



# Alternate Retirement Program

## Summary

<p><b>The Alternate Retirement Program</b></p>	<p>The Alternate Retirement Program (ARP) is a defined contribution plan qualified under section 401(a) of the Internal Revenue Code; it is <i>not</i> a defined benefit pension plan. Both you and the State contribute to your ARP account. ARP is currently administered by Empower</p>
<p><b>Eligibility</b></p>	<p>Unclassified employees of the state system of Higher Education and the central office staff of the Department of Higher Education are eligible to participate in ARP. Once you begin participation, you must remain in ARP for all subsequent ARP-eligible positions with the State</p> <p>If you are later employed in a non ARP eligible position, you would be placed in the appropriate SERS plan tier</p>
<p><b>ARP Tiers</b></p>	<p><b>There are two ARP tiers: Legacy ARP and New ARP. Your plan entry date determines whether you are in Legacy ARP or New ARP</b></p> <p><i>Legacy ARP</i> : For employees whose plan entry date is prior to 9/1/2017</p> <p><i>New ARP</i> : For employees whose plan entry date is on or after 9/1/2017</p>
<p><b>Employee Contributions</b></p>	<p><i>Legacy ARP</i> : You contribute 5% of your compensation</p> <p><i>New ARP</i> : The default contribution is 6.5% of your compensation. On or before your first day of employment, you may instead elect a 5% contribution. Your contribution percentage cannot be changed after your first day of employment</p>
<p><b>Employer Contributions</b></p>	<p><i>Legacy ARP</i> : The State contributes 7% of your compensation</p> <p><i>New ARP</i> : The State contributes 6.5% of your compensation</p>
<p><b>Vesting</b></p>	<p>All ARP contributions are fully vested immediately</p>
<p><b>Annual Limit</b></p>	<p><b>Your annual limit depends on your plan entry date</b></p> <p>All employees participating in ARP are subject to the IRS 415(c) annual contribution limit. The 2024 limit (employee and state contributions combined) is \$69,000. Employees who became participants of ARP prior to 1/1/1996 are subject only to the 415(c) limit</p> <p>Employees who became participants of ARP on or after 1/1/1996 are also subject to the IRS 401(a)(17) annual compensation limit. The 2024 limit is \$345,000</p>
<p><b>Investments</b></p>	<p>The funds in your account are invested at your direction</p>
<p><b>Rollovers In</b></p>	<p>ARP accepts rollovers of pre-tax dollars from eligible retirement plans, including 401(a), 401(k), 403(b), and 457(b) governmental plans, as well as traditional individual retirement accounts (IRAs). ARP does not accept rollovers of after-tax (Roth) dollars</p>

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<b>Distribution Eligibility</b>	<p><b>The Plan prohibits withdrawals prior to severance of employment. You must be <i>fully separated from state service to take a distribution from your ARP account</i></b></p> <p>Upon severance, if you are age 55 or older, you are eligible to take a distribution from your ARP account. Please see the Distribution Options listed below</p> <p>Upon severance, if you are under age 55 with less than 10 years of ARP participation, you are eligible only for a rollover. Once you attain age 55, you are eligible for any of the Distribution Options listed below</p> <p>Upon severance, if you are under age 55 with 10 or more years of ARP participation, you are ineligible to take a distribution until you attain age 55. Once you attain age 55, you are eligible for any of the Distribution Options listed below</p>
<b>Rehired Retirees</b>	<p>If you return to state service after retirement as a rehired retiree, you will not be eligible to take a distribution from your ARP account until you fully separate from state service</p> <p>As a rehired retiree, you are not eligible to contribute to your ARP account unless you rescind your retirement and return to active state service</p>
<b>Retirement Benefit Amount</b>	<p>The benefit you receive is based on the balance of your ARP account. Your ARP account balance will depend on the amount of your contributions, the amount of the State's contributions, and the performance of the investments you selected</p>
<b>Distribution Options</b>	<p>Upon separation from state service or retirement, if you are age 55 or older, you may elect one or more of the following distribution options:</p> <ul style="list-style-type: none"><li>• Partial or full withdrawal of account</li><li>• Systematic withdrawal option—specified period or specified amount</li><li>• Partial or full rollover to another eligible retirement plan or IRA</li><li>• Combination of payout and annuity options</li></ul> <p>Distributions taken prior to age 59 ½ <i>may</i> be subject to the IRS 10% early withdrawal penalty</p> <p>Upon reaching the IRS Required Minimum Distribution (RMD) age, you will be required by law to take a distribution from your ARP account each year</p>
<b>Beneficiary Election</b>	<p>You must designate the beneficiaries of your ARP account. To review and update your current designation, contact Empower at the link or phone number below</p>
<b>Retiree Healthcare</b>	<p>ARP retirees who are eligible for retiree healthcare must establish a minimum \$10,000 lifetime annuity at retirement. For your spouse to continue to be covered after your death, you must establish a minimum \$10,000 two-life annuity and name your spouse as your co-annuitant</p> <p>To verify your eligibility for retiree healthcare, please contact the <b>Retiree Health Unit</b> at 860-702-3533 or <a href="mailto:Osc.Rethealth@ct.gov">Osc.Rethealth@ct.gov</a></p>

## Additional Resources

Empower: [Alternate Retirement Program website](#) or call **844-505-7283**

Office of the State Comptroller's website: [Additional ARP Information](#)

**Questions?** Contact your Human Resources Office or the Office of the State Comptroller's Retirement Services Division at **860-702-3480** or [Osc.Rsd@ct.gov](mailto:Osc.Rsd@ct.gov)