Mandatory Retirement Program
Classified Staff
and University Staff
Category 01

Faculty, Administrators,
Academic Professionals
and University Staff
Category 02, 03, 04 or 05

Police Officers
and Police Officer Recruits

Voluntary Retirement Plans
Voluntary 403(b) Plan

Deferred Compensation 457(b) Plan
**Classified Staff and University Staff Category 01**

You must participate in the Arizona State Retirement System if you work 20 or more hours per week for at least 20 weeks in a fiscal year [Arizona Revised Statutes, § 38-711.23 (b)].

Exceptions include: Postdoctoral scholars, undergraduate and graduate student workers, F1/J1/M1/Q1 visa holders and ASRS retirees receiving pension benefits.

If you meet the following criteria and want to decline participation in the ASRS and ORP, complete the **ASRS 65+ Membership Waiver Form** and fax to HR Retirement at 480-993-0008 **within one week of employment**. You must be:

- age 65 or older;
- not an active, inactive, disabled or retired ASRS member; **AND**
- hired on or after Aug. 2, 2012.

**Arizona State Retirement System (ASRS)**

ASRS is a defined benefit plan qualified under section 401(a) of the Internal Revenue Code. Your pension is determined by a formula based on ASRS credited years of service, average monthly compensation and a graded multiplier (a percentage set by Arizona statute), not by the value of your account upon retirement.

**Participation**

- Participation begins on the first day of the pay period following 182 calendar days of eligible employment or immediately if you have an ASRS account with monies on deposit or were hired before July 20, 2011. ASRS retroactive contributions may be required.
- Once you meet ASRS membership eligibility criteria in a fiscal year, you remain a member and contributions continue until the end of the fiscal year in which you become ineligible.
- While actively employed, you may not borrow from or withdraw contributions from your account.
- Contributions rates shown below are subject to change each July 1.
- Retirement contributions are withheld from your paycheck on a before-tax basis and long-term disability contributions are withheld on an after-tax basis.
- Participants with five or more years of credited service are eligible for a retiree health insurance subsidy.
- Long-term disability insurance benefits are included with this plan.

<table>
<thead>
<tr>
<th></th>
<th>RETIREMENT</th>
<th>LONG-TERM DISABILITY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2012 – June 2013</td>
<td>Employee &amp; ASU</td>
<td>10.90%</td>
<td>.24%</td>
</tr>
<tr>
<td>July 2013 – June 2014</td>
<td>Employee &amp; ASU</td>
<td>11.30%</td>
<td>.24%</td>
</tr>
<tr>
<td>July 2014 – June 2015</td>
<td>Employee &amp; ASU</td>
<td>11.48%</td>
<td>.12%</td>
</tr>
<tr>
<td>July 2015 – June 2016</td>
<td>Employee &amp; ASU</td>
<td>11.35%</td>
<td>.12%</td>
</tr>
</tbody>
</table>

**Vesting**

The ASRS does not have a vesting schedule. However, participants who meet certain requirements may be eligible for the following benefits:

- Pension
- Retiree Health Insurance
- Premium Benefit Subsidy
- Long-term Disability
- Service Purchase

[cfo.asu.edu/hr-benefits](http://cfo.asu.edu/hr-benefits) | Faculty Services: 480-727-9900 | Employee Services: 855-ASU-5081 (855-278-5081)
Enrollment
You MUST complete the ASRS enrollment/registration process to ensure your contributions are properly credited to your retirement account and to designate primary and contingent beneficiaries.
INSTRUCTIONS: cfo.asu.edu/hr-asrsenrollment

Retirement
Participants are immediately vested in their own contributions, but must meet the following criteria to receive a pension benefit.

MORE INFO
The ASRS Pension Benefit Process

If hired before July 1, 2011:
Normal retirement is:
• 80 points (your age + years of service with ASRS);
• Age 62 with 10 years of service; or
• Age 65.
Early retirement is at least age 50 with a minimum of 5 years of ASRS service.

