



October 21, 2015

TO: THE DISTRICT BOARD OF TRUSTEES
of VALENCIA COLLEGE

FROM: SANFORD C. SHUGART
President

RE: OPTIONAL RETIREMENT PROGRAMS – (6Hx28: 3C-13)

The proposed repeal of the Optional Retirement Programs is deemed appropriate as content is being amended and combined with policy 6Hx28: C-11 - Retirement Contributions.

RECOMMENDED ACTION:

The President recommends that the District Board of Trustees of Valencia College approve the repeal of the “Optional Retirement Programs” policy as presented.



President



Policy: 6Hx28:3C-13

Authority: 1001.64, F.S.

Law: 1001.64, F.S.

Responsible Party: Vice President, Human Resources and Diversity

Effective Date: 01/17/1996

Volume 3C - Human Resources, Hours of Work, Compensation, Retirement, and Benefits

Optional Retirement Programs

Policy Statement:

- A. Effective February 1, 1996, the College is authorized to establish and administer an Optional Retirement Program (ORP) for full-time Instructional and Administrative employees who are eligible for the Regular Class of the Florida Retirement System (FRS).
- B. The ORP will be the Florida College System Institution Optional Retirement Program (ORP). The ORP is a defined contribution annuity plan.
 - 1. Participants are fully and immediately vested in the ORP.
 - 2. Benefits are funded by contributions made by the College and are payable to the member in the form of a lifetime annuity. No lump sum distributions are allowed.
 - 3. When they retire, participants will receive annuities based on the amount of funds contributed, the investment earnings or losses of those funds, and the type of annuity that they choose. Because these are self-directed investments, there is no guaranteed benefit and the possibility of loss of funds does exist.
- C. The ORP will be implemented and administered in accordance with applicable state and federal laws, rules and regulations.
- D. The College is authorized to purchase annuity contracts selected by participants from the list of companies currently approved by the Division of Retirement for the State University System (SUS) ORP.
- E. Full-time Instructional and Administrative employees hired before February 1, 1996 will have a one-time irrevocable opportunity to opt out of the FRS and enroll in ORP. To make this election, the employee must file with the Personnel Department both a written election form and a completed application for an individual annuity contract or certificate by April 1, 1996.
- F. Full-time Instructional and Administrative employees hired on or after February 1, 1996 will have 60 calendar days from their date of hire to make a one-time irrevocable decision to elect to participate in the ORP in lieu of the FRS by filing with the Personnel Department both a written election form and a completed application for an individual annuity contract or certificate. Employees who fail to make an election to participate in the ORP within 60 days after commencing qualifying employment have elected to become or continue to be compulsory members of the Regular Class of FRS.
- G. Any employee who becomes eligible to participate in the ORP by reason of a change in status due to a subsequent redesignation of position, appointment, promotion, transfer, or reclassification of position may irrevocably elect to participate in the ORP by filing with the Personnel Department both a written election form and a completed application for an individual annuity contract or certificate within 60 days of receiving from the college notice of eligibility.
- H. An employee's participation in the ORP will be effective on the first day of the next full calendar month following the filing of the election and completed application with the Personnel Department and receipt of such election by the Division of Retirement. For employees who become eligible pursuant to Paragraphs F and G above who make their election to participate in the ORP before the college submits its initial payroll for the employee, participation in the ORP commences on the first date of employment. An employee's membership in the Florida Retirement System terminates on the same date. The election by an eligible employee to participate in the ORP is irrevocable for so long as the employee continues to meet all relevant eligibility requirements.
- I. A participant in the ORP may not simultaneously participate in any other state-administered retirement system, plan or class.
- J. Effective February 1, 1996, the College is authorized to establish and administer an Optional Retirement Program for employees who are members of the Senior Management Service Class of FRS, in accordance with Section 121.055, Florida Statutes.

Policy History

Adopted 1-17-96; Formerly 6Hx28:07-39

Procedure Effective Date: 01/17/1996

Procedure Statement:

All full-time Instructional and Administrative employees will complete an election form (FRS Form OCC-1) and file it with the Personnel Department in accordance with paragraph E or F. Those electing to participate in the ORP will also complete an application for an individual annuity contract or certificate with an authorized provider company and file it along with the election form. All eligible Valencia employees are strongly encouraged to consult with the advisor of their choice in order to acquaint themselves with all state and federal laws, rules and regulations regarding their decision to participate or decline to participate in the ORP.

Procedure History

Adopted 1-17-96; Formerly 6Hx28:07-39