

Proposed Ohio State University Faculty Council Resolution

Whereas all faculty at Ohio State are entitled to a financially secure retirement;

Whereas individuals and the University contribute significantly to the retirement accounts for all faculty members;

Whereas the University offers two options for individual faculty to choose for their retirement, the traditional defined benefit pension plan through the Ohio State Teachers Retirement System, or the Alternative Retirement Plan (ARP), which is a defined contribution plan provided either by Ohio State Teachers Retirement System or a private investment company;

Whereas the University diverts a portion of the state-mandated employer contribution to individual faculty retirement accounts for those in the Alternative Retirement Plan from their individual retirement accounts to the Ohio State Teachers Retirement System through a provision in the Ohio Revised Code (3305.06[D]) called the mitigating rate;

Whereas this mitigating rate reduces the retirement funds an individual in the Alternative Retirement Plan may attain by 17% compared to what they would have without mitigation;

Whereas the mitigating rate has a large, long-term harmful effect on 30% of faculty members at Ohio State, it provides only a small share (<1%) of the total funds used to operate the Ohio State Teachers Retirement System;

Whereas the mitigating reduces the total benefits an individual in the Alternative Retirement Plan will receive from the University, it potentially makes it more difficult to hire and retain faculty members at all levels

Be it Resolved That

- 1) The Ohio State University Faculty Council recommends that the Ohio legislature eliminate the mitigating rate at the earliest practicable date;
- 2) The Ohio State University Faculty Council recommends that the Ohio State University Office of Government Affairs actively work with the Ohio Inter-University Council to eliminate the mitigating rate.