If hired on or after July 1, 2011:
Normal retirement is:
• Age 55 with 30 years of service;
• Age 60 with 25 years of service;
• Age 62 with 10 years of service; or
• Age 65.
Early retirement is at least age 50 with a minimum of 5 years of ASRS service.

Working after Retirement
Any ASRS retiree who is considering returning to work for ASU or another ASRS employer should be familiar with the return-to-work rules and seek ASRS counsel before making any re-employment decisions.

LEARN MORE
ASRS Return to Work

Effective July 1, 2012, employers are required to pay an Alternate Contribution Rate (ACR) for any retired ASRS member who returns to work for an ASRS employer in any capacity regardless of the hours worked per week. The ACR is subject to change each July 1.

Refund of Contributions and Termination of Membership
When you leave employment with all ASRS employers, you may request a refund of contributions and termination of membership in lieu of receiving retirement benefits.

LEARN MORE
ASRS Refund/Forfeiture

RELATED LINKS
Enrollment Instructions for ASU employees

ASRS
ASRS
Member Login and Online Registration
ASRS Forms

IRS Contribution Limits
Retirement Planning
Retiree Return-to-Work Rules
Financial Education
Mandatory Retirement Program  

**Faculty, Administrators, Academic Professionals and University Staff Category 02, 03, 04 or 05**

You must participate in a mandatory retirement program if you work 20 or more hours per week for at least 20 weeks in a fiscal year [Arizona Revised Statutes, § 38-711.23 (b)].

Faculty, Administrators, Academic Professionals and University Staff Category 02, 03, 04 or 05 can choose the Arizona State Retirement System (ASRS) plan or the Optional Retirement Plan (ORP), provided all steps in the enrollment process are completed within 30 calendar days of written notification. Exceptions may include: Postdoctoral scholars, undergraduate and graduate student workers, F1/J1/M1/Q1 Visa holders and ASRS retirees receiving pension benefits.

If you meet the following criteria and want to decline participation in the ASRS and ORP, complete the **ASRS 65+ Membership Waiver Form** and fax to HR Retirement at 480-993-0008 **within one week of employment**. You must be:

- age 65 or older;
- not an active, inactive, disabled or retired ASRS member; **AND**
- hired on or after Aug. 2, 2012.

**IMPORTANT**

- To help you make an informed decision and to compare the ASRS and ORP, carefully review the **ORP Guide**.
- All enrollment steps must be completed within 30 calendar days of written notification.
- If you fail to complete all steps in the ORP enrollment process during the 30-calendar-day enrollment period you will forfeit your option to choose the ORP and be enrolled in ASRS, which may include retroactive contributions.
- If you are reclassified and become ORP-eligible for the first time following your initial hire/eligibility date, the 30-calendar-day enrollment period begins on the date of written notification. ASRS contributions will continue until you complete the ORP election process and ORP participation becomes effective.
- Your election is irrevocable for the duration of your continuous employment in the Arizona University System (Arizona Board of Regents, Arizona State University, Northern Arizona University and The University of Arizona), as long as you remain employed in an ORP-eligible position.

**Arizona State Retirement System (ASRS)**

ASRS is a defined benefit plan qualified under section 401(a) of the Internal Revenue Code. Your pension is determined by a formula based on ASRS credited years of service, average monthly compensation and a graded multiplier (a percentage set by Arizona statute), not by the value of your account upon retirement.

**Participation**

- Begins the first day of the pay period following 182 calendar days of eligible employment or immediately if you have an ASRS account with monies on deposit or were hired before July 20, 2011. ASRS retroactive contributions may be required.
- Once you meet ASRS membership eligibility, contributions continue until the end of the fiscal year in which you become ineligible.
- While actively employed, you may not borrow from or withdraw contributions from your account.
- Contribution rates shown below are subject to change each July 1.
- Retirement contributions are withheld from your paycheck on a pre-tax basis and long-term disability contributions are withheld on an after-tax basis.
- Participants with five or more years of credited service are eligible for a retiree health insurance subsidy.
- Long-term disability insurance benefits are included with this plan.

