

# OPERS EMPLOYER Notice

July 28, 2005

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215

**Note:**

*This is an important decision for your employees. We want to partner with you so that you have all the information you need.*

## Alternative Retirement Plan (ARP) option expands

### Who should read this notice

All college and university human resource, benefits and finance professionals

### Situation overview

As of August 1, 2005, a new classification of eligible university employees will have the option to choose an Alternative Retirement Plan (ARP) instead of one of the OPERS retirement plans. Individuals employed prior to August 1, 2005 are eligible to elect an ARP, provided they have:

- Full-time status, and
- Less than five years of service credit with OPERS as of August 1, 2005, and
- Who have not previously had the opportunity to choose an ARP.

Full-time employees hired August 1, 2005 or after may also elect an ARP. Employees changing from part-time to full-time status after August 1, 2005 are treated as new hires for purposes of ARP election guidelines. In addition, the ARP choice also will be offered to law enforcement personnel and re-employed retirees who are otherwise eligible to make the election.

### What you need to do

Please review this *Employer Notice* carefully. It details information that will assist you to smoothly transfer your employees from their OPERS membership to an ARP, if they choose to do so.

- **ARP enrollment information**

Regarding the enrollment forms, please be aware that as a university employer you may add your name, logo and employer code to the forms, but you may not alter the text in any way.

Two different election forms have been created. The *Retirement Plan Election form for Current Employees (form ARP-4)* is to be used for those current employees that become eligible to elect an ARP on August 1, 2005. The *Retirement Plan Election Form (form ARP-3)* is to be used for all new hires and newly eligible after August 1, 2005. A sample of both newly revised forms is attached to this *Employer Notice*. They are also available on the OPERS Web site at [www.opers.org](http://www.opers.org).

Monday, November 28, 2005 (120 days from August 1, 2005) is the last day for colleges/universities to receive an election form from any employee eligible to elect ARP prior to August 1, 2005.

- **Automatic transfer of OPERS contributions**

For new hires and those newly eligible for ARP (due to status change from part-time to full-time) on or after August 1, 2005, all retirement contributions with that university/college retroactive to the employee's ARP effective date will automatically transfer to the selected ARP vendor.



1-888-400-0965  
[www.opers.org](http://www.opers.org)

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For existing full-time employees eligible to elect an ARP as of August 1, 2005, contributions for the payroll period following the date of their ARP election, and going forward, will be sent to the selected ARP vendor.

- **Voluntary transfer of existing OPERS contribution balance**

Employees who have contributions on deposit prior to their ARP effective date may transfer these contributions to their ARP account, provided they are not currently contributing to OPERS in another position for which an ARP was not elected.

These employees are not required to transfer their previous OPERS account and may leave it on deposit with the retirement system during and after participation in the ARP.

If your employee wishes to transfer their previous OPERS balance, they must complete the *Member's Application for Transfer of Accumulated Contributions to an Alternative Retirement Plan (form A-4 ARP)*. Here's what will be transferred, based on which OPERS retirement plan the employee has elected:

- For Member-Directed Plan participants, the amount of transfer equals the employee contributions *plus* the vested percentage of employer contributions. The individual's vested amount in the Retiree Medical Account (RMA) remains on deposit in the individual's RMA and cannot be transferred to the ARP. The individual may use the balance of the RMA only for qualified medical expenses. For more information on RMA distributions, members may refer to the *Health Care Savings Account for Member-Directed Plan Participants* publication on the OPERS Web site.
- For a Traditional Pension Plan or Combined Plan participant, the transfer amount equals the employee contributions plus interest (or gains and losses for the Combined Plan).

- **Re-employed retirees—eligibility**

A re-employed retiree with less than five years of re-employed service is eligible to elect an ARP during the 120-day election period.

If a retiring employee was not previously eligible to make an ARP election, the re-employed retiree is eligible to make a new ARP election upon re-employment as a retiree in an eligible position.

If the re-employed retiree was previously eligible to make an ARP election, the retiree would not be eligible for a new election and the retiree's prior election would remain in effect during re-employment, unless the retiree is employed with a different employer or more than one year has elapsed since employment with your college/university.

Any re-employed retiree who works for a different college or university immediately after retirement is eligible for an ARP election.

- **Re-employed retirees—transfer of OPERS contribution balance**

If a re-employed retiree under age 65 elects to transfer a money purchase account to an ARP, the OPERS employee contributions and interest will transfer to the selected ARP vendor. Re-employed retirees age 65 and older will have employee contributions and interest, plus an equal matching amount sent to their selected ARP vendor. The time periods of contributions that automatically transfer to the ARP follow the same guidelines as employees who are not re-employed retirees. (Refer to informational bullet, **Automatic transfer of OPERS contributions**, above.)

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A re-employed retiree is not required to transfer their existing OPERS contribution balance. They may leave the contributions on deposit with the retirement system during and after participation in the ARP.

