

Optional Retirement Plan Overview

Serving participating teaching and administrative faculty of Mississippi's universities since 1990



The Optional Retirement Plan for Institutions of Higher Learning in the State of Mississippi is administered by the Public Employees' Retirement System of Mississippi.

The Optional Retirement Plan (ORP) was established by the Mississippi Legislature in 1990 to help attract qualified and talented institutions of higher learning faculty. This defined contribution plan is designed to be portable and transferable to accommodate university faculty who move from one state to another throughout their careers.

Administered by the Public Employees' Retirement System of Mississippi (PERS), ORP has nine participating employers:

- Alcorn State University
- Delta State University
- Jackson State University
- Mississippi State University
- Mississippi University for Women
- Mississippi Valley State University
- The University of Mississippi
- The University of Mississippi Medical Center
- The University of Southern Mississippi

As an eligible employee of one of the forementioned employers, you have the option to choose whether to participate in ORP, a defined contribution plan, or in PERS, a defined benefit plan.

By participating in a defined contribution plan such as ORP, you are afforded the power to choose how to invest your funds within the plan's investment options. You also bear the risk or reward of investment earnings or losses. Ultimately, your retirement benefit is based on the balance in your account when you retire.

In a defined benefit plan such as PERS, your funds are invested for you, but the employer/plan sponsor bears the investment risk and provides a guaranteed monthly retirement benefit based on a formula rather than on your account balance.

See pages 2 and 3 of this overview for a detailed comparison between ORP and PERS to help you decide which plan will best serve your needs.

An employee is automatically a member of PERS unless the employee elects ORP within 30 days of initial employment in an ORP-eligible position. Once made, the decision is irrevocable even if there is a break in service or the employee is hired in an ORP-eligible position at another Institution of Higher Learning.

ORP or PERS?

Consider the following:

- Your need for retirement plan portability
- Your willingness to assume investment risk
- Your remaining time before retirement
- Your age and the years of service you plan to give to your organization
- Your need for survivor benefits and disability protection

If you choose ORP, you must...

Complete Form 4E, *ORP Election/Vendor Selection* (www.orp.ms.gov), and return it to your Human Resources Department within your first 30 days of employment.

ORP is a governmental defined contribution plan qualified under Section 401(a) of the Internal Revenue Code.

Comparing ORP and PERS - Plan Design and Function

	Optional Retirement Plan	Public Employees' Retirement System
Type	Defined Contribution Plan	Defined Benefit Plan
Employee Contribution	You are required to pay a mandatory contribution based on a set percentage of your earned compensation. Your employee contribution is the same whether you choose ORP or PERS. See PERS Board Regulation 60, <i>Contribution Rates</i> ,* and ORP Plan Document.**	You are required to pay a mandatory contribution based on a set percentage of your earned compensation. Your employee contribution is the same whether you choose ORP or PERS. See PERS Board Regulation 60, <i>Contribution Rates</i> .*
Employer Contribution	Your employer is required to pay a mandatory contribution based on a set percentage of earned compensation. A percentage is allocated to PERS to offset the unfunded accrued liability and the cost of administering ORP. See PERS Board Regulation 60, <i>Contribution Rates</i> ,* and ORP Plan Document.**	Your employer is required to pay a mandatory contribution based on a set percentage of earned compensation. See PERS Board Regulation 60, <i>Contribution Rates</i> .*
Investments	You are responsible for deciding how to invest your funds and for building your portfolio using ORP's retirement plan providers.**	You are not responsible for deciding how to invest your funds. PERS investment managers manage the investment program in a manner that attempts to maximize return while taking an acceptable level of risk.
Vesting	You are immediately vested in plan contributions.	Your vesting period for service, non-duty-related disability, and non-duty-related survivor benefits is eight years (four years if joined PERS before July 1, 2007).
Refunds and Portability	Since your account is 100 percent vested on day one, you may transfer your balance to a similar plan if you are reemployed in another state. If you terminate employment and wish to close your account, you are entitled to the entire balance (employer and employee contributions plus investment experience). Generally, income taxes must be paid on account withdrawals. A 10 percent federal tax penalty may apply to withdrawals prior to age 59 1/2.	Benefits are only payable after termination of employment. If termination is before retirement eligibility, you may refund all employee contributions with interest (employer contributions are not included in the refund and remain with the System) or leave your contributions in anticipation of returning to covered employment and/or receiving benefits after retirement eligibility. Generally, income taxes must be paid on account withdrawals. A 10 percent federal tax penalty may apply to withdrawals prior to age 59 1/2.
Service Credit	Because service credit is not a factor in determining your retirement benefit, no credit is available for military service, unused leave, professional leave, or out-of-state employment.	You may receive additional service credit to apply toward your years of service based on previous military service (at no cost), unused leave (at no cost), professional leave (for purchase), and out-of-state public employment (for purchase).