<table>
<thead>
<tr>
<th></th>
<th>RETIREMENT</th>
<th>LONG-TERM DISABILITY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2012 – June 2013</td>
<td>Employee &amp; ASU</td>
<td>10.90%</td>
<td>.24%</td>
</tr>
<tr>
<td>July 2013 – June 2014</td>
<td>Employee &amp; ASU</td>
<td>11.30%</td>
<td>.24%</td>
</tr>
<tr>
<td>July 2014 – June 2015</td>
<td>Employee &amp; ASU</td>
<td>11.48%</td>
<td>.12%</td>
</tr>
<tr>
<td>July 2015 – June 2016</td>
<td>Employee &amp; ASU</td>
<td>11.35%</td>
<td>.12%</td>
</tr>
</tbody>
</table>
Mandatory Retirement Program continued

Faculty, Administrators, Academic Professionals and University Staff Category 02, 03, 04 or 05 continued

Vesting
The ASRS does not have vesting. Participants who meet certain requirements may be eligible for these benefits:

- Pension
- Retiree Health Insurance
- Premium Benefit Subsidy
- Long-term Disability

Enrollment
You MUST complete the ASRS enrollment/registration process to ensure your contributions are properly credited to your retirement account and to designate primary and contingent beneficiaries.

INSTRUCTIONS: cfo.asu.edu/hr-asrsenrollment

Retirement
Participants are immediately vested in their own contributions, but must meet the following criteria to receive a pension benefit.

MORE INFO: The ASRS Pension Benefit Process.

<table>
<thead>
<tr>
<th>If hired before July 1, 2011:</th>
<th>If hired on or after July 1, 2011:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal retirement is:</td>
<td>Normal retirement is:</td>
</tr>
<tr>
<td>80 points (your age + years of ASRS service);</td>
<td>Age 55 with 30 years of ASRS service;</td>
</tr>
<tr>
<td>Age 62 with 10 years of ASRS service; or</td>
<td>Age 60 with 25 years of ASRS service;</td>
</tr>
<tr>
<td>Age 65 with any years of ASRS service.</td>
<td>Age 62 with 10 years of ASRS service; or</td>
</tr>
<tr>
<td>Early retirement is at least age 50 with at least 5 years of ASRS service.</td>
<td>Age 65 with any years of ASRS service.</td>
</tr>
<tr>
<td>Early retirement is at least age 50 with at least 5 years of ASRS service.</td>
<td>Early retirement is at least age 50 with at least 5 years of ASRS service.</td>
</tr>
</tbody>
</table>

Working after Retirement
Any ASRS retiree who is considering returning to work for ASU or another ASRS employer should be familiar with the return-to-work rules and seek ASRS counsel before making any re-employment decisions.

LEARN MORE: ASRS Return to Work

Effective July 1, 2012, employers are required to pay an Alternate Contribution Rate (ACR) for any retired ASRS member who returns to work for an ASRS employer in any capacity regardless of the hours worked per week. The ACR is subject to change each July 1.

Refund of Contributions and Termination of Membership
When you leave employment with all ASRS employers, you may request a refund of contributions and termination of membership in lieu of receiving retirement benefits.

LEARN MORE: ASRS Refund/Forfeiture

RELATED LINKS
Enrollment Instructions for ASU employees
ASRS
ASRS
Member Login and Online Registration
ASRS Forms
IRS Contribution Limits
Retirement Planning
Retiree Return-to-Work Rules
Financial Education
Optional Retirement Plan (ORP)
The ORP is a defined contribution plan qualified under section 401(a) of the Internal Revenue Code. This plan offers you a choice of investment providers and investment options to meet your retirement goals. Investment consultants are available to meet with you on your campus.

Participation
- Participation begins on the first day of the pay period following completion of all enrollment steps, provided you complete all steps within 30 calendar days of your eligibility.
- You contribute 7% of your gross salary through payroll deduction on a before-tax basis, and the university provides a 100% matching contribution.
- You may change ORP investment providers once per fiscal year.
- While actively employed in the Arizona University System, you may not borrow from or withdraw contributions from your account.
- Long-term disability insurance benefits are included with this plan, and premiums are paid by the university.

