

## Brief Comparison

### The University of North Carolina Optional Retirement Program (ORP)

### North Carolina Teachers' and State Employees' Retirement System (TSERS)

Defined Contribution Plan

Defined Benefit Plan

Internal Revenue Codes 401(a) and 403(a)

Internal Revenue Code 401(a)

UNC Board of Governors oversees the ORP

TSERS Board of Trustees oversees TSERS

You control your investments

TSERS controls/monitors investments

Retirement benefit based on investment performance  
and payment option chosen

Retirement benefits based on years of service, salary,  
actuarial formula, and payment option chosen, including  
credit for any unused sick leave if applicable

Vested immediately in the value of your employee  
contributions; vested immediately in the value of your  
employer contributions if you leave before five years and  
continue participation in a core retirement plan at  
another institution of higher education, including  
without limitation (i) teaching hospitals which train  
interns and residents and (ii) high schools which are  
part of the National Consortium for Specialized  
Secondary Schools of Mathematics, Science and  
Technology, with a like retirement plan; otherwise,  
vested after five years

Vested after five years. If you leave State employment before  
five years, you may request a refund of your contributions or  
leave your contributions in TSERS in anticipation of a  
return to State service in the future

Vested right to both employee and employer  
accumulations after five years of participation

Vested right to retirement benefit at retirement

Portability is nationwide

Portability is not available nationwide

No loans available

No loans available

State of North Carolina Disability Benefit automatically  
provides coverage once you meet certain ORP  
participation requirements and you may also purchase a  
voluntary supplemental disability plan through your  
employer

State of North Carolina Disability Benefit automatically  
provides coverage once you meet certain TSERS service  
requirements and, in some cases, you may purchase a  
voluntary supplemental disability plan through your  
employer

Death benefit includes both the employee and employer  
accumulations (contributions and earnings) in the  
account upon your death

Lump-sum Death Benefit is paid to your beneficiary if you  
die in active service after one year of creditable service, and  
either a refund of contributions is payable or a survivor  
monthly income if you die after meeting certain age and  
service requirements

Several payment options and methods of payment  
available at retirement

Several payment options available at retirement

State Health Insurance available at retirement if you  
have five years of participation and are receiving an  
ORP monthly retirement benefit  
See page 7 for more details

State Health Insurance available at retirement if you have  
five years of creditable service and are receiving a TSERS  
monthly retirement benefit  
See page 12 for more details