

PLAN HIGHLIGHTS

THE ALTERNATE RETIREMENT PROGRAM

Eligibility

Participation in the Alternate Retirement Program (ARP) is open to eligible unclassified employees of any constituent unit of the State System of Higher Education, as well as the Central Office staff of the Department of Higher Education. Employees who choose to participate must elect ARP on their first day of employment.

Eligible full-time, represented faculty members at the University of Connecticut or UConn Health are automatically enrolled in ARP unless they make a written election to participate in the State Employees Retirement System (SERS) or the Teachers Retirement System (TRS) on their first day of employment.

Eligible non-union faculty members at the University of Connecticut or UConn Health are automatically enrolled in the SERS Tier IV Retirement Plan.

Eligible employees whose pension rights are governed by the State Employees Bargaining Agent Coalition Agreement V (SEBAC V) must make a written election on their first day of employment to participate in ARP in lieu of SERS.

Adjunct faculty members may waive retirement plan participation entirely. This election is irrevocable and prevents participation in any State of Connecticut retirement plan during any future part-time employment with the regional community technical college system, the Board of Regents for Higher Education, or any other constituent unit as defined in section 10a-1 of the general statutes. This waiver must also be made on the first day of employment.

Administration fee

0.0285% annually (for example, a participant with a \$10,000 account balance would pay an annual fee of \$2.85)

Contributions

If you choose to participate in ARP, you must contribute 6.5% of your pay and the State will contribute an equal 6.5% to your account. Both contributions are 100% vested immediately. This applies to employees with an entry date on or after September 1, 2017.

You may elect a reduced 5% employee contribution instead, provided you make this election on your hire date.

Employees with an entry date prior to September 1, 2017, contribute 5% and the State contributes 7%. These contributions are also immediately vested.

Contribution limit

For employees who became ARP participants prior to January 1, 1996, the 2026 contribution limit for combined employee and employer contributions is the lesser of \$72,000 or 100% of covered pay.

Employees who became participants on or after January 1, 1996, are subject to the 2026 IRS Annual Compensation Limit of \$360,000. Contributions automatically stop once the applicable limit is reached.

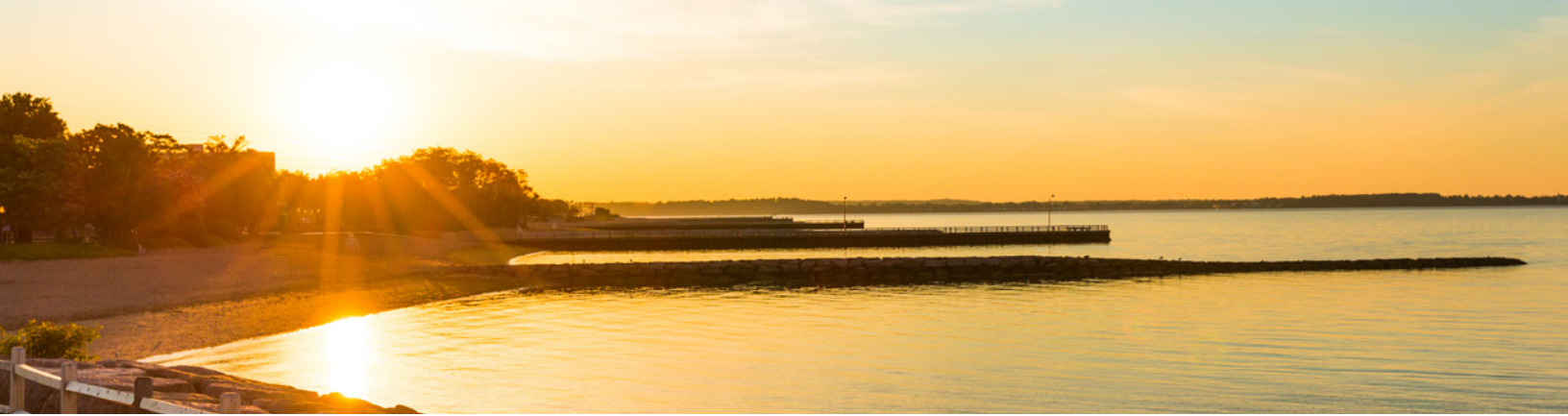
The limit is not aggregated with the contribution limits for the 403(b) or 457 plans.

Fund transfers

All investment options are subject to any applicable excessive trading policies.

Plan-to-plan transfers

The plan accepts in-service transfers of assets from the ARP's pre-2006 administrator. These assets may be withdrawn only upon a distributable event.



Rollovers

The plan accepts rollovers from 401, 403(b), and 457(b) governmental plans and traditional individual retirement accounts (IRAs). The plan does not accept rollovers of after-tax dollars. Rollover assets may be withdrawn without a distributable event. Rollover assets will be subject to an Internal Revenue Code (IRC) 10% premature distribution penalty tax, unless an IRC exception applies.

Loans

Loans are not available.

Distributable events

- Separation from service or retirement
- Death
- Divorce (for an alternate payee under a qualified domestic relations order)

IRC 10% premature distribution penalty tax on distributions prior to age 59½

The 10% premature distribution penalty tax applies to distributions taken before you reach age 59½, unless an IRC exception applies.

Required minimum distributions

You must begin distributions by April 1 following the calendar year in which you reach age 73 or retire, whichever occurs later.

Payment options

Upon separation from service or retirement, if you are age 55 or older, you may elect one of the payment options below. Employees separated from service with less than 10 years of plan participation can roll over all or a portion of the entire account prior to age 55.

- Partial or lump-sum withdrawal
- Systematic withdrawal option—specified period or specified amount
- IRC-required minimum distribution
- Rollover to another eligible retirement plan or an IRA
- Combination of payout and annuity options

▶ **For information about your plan, call 844-505-SAVE (844-505-7283) or visit CTDCP.com.**



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