

# 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 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	State Health Insurance available at retirement if you have five years of creditable service and are receiving a TSERS monthly retirement benefit