

Plan 3 Facts at a Glance

This document is to provide information for new employees of a Higher Education Institution that are eligible to make an election to participate in a Higher Education Retirement Plan or a DRS Plan 3 system.

Plan Summary

Plan 3 has two components

- a defined benefit component, and
- a defined contribution component

Your employer contributes to your defined benefit component. You contribute to the defined contribution component.

You are vested in the plan when you have:

- Ten service credit years; or
- Five years of service credit and at least 12 of those months were earned after the age of 44.

You do not need to be vested to access your defined contributions:

You can access your contributions at any time after you are separated from employment.

When you meet plan requirements to retire, you are guaranteed a monthly benefit for the rest of your life from the **defined benefit** component. Your retirement benefit will be based on your years of service (while a member of Plan 3) and your compensation. There is no limit on the **service credit** years included in your benefit calculation.

This formula will be used to calculate your monthly retirement benefit from the **defined benefit** component:

1% x service credit years x **average final compensation** = monthly benefit

The value of your **defined contribution** component will consist of your contributions and their investment returns.

Once vested, you are eligible to retire with a full benefit at 65.

Retirement before 65 is considered an early retirement. If you have at least 10 years of service credit and are 55 or older, you can choose to retire early, but your benefit may be reduced.

If the unexpected happens – disability or death before retirement – benefits may be available. If you become totally incapacitated and leave your job as a result, you may be eligible for a disability retirement benefit.

If you die before retirement, your survivor may be eligible to receive a benefit based on your years of service credit.