

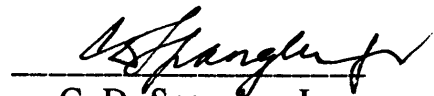
ADMINISTRATIVE MEMORANDUM

SUBJECT	Amendment to regulations for the Optional Retirement Program (ORP) as set forth in Administrative Memorandum Number 339	NUMBER	340
		DATE	10/27/93

It has come to my attention that Appendix C to Administrative Memorandum Number 339 (dated 10/12/93) contains an omission with respect to withdrawal by retired ORP participants of vested funds from retirement accounts attributable to their own (employee) contributions. Appendix C as first distributed earlier this month, by failing to mention withdrawal from **fixed annuity** accounts, appears to prohibit such withdrawals from these accounts. On the contrary, neither the Board of Governors nor this office has established such a restriction, and the gray brochure of July 1, 1992, entitled "The Optional Retirement Program," though not a regulatory instrument, continues in this regard to be accurate: the brochure simply sets forth the policies of fixed account withdrawal by summarizing the pertinent contract provisions of the respective ORP carriers, each of which permits some withdrawal by retirees from fixed annuity accounts of funds attributable to employee contributions.

Accordingly, the Chart of Rollovers and Withdrawals appearing as Appendix C to Administrative Memorandum Number 339 is amended as set forth on the attachment to this memorandum. It now states that withdrawal of vested accumulations in fixed annuity accounts attributable to contributions by retired ORP participants may be undertaken as permitted by the pertinent carrier(s). The amended Appendix C should be substituted for its predecessor.

Please give this Administrative Memorandum distribution in the manner of that given Administrative Memorandum Number 339.


C. D. Spangler, Jr.

Attachment

Appendix C
(Amended 10/27/93)

CHART OF ROLLOVERS AND WITHDRAWALS

Class of individuals		Rollover of vested funds*	Rollover of non-vested funds	Withdrawal of vested funds*	Withdrawal of non-vested funds
ORP participant		No.	No.	No.	No.
Former ORP participant	Inactive (currently unemployed less than 12 months immediately following University employment).	No.	No.	No.	No.
	Employed by non-UNC employer; enrolled in like retirement plan.	As permitted by new employer and the carrier(s).	N/A	As permitted by new employer and the carrier(s).	N/A
	Employed by non-UNC employer; not enrolled in like retirement plan ("retiree").	As permitted by the carrier(s).	N/A	From variable annuity accounts, to extent attributable to employee contributions under ORP; from fixed accounts, as permitted by carrier(s).**	N/A
	Retiree	As permitted by the carrier(s).	N/A	From variable annuity accounts to extent attributable to employee contributions under ORP; from fixed accounts, as permitted by carrier(s).**	N/A

*Subject to applicable provisions of the Internal Revenue Code, involving possible withholding.

**A retired participant may withdraw from each account funding an ORP variable annuity an amount not greater than account value attributable to the participant's contributions; he or she may withdraw from each account funding an ORP fixed annuity account value attributable to the participant's contributions, to the extent permitted by the carrier.