached the Plan's Normal Retirement Age and has taken a partial distribution	A Participant under a Retirement Incentive program
Contributions End	On Termination (Retirement) Date	On Termination (Retirement) Date
Post-Retirement Worked Hours Limit	In a Qualifying Position and waiting period served, contributions begin – distributions end (Retired Participant becomes an Active Participant). No limit.	Limits established under the terms of the Retirement Incentive program apply
Contributions	Will resume if you again become an Active Participant	Not permitted during period of post-retirement appointment
Waiting Period	6 months	Not applicable during period of post-retirement appointment
Contribution Tier	The same as a new employee	Not applicable during period of post-retirement appointment
Vesting	5 years of service or age 50 while employed, whichever comes first	Not applicable during period of post-retirement appointment
Forfeiture Reinstatement	Not eligible for forfeiture restoration	Not applicable during period of post-retirement appointment

Additional Resources

1. Your institution's Benefits Office
2. ORP Materials at www.opurp.org/optional-retirement-plan

Distributions, Rollovers, and Rehire Provisions of the ORP

When you – an Optional Retirement Plan (ORP) participant – are no longer employed by the Oregon Public Universities, there are a number of ORP provisions to consider regarding whether and when to take a distribution or rollover from the ORP. These may affect your distribution, rollover or tier level under the ORP should you be rehired by any institution with any of the Oregon Public Universities.

General Distribution Information

I have separated from service and am considering taking a distribution from my account. If I take a distribution, what effect will it have?

- Vesting is defined as a participant’s non-forfeitable right to money in an account once she/he has received ORP contribution in each of five calendar years or is over 50 years of age.
 - i. Employee Account: Your Employee Account is always 100% vested. You may request a distribution or rollover of the Employee Account at your discretion.
 - ii. Employer Account: If you are not vested in your Employer Account it will be forfeited as of the date that you separate from service. If you are rehired by the Oregon Public Universities, under certain circumstances you may be eligible to have your Employer source money restored to your account. However, if you are vested in your Employer Account you may distribute it or perform a rollover at your discretion.
 - iii. ORP Employer Match Account: If you are a Tier 4 member or a Postdoc member, you may have an ORP Employer Match Account. Money in this account is always 100% vested. You may request a distribution or rollover of this balance after separation from service.
- You are not required to take a distribution when you separate from service. Your separation from service will not cause any additional fees to be assessed against your account. Distributions may have restrictions or penalties associated with them – ask your provider for details.
- Although no new contributions will be made to your account, you may still manage your account through your provider’s online and telephone services. You will have continued access to the same investments as active employees as well as the same ability to manage your portfolio.

- If you are later rehired by one of the Oregon Public Universities, the length of your separation and ORP status at the time you are rehired determine if you have a new waiting period, if any forfeited accounts will be restored, and your employer contribution tier. Please read the following sections of this document for additional details.

If you choose to take a distribution, contact your ORP provider for distribution and rollover information that the IRS requires the provider to give to a participant who is considering a distribution or rollover (this material is called a 402(f) Special Tax Notice).

Your ORP Status After Leaving Oregon Public Universities Employment

Knowing your status under the ORP is vital to determining how the ORP provisions will apply if you are rehired by an Oregon Public University.

Inactive: If you are an Inactive Participant, please refer to the rehire provisions listed under the ‘Inactive Participant’ section below.

You are an Inactive Participant if:

1. You have separated from service and are younger than age 55; OR
2. You have separated from service after age 55 AND you have NOT taken any type of distribution from your ORP account. Please note that as soon as you take any type of distribution, you become a Retired Participant for the purposes of the ORP; AND you have never been a participant in a retirement incentive program, including but not limited to tenure relinquishment, tenure reduction or an early retirement incentive program.

Retired: If you are a Retired Participant, please refer to the rehire provisions listed under the ‘Retired Participant’ section below.

You are a Retired Participant if:

1. You have separated from service after age 55 AND you have taken any type of distribution from your ORP account; OR
2. You are or were a participant in a retirement incentive program including, but not limited to, tenure relinquishment, tenure reduction or an early retirement incentive program.

