



EL PASO COMMUNITY COLLEGE PROCEDURE

For information, contact Institutional
Effectiveness: (915) 831-6740

DF-1 Optional Retirement Program

APPROVED: November 21, 1985 **REVISED:** September 1, 1995
Year of last review: 2021
AUTHORIZING BOARD POLICY: DF

Classification: Institutional

Vice President or Associate Vice President: Vice President of Financial and Administrative Operations

Designated Contact: Executive Director of Human Resources

OBJECTIVE: To provide for greater uniformity of procedures for administration of retirement annuity available to El Paso County Community College District (EPCCD) employees through the Optional Retirement Program (ORP).

PROCEDURE:

I. Administration Responsibility

The Office of the Vice President of Financial and Administrative Services and the Department of Human Resources are responsible for establishing the rules and regulations for administration of the District's retirement annuity programs within the terms, conditions, and requirements of the appropriate State laws, regulations, and acts; and the rules and regulations of the EPCCD Board of Trustees.

II. ORP Eligibility Standards

New full-time faculty* and administrative employees of EPCCD may participate in the ORP in lieu of active membership in the Teacher Retirement System of Texas. This program became available to eligible employees in Texas on January 1, 1969. The eligibility to participate in the optional retirement program is subject to rules adopted by the Texas Higher Education Coordinating Board.

III. ORP Option Irrevocability

Participation in the ORP is in lieu of active membership in the Teacher Retirement System of Texas. New employees who are eligible for ORP have a 90-day one-time option from the date of their first appointment in which to elect an ORP program provided they have not previously exercised a 90-day option to enter or reject the ORP in the State of Texas. At the end of this 90-day period, the retirement program the individual is enrolled in is irrevocable. Each eligible employee must be in one of the two programs.

IV. Effective Date and Enrollment Procedures for ORP Participation

The eligible employee is responsible for electing participation in the ORP in lieu of the Teacher Retirement System by filing a notarized "Notice of Election to Participate in Optional Retirement Program". The effective date of participation is the first day of the month following the signature date of the election unless the election is signed on or before the employee's first day of active duty.

V. Contributions

The percentage on both the employee's contribution and the state matching contribution to the ORP will be in amounts equal to those authorized or required by Texas law.

VI. Change in ORP Carriers

In accordance with IRS Publication 571 instructions, changing carriers does not constitute the making of a new agreement for a calendar year. An employee may change ORP carriers only twice per calendar year.

* **Note:** The word "faculty" denotes instructors, counselors and librarians.

VII. Capital transfers

A capital transfer of funds from one ORP carrier to another authorized carrier must be handled through the District Human Resources Department. The funds are transferred directly to the receiving carrier. If unauthorized transfers are made, EPCCD has the right to require the surrendering carrier to recover the funds or make the account whole.

VIII. Withdrawal of ORP Benefits/Termination of ORP Participation

- A. An individual terminates participation in the ORP only upon death, retirement (including disability retirement), termination of employment in all public institutions of higher education in Texas. Benefits of the ORP are only available if the individual terminates participation or attains the age of 70 1/2.
- B. No contract issued under the ORP may provide for loans, cash surrender, or contain any other provision which permits the availability of benefits prior to a participant's termination of participation or attainment of age 70 1/2.
 - 1. In the event funds are made available in violation of the ORP Rules and Regulations the carrier is required to redeposit funds to the employee's account as if no withdrawal had been made and provide written verification that the account has been fully restored with no adverse impact to the employee.
 - 2. The District may suspend a company from doing further business at the District at any time a company fails to comply with the provisions of the ORP regulations.
- C. For an individual who has a vested contract (achieved after one year plus one day of participation), the entire benefits provided by the contract are the sole nonforfeitable possession of the individual. In the event the individual has not met the vesting requirements, the carrier is required by law to return the full EPCCD (state) contributions to EPCCD with the balance of the annuity value/ account returnable to the individual.

IX. Company Eligibility

Organizations seeking to be authorized to write ORP contracts, custodial accounts or investment contracts for employees of EPCCD must meet, and certify compliance with, specified conditions established by the District

X. ORP Solicitation Rules and Regulations

Each ORP company must abide by the rules and regulations limiting solicitation on campus designed to prevent interference with an employee's assigned duties and responsibilities.