



## OSU Retirement Plan Distribution Options DCP and ARP Plans

Effective July 1, 2006, OSU employees have the opportunity to apply for loans, hardship withdrawals and in-service withdrawals. If you participate in the Defined Contribution Plan (DCP) or Alternate Retirement Plan (ARP), the accumulations in your account are now available for distribution if eligibility requirements are met.

**Eligibility:** Active OSU employees with a DCP or vested ARP account are eligible to apply if their plan balances and situations meet the requirements. You must complete two years of service in order to be eligible for ARP account withdrawals.

**Loans:** The IRS requires retirement account loans not exceed 45% or \$50,000 from all retirement sources. So, if you have loans through other retirement accounts, such as a supplemental tax-deferred annuity, your loan balances must be disclosed during the application process. Most loans must be repaid within five years. For additional information, please contact TIAA-CREF at 1-800-842-2776. Upon request, you will be sent a loan packet containing information and forms.

**Hardship Withdrawal:** The minimum withdrawal is \$1,000 per account, or 100% if the account value is less than \$1,000. The 20% withholding for federal and state taxes and 10% early distribution penalty may apply. Specific IRS procedures regulate hardship withdrawals. For example, you must certify that you have obtained all possible loans and distributions under your employer's plans as well as accessing other assets. If approved, you will be required to discontinue elective contributions into your supplemental retirement accounts for six months; however OSU will continue making contributions to your group 401(a). To discontinue contributions, you must complete a new *403(b)* or *457(b) Salary Reduction Agreement* indicating, "zero" contributions to the investment sponsors you are currently using. The following circumstances may qualify for a withdrawal:

- Medical expenses for employees, spouse, or dependent;
- Expense directly related to the purchase of your principal residence;
- Tuition expense for the next 12 months for post-secondary education for employee, spouse or dependent;
- Monies needed to prevent eviction or foreclosure of principal residence.

If you are eligible for a hardship withdrawal, you must contact TIAA-CREF to request a hardship withdrawal packet. After receiving your packet, Employee Services will need to complete the *Early Withdrawal Certification* form in your packet. Employee Services will also give you the *Hardship Withdrawal Certification* form.

**In-Service Withdrawal:** If you currently meet OSU retirement criteria, you can withdraw up to 1/20<sup>th</sup> per year of your accumulations while still actively employed. You qualify for OSU retirement criteria by meeting any of the following requirements.

- If you meet OTRS Rule of 80 or 90 (age plus OTRS membership years equals 80 or 90);
- If you have 25 continuous regular years of OSU service, regardless of age;
- If you are at least age 62 and have 10 years of continuous, regular OSU service.

Executing an in-service withdrawal does not stop the OSU-paid contributions to your retirement

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accounts. If you are at least 59½ years old, you also have the option to annuitize your retirement account and receive a monthly retirement check from TIAA-CREF.

**Long-Term Disability:** If you are receiving long-term disability benefits, you are eligible to make a loan or hardship withdrawal from your retirement funds in the same manner as active employees. However, an in-service withdrawal from your OSU retirement account will cause all future contributions from American Fidelity into your supplemental pension account to immediately terminate.

**Questions:** If you have additional questions, please call or come by Employee Services, 106 Whitehurst, (405) 744-5449.

*OSU Human Resources developed this information for the convenience of OSU employees. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy, and contract should be consulted as the authoritative source. OSU continually monitors benefits, policy, and procedures and reserves the right to change, modify, amend, or terminate benefit programs at any time.*