Plan Description

All Academic Faculty, Administrative Professionals, Post Doctoral Fellows, Veterinary Interns and Clinical Psychology interns appointed on or after April 1, 1993, are required as a condition of employment under Colorado law to participate in either the University’s Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the Public Employees’ Retirement Plan (PERA) of Colorado, a defined benefit plan.

Only those newly appointed employees with qualifying prior service in Colorado’s PERA retirement system may be eligible to elect to continue membership in that retirement plan. All other new appointees must enroll in the DCP.

Please refer to the Defined Contribution Plan for Retirement Summary Plan Description for further information. PERA participants should contact PERA directly for PERA eligibility criteria and plan benefits.

Enrollment / Changes

New Hire/ Newly Eligible

To enroll, you must complete your enrollment in the CSU Online Benefits Enrollment System and in addition return the Retirement Election form within 90 days of your eligibility date. If you meet PERA’s eligibility requirements as determined by PERA, you must elect to participate in PERA no later than 30 days from your date of appointment or you will be enrolled in the DCP. Refer to the PERA Eligibility information section referenced on the following page.

Please understand that your election in the retirement Plan (DCP or PERA) is irrevocable for the duration of any employment in which participation in the University’s retirement plan is required.

DCP participants must select an investment Company (VALIC), Fidelity, or TIAA-CREF) and complete a “DCP vendor application” to select the fund(s) they want to invest in and to designate a beneficiary(ies).

Enrollment

Vendor information, including how to enroll is available from Human Resources at (970) 491-MyHR (6947).

Default Procedures

It is very important that you complete your enrollment in the CSU Online Benefits Enrollment System and return the Retirement Election Form. Failure to do so within 30 days of your date of eligibility will eliminate any option you might otherwise have had to select PERA in lieu of the DCP. If you have not enrolled within 90 days of eligibility, you will be placed in a DCP investment company and an investment fund in accordance with a default procedure established by the University.

Further, all retirement plan contributions are placed in a non-interest bearing account until you either make an investment company selection or are defaulted to a vendor. If you terminate employment prior to electing a retirement plan, you will be enrolled in a DCP retirement plan in accordance with default procedures established by the University upon termination.

Benefits Open Enrollment

You may elect to change DCP investment companies during the annual Open Enrollment period for the following January effective date. The investment company you select will be the sole recipient of your contributions until/unless you select a different company at this time. Contact Human Resources for the appropriate DCP provider change form and investment company packet.

Your Contributions

You are required to contribute 8% of your Covered Monthly Salary on a tax-deferred basis to either the DCP or PERA. Please refer to PERA publication and rules for eligibility requirements. Tax-deferred means that your W-2 income from the University for Federal and State income tax withholding and reporting purposes will not include your retirement plan contribution.

“Covered Monthly Salary” includes all salary paid to a participant, including summer salary and supplemental pay, as those terms are defined or described in the Academic Faculty and Administrative-Professional Staff Manual.

For PERA participants, “Covered Monthly Salary” does not include pre-tax: medical, dental, vision, long-term disability, flexible spending account contributions, or, parking permits.

Three companies provide investment services for participants of the Defined Contribution Plan (DCP)

- VALIC
- Fidelity Investments
- TIAA-CREF
**Employer Contributions**

**DCP** — Effective July 1, 2015, the University will contribute an amount equal to 11% (9% prior to July 1, 2014; 10% from July 1, 2014 through June 30, 2015) of your covered monthly salary to the DCP accounts of Regular, Special, and Senior Teaching appointments of half-time or greater from the date of appointment. Temporary Academic Faculty and Administrative Professionals, Post Doctoral Fellows, Veterinary Interns, and Clinical Psychology Interns of half-time or greater will receive the University DCP contribution after one (1) year of continuous service at the required appointment level. To complete one year of service, a 9-month employee must complete 2 consecutive semesters of continuous 1/2 time or greater employment (excluding summer term) and a 12-month employee must complete 12 months of 1/2 time or greater employment. Any interruption in continuous appointment requires the eligible employee to complete one year of service again before CSU will provide the employer match to the DCP.

For any DCP participant who is a PERA “retiree” at any time thereafter, the employer contribution will be reduced by any amount CSU is required to contribute to PERA with respect to the employee, except that the reduction shall not apply to: tenured/tenure track faculty members hired prior to July 1, 2005, or to tenured faculty members on a transitional appointment that commenced prior to January 2, 2006.

**PERA** — Upon initial appointment, some employees may also have the option to enroll in the defined benefit plan of the Colorado Public Employee Retirement Association (PERA). Enrollment in PERA is restricted to those employees meeting PERA’s eligibility criteria which includes, but is not limited to being an active PERA participant with at least 12 months of service credit, an in-active member with that amount of service credit or a current PERA retiree. However, unless you are a PERA retiree, you may not elect PERA as your retirement plan if you have previously been employed by a public college or university in Colorado offering an “ORP” if during that employment you made an election to participate in PERA. If PERA determines that you are not eligible for membership at any time after you file a Retirement Plan Election selecting PERA as your retirement plan, the University must enroll you in the DCP. Please contact PERA to request a determination of your eligibility for membership in PERA.

