

ANNEX D

SUPPLEMENTAL RETIREMENT PLAN FOR ACTIVE EMPLOYEES **WITH A DATE OF EMPLOYMENT PRIOR TO JULY 1, 1987** **WITH A RETIREMENT DATE BEFORE JULY 1, 1995**

A Supplemental Retirement Annuity calculation shall be made under Option One, Option Two or Option Three (as defined below) for an employee who has elected to retire pursuant to this retirement policy. The retiring employee shall be entitled to a Supplemental Retirement Annuity under the option selection by the employee. Upon retirement, the annuity derived from the contribution to TIAA plus the Supplemental Retirement Annuity, if any, computed under Option One, Option Two, or Option Three as selected by the employee, Social Security and the entitlement from the Oklahoma Teachers' Retirement System shall constitute the retirement pay to the retiring employee.

Supplemental Retirement Annuities

University Supplemental Retirement Annuities paid pursuant to Paragraphs 4.4.1 and 4.4.3 of the Board of Regents of Oklahoma Colleges Policy Manual, may, at the option of each university, be funded by the purchase of single-premium annuities.

Additional Annuity Contracts

The provisions of this retirement policy shall not prohibit an employee from purchasing an individual, tax-deferred annuity contract as provided by applicable federal and state laws. Annuities derived from additional annuity contracts shall not be used as an offset in the Supplemental Retirement Annuity calculation.

Employees With a Date of Employment On or After July 1, 1987

The Supplemental Retirement Policy of the Board of Regents of Oklahoma Colleges shall not apply to individuals employed after June 30, 1987. Upon retirement, the annuity derived from the contribution to TIAA plus Social Security and the entitlement from the Oklahoma Teachers' Retirement System, if any, shall constitute the retirement pay to the retiring employee.

Definitions

- (1) The Plan, as referred to in this policy statement, shall mean the Board of Regents of Oklahoma Colleges' approved retirement policy for the Oklahoma Regional Universities.

Definitions (Continued)

- (2) O.T.R.S. shall mean the Oklahoma Teachers' Retirement System.
- (3) O.S.S.H.E. shall mean the Oklahoma State System of Higher Education.
- (4) Oklahoma Regional Universities shall mean: East Central University, Northeastern State University, Northwestern Oklahoma State University, Southeastern Oklahoma State University, Southwestern Oklahoma State University, and the University of Central Oklahoma
- (5) Fiscal year (F.Y.) shall mean the Fiscal Year from July 1 through June 30.
- (6) Academic Year shall mean the defined academic year within the Fiscal Year.
- (7) Date of Employment (D.O.E.) shall mean the last date continuous full-time employment started at the employing university, as recorded by employment contract or notice of appointment.
- (8) First Date of Employment shall mean the earliest date full-time employment started at the employing Oklahoma Regional University, as recorded by the employment contract or notice of appointment of the university.
- (9) Date of Birth (D.O.B.)
- (10) Supplemental Retirement Annuity (S.R.A.) shall mean the defined calculated retirement annuity payable to a qualified retiree at D.O.R. for twelve (12) months per year. The calculated S.R.A. would be payable for the month immediately following the month an employee qualifies and makes the application for retirement as defined in the Plan and retires from active full-time service. The S.R.A. shall be payable monthly for the life of the employee. The final monthly payment shall be prorated for the number of days in the month until day of death. A return to covered O.T.R.S. employment after retirement shall be governed under the same rules as used by O.T.R.S. The S.R.A. will not apply to an employee whose first date of employment in the Oklahoma Regional University System is after June 30, 1987.
- (11) The Rule-of-80 shall mean the age an employee may retire with unreduced T.R.S benefits and S.R.A. benefits when the sum of the member's age and the number of O.T.R.S. years equals eighty (80), as defined and calculated by O.T.R.S.

Definitions (Continued)