INACTIVE PARTICIPANT

A) If I choose to come back to work for one of the Oregon Public Universities in the future, how would a distribution affect my standing under the ORP?

Your standing with the plan is affected by whether you have taken a full, partial, or no distribution from the Optional Retirement Plan.

- **Full Distribution:** If you take a full distribution of your vested ORP account, you will cease to be a participant under the Plan and any future employment with Oregon Public Universities will be the same as a new employee for purposes such as – but not exclusive to – provider selection, tier, vesting and wait time. If you return to service with Oregon Public Universities, your original irrevocable election to participate in the ORP is unchanged.
- **Partial Distribution:** If you take a partial distribution of your ORP account you will resume participation in the same contribution tier as your original employment. However, you will be required to serve a 6-month waiting period before resuming participation in the ORP. Your vesting status and forfeiture restoration to your account (if applicable) depends on how long you were separated from service.
- **No Distribution:** If you have not taken any distribution from your vested ORP account you will resume participation in the same contribution tier as your original employment, and you will not be required to serve a new 6-month waiting period before resuming participation in the ORP. Your vesting status and forfeiture restoration to your account (if applicable) depends on how long you were separated from service. Please see the following question for additional details.

If you return to service with one of the Oregon Public Universities your original election to participate in the ORP is unchanged whether or not you have taken any form of distribution from your ORP account.

B) I separated from service, but I may work for one or more of the Oregon Public Universities in the future. If I do return to work for one or more of the Oregon Public Universities, how would my length of separation affect my ORP account?

Your standing with the plan is affected by the length of time that you were not employed by the Oregon Public Universities and whether you were fully vested when you separated from service.

- **Separated less than 5 years and not vested:** If you separated from service for less than 5 years, your years of service from your prior employment will count towards your vesting. If you were not 100% vested in your Employer Account at separation, you may be eligible to have your forfeited Employer Account balance restored to your ORP account. Ensure that your benefits department is aware that you were employed before and work with them to request restoration of your forfeited non-vested Employer Account. Provide your campus benefits office the name of the ORP provider that held your ORP account and the date that you separated from service with an OPU campus.
- **Separated 5 or more years and not vested:** If you are separated from service for 5 or more years, your years of service from your prior employment will not count towards your vesting, and you are not eligible to have any forfeitures restored to your account.

If you return to service with Oregon Public Universities your original election to participate in the ORP is unchanged regardless of the amount of time that you have been separated from service with one or more of the Oregon Public Universities.

RETIRED PARTICIPANT**A) If I separated from employment after reached age 55 and I choose to come back to work for one of the Oregon Public Universities in the future, how would a distribution affect my ORP status?**

- **Any Distribution:** If you take any distribution of your vested ORP account and you are older than age 55, you are a Retired Participant in the ORP. Any future employment with Oregon Public Universities will be the same as a new employee for purposes such as – but not exclusive to – provider selection, tier, vesting and wait time.
- **No Distribution:** If you have not taken a distribution from the ORP, you are an Inactive Participant for the purposes of the Plan. Please refer to the section on Inactive Participants to determine what provisions will affect you on your return.
- **Full Distribution:** If you take a full distribution of your ORP account(s), you cease to be a Participant. Any future employment by one of the Oregon Public Universities will be the same as a new employee for purposes such as – but not exclusive to – provider selection, tier, vesting and wait time.

If you return to service with Oregon Public Universities, your original election to participate in the ORP is unchanged whether or not you have taken any form of distribution from your ORP account.

B) If I participated in a retirement incentive program and I choose to come back to work for one of the Oregon Public Universities in the future how would that affect my standing under the ORP?

Whether or not you take any distribution of your vested ORP account, any future employment with one of the Oregon Public Universities will be the same as a new employee for purposes such as – but not exclusive to – provider selection, tier, vesting and wait time.