- **Transfer of voluntary contribution balance**  
Voluntary contributions and rollovers to the Member-Directed, Combined Plan, or the Additional Annuity (Traditional Pension Plan) will be sent to the ARP vendor along with the other transfer amounts in that plan.
- **Notification of new hires**  
Employers are required to notify OPERS within 10 day's of an employee's eligibility to elect an ARP using the *Alternative Retirement Plan (ARP) Eligibility Notice*. This applies to both newly hired full-time employees and those employees whose status has changed from part-time to full-time.
- **Social Security statement (form SSA-1945)**  
Social Security requires the *Statement Concerning Your Employment in a Job Not Covered by Social Security (form SSA-1945)* to be signed by all public employees. The employer must submit a copy of the signed form to the pension-paying agency.
- **Special note on employer contributions**  
The Ohio Retirement Study Council (ORSC) is conducting an actuarial review to determine whether a portion of the employer contributions will be remitted to OPERS. OPERS will inform employers once this has been determined.

#### **Why this is important**

It's our goal to ensure employers have all the information needed to handle any account transition smoothly. In addition, we know that employers are frequently the first resource to whom public employees turn with questions. Therefore, we want to make sure you fully understand all the identified impacts of the ARP choice—for you and for your employees. Please remember that:

- If an employee chooses to remain with OPERS, they must check the appropriate box in Section II of the *Retirement Plan Election Form*, sign and submit it to you for completion before submission to OPERS.
- Choosing an ARP precludes the possibility of coming back to OPERS, unless an employee terminates their current employment and becomes re-employed with another OPERS employer, or becomes re-employed with the same employer provided at least one year has passed since service terminated as an OPERS member.

This decision will affect both the employee and the employee's beneficiaries.

#### **Who to contact for more information**

After you review this *Employer Notice*, contact Employer Outreach with questions or comments at 1-888-400-0965 or via the Internet at [employeroutreach@opers.org](mailto:employeroutreach@opers.org).

In addition, we urge you to encourage your employees to contact the OPERS Member Services Center at 1-800-222-7377 with any questions they might have. In house and phone counseling appointments are also available to assist your employees with this very important decision.

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*This Employer Notice is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.*



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# RETIREMENT PLAN ELECTION FORM FOR CURRENT EMPLOYEES

[For newly eligible full-time employees as of Aug. 1, 2005, in accordance with Revised Code 3305.05(B)(1)]

You will have **120 days** from Aug. 1, 2005, to complete and return this election form to the Human Resources Department at your institution. If you want to remain a participant of an Ohio state retirement system, simply check the appropriate box in Section II below. If you want to participate in an alternative retirement plan (ARP) offered by a private plan provider, check the appropriate box in Section II below and select one of the plans. If you do not elect to participate in an ARP or do not return this form within the prescribed time period, you will remain in the applicable state retirement system.

## Section I — Biographical Information (Please print or type.)

Name \_\_\_\_\_ Social Security no. \_\_\_\_\_  
First Middle initial Last  
Address \_\_\_\_\_ Telephone number ( ) \_\_\_\_\_  
City State ZIP code  
Date of birth \_\_\_\_\_ Gender \_\_\_\_\_  
Employee identification number \_\_\_\_\_ Hire date \_\_\_\_\_  
If applicable

Are you receiving a retirement benefit from one of these Ohio retirement systems: HPRS, OPERS, OP&F, SERS or STRS Ohio? ☐ Yes ☐ No

If "Yes," which system? \_\_\_\_\_ Effective date of retirement \_\_\_\_\_

## Section II — Election (Choose only one.)

☐ **I elect to participate in the state retirement system for which I am eligible.**

- OPERS
- SERS
- STRS Ohio

I understand that I may not change my election to participate in the state retirement system after my election period expires and that my election will be **irrevocable** while I am continuously employed in a position at my current college or university.

☐ **I elect to participate in an ARP:** (Select only one of the following ARP carriers. You must contact your chosen carrier to enroll.)

- |  |  |
|--|--|
| <input type="checkbox"/> AIG VALIC                           | <input type="checkbox"/> Metropolitan Life Insurance Co.       |
| <input type="checkbox"/> AXA Equitable Life Insurance Co.    | <input type="checkbox"/> Nationwide Life Insurance Co.         |
| <input type="checkbox"/> Great American Life Insurance Co.   | <input type="checkbox"/> Teachers Insurance and Annuity Assoc. |
| <input type="checkbox"/> ING Life Insurance and Annuity Co.  | <input type="checkbox"/> The St. Paul Travelers Companies      |
| <input type="checkbox"/> Lincoln National Life Insurance Co. |  |

I understand that by electing to participate in an ARP I am **irrevocably** waiving my right to participate in the eligible state retirement system while I am continuously employed in a position at my college or university. I also understand that by electing to participate in an ARP offered by a private plan provider, I will be forever barred from claiming or purchasing service credit or participating in other plans offered by any state retirement system for the period that an election to participate in an ARP is effective.