Comparing ORP and PERS - Benefits and Coverage

	Optional Retirement Plan	Public Employees' Retirement System
Type	Defined Contribution Plan	Defined Benefit Plan
Retirement Benefit	Your retirement benefit will be determined based solely on the value of your investment account at the time of retirement with no guaranteed benefit or annual post-retirement adjustment.**	Your lifetime retirement benefit is guaranteed and will be determined based on a formula that factors your years of service and the average of your four highest years of compensation.
Cost-of-Living Adjustment	You will not receive a Cost-of-Living Adjustment (COLA).	You will receive an annual Cost-of-Living Adjustment (COLA) after your first fiscal year in retirement.
Survivor Benefit	Your survivors, should you die before retiring, are eligible to receive benefits based on the cash value of your account at death with no minimum benefit guarantee.**	Your survivors, should you die before retiring, are eligible to receive either a lump-sum refund of contributions (before vesting) or a guaranteed monthly benefit (after vesting). Coverage for duty-related death benefits begins on the first day of employment and is available to your spouse and/or dependent children regardless of your vesting status.
Disability Benefit	You will, should you terminate employment due to disability, be entitled to the cash value of your account payable to you under one of the options offered by the Fund Sponsor(s). There is no guaranteed minimum benefit.	You will, should you be determined to be disabled pursuant to PERS statutes and regulations, receive a guaranteed monthly non-duty- or duty-related disability retirement benefit (whichever is applicable).
Beneficiaries	You may name as many beneficiaries or trustees as you wish; but, their benefits are based solely on the cash value of your account at death with no minimum benefit guarantee.**	You may name as many beneficiaries or trustees as you wish, depending on the option you select. Their benefits will vary depending upon the retirement option you choose.
Tax-Deferred Annuity 403(b)	You are eligible to participate in any available employer-sponsored tax-deferred annuity, which can provide a supplemental source of retirement income.	You are eligible to participate in any available employer-sponsored tax-deferred annuity, which can provide a supplemental source of retirement income.
Mississippi Deferred Compensation 457(b)	You are eligible to participate in Mississippi Deferred Compensation Plan & Trust, which can provide a supplemental source of retirement income. For details, visit www.mdcplan.com .	You are eligible to participate in Mississippi Deferred Compensation Plan & Trust, which can provide a supplemental source of retirement income. For details, visit www.mdcplan.com .

* Information can be found at www.pers.ms.gov.

** Information can be found at www.orp.ms.gov.



For more information about ORP and PERS:

Seek assistance first from your university's Human Resources Department, and contact PERS at the sites and numbers below should you need additional guidance

www.orp.ms.gov
www.pers.ms.gov
800-444-7377
601-359-3589

For information about ORP retirement plan providers:

Voya
msorp.com

TIAA
tiaa.org/public/tcm/msorp

Corebridge Financial
corebridgefinancial.com/rs/msorp/plan-details/orp-plan

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Disclaimer

This overview is published to provide general information about the Optional Retirement Plan for Institutions of Higher Learning in the State of Mississippi (ORP) and is subject to periodic revision as laws, policies, and rules change. The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees administers ORP and maintains the ORP Plan Document, which can be viewed in its entirety at www.orp.ms.gov/ORP/Documents/ORP_Plan_Document.pdf.

This overview is meant to serve as a general reference for eligible covered employees needing to decide between ORP or PERS coverage. This overview should neither be used as a legal reference nor as a complete statement of the laws or administrative rules related to retirement. If any conflict exists between the information in this overview and any applicable laws or administrative rules, the laws and administrative rules shall prevail.