



MIDWESTERN STATE UNIVERSITY

Operating Policies & Procedures Manual

University Operating Policy/Procedure (OP) OP 52.67: Retirement Programs

Approval Authority: President
Policy Type: University Operating Policy and Procedure
Policy Owner: Administration and Finance
Responsible Office: Human Resources
Next Scheduled Review: 06/01/2022

A. Teacher Retirement System of Texas (TRS)

A defined benefits retirement plan operating under IRS 401a guidelines.

1. Eligibility

An eligible employee is one who is employed one-half time or more for four-and-one-half months or more during a school year at a rate of pay comparable to a similar full-time position. If the above criteria are met, the employee is eligible for and required by law to participate in the Teacher Retirement System of Texas per TRS Laws and Rules, Chapter 25.

2. Exceptions

Exceptions to the law are:

- a. Persons eligible at those times who executed waivers within the period allowed by law and have not revoked such waiver.
- b. Participants in the Optional Retirement Program.
- c. A person whose sole employment by the public institution of higher education requires as condition of employment that the person be enrolled as a student in that institution.

B. Optional Retirement Program (ORP) - a defined contribution retirement plan operating under the IRS 403b guidelines.

1. Establishment

Pursuant to Chapter 729, Acts of the 60th Texas Legislature, Regular Session, 1967, the Board of Regents of Midwestern State University authorized the establishment of an Optional Retirement Program in lieu of employee active membership in the Teacher Retirement System of Texas.

2. Eligibility

Employees eligible to participate in the Optional Retirement Program in accordance with the Rules and Regulations of the Texas Higher Education Coordinating Board,

Chapter 2, Section 25.2 are:

- a. Full-time faculty members appointed for at least four-and-one-half months.
- b. Full-time professional personnel employed for at least four-and-one-half months, including librarians, athletic coaches, physicians, lawyers, engineers, presidents, vice presidents, deans and academic department chairpersons in positions requiring advanced degrees, experience, and achievement, whose recruitment would require a nationwide search.
- c. Other full-time administrative professional personnel appointed for at least four-and-one-half months who report directly to the President, Provost and Vice President for Academic Affairs or a vice president, serve as director or administrative head of a major department or budget entity, and who are responsible for the programs, policies, and budget of the department.

C. ORP/TRS Selection Deadline

The option to elect ORP in lieu of participation in TRS must be made within ninety (90) days of eligibility. If the employee is a member of TRS at the time of the election, membership in TRS ceases and funds may be withdrawn by the employee. Withdrawn TRS funds may not be transferred to the ORP account. Until the eligible employee elects ORP he/she must be enrolled in TRS. In conjunction with the election of ORP, an employee who elects to participate must select a company from the list of ORP companies authorized by the MSU Fringe Benefits committee as outlined in THECB Rules and Regulations, Chapter 25.5. A member becomes vested with the right to receive both the employee contributions and the state paid contributions after one (1) year and one (1) day cumulative participation in the ORP. Withdrawal by termination before becoming vested results in forfeiture of the state-contributed funds.

D. Additional Information

Additional information on retirement programs is available through the Human Resources Department.

Responsible Office

Contact:

Phone:

Email:

Revision History

08/04/2006: MSU Policy 3.328 (Retirement Programs) is adopted by the MSU Board of Regents as MSU Policy and Procedure 3.328)