

ORP - Primary Retirement Plan - Limits Withdrawals

Purpose

The Optional Retirement Program is the Primary Retirement Plan for certain Higher Education faculty and Staff who elected not to participate in the Tennessee Consolidated Retirement System. The purpose of the Optional Retirement Program is to establish a life time retirement benefit. The life time retirement benefit is accomplished through the use of annuity contracts. At least 50 % of the cash accumulation in any account or accounts must be annuitized.

Statutory Limit on Withdrawals

Tennessee Code Annotated § 8-35-411 sets the maximum ORP cash withdrawal. This cash withdrawal limit of 50% applies to amounts withdrawn due to all types of withdrawals including roll over's from the account.

Additional Savings Opportunities

Active State employees and ORP participants who are active employees may defer a portion of their salary to the deferred compensation program. The Deferred Compensation Program includes a 457 and a 401(k) plan. Plan early to provide a flexible source of funds at retirement. The 457 Plan is especially attractive to higher education faculty and staff as it has a separate contribution limit not shared with IRC § 403(b) plans. Discretionary cash may be accumulated in your deferred compensation program. Please see www.tn.gov/treasury/dc for access to information and forms.