Vesting
You are immediately vested in your contributions and become fully vested in the university's contributions after five years of participation or immediately, if you are the owner of a qualified retirement plan with a higher education or research organization at time of eligibility.

For immediate vesting consideration, fax a copy of a recent account statement from your prior eligible employer’s retirement plan to 480-993-0008. Immediate vesting will not be established until you furnish this statement.

Enrollment
Within 30 calendar days of written notification, you must complete all steps in the ORP enrollment process. Failure to complete all steps within your 30-calendar-day enrollment period will forfeit your option to choose the ORP, and your irrevocable election will default to the ASRS which may require retroactive contributions.

ORP Phased Retirement Program
This program allows vested ORP participants age 62 or older to gradually transition into retirement, with the consent of their Deans or Vice Presidents. You can reduce your work schedule for a maximum of three years, while supplementing your income with ORP withdrawals while employed. Any vested, age 62 or older ORP participant considering retirement should first review the Phased Retirement Program’s Frequently Asked Questions.

Retirement
Your retirement benefit is based on the performance of your investments. Your ultimate account balance is a result of the amount of contributions deposited to the ORP account and the performance of your chosen investments. Under the ORP:
- Normal retirement is at age 65.
- Early retirement is between ages 50-64.
- Phased Retirement may begin at age 62.
Faculty, Administrators, Academic Professionals and University Staff Category 02, 03, 04 or 05 continued

Working After Retirement
Any ORP retiree who is considering returning to work for ASU should be familiar with the university's return-to-work rules before making any re-employment decisions.

Withdrawals and Rollovers
When you leave employment with all Arizona University System institutions or participate in the ORP Phased Retirement Program, you may withdraw or rollover all or a portion of your ORP account balance. Contact your investment provider for applicable forms and instructions.

To obtain employer authorization of withdrawals, fax your form to 480-993-0008 and allow at least 2-3 business days for verification of eligibility, completion of authorization and return or submission of authorized forms.

RELATED LINKS

| ORP Guide (Comparison Chart, p. 5-7) | Change your ORP company |
| Plan Document | Investment Options | Tools and Resources |
| Enrollment | IRS Contribution Limits | Retirement Planning |
| ORP Phased Retirement Program | Retiree Return-to-Work Rules | Financial Education |
Mandatory Retirement Program

Police Officers and Police Officer Recruits
All ASU police officers and police officer recruits who are certified peace officers regularly assigned to hazardous duty and employed to work at least 40 hours per week for more than six months in a calendar year are required to contribute to the Public Safety Personnel Retirement System (PSPRS) (Arizona Revised Statutes §38-842 (24 and 31)). Exception: PSPRS retirees receiving a pension benefit.

Public Safety Personnel Retirement System (PSPRS)
PSPRS is a governmental defined benefit retirement plan qualified under section 401(a) of the Internal Revenue Code, designed to meet the special needs of personnel engaged in hazardous duty situations. Your pension is determined by a formula, not by the value of your account upon retirement.

Participation
• Participation begins on your first day of eligible employment.
• You MUST complete a PSPRS membership form to ensure that your contributions are properly credited to your account and to designate beneficiaries. You must also read Local Board Rules/Regulations and Medical Requirements and complete the acknowledgement.

DOWNLOAD DOCUMENTS: cfo.asu.edu/hr-enrollmentpackets
Forward both completed forms by intercampus mail to Mail Code 1304, ATTN: OHR Benefits.
• PSPRS retirement contributions are calculated on eligible compensation and withheld from your paycheck on a before-tax basis.
• Contribution rates shown below are subject to change each July 1.
• While actively employed, you may not borrow from or withdraw contributions from your account.
• Long-term disability and cancer insurance benefits are included and premiums are paid by the university.