- (12) Date of Retirement (D.O.R.) shall mean the first day of the month following the month in which the employee last actively worked for an Oklahoma Regional University and is qualified for official retirement status as defined in the Plan, provided application is made by the eligible retiring employee.
- (13) Teachers' Retirement Maximum Life Option Annuity (T.R.A.) shall mean the maximum entitlement of a retiring employee from O.T.R.S. at qualifying D.O.R. for the years of creditable O.T.R.S. service. Note: For the purpose of calculating the S.R.A., all O.T.R.S. years for which an employee was employed under O.T.R.S.-covered employment and O.S.S.H.E. employment and eligible to participate in O.T.R.S. (either mandatory or optional participation) will be used for calculating the T.R.A. off-set even if an employee chooses not to make eligible re-deposits or chose not to make back payments when eligible for O.S.S.H.E. years. Furthermore, official leaves counted as Service Years will also be used in calculating the T.R.A. off-set used in the calculation of the S.R.A.
- (14) Attained Age At D.O.R. (A.A.R.) shall mean the attained age at the time of qualified early or normal retirement.
- (15) Full Time for the purpose of this Plan, shall mean an employee who is appointed and scheduled to work at least thirty (30) hours a week for his/her appointment period on a non-academic basis and for an academic appointment full time shall mean at least seventy-five percent (75%) of a full-time teaching load as defined by the employing or qualifying college or university.
- (16) Average Monthly Salary (A.M.S.) shall mean the highest three (3) regular ten (10) month academic year base salaries paid from an Oklahoma Regional University divided by thirty (30), or the highest three (3) regular twelve (12) month Fiscal Year base salaries divided by thirty-six (36), whichever is greater. Base salary will not include any additional pay compensation, academic summer contract, overtime or fringe benefit contributions by the university. (Use in calculation of S.R.A. Option One.)
- (17) Annual Base Salary (A.B.S.) shall mean a regular full annual Fiscal Year/Academic Year base salary paid from an Oklahoma Regional University, and will not include any additional pay compensation, academic summer contract, overtime or fringe benefit contributions by the university. (Use in calculation of S.R.A. Option Two and Option Three.)

Definitions (Continued)

- (18) Average Annual Base Salary (A.A.B.S.) shall mean the highest three (3) regular Fiscal Years/Academic Years annual base salaries (A.B.S.) divided by three (3). (Use in calculation of S.R.A. Option Two and Option Three.)
- (19) The same S.R.A. formulas will be used in the calculation of a Supplemental Retirement Annuity for the Chief Executive Service Years for the Presidents of the Regional Universities and the Board's Executive Secretary, with the exception, the percentage times Chief Executive Service Years will be four percent (4%) with a maximum of fifteen (15) Chief Executive Service Years to be counted for an S.R.A. under both Option One and Option Two S.R.A. calculations.
- (20) Vesting - For an employee who has ten (10) qualified Service Years in the Oklahoma Regional University System during the last twenty (20) years immediately preceding the qualifying date of retirement at the attained age of sixty-two (62), the S.R.A. will be vested in the name of the employee.
- (21) O.S.S.H.E. Service Year hereafter referred to as a Service Year shall be qualified and used in the calculation of the S.R.A. as follows:
 - a. The maximum allowable Service Years used in Option One shall be twenty-five (25).
 - b. The maximum allowable Service Years used in Option Two shall be thirty (30).
 - c. The maximum allowable service years used in Option Three shall be twenty-five (25).
 - d. A Service Year must meet the definition of full-time as defined in the Plan.
 - e. A Service Year will be defined and qualified under the same O.T.R.S. rules for a creditable year of Teachers' Retirement, if the defined Service Year was rendered in the O.S.S.H.E. and subject to Plan maximums and other qualifications listed in the Plan. However, accumulated sick leave does not count as an additional O.S.S.H.E. Service Year.
 - f. Military Service will be counted as a Service Year if established and counted by O.T.R.S., if the employee has ten (10) full-time years in the Oklahoma Regional Universities, and if the employee elects the S.R.A. calculation under Option Two or Option Three. Military years will not count under Option One calculation.

Definitions (Continued)

(21) O.S.S.H.E. Service Year

- g. No out-of-state service shall be counted as a Service Year.
- h. Officially-approved leaves of absence (not to exceed two (2) years of service credit) shall be counted as a Service Year under all other calculations, if the approved leave was from an Oklahoma Regional University, and if the leave was for the enhancement and credit of the university, and if the employee returned to active employment in the Oklahoma Regional Universities for at least three (3) years, and if the employee has at least ten (10) Service Years of active service in the Oklahoma Regional Universities unless on full sabbatical leave in accordance with paragraph j.
- i. Years of Service in the Oklahoma State Department of Education shall be counted as a Service Year only under Option One calculation provided retiring employee has at least five (5) Service Years at the university from which he/she is retiring.
- j. A full sabbatical with pay as defined in this manual will count as a service year subject to the employee's membership in O.T.R.S. for the sabbatical leave during the time of leave and contributions paid in accordance with the rules and regulations governing O.T.R.S. and other applicable provisions of the Regent's Policy Manual.

