Category: HR / Labor Relations Responsible Office: Human Resources	**Policy Title:** Optional Retirement Program Cash Withdrawal Policy Document Number: 8203 Effective Date: October 28, 2003 This policy item applies to: State-Operated Campuses

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Summary

This policy outlines the circumstances under which participants in the State University of New York's (University) Optional Retirement Program (ORP) shall be permitted to make lump-sum withdrawal of all or any portion of all accumulations.

Policy

A. Lump-sum withdrawal of all or any portion of all accumulations by a participant in the State University of New York's (University) Optional Retirement Program (ORP) shall be permitted under the following circumstances:

1. upon the participant's resignation, termination or retirement from service, without regard to the participant's age; and

2. prior to a participant's resignation, termination or retirement from service;

   a. if the participant is receiving benefits under the University's group long-term disability program; or

   b. if the University determines that the participant suffers a serious financial hardship as described below;

      i. medical expenses for the employee, spouse, and dependents in excess of 7.5% of adjusted gross income; or

ii. preventing foreclosure on/or eviction from the employee's principal residence.

B. Because of Internal Revenue Service (IRS) regulations, this policy applies only to contributions made prior to January 1, 1990 and to earnings credited prior to January 1, 1990.

C. The ORP carriers will administer the hardship withdrawal provisions.

D. Employees will self-certify that they have an immediate and heavy financial need due to one of the above two hardships listed above and that the withdrawal is necessary to satisfy the need.

Definitions

There are no definitions relevant to this policy.

Other Related Information

Optional Retirement Program (ORP) Eligibility Guidelines

Optional Retirement Program Loans

Internal Revenue Service

Procedures

Optional Retirement Plan Funding Vehicles

Forms

There are no forms relevant to this policy.

Authority

The following link to FindLaw's New York State Laws is provided for users' convenience; it is not the official site for the State of New York laws.
Article 8-B of New York State Education Law

In case of questions, readers are advised to refer to the New York State Legislature site for the menu of New York State Consolidated.

Chapter 337 of the Laws of 1964.

State University of New York Board of Trustees Resolution 03-93, adopted October 28, 2003.

History

State University of New York Board of Trustees Resolution 03-93, adopted October 28, 2003, established optional retirement program cash withdrawal policy.

State University of New York Board of Trustees Resolution 91-75, adopted May 23, 1991, outlined optional retirement program withdrawal and transferability options.

State University of New York Board of Trustees Resolution 90-257, adopted December 20, 1990, outlined optional retirement lump sum distribution and transferability options.

State University of New York Board of Trustees Resolution 64-90, adopted May 14, 1964, implemented optional retirement program for academic employees.

Appendices

There are no appendices relevant to this policy.