If you return to service with any of the Oregon Public Universities, your original election to participate in the ORP is unchanged. Your years of service from your prior employment will not count towards your vesting, and you are not eligible to have any forfeitures restored to your account.

Section 2 – Highlights of the PERS/OPSRP

The Oregon Public Service Retirement Plan (OPSRP) pension applies to eligible employees hired on or after August 29, 2003, who have never been members of PERS.

The Public Employees Retirement System (PERS) pension applies to eligible employees who established membership or began the 6-month waiting period prior to August 29, 2003.

The Individual Account Program (IAP) defined contribution companion account applies to both PERS and OPSRP members after December 31, 2003. The IAP account replaced the PERS “member account” for all future employee contributions beginning January 1, 2004.

Throughout this section, where PERS and OPSRP provisions differ, they are identified. The descriptions of PERS and OPSRP benefits in this guide are therefore subject to modification and/or clarification by new legislation, court decisions, and PERS’ administrative rulemaking. In case of conflict between this guide and the official plan documents of the ORP and Oregon state law regulating PERS/OPSRP, the official plan documents, Oregon state law, and federal regulations will govern.

PERS provides detailed information about your PERS and OPSRP options.

Visit the PERS website at www.oregon.gov/PERS/Pages/index.aspx

Hybrid Plan

The OPSRP and PERS retirement programs are hybrid plans that provide defined-benefit pensions and a separate, defined-contribution investment account for each member. The pension provides a monthly benefit amount at retirement, based on a pension formula. The individual account provides additional retirement funds based on the employee’s contributions plus investment returns.

The investments in both the pension and IAP plans are managed by the Oregon Investment Council. The IAP is invested in a target date fund associated with the year you turn 65. Once a year in September, participants may choose a different target date fund.

Contributions to PERS/OPSRP are based on your salary and include the following:

- The Employer Contribution is based on the actuarially-determined amounts necessary to fully fund pension benefits. Although the contribution rate changes, your pension remains the same.
- Employee Contributions to the Individual Account Program (IAP) equal 6% of subject salary. Currently, the Employee Contribution is paid by Oregon Public Universities for most employees. The amount of compensation used for this contribution calculation is limited as outlined in the ORP Plan Highlights. This limit is periodically adjusted for cost-of-living increases. Note: Beginning on July 1, 2020, Senate Bill 1049 requires that PERS/OPSRP members who earn more than \$2,500 per month have a portion of their 6% IAP contributions redirected to a new employee pension stability account (EPSA). Currently for OPSRP members 0.75% of your salary is going to your EPSA and 5.25% of your salary continues to go into your IAP account. For PERS Tier 1 and 2 members, 2.5% of your salary is now going to your EPSA and 3.5% of your salary is going to your IAP. The IAP redirect for all tiers is applicable when the PERS system is less than 90% funded. PERS members can make up the 0.75% or 2.5% by contributing to the IAP on an after tax basis. <https://oregon.gov/pers/mem/pages/voluntary-contributions-oms.aspx>. Federal and state income taxes are deferred on contributions and any related earnings as long as they remain in the plan.

Vesting

OPSRP Pension: Generally, you are vested in the OPSRP pension funded by Employer Contributions after you have worked 600 hours or more in each of five qualifying calendar years, or on reaching normal retirement age (age 65) while an employee.

PERS Pension: You are 100% vested in your PERS pension funded by Employer Contributions after making contributions in each of five calendar years or reaching normal retirement age (NRA) while working in a qualifying position. Normal retirement age for tier 1 employees is 58 years old; for tier 2 employees, NRA is 60 years old; and for OPSRP employees NRA is age 65.

IAP: You are always 100% vested in your IAP Employee Account.

How Retirement Benefits are Determined

Retirement benefits are the combination of your Individual Account Program (IAP account(s)), plus your PERS or OPSRP pension.

