

# TRS & ORP Comparison

**Choose carefully!** Your retirement plan choice is **irrevocable** during your Savannah State University/University System of Georgia employment

	Teachers Retirement System	Optional Retirement Plan
Type of plan	Defined Benefit What is a defined benefit plan? (see below)	401(a) Defined Contribution What is a defined contribution plan? (see below)
Benefit at retirement	Based on formula: 2% x years of service x avg. of 24 highest consecutive months salary	Account balance accumulated at the time of retirement
Vesting	10 years of creditable service	Immediate
Disability benefits	Available after 10 years creditable service	Account balance at the time of disability
Contribution rates (subject to change annually)	Employee: 6.00% Employer: 14.27%	Employee: 6.00% Employer: 9.24%
Responsibility for management of funds & investments	Teachers Retirement System; retirement benefit is guaranteed based on formula, not on returns	Employee takes active role; retirement benefit is based on investments and returns

## TRS - Defined benefit plan

TRS is a Defined Benefit Plan. In this type of plan, your retirement benefit is “defined” based on a predetermined designated formula. You are required to make a mandatory pre-tax contribution to the plan and your employer contributes a matching contribution on your behalf. Your Retirement Benefit is calculated based upon your length of service and your average monthly salary derived from your highest consecutive 24 months of earnings. You do not make investment decisions nor do you assume the risks associated with investment decisions. You become 100% vested after 10 years of creditable service. If you leave employment with the USG prior to becoming vested, you have the option of leaving your contributions with TRS (accrues interest for 4 years), rollover your contributions to another qualified plan or IRA or request a lump-sum distribution (tax penalties may apply). For more information visit TRS at [www.trsga.com](http://www.trsga.com)

## ORP – 401(a) Defined Contribution plan

ORP is a 401(a) Defined Contribution Plan. In this type of plan, the employer and employee make contributions to the plan on a regular basis. You are required to make a mandatory pre-tax contribution to the plan and your employer contributes a matching contribution on your behalf. Your account balance is based upon EE/ER contributions and accumulated earnings. You become 100% vested immediately. The participant is responsible for making investment decisions and assumes the risks associated with investment decisions. You can divide your investments between 3 retirement plan vendors: TIAA-CREF, Fidelity and VALIC. If you elect to split up your contributions between retirement plan vendors, you must allocate at least 10% to each vendor. You are allowed to change vendors and/or amount invested once a quarter. To make changes to your ORP allocation complete the ORP Allocation Change Form. If you leave employment with USG, you have the option of leaving your contributions with your retirement plan vendor, rollover your contributions to another qualified plan or IRA or request a lump-sum distribution (tax penalties may apply).

Refer to the Benefits section of the USG Web site at [www.usg.edu/hr/benefits/retirement\\_plan\\_information](http://www.usg.edu/hr/benefits/retirement_plan_information) for further retirement plan information.