It is important for you to disclose to PERA if you are receiving or have ever received a PERA annuity. PERA’s website at [www.copera.org](http://www.copera.org) contains information regarding eligibility as defined by PERA. If PERA determines you are eligible to participate in PERA, you must complete the Retirement Plan Enrollment form no later than 30 days from your appointment date. If this form is not received by this date, you will be defaulted into the DCP retirement option.

If you are eligible as determined by PERA, and choose to enroll in PERA, the University will contribute the percentage of covered salary required by state statute to PERA’s asset pool to fund retirement and other benefits provided by PERA.

The University’s contributions to PERA are never vested; instead, you acquire a vested right to future benefits after five (5) years of PERA credited service if you do not request a refund of your contributions upon termination of employment with the University. Please refer to PERA publication and rules for specific details on eligibility and retirement plan features.

**CSU Retirement Eligibility**

To be considered a “retiree” an academic faculty member, administrative professional or state classified employee who is a participant in the Defined Contribution Plan for Retirement (DCP) or who is a participant in the Colorado Public Employees.
Retirement Association (PERA) appointed or reappointed on or after July 1, 2005 must be:

- Age 55 or greater with at least 20 years of “service” or
- Age 60 or greater with at least 5 years of “service”

“Service” for this purpose includes periods of employment with Colorado State University during which the person
- Received, or was eligible to receive, the University’s contribution to the DCP or to PERA
- Had an appointment of at least half-time
- Received, or was eligible to receive, the University’s contribution toward benefits, for example health insurance (BenPay, Cost Share or State Classified insurance match).

Periods of “service” need not be continuous but there must be a minimum of five consecutive years of “service” immediately preceding the date of “retirement”.

Periods of paid or un-paid leaves of up to 1 year in duration during which the person received, or was eligible to receive, the University’s contribution toward benefits shall be counted as “service”.

Academic faculty, administrative professional or state classified employees who are participants in PERA and who were appointed on or before June 30, 2005 or reappointed only on or before that date, who are eligible for “retirement” (full or reduced) under the PERA provisions at the time of separation and who have at least five consecutive years of service at Colorado State University in a half-time or greater, benefit eligible appointment immediately prior to the date of separation are considered “retirees”.

Any academic faculty member, administrative professional or state classified employee may retire only once from the University and any subsequent period of service shall not result in any increase in post-retirement honors, privileges or benefits for such employee. The definition of “retiree” as outlined in this policy, shall apply to any academic faculty member, administrative professional or state classified employee of CSU and shall be used to determine eligibility for any honors, privileges or benefits extended from time to time to retirees from CSU to the extent that such honors, privileges or benefits are under the control of the Board or the University.

DCP Plan Participants – Retiree Medical Plan Eligibility

DCP participants may have access to a medical plan with benefits equivalent to those of the active employee major medical Green Plan when they retire providing they:

- Meet the University’s definition of retirement upon separation.
- Have been enrolled in one of the University’s medical plans for at least one full plan year immediately prior to the date of retirement
- Are under age 65 and not eligible for Medicare.
- Remain continuously enrolled in the University’s retiree medical plan after retirement.

The plan benefits and premiums are subject to change over time. Please contact Human Resources for current premiums and additional eligibility information.

Receiving Your DCP Money

Loans (While employed by CSU)
You may borrow money from your DCP account to the extent allowed under IRS loan maximums and at rates, terms and conditions established by the investment company servicing your account. You will repay the loan and interest on the balance back to your DCP account under the conditions allowed by the investment company.

If you Terminate Prior to Age 55
If you leave CSU prior to “normal” retirement age (55) for any reason other than death or Disability:

- You can leave your account balance in the DCP until age 55 or later. If you choose this option, you continue to have full control over the investment of your account balance according to the provisions of the DCP. When you reach age 55, you can access, depending upon the DCP investment company and type of investment you have selected, your entire account balance in a lump sum, in installment payments, or you can convert your account balance to an annuity which provides monthly payments for life.

- You can roll your account balance into another IRS-approved, tax qualified plan.

- Other tax-qualified plans may include another employer’s 401(a) or 401(k) plan, or an Individual Retirement Account (IRA). In order to avoid tax penalties or federal income tax withholding, you must roll your account balance directly from your DCP investment company to another tax qualified plan.
• If your total account balance is $10,000 or less, you have immediate access to your funds.

**Termination at or after Age 55**
When you leave CSU at or after age 55, you are entitled to your entire DCP account balance. Depending on the DCP investment company and the type of investment you have selected, you may be able to take your account balance as a lump sum payment, in installment payments, or convert it to an annuity which provides monthly payments for life. You can also leave it with the investment company for a distribution at a later date subject to certain limitations established under Federal tax law; or you can roll your account balance into another IRS-approved, tax qualified plan.

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Borrowing or withdrawing money from your DCP account may have income tax and other consequences. In addition, the ability to borrow or withdraw, and the limits thereon, may change as tax laws and regulations change. Contact the investment company directly for more information about that company’s loan provision. You are encouraged to seek independent tax advice with respect to the relationship and application of all matters under the DCP to their individual tax circumstances.