- **OPSRP Pension:** Your OPSRP pension is based on the following formula:

$1.5\% \times \text{years \& months of service} \times \text{final average salary}$

- **Tier One and Tier Two PERS Pension:** Your PERS pension is determined by one of three calculation methods that provides you the highest benefit. Those methods include

- The Full Formula Method, which bases your benefit on the formula:

$1.67\% \times \text{years \& months of service} \times \text{final average salary}$

- The Money Match Method, which matches your Employee Account balance with an equal Employer Account amount, and is then adjusted for your estimated life expectancy. This method applies only to Employee PERS accounts established prior to January 1, 2004. No new contributions were made after December 31, 2003.

- The Formula Plus Annuity Method, which bases your benefit on the formula:

$1.00\% \times \text{years \& months of service} \times \text{your final average salary} + \text{IAP value, adjusted for your life expectancy.}$

This method is available only to employees who made contributions prior to August 21, 1981. Pension payments include life annuity, joint and survivor option, and lump sum forms of payment.

- **IAP Employee Account:** Your account balance accrues through contributions to your employee account. For most employees, Oregon Public Universities make this contribution for you. These contributions, plus the investment returns attributed to your account over time, determine your IAP retirement benefit.

When You May Receive Retirement Benefits

Pension benefits become available under PERS/OPSRP as follows:

- Normal Retirement Age, which is defined as
 - Tier 1 members, age 58 or after 30 years of service
 - Tier 2 members, age 60 or after 30 years of service
 - OPSRP members, age 65 or at age 58 with 30 years of service
- Early retirement after you reach age 55, but before your normal retirement age. However, your benefit as calculated under the Full Formula and Formula Plus Annuity methods will be reduced if you retire before your normal retirement age, unless you have

completed 30 or more years of PERS/OPSRP-creditable service. Your IAP Employee Account is available any time after you terminate your employment.

Withdrawal of your PERS, OPSRP, or IAP account requires that you withdraw all of your PERS accounts at the same time. Before requesting withdrawal of any account managed by the Public Employees Retirement System, confirm what effect a withdrawal will have on your other PERS accounts.

Rollovers

Rollover contributions to PERS/OPSRP/IAP are not available.

If You Leave Oregon Public Universities before Retirement

The OPSRP and PERS pensions provide retirement benefits when you retire if you are 100% vested when you leave Oregon Public Universities, but benefits are forfeited if you leave before you are 100% vested.

A member who withdraws either a member pension or IAP account balance is required to withdraw all accounts and to terminate PERS/OPSRP membership.

OPSRP Pension

If you are vested, and the present value of your OPSRP pension benefit is \$5,000 or less, you may withdraw the present value of your benefit in a lump sum. Such a withdrawal cancels all of your rights under the OPSRP pension program. Contact PERS directly to determine the present value of your account.

PERS Pension Tier One & Tier Two Member Accounts

If you are a Tier One or Tier Two PERS member, and you terminate employment with Oregon Public Universities before reaching age 55, you may withdraw your Member Account balance and related investment earnings.

- The Employer Contributions made for your pension are not considered part of your account balance. If you withdraw your Member Account balance when you leave Oregon Public Universities before retirement you give up member rights associated with the PERS pension, including the right to a pension based on Employer Contributions.
- If you are vested as a Tier One or Tier Two PERS member, you may avoid forfeiting the Employer contributory pension by leaving your PERS Member Account balance in the plan until you reach at least age 55.
- If you are not vested, your Tier One or Tier Two PERS member account may be refunded when you become a terminated member. Earnings additions stop after our membership has been terminated for five years.

IAP

If you terminate employment with Oregon Public Universities before reaching age 55 and wish to withdraw funds from your IAP account, you are limited to the Employee and Rollover Account balances, if any, and related investment earnings. Regardless of your vesting status with the pension plan, you may leave your IAP account with PERS/OPSRP, and accrue investment earnings or losses on the account until withdrawal. **If you choose to withdraw funds from your IAP account prior to your retirement date, you will forfeit your OPSRP/PERS pension benefits.**

Disability

PERS Pension – If you become disabled and have 10 years of creditable service, benefits under PERS are based on your final month's salary as of the date of your disability and on the years of service you would have earned if you had worked to normal retirement age. You are eligible for disability benefits if your disability was caused by your PERS-covered employment, regardless of years of service prior to disability.

