

## RETIREMENT PLAN COMPARISON

<b>Tennessee Consolidated Retirement System (HYBRID)</b>	<b>Optional Retirement Program (HYBRID)</b>
<p><b>Contributions</b> Contributions are paid by the employer and member. <b>Defined benefit portion:</b> 4% contribution by UT and 5% by the member</p> <p>*Participation is optional for part time employees.</p>	<p><b>Contributions</b> Contributions are paid by the employer and member. <b>Defined contribution:</b> 9% contribution by UT and 5% by the member</p> <p>*Participation is optional for part-time employees</p>
<p><b>Vesting</b> Higher education employees participating in TCRS are vested after 5 years of service.</p>	<p><b>Vesting</b> Members are 100% vested from the date of first contribution.</p>
<p><b>Portability</b> TCRS is portable within the State of Tennessee governmental agencies only.</p>	<p><b>Portability</b> 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><b>Retirement Benefits</b> <b>Service Retirement Eligibility</b> – 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 (age plus years of service equals ninety).  <b>Early retirement</b> is attained at age 60 with 5 years of creditable service or the Rule of 80 (age plus years of service equals 80).</p>	<p><b>Variable Retirement Income</b> ORP is a defined contribution plan. The amount of income payable at retirement is based on the value of the accumulation and the member'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.</p> <p><b>Retirement Age</b> Members can annuitize any time after termination or retirement. The amount drawn each year will be taxable income.</p>
<p><b>Payout Options- Non-vested Defined Benefit Portion</b> Upon separation from service, member may apply for a refund of <b>employee</b> contributions and interest only. The employer contributions are not refundable. <b>By obtaining a refund, you give up your TCRS membership and all rights and benefits in the retirement system.</b> <b>Defined Contribution Portion (401k):</b> Eligible for refund and/or rollover.</p>	<p><b>Payout Options</b> 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 73, subject to the offerings of the product provider the member selects.</p>
<p><b>Disability</b> 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><b>Disability</b> 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><b>Cost-of-Living Increases</b> 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><b>Cost-of-Living Increases</b> There are no automatic cost-of-living increases. Instead, there may be variances in annuity income based on market conditions.</p>
<p><b>Death Benefits Before Retirement</b> 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><b>Death Benefits Before Retirement</b> 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><b>Transfer between TCRS and ORP</b> 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 deciding to transfer.</p>	<p><b>Member Companies</b> The ORP is comprised of two companies: TIAA and VOYA. You can choose to enroll in one or both companies.</p>
<p><b>Transfers outside Tennessee's Plans</b> 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). You may rollover your employee contributions to another qualified plan, however, you will forfeit your right to a benefit from TCRS</p>	<p><b>Transfers between TCRS and ORP</b> 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.</p> <p><b>Transfers outside Tennessee's Plans</b> 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.</p>