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Contribution Source</th>
<th>Contribution Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Employee</td>
<td>9.55%</td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>24.42%</td>
</tr>
<tr>
<td>2014</td>
<td>Employee</td>
<td>10.35%</td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>27.43%</td>
</tr>
<tr>
<td>2015</td>
<td>Employee</td>
<td>11.05%</td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>29.75%</td>
</tr>
<tr>
<td>2016</td>
<td>Employee</td>
<td>11.65%</td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>35.31%</td>
</tr>
</tbody>
</table>

Local Board
The university has its own local board consisting of five members—three persons appointed by the Governor’s Office and two persons who are PSPRS members elected by ASU PSPRS members. The local board has the authority to determine membership eligibility and payment of benefits, including eligibility to receive disability payments in accordance with state statutes.
Retirement
Retirement benefits commence the first day of the month following termination of employment based on the following:

Employees who became members on or before Dec. 31, 2011
- 20 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service.
- Age 62 with 15 years of service or 20 years of service with less than 20 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service. The pension is reduced by 4% per year for each year of credited service under 20 years.
- 20 to 24.99 years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service plus 2% of the average monthly benefit compensation for each year of credited service between 20 and 24.99.
- 25 or more years of credited service: 50% of the average monthly benefit compensation for the first 20 years of credited service plus 2.5% of the average monthly benefit compensation for each year of credited service above 20 years, to a maximum of 80% of the average monthly benefit compensation.

Employees who became members on or after Jan. 1, 2012
- Age 52.5 with 25 years of credited service: 62.5% of the average monthly benefit compensation. Benefits will be reduced by 4% for each year of credited service under 25 years.
- 25 or more years of credited service: 62.5% of the average monthly benefit compensation for the first 25 years of credited service plus 2.5% of the average monthly benefit compensation for each year over 25 years of credited service, to a maximum of 80% of the average monthly benefit compensation. Benefits will be reduced by 4% for each year of credited service under 25 years with a pro-rata reduction for any fractional years.

Working after Retirement
Any PSPRS retiree who is considering returning to work for ASU or another PSPRS employer should be familiar with the PSPRS return-to-work rules before making any re-employment decisions.
LEARN MORE

Effective July 2011, PSPRS employers are required to pay an alternate contribution rate (ACR) to the PSPRS, if they employ a retired member in any capacity. The ACR is subject to change each July 1.

Refund of Contributions and Termination of Membership
When you leave employment with all PRPRS employers, you may request a refund of contributions and termination of membership in lieu of receiving retirement benefits.
LEARN MORE

RELATED LINKS
PSPRS
Online (Member Login, Forms, Service Purchase)
Cancer Insurance
New Member Forms & Documents

IRS Contribution Limits
Retirement Planning
Retiree Return-to-Work Rules
Financial Education
All faculty, staff and student workers (including non-FICA paying non-resident alien, full-time, part-time, hourly and temporary employees) are eligible to participate in the Arizona University System Voluntary 403(b) and/or the State of Arizona Deferred Compensation 457(b) plan. There is no employer matching contribution.

For a comfortable retirement
Retirees spend on average 85% of their final after-tax earnings annually in retirement. To ensure your retirement readiness, financial experts encourage you to have a primary retirement plan, social security and another retirement savings vehicle. Ask yourself: Am I saving enough for retirement?

Compare voluntary plans

NO ELIGIBILITY WAITING PERIOD - ENROLL TODAY

Voluntary 403(b) Plan
The Arizona University System (AUS) Voluntary 403(b) Plan is a tax-advantaged supplemental retirement savings plan allowed under the Internal Revenue Code.

Participation
- Participants may defer a flat amount on a before-tax and/or Roth after-tax basis through payroll deduction. The minimum contribution is $5 per pay period, maximum is subject to IRS contribution limits. There is no employer match.
- Contributions can be increased, decreased, stopped or resumed at any time.
- Before-tax contributions are withheld before federal and state income taxes are calculated, which reduces your taxable income. Income taxes are paid only when funds are distributed.
- Roth 403(b) after-tax contributions are withheld after federal and state income taxes are calculated. Income taxes are not paid when funds are distributed, if qualified.
- If you are age 50 or older during the calendar year, you are automatically eligible for the Age 50 Catch-up provision once you have reached the IRS basic contribution limit.
- You may be eligible for the 403(b) Plan Lifetime Catch-up provision (maximum $15,000) if you have at least 15 years of service and have contributed on average less than $5,000 a year. To determine if you’re eligible, contact your investment provider (Fidelity or TIAA-CREF).

