

# Savings Plus

## Fact Sheet

### Alternate Retirement Program (ARP)

#### What is the ARP?

The Alternate Retirement Program (ARP) is a retirement savings program for certain employees hired on or after August 11, 2004 through June 30, 2013. Eligible employees are automatically enrolled for their first two years of CalPERS covered employment with the State of California. The ARP provides up to two years of retirement savings in lieu of retirement service credit under CalPERS. The Department of Human Resources' Savings Plus Program (Savings Plus) administers the ARP.

#### How does the ARP work?

**Phase I: Months 1-24**—ARP contributions begin. You contribute to the ARP during the first 24 months of your CalPERS membership. The amount deducted from your check for retirement benefits depends on whether you are an excluded, exempt or represented employee and the bargaining terms therein.

**Phase II: Month 25**—CalPERS service credit begins to accrue. After your first 24 months of CalPERS membership, your paycheck deductions stop going to the ARP and begin going to CalPERS. The State will also begin making its monthly contribution to CalPERS. Under IRS rules, the money you contributed to the ARP must remain in your ARP account for two additional years.

**Phase III: Months 47-49**—election period begins. You have three months to elect what to do with the money in your ARP account. You have three options:

- Option 1: Transfer your ARP funds to CalPERS for service credit equal to your time worked during Phase I.
- Option 2: Take a distribution of your ARP account assets.
- Option 3: Transfer your ARP funds to a Savings Plus 401(k) account.

You will receive a postcard at month 45 notifying you that you are approaching your Phase III election period. Prior to your election period, you will receive your ARP Payout Election Kit in the mail.

#### Basic facts

Even though you do not receive retirement service credit with CalPERS during Phase I, you are a CalPERS member and entitled to all other CalPERS benefits, such as health insurance.

- Your ARP account is set up automatically as part of a 401(a) Plan, a type of retirement plan governed by IRS regulations.
- Savings Plus invests your ARP funds in the Short Term Investment Fund—ARP, which seeks to maximize total return consistent with capital preservation.
- Employer contributions or matching funds are not allowed; your account consists entirely of money you contribute via payroll deductions and any attributable earnings or losses.
- While you are contributing, your employer pays the administrative fees on your account.

- If you separate from state employment, you are eligible to take a distribution from your ARP account. For details go to About Savings Plus at [savingsplusnow.com](http://savingsplusnow.com).
- You may contribute to a 401(k) Plan and/or to a 457 Plan while in the ARP. Go to [savingsplusnow.com](http://savingsplusnow.com) and select the 401(k)/457 tab to learn more about these plans.
- You will receive an annual statement and an ARP Newsletter each August. Statements are mailed to your preferred mailing address on file unless you have elected to receive them electronically.
- You can view your ARP balance at [savingsplusnow.com](http://savingsplusnow.com) by logging in under Access Your Account.

## Who must participate?

You are automatically in the ARP if you meet all of these conditions:

- First hired by the State on or after August 11, 2004 through June 30, 2013; and
- Eligible for CalPERS membership in the State Miscellaneous or State Industrial category (ask your HR office if you need more information); and
- Meet the definition of “State employee” in Government Code section 19815 (includes all Executive branch employees not elected to office).

Participation in the ARP is mandatory; you cannot opt out.

## Who is excluded?

You are not in the ARP if you were hired by the State prior to August 11, 2004. This includes:

- Part-time, Seasonal or Temporary (PST) employment
- Student Assistant employment at a State agency
- Youth Aid employment

You are also not in the ARP if you meet any of these conditions:

- Eligible for CalPERS membership in the miscellaneous or industrial categories on or after July 1, 2013
- Eligible for CalPERS membership in the State Safety, State Patrol or State Peace Officer/Firefighter categories
- Current or prior member of CalPERS
- Member of CalPERS’ reciprocal retirement system within the prior six months
- Member of the Judges’ Retirement System, Judges’ Retirement System II, Legislators’ Retirement System, California State Teachers’ Retirement System, or the University of California Retirement Plan
- Employed by California State University (except CSU Student Assistant employment)
- Employed by the California legislative or judicial branch of government
- Employed as a California Highway Patrol cadet
- Part-time California National Guard member who elects CalPERS membership
- Nonresident alien on an F-1, J-1, M-1 or Q-1 visa and not coordinated with Social Security

## Address updates

It is important that Savings Plus has your current mailing address on record to ensure you receive your annual statement, ARP Newsletter and important communications for Phase III.

If your address changes and you are still employed with the State, notify your departmental personnel or payroll office of your new address.

If you are no longer employed with the State and you want to change your address with Savings Plus, call us toll-free at (855) 616-4SPN (4776) to speak with a Service Center representative Monday through Friday from 5 a.m. - 8 p.m. PT.

## How to reach us

Visit [savingsplusnow.com](http://savingsplusnow.com)

Call 855-616-4SPN (4776) today

Service Center representatives are available via phone 5 a.m. - 8 p.m. PT, Monday-Friday

Visit the Savings Plus Walk-in Center

1810 16th Street, Room 108, Sacramento, CA 95811

Enter on 16th Street, between R and S streets

(8 a.m. - 5 p.m. PT, Monday - Friday, excluding State holidays)

All information contained in this fact sheet was current as of the post date. The Plan reserves the right to amend any of the procedures or plan provisions as outlined in this fact sheet or in the Plan Document. Such changes may be enacted without prior announcement or the express consent or agreement of plan participants. The Plan Document will govern if any contradiction arises between the terms of the Plan Document and this fact sheet. NRM-13507CA-CA (12/15)