

ARP mitigating contribution rate unchanged for 2013

Who should read this notice

University and college finance directors and payroll professionals

Situation overview

Effective August 2007, a mitigating contribution was required for college and university employees participating in an Alternative Retirement Plan (ARP). This mitigating contribution rate will remain at the current level of 0.77% for 2013. Remember, the mitigating contribution rate is a portion of the total employer contribution rate. Full time eligible employees may be in either the law or non-law division.

What employers need to do

Employers are asked to:

- Inform employees that there will be no change in the mitigating rate at this time for 2013.
- Review ARP processes and procedures to ensure the mitigating contribution rate of 0.77% is being deducted from the employer contributions for ARP employees.

A few reminders about mitigating contributions:

- The mitigating contribution rate applies only to contributions effective with the ARP election, not to any OPERS balances transferred to an ARP vendor.
- Service purchase by payroll deduction agreements must terminate when an employee becomes an ARP participant.
- Refunds of mitigating contributions submitted in error will appear as a credit on your ARP *Employer Account Summary*; they will not be refunded in the form of a check.

Why this is important

OPERS recognizes the best choice of a retirement plan varies by individual and, as such, there are important factors to consider when making a plan selection. Employees should consider the most current information available to make the best choice for their individual situation.

Changes to the *Employer Manual*

No revisions to the *Employer Manual* have been made as a result of this *Employer Notice*.

Whom to contact for more information

After reviewing this *Employer Notice*, contact Employer Outreach with questions at 888-400-0965, or by e-mail at employeroutreach@opers.org.

Note:

The mitigating contribution rate is assessed to offset the negative financial impact due to the option of alternative retirement plans for eligible college and university employees.

Although the mitigating contribution is provided for by law [ORC 3305.06(D)], the actual amount is set by the OPERS Board of Trustees, upon the advice and counsel of the OPERS' actuary.



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