Vesting
You are 100% vested in all contributions to the Plan.

Fees and Expenses
All investments have management expenses associated with the operation of the fund. Basis points are used to calculate the costs for a financial instrument. A basis point is a unit equal to 1/100th of 1 percent. For example, .01% cost = 1 basis point. In addition, if you invest in mutual funds through the self-directed brokerage window, you may have load charges or 12b-1 fees to pay sales commissions and promotional costs. Annuities may have withdrawal or surrender fees. Approved investment providers may also charge a fee for hardship withdrawals or loans. IMPORTANT: Be sure to ask your provider about all costs associated with each investment and transaction.

Investment Options

<table>
<thead>
<tr>
<th>Tier 1 - Target Date Funds</th>
<th>Tier 2 - Core Funds</th>
<th>Tier 3 - Annuities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 4 - Self-directed Brokerage Account</td>
<td>800-343-0860 Fidelity Investments</td>
<td>800-842-2252 TIAA-CREF</td>
</tr>
</tbody>
</table>

SCHEDULE A ONE-ON-ONE CONSULTATION
800-642-7131 | fort.fidelity.com
866-548-3705 | www1.tiaa-cref.org
Withdrawals, Loans and Rollovers
While actively employed in the Arizona University System, you may be eligible to withdraw funds if:

- You need funds for a qualified hardship withdrawal;
- You are at least age 59 ½;
- You are or become totally disabled; or
- You want to initiate a permissive service credit transfer.

While actively employed in the Arizona University System, you may be eligible to borrow funds from your account.

When you leave employment with all Arizona University System institutions, you may withdraw or rollover all or a portion of your AUS Voluntary 403(b) account balance. Contact your investment provider for forms and instructions.

For employer withdrawal authorizations, fax your form to 480-993-0008 and allow at least 2-3 business days for verification of eligibility, completion of authorization and return or submission of authorized forms.
Deferred Compensation: 457(b) Plan
This State of Arizona tax-favored voluntary retirement savings plan qualifies under section 457(b) of the Internal Revenue Code exclusively for public employees.

Participation
- The minimum contribution is $10 per pay period; maximum is subject to IRS contribution limits.
- Contributions can be increased, decreased, stopped or resumed at any time.
- Before-tax contributions are withheld before federal and state income taxes are calculated, which reduces your taxable income. Income taxes are paid only when funds are distributed.
- If you are age 50 or older during the calendar year, you are automatically eligible for the Age 50 Catch-up provision once you have reached the IRS basic contribution limit.
- You may be eligible for the 457(b) Plan Double Limit Catch-up provision. To determine if you are eligible, contact Nationwide.

Contact Nationwide to:
- Establish a new account and designate your per-pay-period contribution amount;
- Increase, decrease, stop or resume contributions;
- Request a withdrawal of contributions.

SCHEDULE A ONE-ON-ONE PERSONAL CONSULTATION (for all four campuses)
asu.MyRetirementAppt.com

Vesting
You are 100% vested in all contributions to the Plan.

Withdrawals, Loans and Rollovers
While actively employed with a participating State of Arizona employer, you may be eligible to withdraw funds if:
- You need funds for an unforeseen emergency;
- You want to purchase service credits in a governmental defined benefit plan; or
- You are or become totally disabled.

While actively employed with a participating State of Arizona employer, you may be eligible to borrow funds from your account.

When you leave employment, you may withdraw or rollover all or a portion of your 457(b) account balance. Contact Nationwide for forms and instructions.

For employer withdrawal authorizations, fax your form to 480-993-0008 and allow at least 2-3 business days for verification of eligibility, completion of authorization and return or submission of authorized forms.

RELATED LINKS
457(b)
- Self-service Enrollment Online
- Learning Center
- Plan Contacts

IRS Contribution Limits
- Retirement Planning
- Financial Education