



# EMPLOYER SERVICES FACT SHEET

## ALTERNATIVE RETIREMENT PLAN (ARP)

### What is an Alternative Retirement Plan (ARP)?

An Alternative Retirement Plan (ARP) is a retirement plan for newly hired full-time college and university employees. It is defined under chapter 3305 of the Ohio Revised Code.

### Who may elect to participate in an ARP plan?

Only newly hired full-time college and university employees have the option of either contributing to School Employees Retirement System of Ohio (SERS) or an ARP.

### What is the election period?

Employers are responsible for notifying SERS of an employee who is eligible for an ARP within 10 days of the employee's first day of full-time employment by submitting a [Notice of Employment or Reclassification of Employee Eligible for Alternative Retirement Plan](#).

Eligible employees have 120 days from their first day of full-time employment to enroll in the ARP.

An employee who chooses an ARP must sign the [Retirement Plan Election Form](#) and return it to the employer.

Employers must file a copy of the form with SERS within 10 days of receiving it from the employee.

Once the form is submitted, it is irrevocable.

Employees who do not choose an ARP within the 120-day election period will automatically become members of SERS.

### What are the eligible ARP plans?

There are several plans. They include:

- Corebridge (formerly AIG/VALIC)
- Equitable (formerly AXA)
- Fidelity
- TIAA-CREF
- Voya

## What are the ARP mitigating rates?

The mitigating rate, paid by college and university employers to SERS on behalf of ARP participants, is 3.85%.

Ohio law provides that the college or university sends a percentage of each ARP employee's salary to SERS on a monthly basis for unfunded accrued liabilities. This contribution requirement begins with an employee's ARP effective date.

The employees' contribution of 10%, and the remaining 10.15% employer contributions are sent directly to the ARP.

The ARP contribution rate is subject to review every five years per Ohio law.

## What is the ARP reporting process?

Mitigating contributions are due to SERS for as long as the employee is continuously employed in an SERS-covered position.

ARP reporting is done through eSERS listing mitigating contributions on a monthly basis.

Submit an ARP report either by file upload or manual file entry in eSERS. For more information, see the [Submitting Files for an Alternative Retirement Plan \(ARP\)](#).

A Payment Remittance is required for each liability created for an ARP reporting.

## How would I submit an adjustment?

An adjustment would need to be created in the next report using an adjustment earnings code of 51 (adjustment to regular contribution).

## Terminating an ARP Position

### Scenario 1:

ARP participants who terminate employment in an ARP-eligible position must remain in the ARP as long as there is no more than a 365-day break in employment with their college or university.

This rule affects both:

1. ARP participants who move from a full-time to a part-time ARP position
2. ARP participants whose break in service with their college or university is less than one year will remain in ARP.

### Scenario 2:

If an employee terminates employment with one college or university and change to a new college or university and the position is ARP eligible, then the employee must make a new ARP election within 120 days of start date of employment at the new public institution.