PLAN HIGHLIGHTS
HIGHLIGHTS OF THE ALTERNATE RETIREMENT PROGRAM

WORKSAVE_Play_

STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

Eligibility	Participation in the Alternate Retirement Program (ARP) is open to eligible unclassified employees of a constituent unit of the State system of higher education and the central office staff of the Department of Higher Education. If you choose to participate in the ARP, you must elect to do so on the first day of employment.
	An eligible employee who is a full-time, represented faculty member of the University of Connecticut or the University of Connecticut Health Center will be automatically enrolled in the ARP unless they make a written election to enroll in the State Employees Retirement System or Teachers Retirement System on the first day of employment. Non-union University of Connecticut or University of Connecticut Health Center faculty members will be automatically enrolled in the State Employees Retirement System Tier IV retirement plan.
	An eligible employee whose pension rights are governed by State Employees Bargaining Agent Coalition Agreement V (SEBAC V) must make a written election to participate in the ARP (in lieu of participation in the State Employees Retirement System) on the first day of employment.
	An adjunct faculty member is permitted to waive retirement plan participation entirely. This election is irrevocable and will mean that such faculty member cannot participate in a State of Connecticut retirement plan in any subsequent part-time employment with the regional community-technical college system, the Board of Regents for Higher Education, or any other constituent unit as defined by section 10a-1 of the general statutes. Any election to waive must be made on the first day of employment.
Administration Fee	0.0285% annually (for example, a participant with a $10,000 account balance would pay an annual fee of $2.85)
Withdrawal Charges	None
Contributions	If you decide to participate in this program, you must contribute 6.5% of your pay.* The State will also contribute to your account in an amount equal to 6.5% of your pay.**
	Your contributions and the State's are both 100% vested immediately.
	*Applies to all new employees with an entry date on or after September 1, 2017. You have the option to reduce your employee contribution to 5% of compensation if you make this election on the date of hire. Employees with an entry date prior to September 1, 2017, contribute 5% of pay.
	**Employer contribution for new employees with an entry date on or after September 1, 2017. For employees with an entry date prior to September 1, 2017, the employer contribution was reduced from 8% to 7.25% on July 1, 2017, and decreased to 7% effective July 1, 2017.
Contribution Limit	The 2024 contribution limit (employee and employer contributions) is the lesser of $69,000 or 100% of your covered pay for employees who became participants of the ARP prior to January 1, 1996.*
	Employees who became participants on or after January 1, 1996, are subject to the IRS annual compensation limit of $345,000 in 2024. Note that contributions are stopped automatically upon reaching the annual limit.*
	*This limit is not aggregated with either the 403(b) or 457 plan limits.
Fund Transfers	All investment options are subject to any excessive trading policies in place.
Plan-to-Plan Transfers	The plan accepts in-service transfers of assets from the ARP's pre-2006 administrator. These assets can only be withdrawn upon a distributable event.
Rollovers	The plan accepts rollovers from 401, 403(b), and 457(b) governmental plans and traditional individual retirement accounts (IRAs). The plan does not accept rollovers of after-tax dollars. Rollover assets may be withdrawn without a distributable event. Rollover assets will be subject to an Internal Revenue Code (IRC) 10% premature distribution penalty tax, unless an IRC exception applies.

Loans	Loans are not available.
Distributable Events	• Separation from service • Retirement • Death • Divorce (for alternate payee under a qualified domestic relations order)
Internal Revenue Code 10% Premature Distribution Penalty Tax on Distributions Prior to Age 59½	The 10% premature distribution penalty tax applies to distributions taken before you reach age 59½, unless an IRC exception applies.
Required Minimum Distributions	You must begin distributions by April 1 following the calendar year in which you reach age 73 or retire, whichever occurs later.* *As of January 1, 2023, the IRS generally requires you to start taking required minimum distributions (RMDs) at age 73. (If you turned 72 in 2023, your first RMD will be for 2024 and can be taken as late as April 1, 2025.) Please refer to irs.gov for details about RMDs..
Payment Options	Upon separation from service or retirement, if you are age 55 or older, you may elect one of the payment options below. Employees separated from service with less than 10 years of plan participation can roll over all or a portion of the entire account prior to age 55. • Partial or lump-sum withdrawal • Systematic withdrawal option—specified period or specified amount • IRC required minimum distribution • Roll over to another eligible retirement plan or IRA • Combination of payout and annuity options
Annuity Options	• Period certain for 5-50 years • Period certain for 5-50 years with withdrawal rights • Single-life • Single-life with 5-50 years guaranteed • Single-life with 5-50 years guaranteed with withdrawal rights • Single-life with cash refund • Joint and full survivor • Joint and full survivor with 5-50 years guaranteed • Joint and full survivor with 5-50 years guaranteed with withdrawal rights • Joint and ⅔ or ½ survivor (payment decreases on death of either) • Joint and ½ contingent (payment decreases on death of primary annuitant) *Required minimum distribution regulations may affect annuity issue ages.*

For more information about your plan, call **844-505-7283** or visit **CTDCP.com**

EMPOWER®