

RETIREMENT PLAN COMPARISON

Tennessee Consolidated Retirement System (HYBRID)	Optional Retirement Program (HYBRID)
<p><u>Contributions</u> Contributions are paid by the employer and member. The defined benefit portion of TCRS requires a 3.8% contribution by UT and 5% by the member. Enrollment is optional for part-time employees. Members are auto enrolled in the 401k at 2%. UT will contribute 5% and up to \$50 match. Members may opt-out or change contribution rate at any time by contacting the 401k vendor.</p>	<p><u>Contributions</u> Contributions are paid by the employer and member. The University pays 9% and member pays 5% of gross salary. Enrollment is optional for part-time employees. Members are auto enrolled in the 401k at 2%. UT will match up to \$50. Members may opt-out by contacting the 401k vendor.</p>
<p><u>Vesting</u> Higher education employees participating in TCRS are vested after 5 years of service.</p>	<p><u>Vesting</u> Members are 100% vested from the date of first contribution.</p>
<p><u>Portability</u> TCRS is portable within the State of Tennessee governmental agencies only.</p>	<p><u>Portability</u> Each member's contract is portable. Additional monies cannot be contributed, however, may be tied together with new contracts such as an IRA.</p>
<p><u>Retirement Benefits</u> Service Retirement Eligibility – A member becomes eligible for service retirement upon attainment of age 65 and completion of five years of creditable service or the Rule of 90. The Rule of 90 means the attainment of a combination of age and years of creditable service as to equal 90. For example, a member age 55 with 35 years of service would qualify for service retirement since the member's age and service totals 90 (55 + 35 = 90). Early retirement is attained at age 60 with 5 years of creditable service or the Rule 80 (age plus years of service equals 80).</p>	<p><u>Variable Retirement Income</u> ORP is a defined contribution plan. The amount of income payable at retirement is based on the value of the accumulation and on the person's age. The ORP offers both fixed and variable annuities. The fixed annuities have a smaller variance in retirement income. Variance annuities carry greater risk and growth potential for retirement income. <u>Retirement Age</u> Members can annuitize any time after termination or retirement. The amount drawn each year will be taxable income.</p>
<p><u>Payout Options-Defined Benefit Portion</u> Upon separation from service, you may apply for a refund of your accumulated contributions and interest. Employer contributions to the defined benefit portion to the Hybrid Plan are not refundable. By obtaining a refund, you give up your TCRS membership and all rights and benefits in the retirement system.</p> <p><u>Refund-Defined Contribution (401k)</u> Contact 401k vendor regarding rollover or withdrawal options.</p>	<p><u>Payout Options</u> Members are eligible to select a single life annuity, a joint and survivor annuity, periodic payments for their life expectancy, or a minimum distribution payout beginning at age 70 1/2, subject to the offerings of the product provider the member selects. Members whose accounts total less than \$15,000 in 2014 may file a Lifetime Distribution Exception form to qualify for a lump sum payment. In addition, any member who is beginning a lifetime payment plan may elect to receive a partial lump sum payment of up to 50 percent of the account balance at the time the lifetime payout or annuity payment begins.</p>
<p><u>Disability</u> To be eligible for ordinary disability retirement benefits, you must have a minimum of five years of creditable service. There is no minimum service requirement for accidental disability benefits; however, the accident must have occurred in the performance of duty. Disability benefits are equal to 90% of the service retirement benefit that would have been payable.</p>	<p><u>Disability</u> Upon disability retirement (or upon termination of employment for any reason), the member may request an annuity settlement or lifetime distribution payout. Members receiving social security disability benefits may also elect a partial lump sum payment from their account, subject to the provisions of the product(s) the member selected.</p>
<p><u>Cost-of-Living Increases</u> Retirees may receive cost-of-living increases after being retired a minimum of 12 months. Increases are based on the Consumer Price Index (CPI) and may not exceed 3%.</p>	<p><u>Cost-of-Living Increases</u> There are no automatic cost-of-living increases. Instead, there may be variances in annuity income based on market conditions.</p>
<p><u>Death Benefits Before Retirement</u> The beneficiary of an active member who dies prior to retirement may be eligible for survivor benefits. The survivor options are based on who the survivor is, your age and length of service.</p>	<p><u>Death Benefits Before Retirement</u> The value of the total accumulation is payable to the named beneficiary or estate. If the value of the accumulation is sufficiently large, the beneficiary may have other options, including annuity payments.</p>
<p><u>Transfer between TCRS and ORP</u> Employees who are eligible to participate in the ORP but who elected to participate in TCRS may make a one time election to transfer membership from TCRS to the ORP. Members are advised to obtain a TCRS benefit estimate before making a decision to transfer.</p>	<p><u>Member Companies</u> The ORP is comprised of three companies: VALIC, ING, and TIAA-CREF. You can choose to have contributions invested in one, two or all three of these companies.</p>

Transfers outside Tennessee's Plans

Employees who joined TCRS after July 1, 1981 may not transfer their TCRS account to another employer's plan or to an Individual Retirement Account (IRA).

Transfers between TCRS and ORP

Beginning in 2005, ORP members who reach five years of service will have a one-time transfer option. Notification is sent to employee when eligible.

Transfers outside Tennessee's Plans

Some employees who participate in the ORP may be eligible to transfer a portion of their Tennessee ORP account balance to another employer's plan or to an Individual Retirement Account (IRA) if they qualify for a partial or total lump sum distribution.