

APPENDIX DD

SUMMARY OF CHANGES TO THE PLAN DOCUMENT OF THE UNC OPTIONAL RETIREMENT PROGRAM

This is the document that creates the ORP, sets the rules for its operation, and determines its compliance with federal and state tax laws so that the contributions and earnings will remain tax deferred. Once a person is vested in certain rights, under federal law, we cannot take those rights away.

One significant reason to restate the Plan Document is to permit the faculty and administrators of the NC School of Science and Mathematics to join this program, if they desire.

The current plan document is a very legalistic document that is not reader friendly. We have tried to make this new version generally more accessible to lay people. We have also made an effort at greater consistency in language and word use. Many changes are updates of tax law changes/requirements and deletions of historical material no longer relevant. Prior amendments are incorporated into the document.

During the last several years, issues have arisen that are not addressed, or not clearly addressed, in the current plan document. We are trying to address these issues in this document. The handling of QDROs is such a situation.

A major area of change concerns Participants leaving employment with UNC who join a similar plan with another educational entity. We make clearer what educational entities are acceptable. (1.21)

****Another major area of change concerns clarifying what happens when a Participant leaves employment with UNC, then returns to employment at UNC later. The instances when the person must return to ORP and when the person has a choice (related to whether or not they were vested and whether or not they withdrew all their funds from the ORP) are set out in detail. [2.01(c) and 2.03(c)] ***Major change from prior version.***

What happens when a person moves from an ORP-eligible job to a non-eligible job is set out. (2.03(a))

The handling of “make-up employee contributions” by returning service men/women under USERRA, and their right to employer contributions are clarified. (3.08)

Normal retirement age (NRA) is NOT addressed at this time. After further considerations, we will likely come back to you in September with a proposed amendment to this section, 4.02.

4.01(f)—forfeiting employer contributions upon retiring before NRA—has been deleted.

****Participants will be given their insurance contracts, rather than UNC holding them.**