



University of Cincinnati

RETIREMENT PLAN COMPARISON CHART FOR FACULTY

Feature	ARP Defined Contribution	STRS Defined Contribution Plan	STRS Defined Benefit Plan	STRS Combined Plan (Defined Benefit and Defined Contribution)
Eligibility	Eligible faculty with appointments of 100% FTE	All faculty	All faculty	All faculty
Plan Type	Defined Contribution <ul style="list-style-type: none"> Account balance consists of contributions made by you and UC, as well as any investment gains or losses you may have on these contributions. The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. 	Defined Contribution (DC) <ul style="list-style-type: none"> Account balance consists of contributions made by you and UC, as well as any investment gains or losses you may have on these contributions. The benefit amount is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. 	Defined Benefit (DB) <ul style="list-style-type: none"> The benefit amount is based on a formula using your age, years of service credit, and final average salary. 	Combination of Defined Benefit (DB) and Defined Contribution (DC) <ul style="list-style-type: none"> DC portion: Account balance consists of your contributions and your investment gains or losses. The DC benefit is determined by your account balance and the payment option(s) you choose when you apply to receive benefits. DB portion: The DB benefit amount is based on a formula using your age, years of service credit, and final average salary.
Employee Contributions	Your pre-tax contribution amount for any of these plans is 14% ¹ of your eligible compensation ² per pay.			
University Contributions	UC contributes an amount equal to 14% ¹ of your eligible compensation ² per pay to your selected retirement plan, allocated as follows:			
	<ul style="list-style-type: none"> 9.53%¹ goes to your selected ARP account provider. 4.47%¹ goes to the STRS Defined Benefit Plan to help fund past service liabilities, as required by law. 	<ul style="list-style-type: none"> 9.53%¹ goes to your individual STRS account. 4.47% goes to the STRS Defined Benefit Plan to help fund past service liabilities, as required by law. 	<ul style="list-style-type: none"> 14.0%¹ goes to the STRS Defined Benefit pension plan to help fund your future STRS retirement benefits and to help fund past service liabilities. 	<ul style="list-style-type: none"> 14.0%¹ goes to the STRS Defined Benefit pension plan to help fund your future STRS DB retirement benefits and to help fund past service liabilities.
Vesting	<ul style="list-style-type: none"> Your contributions are immediately vested. University contributions are immediately vested. 	<ul style="list-style-type: none"> Your contributions are immediately vested. University contributions are vested 20% per year. 	<ul style="list-style-type: none"> Your contributions are immediately vested. After 5 years of service, you are vested for survivor benefits. After five years of service credit, you may be vested for: <ul style="list-style-type: none"> an age and service retirement benefit After 10 years of service you may be eligible for disability³ 	<ul style="list-style-type: none"> Your contributions are immediately vested. After 5 years of service, you are vested for survivor benefits. After 5 years of service credit, you may be vested for: <ul style="list-style-type: none"> an age and service retirement benefit After 10 years of service you may be vested for disability benefits³
How Your Benefit Grows	Your account consists of contributions made by you and the university, as well as with any investment gains or losses you may have on those contributions.	Your account consists of contributions made by you and the university, as well as with any investment gains or losses you may have on those contributions.	Your benefit amount grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation.	<ul style="list-style-type: none"> The DC account consists of your contributions, as well as with any investment gains or losses you may have on those contributions. The benefit amount from the DB portion grows by adding years of service credit (earned or purchased) and with increases to your eligible compensation.
Investment Management and Options	<ul style="list-style-type: none"> You choose an approved ARP provider through which you invest and allocate contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. 	<ul style="list-style-type: none"> Contributions are invested with STRS. You allocate the contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. 	<ul style="list-style-type: none"> STRS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees. 	<ul style="list-style-type: none"> DC portion: Contributions are invested with STRS. You allocate the contributions among a variety of investment options. You assume all investment risk and pay any associated management fees. DB portion: STRS manages all assets to fund your benefits. You assume no investment risk and pay no associated management fees.

Feature	ARP Defined Contribution	STRS Defined Contribution Plan	STRS Defined Benefit Plan	STRS Combined Plan (Defined Benefit and Defined Contribution)
Taxes	<ul style="list-style-type: none"> • There are important tax issues associated with how and when you may receive your benefit—consult with your tax advisor for more information. 			
Tax-Deferred Benefits	<ul style="list-style-type: none"> • Your contributions are made on a pre-tax basis; federal and state taxes are deferred until benefits are paid. • Benefits are exempt from local or municipal taxes within Ohio, except school district income tax. • Any investment return your account earns is also tax-deferred. 			
Access to Funds at Termination/Retirement	<ul style="list-style-type: none"> • Choose from a number of options¹: <ul style="list-style-type: none"> – Leave your account balance with your ARP provider. – Roll the vested portion of your account into a different qualified plan. – Receive the vested portion of your account in the following ways: <ul style="list-style-type: none"> • partial or full cash withdrawal • fixed-period payments over a set number of years • systematic withdrawal • single or joint life monthly annuity with continuing survivor protection 	<ul style="list-style-type: none"> • Choose from a number of options¹: <ul style="list-style-type: none"> – Leave your account on deposit for future benefits. – Roll the vested portion of your account into another qualified plan or IRA. – Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest. – Receive fixed-period payments over a set number of years. – Receive systematic withdrawals. – Receive single or joint life monthly annuity from the vested portion of your account with continuing survivor protection. 	<ul style="list-style-type: none"> • Choose from a number of options¹: <ul style="list-style-type: none"> – Leave your account on deposit for future benefits. – Roll your vested account funds into another qualified plan or IRA. – Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest. – Receive a retirement pension benefit based on the plan formula. 	<ul style="list-style-type: none"> • For the DC portion, choose from a number of options¹: <ul style="list-style-type: none"> – Leave your account on deposit for future benefits. – Roll the vested portion of your account balance into another qualified plan or IRA. – Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest. – Receive fixed-period payments from the vested portion of your account balance over a set number of years. – Receive systematic withdrawals. – Receive single or joint life monthly annuity with continuing survivor protection. • For the DB portion, choose from a number of options¹: <ul style="list-style-type: none"> – Leave your account on deposit for future benefits. – Roll your vested account funds into another qualified plan or IRA. – Receive a lump sum refund of your contributions; you also may be eligible for a portion of the employer contributions plus interest. – Receive a retirement pension benefit based on the plan formula.
Additional Benefits	No additional benefits other than vested account balance if disabled.	No additional benefits.	You may be eligible for health care, disability, and survivor benefits. Specific eligibility criteria must be met.	You may be eligible for health care, disability, and survivor benefits. Specific eligibility criteria must be met.
Impact on Social Security Benefits	If eligible, there may be a reduction in your Social Security benefit.			
Other Considerations	The above comparison is not a comprehensive list. You should carefully consider your retirement options and personal needs when selecting a retirement plan.			

1. Subject to increase or decrease based on applicable law retirement system mandates.

2. Subject to federal limits. Refer to Retirement Contribution and Distribution Rates link at <http://www.uc.edu/hr/benefits/retirement-benefits/alternative-retirement-plan-arp.html>

3. Based on eligibility requirements. Visit www.strsoh.org.

4. Withdrawals made before age 59½ may be subject to an additional federal tax penalty

Note: This is intended to be a summary of plan provisions. For additional information, contact the Human Resources Department, STRS, and/or your selected ARP provider.