## Section III — Authorization

I hereby certify the election chosen above in Section II. I understand that I will be able to make an election to participate in another ARP or Ohio public retirement system if I cease to be continuously employed or am subsequently employed full time by another Ohio public institution of higher education in a position for which a retirement election is available.

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
Date

## OFFICE OF HUMAN RESOURCES USE ONLY

### For ARP Elections Only

Contributions made to the applicable state system after employee's election date to be forwarded to the ARP provider:

	Amount
Employee contributions .....	_____
Total employer contributions.....	_____
Less supplemental contributions .....	_____
Employer contributions to ARP provider...	_____
Date of last payroll report with employee contributions to applicable state system ...	_____

Applicable state system ☐ OPERS ☐ SERS ☐ STRS Ohio

Annual compensation \_\_\_\_\_

Date election form received by college/university \_\_\_\_\_

Certified by \_\_\_\_\_

Title \_\_\_\_\_

College/University \_\_\_\_\_

Employer code \_\_\_\_\_

# RETIREMENT PLAN ELECTION FORM

(For employees hired/eligible on or after Aug. 1, 2005)

You will have **120 days** from the starting date of your employment to complete and return this election form to the Human Resources Department at your institution. If you want to become a member of an Ohio state retirement system, simply check the appropriate box in Section II below. If you want to participate in an alternative retirement plan (ARP) offered by a private plan provider, check the appropriate box in Section II below and select one of the plans. If you do not elect to participate in an ARP or do not return this form within the prescribed time period, you will be enrolled in the applicable state retirement system.

## Section I — Biographical Information (Please print or type.)

Name \_\_\_\_\_ Social Security no. \_\_\_\_\_  
First Middle initial Last  
Address \_\_\_\_\_ Telephone number (\_\_\_\_) \_\_\_\_\_  
City State ZIP code  
Employee identification number \_\_\_\_\_ Hire date \_\_\_\_\_  
If applicable

Are you receiving a retirement benefit from one of these Ohio retirement systems: HPRS, OPERS, OP&F, SERS or STRS Ohio? ☐ Yes ☐ No

If "Yes," which system? \_\_\_\_\_ Effective date of retirement \_\_\_\_\_

## Section II — Election (Choose only one.)

☐ **I elect to participate in the state retirement system for which I am eligible.**

- OPERS\*
- SERS
- STRS Ohio\*

I understand that I may not change my election to participate in the state retirement system after my election period expires and that my election will be **irrevocable** while I am continuously employed in a position at my current college or university.

\*Eligible employees may be able to participate in a defined contribution plan. Contact your applicable retirement system for more information about these plans and eligibility.

☐ **I elect to participate in an ARP:** (Select only one of the following ARP carriers. You must contact your chosen carrier to enroll.)

- |  |  |
|--|--|
| <input type="checkbox"/> AIG VALIC                           | <input type="checkbox"/> Metropolitan Life Insurance Co.       |
| <input type="checkbox"/> AXA Equitable Life Insurance Co.    | <input type="checkbox"/> Nationwide Life Insurance Co.         |
| <input type="checkbox"/> Great American Life Insurance Co.   | <input type="checkbox"/> Teachers Insurance and Annuity Assoc. |
| <input type="checkbox"/> ING Life Insurance and Annuity Co.  | <input type="checkbox"/> The St. Paul Travelers Companies      |
| <input type="checkbox"/> Lincoln National Life Insurance Co. |  |

I understand that by electing to participate in an ARP I am **irrevocably** waiving my right to participate in the eligible state retirement system while I am continuously employed in a position at my college or university. I also understand that by electing to participate in an ARP offered by a private plan provider, I will be forever barred from claiming or purchasing service credit or participating in other plans offered by any state retirement system for the period that an election to participate in an ARP is effective.

## Section III — Authorization

I hereby certify the election chosen above in Section II. I understand that I will be able to make an election to participate in another ARP or Ohio public retirement system if I cease to be continuously employed or am subsequently employed full time by another Ohio public institution of higher education in a position for which a retirement election is available.

\_\_\_\_\_  
Employee's signature

\_\_\_\_\_  
Date

## OFFICE OF HUMAN RESOURCES USE ONLY

### For ARP Elections Only

Contributions made to the applicable state system during the election period to be forwarded to the ARP provider:

	Amount
Employee contributions .....	_____
Total employer contributions.....	_____
Less supplemental contributions .....	_____
Employer contributions to ARP provider...	_____
Date of last payroll report with employee contributions to applicable state system ...	_____

Applicable state system ☐ OPERS ☐ SERS ☐ STRS Ohio

Annual compensation \_\_\_\_\_

Date election form received by college/university \_\_\_\_\_

First date eligible to participate in an ARP \_\_\_\_\_

Certified by \_\_\_\_\_

Title \_\_\_\_\_

College/University \_\_\_\_\_

Employer code \_\_\_\_\_