



Category:  
HR / Labor Relations

Responsible Office:  
[Human Resources](#)

**Policy Title:**  
Optional Retirement Program Loans

Document Number:  
8204

Effective Date:  
March 16, 2004

This policy item applies to:  
State-Operated Campuses

## Table of Contents

[Summary](#)

[Policy](#)

[Definitions](#)

[Other Related Information](#)

[Procedures](#)

[Forms](#)

[Authority](#)

[History](#)

[Appendices](#)

---

## Summary

It is the policy of the State University of New York (University) to permit loans under the University's Optional Retirement Program (ORP). Participants may take one loan per carrier within a twelve-month period. All loans are subject to IRS regulations.

---

## Policy

It is the policy of the State University of New York (University) to permit loans under the University's Optional Retirement Program (ORP).

- A. ORP participants may take one loan per carrier within a twelve-month period.
- B. All loans are subject to IRS regulations, which currently allow a loan balance of no more than fifty thousand dollars (\$50,000.00) from all pension and tax-deferred annuity plans combined.
- C. Loans are subject to rules promulgated by Optional Retirement Program (ORP) carriers in respect to matters such as funds from which loans may be made, percentage of accumulated value that may be borrowed, if less than 50%, and minimum balances required.
- D. It is the participant's responsibility to ensure that Internal Revenue Service (IRS) limits are not exceeded.
- E. Interest will be charged.
- F. The loan must be repaid within a five-year period, unless it is used to fund the purchase of a primary residence.
- G. ORP carriers may have their own additional regulations, which result in a lesser amount of funds being available.

---

## Definitions

There are no definitions relevant to this policy.

---

## Other Related Information

[Optional Retirement Program \(ORP\) Eligibility Guidelines](#)

[Optional Retirement Program Cash Withdrawal Policy](#)

[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 04-38, adopted March 16, 2004.

---

## History

State University of New York Board of Trustees Resolution 04-38, adopted March 16, 2004, established optional retirement program loans policy.

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 67-288, adopted September 14, 1967, established a special annuity program and designation of TIAA-CREF as insurer of such program.

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.