(22) Non-Service Year shall mean any year between the first date of employment to date of retirement in which the employee was on an unapproved leave of absence or was terminated from full-time employment.

(23) Normal Retirement shall mean the attained age of sixty-two (62) at date of retirement with at least ten (10) O.T.R.S. contributing membership years and at least ten (10) defined Service Years in the Oklahoma State System of Higher Education immediately preceding defined date of retirement or the attained age when the sum of the employee's age at defined date of retirement and the number creditable O.T.R.S. years total eighty (80) and at least ten (10) defined Service Years in the Oklahoma State System of Higher Education immediately preceding defined date of retirement. Note Item 20 of the Plan for Vesting privilege.

(24) Early Retirement shall mean the age of fifty-five (55) at date of retirement with at least ten (10) O.T.R.S. contributing membership years and at least ten (10) defined Service Years in the Oklahoma State System of Higher Education or thirty (30) years of O.T.R.S. creditable service and at least ten (10) defined Service Years in

Definitions (Continued)

(24) Early Retirement

the Oklahoma State System of Higher Education immediately preceding defined date of retirement. A calculated S.R.A. for early retirement would be the same as normal retirement, except actuarial reduction factors (as used by O.T.R.S.) will be used for the calculation of the T.R.A. off-set and the S.R.A. Note Item 20 of the Plan for Vesting privilege.

- (25) Option One S.R.A. Calculation. For an employee who meets the defined normal or early retirement Plan definition or is vested at defined date of retirement, the written formula will be: ONE-HALF ($\frac{1}{2}$) OF THE DEFINED OPTION ONE AVERAGED MONTHLY SALARY (A.M.S.), LESS THE MAXIMUM MONTHLY LIFE OPTION FROM O.T.R.S. (DEFINED T.R.A.), TIMES THE NUMBER OF DEFINED OPTION ONE SERVICE YEARS DIVIDED BY TWENTY-FIVE (25), LESS THE MONTHLY ACTUAL LIFE OPTION ANNUITY INCOME DERIVED FROM THE CONTRIBUTIONS MADE BY THE OKLAHOMA REGIONAL UNIVERSITIES TO TIAA.

- (26) Option Two S.R.A. Calculation. For an employee who meets the defined normal or early retirement Plan definition and has at least ten (10) defined Service Years in the Oklahoma Regional University System immediately preceding date of retirement the written formula will be: TWO PERCENT (2%) TIMES THE OPTION TWO DEFINED SERVICE YEARS TIMES THE DEFINED AVERAGE ANNUAL BASE SALARY LESS THE MAXIMUM ANNUAL LIFE OPTION BENEFIT FROM O.T.R.S. (DEFINED T.R.A.), LESS THE ACTUAL ANNUAL LIFE OPTION ANNUITY INCOME DERIVED FROM THE CONTRIBUTIONS MADE BY THE OKLAHOMA REGIONAL UNIVERSITIES TO TIAA, DIVIDED BY TWELVE (12).

- (27) Option Three S.R.A. Calculation. For an employee who meets the defined normal or early retirement Plan definition and has at least ten (10) defined Service Years in the Oklahoma Regional University System immediately preceding date of retirement the written formula will be: TWO AND FOUR-TENTHS PERCENT (2.4%) TIMES THE OPTION THREE DEFINED SERVICE YEARS TIMES THE DEFINED AVERAGE ANNUAL BASE SALARY LESS THE MAXIMUM ANNUAL LIFE OPTION BENEFIT FROM O.T.R.S. (DEFINED T.R.A.), LESS THE ACTUAL ANNUAL LIFE OPTION ANNUITY INCOME DERIVED FROM THE CONTRIBUTIONS MADE BY THE OKLAHOMA REGIONAL UNIVERSITIES TO TIAA, DIVIDED BY TWELVE (12).

- (28) Retirement Calculation Option. For employees with an initial date of employment prior to July 1, 1987, a "one-time" option among Option One, Option Two, and Option Three calculation will be made at the time of retirement.

Definitions (Continued)

(29) Compulsory Retirement

In accordance with the Age Discrimination in Employment Act, it shall be the policy of the Board to prohibit compulsory retirement based on age of employees forty (40) years of age or over.

ANNEX E

(RESTATED PLAN DOCUMENT)

**SUPPLEMENTAL RETIREMENT PLAN FOR ACTIVE EMPLOYEES WITH A DATE
OF EMPLOYMENT PRIOR TO JULY 1, 1995 (a)**

(Restated Effective as of July 1, 2001; Except Where Otherwise Indicated Herein)

May 2002