OPSRP Pension – If you become disabled after earning at least 10 years of retirement credit under OPSRP, or your disability was caused by OPSRP-covered employment, you are eligible for a disability benefit equal to 45% of salary received on your last full month of employment before becoming disabled.

IAP – If you terminate employment because of disability, you may elect to withdraw your IAP account(s). Prior to withdrawing IAP funds, please contact PERS to determine if this action will affect your pension in any way.

Death Benefits

PERS Pension – If you die before you begin receiving benefits, your benefits are payable to your beneficiary(ies). If you die after you begin receiving benefits from the plan, any benefits payable to your beneficiaries are based on the benefit option you selected.

OPSRP Pension – If you die before retirement and are vested, your surviving spouse or any other person who is constitutionally required to be treated in the same manner as a spouse for the purpose of retirement benefits will receive a monthly death benefit for life. If you die after you begin receiving benefits, any death benefit payable depends on the payment option you selected at retirement.

IAP – If you die before receiving the full amount in your IAP Employee Account, any remaining balance is payable to your beneficiary(ies).

Section 3 – ORP Providers and Investments

When you enroll in the Optional Retirement Plan (ORP), you select a provider that will invest your contributions according to your directions. The provider is also responsible for furnishing you with investment information and paying your benefits when you retire. This section provides a brief look at the investment companies currently participating in the ORP. Before selecting a provider, you should use the contact information in the Contact Information ORP Guide #6 to gather more information about the investments, fees, fund performance, and services available.

Current investment options, including fund fact sheets, performance, and investment expenses, are available through each provider.

To receive information on the correct program:

Please identify yourself to provider service representatives as an Oregon Public Universities employee considering the Optional Retirement Plan (ORP) when you request information or enroll.

The providers also offer investments under the voluntary retirement savings plan, called the Oregon Public Universities Tax-Deferred Investment 403(b) Plan (TDI) so be sure to name the correct plan.

More Information

It is important to read the prospectus and fund fact sheet before investing in any investment option. The prospectus spells out details about the investment and provides information about the investment's objectives and past investment results. Keep in mind, as you review the information, that past returns do not guarantee future performance.

To order prospectus and fund fact sheet information, contact the investment provider using the phone numbers or websites listed in this booklet.

The Oregon Public Universities assume no responsibility for determining that investments you select are suitable for you. When you participate in the ORP, you agree to indemnify and hold Oregon Public Universities, their plan officers, employees and agents harmless from, and to pay the State of Oregon promptly on demand for, any and all losses, liabilities, claims, and costs including reasonable attorneys' fees that may arise from your acts or omissions related to your selection of investments or services. The release and indemnification is in addition to and in no way restricts any rights which may exist at law or under any other agreement(s) between you and State of Oregon.

Section 4 – Choosing between the ORP and PERS/OPSRP

Things to Consider...

Your decision to enroll in the Optional Retirement Plan (ORP) or Public Employees Retirement System (PERS) / Oregon Public Service Retirement Plan (OPSRP) is a one-time opportunity. The plan you select will be the plan you participate in during the entire period of your employment with the Oregon Public Universities.

So, as you think about which retirement plan to choose, it's important to consider carefully your plans and financial objectives for the future as well as your personal comfort level and circumstances.

Questions to ask yourself...

- **What are my plans for retirement?**
If you haven't already done so, this may be a good time to consider your retirement goals.
- **What financial assets can I expect to have in retirement?**
In addition to your PERS/OPSRP or ORP benefits, you may have retirement income available from Social Security, the Tax-Deferred Investment Plan 403(b)(TDI), the Oregon Savings Growth Plan, or other savings and investments.
- **Do I want to make my own investment decisions?**
Although it's important for individuals to take responsibility for their financial futures, some of us are less comfortable or interested in making these decisions than others. If you choose the ORP, you are responsible to monitor and manage your investment portfolio.
- **How long will I be participating in the plan?**
You may, for example, expect to retire within the next few years. Or, perhaps you anticipate leaving Oregon Public Universities for a new job at some point in the future. Years of service are important factors in the PERS/OPSRP benefit calculation, and you generally must wait until retirement to receive your pension benefit. Years of service are not as important to an ORP account as the amount of your contribution and the performance of your selected investments, but you must participate long enough to vest in the employer contribution account.

