

300.7.1

Adopted 07/01/85
Amended 01/27/97
Amended 06/11/98
Amended 04/09/99
Amended 06/14/99
Amended 09/10/99
Amended 09/27/99
Amended 03/01/01
Amended 05/11/01
Amended 00/00/07

OPTIONAL RETIREMENT PROGRAM

An Optional Retirement Program (ORP) for certain faculty and administrators of The University of North Carolina has been in operation since 1972.

The latest ORP Plan Document and related policies are available on the UNC General Administration Human Resources Division website.

Deleted: at the public institutions of higher education of North Carolina that were later to become reorganized as

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Deleted: 1971 legislative session. In the succeeding months, the Boards of Trustees of the respective institutions established the authorized plan and chose Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF) to serve as the approved underwriter of retirement annuities funded under the plan.

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Establishment of the ORP as a tax-favored plan under the provisions of Internal Revenue Code (IRC) Sections 401(a), 403(a), and 414(h); ¶
Submission of the ORP for an IRS tax-qualification letter with respect to the plan document as stated in 1985, 1989, and 1994; ¶
Amendment of the plan document to conform it to minimum distribution requirements for tax-qualified pension plans under IRC Section 401(a)(9); ¶
Expansion of approved annuity contract carriers from one (TIAA-CREF) to three in 1992, by the addition of Lincoln National Insurance Company and the Variable Annuity Life Insurance Company (VALIC); and addition in 1999 of Fidelity Investments, to provide a mutual fund family. ¶
Establishment by the Board of Governors of approved categories of funds of the authorized carriers to receive employer and employee ORP contributions. ¶
Removal by the board of specific categories of eligible funds and, in lieu thereof, establishment of: (1) basic requirements for eligible funds of approved carriers, (2) delegation to the President of authority to set standards supplemental to the board's requirements for approved funds, and (3) delegation to the President of authority to approve individual funds of authorized carriers that meet both the board's basic requirements and the President's supplemental standards. ¶
Addition of fund investment and/or cashout options in 1990, 1992, 1993, 1995, 1997, 1999, and 2001. ¶
Establishment on September 10, 1999 (effective January 1, 1995) of a Qualified Governmental Excess Benefit Arrangement for the ORP, pursuant to IRC Section 415(m), to permit full benefit of the State-established employee and employer contribution rates to individual ORP accounts. ¶

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Consolidation and expansion by the board of authority delegated to the President, permitting the President to act as ORP Plan Administrator in lieu of the board and to delegate to an officer, or officers, of the President's choosing such authority as had not otherwise been retained by the board or delegated solely to the President.

The ORP is administered under policies and practices embodied in the *Administrative Manual: The University of North Carolina Optional Retirement Program*. The ORP *Administrative Manual* should be consulted for detailed guidance with respect to the ORP.