

Central Texas College District
Human Resource Management Operating
Policies and Procedures Manual

Policy No. 535: Optional Retirement Plan

I. PURPOSE

To summarize Optional Retirement Plan (ORP) benefits available to employees.

II. SCOPE

This policy applies to all CTCD full-time exempt employees category 1A through 1G, full-time faculty, full-time librarians, and employees who were full-time exempt category 1H on August 31, 2003.

III. DEFINITION

The Optional Retirement Program is an individualized retirement annuity plan purchased by a qualified employee as an alternative to active membership in the Teacher Retirement System of Texas (TRS).

IV. POLICY

- A. Benefits under the ORP apply to full-time employees not specifically precluded by the Rules and Regulations of the Administrative Council of the Texas Higher Education Coordinating Board. Full and complete information is available in the Employee Benefits Office.
- B. Under provisions of the ORP, employee/employer contribution rates to employee ORP retirement accounts are mandated by the State of Texas and are subject to change. Current contribution rates are available at the Employee Benefits Office and are listed in the “TRS versus ORP” publication at the Texas Higher Education Coordinating Board website at www.theccb.state.tx.us. Only those full-time employees classified as 1A through 1G, full-time faculty, full-time librarians, and employees who were full-time exempt category 1H on August 31, 2003, are eligible for this program.
- C. Employees who participated in ORP during a prior period of employment at any Texas institution of higher education must provide documentation of this prior ORP participation for proper vesting.
- D. Employees who participated in ORP during a prior period of employment at any Texas institution of higher education prior to September 1, 1995 are eligible for a supplement in addition to the employer contribution. The supplemental rate will be

the difference between the current ORP rate and the maximum allowed under state law which is eight and one-half percent (8.5%). Employees will be required to submit proof of prior ORP participation for verification.

- E. Part-time employees participating in the ORP as a result of full-time employment with another institution of higher education are required to participate in the ORP with CTCD.

V. PROCEDURES

- A. Employees who become employed in an ORP-eligible position have ninety (90) days to elect to become members of the ORP. Employees who do not enroll in ORP during their ninety-day eligibility period are never eligible for ORP again during their careers in Texas public higher education.
- B. A list of approved vendors is maintained in the Employee Benefits Office and is available upon request. CTCD has no fiduciary responsibility for the market value of participant investments or for the financial stability of the vendors chosen by participants.
- C. Employees who elect to participate in ORP or change carriers are required to complete an “ORP Salary Reduction Agreement and Change in Carrier” form. This form is available at the Employee Benefits Office.
- D. Full-time employees who retire under the Optional Retirement Plan with ten (10) or more years of creditable service and who exercise any valid retirement option offered by their carrier will be eligible for retirement group insurance benefits through the Employees Retirement System of Texas (ERS) as appropriated by the State of Texas in accordance with the Insurance Code, Chapter 1551, Texas Employees Group Benefits Act.(see Policy #505, Group Benefits Program) either at age sixty-five (65) or when they retire with the rule of eighty (80) (age plus years of service equal eighty (80)).
- E. As of January 1, 2009, employees, at initial enrollment into ORP, are required to provide information to the Employee Benefits Office of all other 403(b) accounts the ORP participants maintain.