

SYSTEM REGULATION

31.02.12 Supplemental Optional Retirement Program

August 20, 1999

Supplements System Policy 31.02

1.0 GENERAL

- 1.1 The System provides automatic participation in the Supplemental Optional Retirement Program (SORP) to eligible employees as an enhancement to Optional Retirement Program (ORP) participation. The SORP is a defined contribution retirement plan that allows employer and employee contributions to exceed the federal tax code's Section 415 (c) maximum contribution limit imposed on ORP participants.
- 1.2 The responsibility and duty to obtain legal and/or investment advice rests solely with the participant for issues concerning income tax effects of plan participation, contracts issued to participants, stability of carriers, market conditions of investments, etc.

2.0 PLAN ADMINISTRATION

- 2.1 The SORP is administered in accordance with terms established and approved by the Board of Regents. The System Human Resources Office provides the full document containing the terms of the program.
- 2.2 The plan administrator is the Chief Financial Officer of the System.
- 2.3 The System has designated a trustee to administer the SORP program and provide investment options to the participants.
- 2.4 The distribution option election is a one-time irrevocable choice and cannot be changed once participation commences.

3.0 ELIGIBILITY

- 3.1 To be eligible to participate in SORP, an employee must:
 - 3.1.1 Have been enrolled in ORP prior to September 1, 1995, currently receive an employer contribution rate of 8.5%, and receive an annual fiscal-year salary of \$198,020 or more, or
 - 3.1.2 Have been enrolled in ORP between September 1, 1995, and August 31, 1996, currently receive an employer contribution rate of 6.0%, and receive an annual fiscal-year salary of \$237,154 or more.
- 3.2 Participation in the program is mandatory once eligibility criteria are met.

4.0 PROCESS

- 4.1 The Plan Administrator or designee is responsible for notifying each newly eligible employee of his/her required participation.
- 4.2 The Plan Administrator, or designee, will provide the participant with a copy of the SORP plan document, the election forms and other information as appropriate.
- 4.3 Eligible employees must complete election forms once notified of SORP eligibility. Since participation is mandatory, failure to submit election forms prior to the first contribution will result in default elections for investment options and distribution options.
- 4.4 At the time of enrollment, the participant must select investment option preferences for the contributions and the distribution option for the future SORP benefits.
- 4.5 While the distribution option election is a one-time irrevocable choice, the investment option may be changed after the initial enrollment in the program.
- 4.6 The participant will return the completed election forms to the Plan Administrator, who will send the participant's paperwork to the appropriate Personnel/Human Resources or Payroll office.

CONTACT OFFICE: The System Human Resources Office

HISTORY: New Regulation

[Section 31 Rules](#)