- **How many years do I have to save for retirement at Oregon Public Universities?**

Defined benefit pension like PERS and OPSRP can be advantageous to employees who enter them later in their careers. On the other hand, defined contribution plans like the ORP support career mobility and reach retirement savings goals through consistent, disciplined management of investments. For more information, discuss these points with your financial, retirement, or tax advisor before deciding between the ORP and OPSRP/PERS.

- **Am I currently a member of PERS/OPSRP and am I vested?**

If you are vested in PERS, and you choose to enroll in the ORP, you may elect to leave your existing Member Account in PERS. That means you will not forfeit your pension benefits from PERS. In addition, your PERS Member Account will continue to be eligible for investment earnings and you will be eligible for PERS benefits at retirement.

- If you are not vested in PERS and you enroll in the ORP, your Member Account Balance will be rolled over to the ORP and you will forfeit your PERS pension benefits and membership in PERS.
- If you are not vested in OPSRP pension and you elect the ORP, you forfeit your OPSRP pension and related benefits.

- **Do I already have PERS service credits?**

If you are already a PERS member, your years of credible service continue to accumulate only if you stay in PERS. If you enroll in the ORP, you do not lose existing PERS service credits for the purpose of your PERS benefit, but PERS service credits do not continue to accumulate.

- **Do I earn – or expect to earn – more than the IRS compensation limit?**

Remember, contributions to the ORP, OPSRP, and IAP employee accounts are currently limited to the amount of salary specified by the IRS annual compensation limit outlined in the ORP Plan Highlights. This limitation does not apply to PERS contributions or benefits if you were a PERS Tier One member before December 31, 1995.

- **Why do the Oregon Public Universities offer the ORP as an alternative to PERS/OPSRP?**

Oregon Public Universities use the ORP to compete for faculty on a national basis. Faculty members are mobile and may change jobs many times during their careers. With the ORP, employees may take their fully vested retirement funds with them when they leave Oregon Public Universities for another employer. The ORP provides participants with flexibility and choices in how the Employer and Employee Contributions are invested.

It's important to remember that the ORP is an alternative to PERS. Both the ORP and PERS/OPSRP are intended to provide a retirement income to meet a participant's goals and needs, based on each participant's own assessment.

- **Why has Oregon Public Universities made enrollment in the ORP a one-time, irrevocable decision?**

The 1995 legislation that establish the ORP as an alternative to PERS requires that enrollment be a one-time, irrevocable decision.

- **The ORP is a “defined contribution” plan and PERS/OPSRP is a hybrid “defined benefit”/“defined contribution” plan. What does that mean?**

With a defined contribution plan like the ORP, regular contributions, plus earnings and losses on your investments over time, determine your retirement benefit. PERS/OPSRP offers a defined contribution plan, the Individual Account Program (IAP), alongside the defined benefit pension that provides retirement income on a fixed formula such as 1.5% X final average salary X years of service (OPSRP).

- **May I retire and subsequently return to work without it affecting my ORP retirement benefit?**

The ORP allows you to take a distribution of your account upon termination of employment. However, there are a number of provisions that may affect your retirement benefit if you are rehired by an Oregon Public Universities institution depending on whether you take a distribution and how long you are separated from service.

- **The ORP seems to be like the Tax-Deferred Investment 403(b) Plan (TDI). If I enroll in the ORP, why would I want to participate in the 403(b)?**

The Tax-Deferred Investment 403(b) Plan (TDI) is designed to help you supplement retirement income from PERS/OPSRP or the ORP. You may want to consider how the plans complement each other as part of an overall retirement investment strategy. The ORP and voluntary TDI do have some features in common. For example, both give you the opportunity to select mutual funds and annuities from an investment menu and both allow you to design your own investment portfolio.

