



Procedure 420-05 Retirement Programs

Sponsor: Human Resources

Purpose

The purpose of this benefit is to offer programs allowing employees to save and plan for their retirement.

Definitions

Defined Benefit – A defined benefit plan provides for lifelong monthly retirement income for qualified members. The investment decisions are professionally managed and the risk is assumed by the plan.

Defined Contribution – A defined contribution provides a retirement option that is managed by the employee and with greater portability. Investment risks are assumed by the employee and retirement benefits are unknown.

Procedure

Participation

Arizona State Retirement System (ASRS) – Any employee hired to work for at least 20 weeks in a fiscal year and 20 or more hours a week (20/20) is required to participate in the Arizona State Retirement System. Coverage and contribution deductions begin at the effective date of employment.

Contribution Rates

The Arizona State Retirement System sets the contribution rates annually for the employee and employer rates.

An Alternate Contribution Rate (ACR) is for members who return to work in any capacity and in a position ordinarily filled by an employee of the employer. The ACR rate should be charged the first day after retirement for a member who has reached normal retirement and for a member who is an early retiree working less than 20/20 for as long as that member stays in service and for any future employment periods during which the member does not suspend their benefits and resume active membership.

Arizona State Retirement System

The Arizona State Retirement System is a defined benefit retirement program. Benefits to members of this program include retirement benefits, survivor benefits, long-term disability, and group health insurance coverage for retired or disabled members.

Optional Retirement Program

The Optional Retirement program was closed to new participants effective July 1, 2016. The Optional Retirement Program is a defined contribution retirement program. Benefits to members of this program include retirement benefits, survivor benefits, long-term disability, the ability to control your investments, and greater portability to or from other employers. Within the Optional Retirement Program, employees can switch between service providers no more than once per year.

References

Arizona State Retirement System

Procedure History

09/22/2010 New and approved by College Council

07/08/2020 Revised (changes made to reflect the closing of the election for the optional retirement program approved by the District Governing Board)

9/1/2020 Updated to remove reference to Optional Retirement Program – that program was retired by the District Governing Board in 2016

Legal Review

None