

ALTERNATE RETIREMENT PLAN FOR ADHE EMPLOYEES

I. Participation

An Alternate Retirement Plan as provided for in A.C.A. Title 24, Subchapter 8, is hereby established for all employees of the Arkansas Department of Higher Education who may elect to participate, of their own choosing, effective July 1, 1993, regardless of the grade and salary level authorized for their position classification and so long as participation is in accordance with existing policy guidelines governing their participation which have been issued by the Department, the Alternate Retirement Plan carrier, state government, and/or federal government. No form of retroactivity will be applied for employees who were determined ineligible to participate in the Alternate Retirement Plan prior to the effective date of enactment of July 1, 1993.

II. Retirement Age

A participating employee's normal retirement age is defined herein as the end of the fiscal year during which that employee reaches the age of 65. The federal Age Discrimination in Employment Act, as amended, and the Arkansas Public Employer Age Discrimination Law, A.C.A. 21-3-201 et seq., provide, except for those employees serving in certain policy-making positions, e.g., unclassified employees in the state system, that no employee may be compelled to retire strictly on the basis of age. The Department will make contributions for agency employees irrespective of age.

III. Contributions

Each participant in this retirement plan shall contribute 6% of his/her total compensation for each pay period; the Department shall add a sum equal to 10% of each participant's total compensation for each pay period as its contribution.

The Department will forward the combined sum each pay period to the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) to be allocated to the relevant funding vehicles in accordance with the participant's instructions.

The percentage distribution of contributions among the fund options provided by TIAA/CREF shall be determined by the participant. The Department's current selection of fund sponsors and funding vehicles is not intended to limit future additions of funding vehicles. The following investment options are available under the plan:

A. Teachers Insurance and Annuity Association (TIAA) TIAA Retirement Annuity

(1) Long-Term Debt Instruments

B. College Retirement Equities Fund (CREF) CREF Retirement Unit-Annuity

- (1) Stock
- (2) Money Market
- (3) Bond Market
- (4) Social Choice Account
- (5) Global Equities Fund

IV. Vestment

Employees of the Department who elect to participate in the Alternate Retirement Plan will be automatically vested upon the date of enrollment.

V. Supplemental Retirement Account Plan

Eligibility. All categories of employees are eligible to participate in the TIAA-CREF Supplemental Retirement Account (SRA) Plan in accordance with Sections 403(b) of the Internal Revenue Code.

Participation and Contributions. A participant in the SRA tax-deferred plan agrees to a percentage reduction in current salary, and the Department forwards the tax-deferred amount to TIAA-CREF to be allocated to relevant funding vehicles in accordance with the participant's instructions. Participants may contribute any amount, subject to limitations imposed by the federal internal revenue code. Any such contributions shall be made in addition to contributions made under the Department's regular retirement plan.

VI. Contracts

TIAA retirement annuity contracts and CREF certificates issued in accordance with the Regular Retirement Contributions and Supplemental Retirement Account Plan sections of this plan exist for the purpose of providing a retirement or death benefit and are the property of the individual participants for whom they are established.

VII. Cashability

A participant who has terminated employment from the Department may receive benefits under this plan as follows:

Upon termination of employment, lump sum cash withdrawals of all accumulations attributable to both agency and participant plan contributions are available to participants subject to the rules of the funding vehicle and Internal Revenue Service withdrawal provisions.

VIII. Amendment

While the provisions of this plan may continue in force indefinitely, the Department reserves the right to modify the language of the document or discontinue participation at any time subject to approval by the State Board of Higher Education.

IX. Administration

The Director of the Arkansas Department of Higher Education or his/her designee may adopt rules and regulations for interpreting this Retirement Plan and for administering its provisions in a manner consistent with this Board policy.

Approved: Agenda Item No. 15
July 23, 1993

Amended: Agenda Item No. 27
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