- **Can PERS change the formulas used to calculate retirement benefits? If I select PERS/OPSRP, what assurance do I have that benefits similar to those described in this booklet will be paid?**

PERS benefits are regulated by Oregon Revised Statutes, and may be changed by legislative action. Changes can increase or decrease benefits for both OPSRP and PERS members.

- **Will the ORP Employer and Employee Contribution remain the same all the time I participate in the ORP?**

The ORP Employer, Employee and ORP Employer Matching contribution amounts may change. The Employer Contribution for Tier 1, 2, and 3 participants is currently linked to the PERS contribution rate for general service employees of the State of Oregon, which is periodically adjusted by the Public Employee Retirement System. Consequently, ORP Employer Contribution rates for Tier 1, 2, and 3 participants may change from time to time.

The ORP Tier 4 Employer contribution rate is 8% of compensation. This rate is not tied to the PERS/OPSRP contribution rate. Tier 4 ORP participants receive an ORP Employer Matching contribution rate that is based on their Tax-Deferred Investment 403(b) Plan (TDI) contribution. For each percentage an employee contributes to the TDI, Oregon Public Universities contribute the same percentage to the ORP, up to the first 4% of pay.

See the current ORP contribution rates for all tiers in the chart on page 11 of this guide.

- **What happens if I don't make an enrollment decision?**

If you don't make a decision by your election date, you will become a member of the OPSRP or PERS. It is important that you make the decision about which retirement plan is best for you because you cannot change from PERS/OPSRP to the ORP at a later date.

- **What happens if I select an ORP provider when I enroll, but I do not decide which of the company's funds to use when I complete my application?**

Completing your application requires two steps:

1. First, you enroll in the ORP by completing your ORP-PERS Election Form.
2. Second, you complete your selected provider's application that directs your contributions into your choice of investments offered by the company.

If you do not name specific funds, the provider will invest your contributions in a default, interest-bearing account until you provide new instructions. Default investments will be into a target retirement date "lifecycle" mutual fund. A lifecycle fund's earnings may not meet your retirement goals. Contact a financial advisor or talk to a retirement counselor from one of the ORP providers to investigate which funds will meet your retirement needs and then complete investment directions for the company as soon as possible. The providers' retirement counselors may not give direct investment advice, but will help you understand the investment menu and tools the providers offer to aid your decision making.

- **What happens if I enroll in the ORP and then decide that I don't like the provider I have chosen?**

You may change ORP providers for your future contributions once a year. If you change your ORP provider, you may consolidate your existing ORP accounts as allowed by your provider and subject to any restrictions and fees that your current provider may charge for transferring funds to another provider. In some cases, these fees can be substantial, especially if you want to discontinue an annuity product with the first few years of purchase. Before you select a provider, find out if you'll be charged any fees for making investment fund changes or transfers.

- **What if I'm happy with my ORP provider but I want to reallocate my investments among the funds I initially selected?**

In general, the investment companies will allow you to reallocate your investments among the funds they offer a number of times each year. It is important, however, to confirm this with the provider as there may be specific limitations or fees related to these changes.

- **How confident can I be that the ORP provider I choose will be around to pay benefits in the future?**

While no one can predict the future, Oregon Public Universities has made every effort to select providers for the Optional Retirement Plan that are financially sound.

- **I'm concerned about the possibility of losing my retirement plan investment if the stock market has a big downturn. So why would I want to enroll in the ORP?**

ORP accounts may bear more investment risk than PERS/OPSRP pensions, depending on the investments you select. However, there is also investment risk associated with the PERS/OPSRP Individual Account Program (IAP) and with the PERS Variable Account for Tier One and Tier Two members. Investment risk means that your investments could experience short-term downturns in value as well as increases. The level of investment risk you have under the ORP can vary significantly, depending upon the type and mix of investments you choose. Investment risk for PERS/OPSRP IAP accounts is managed by the Oregon Investment Council.

Investment risk is just one kind of risk you need to consider as you make your investment decisions. For example, another important consideration is inflation risk; that is, the risk that earnings on your investments won't increase enough to keep pace with inflation. In this case, your money may lose buying power over time because of inflation if you choose ORP funds with low investment returns. In the short-term, moderate inflation may not seriously affect the buying power of your money. As a result, if you're saving for short-term goals, it may be appropriate to put your money in a very stable investment. In the long run, however, even a moderate inflation rate can have a major impact on the

value of your money. If your goal is far off in the future, stable investments may not outpace inflation.

- **If I choose the ORP, what benefits will be available to my beneficiary if I die before retirement?**

Your beneficiary will receive the value of your ORP Accounts.

- **If I have not elected a beneficiary for the ORP, how will my account be distributed?**

If you have not designated your beneficiary(ies), your account will be distributed according to a default beneficiary of the ORP. If you have not designated a beneficiary, or if your beneficiary does not survive you, the following order of priority will be applied to determine your default beneficiary:

- a. Participant's surviving spouse;
- b. Surviving same-sex domestic partner who is required to be treated the same as your surviving spouse under the Oregon Family Fairness Act of 2007;
- c. Surviving children in equal shares;
- d. Surviving parents in equal shares;
- e. Estate

To ensure that your account would be distributed as you wish, contact your ORP provider to complete your beneficiary designation. You can view and update your beneficiaries online, in the personal profile section of your account. You may also request a beneficiary form by calling your ORP provider.

- **I plan to retire within the next few years. Since I already have a substantial account in PERS, does it make sense for me to stay in PERS or should I consider the ORP?**

Only you can make this decision. If you feel that you have accumulated a comfortable source of retirement income under PERS, you may want to consider other retirement investments for future contributions. Enrollment in the ORP offers the potential for higher earnings on future contributions – of course, at the risk of losing more as well.

You would be wise to consult a financial advisor or PERS/OPSRP to review your decision and its effect before you make your final choice.

As you make your enrollment decision, it may help to know your current estimated benefit under PERS. Members can use the benefit estimate calculator developed and provided by PERS on its website. If you would like a more detailed benefit estimate and if you are within two years of retirement, you may contact PERS.

- **If I choose OPSRP/PERS now, and leave Oregon Public Universities at some point in the future, may I enroll in the ORP if I return?**

No, your decision to enroll in the ORP or PERS/OPSRP is a one-time irrevocable decision. The plan you choose now will be the plan you participate in during your entire career with the Oregon Public Universities – even if you leave employment and subsequently return to work for Oregon Public Universities.

- **If I switch from PERS/OPSRP to the ORP, how will benefits for my beneficiary change if I die before retirement?**

If you die after electing the ORP, your beneficiary will receive the value of your ORP Employee, Employer, and Employer Match Accounts.

- **Will my retirement plan change if I leave Oregon Public Universities for a period and then later return?**

If you have not received PERS retirement benefits or had a loss of membership since leaving Oregon Public Universities, any future changes to your PERS benefit will be determined by the legislature or the PERS Board.

An inactive ORP participant who returns to Oregon Public Universities returns to the status and contribution rate based on the participant's first date of ORP or PERS/OPSRP participation (during Oregon Public Universities employment only), provided no retirement account distribution has occurred.

If you retire under the ORP and then return to work with the Oregon University System you must re-establish active participant status as a new employee. See 'How Retirement Affects Your ORP Account' (On page 15 of this guide) for details. This information can also be found online at <https://www.opurp.org/optional-retirement-plan> or by contacting your Benefits Office.

- **When I am ready to retire, will my PERS or OPSRP benefits affect my ORP retirement benefits or continued participation in the ORP?**

If you retain your PERS account(s) and membership when you elect the ORP, you will have two separate retirement plans. At retirement, a PERS member is responsible to confirm retiree rules directly with PERS to protect his or her own retirement benefits through that program.