COMPARISON OF KTRS vs. ORP RETIREMENT PROGRAMS
Effective July 1, 2012

Kentucky Teachers Retirement System (KTRS)	Optional Retirement Plan (ORP)
Defined Benefit Plan	**Defined Contribution Plan**
Contributions: - 6.84% Employee (participant prior to 07-01-08) (Includes 1.43% paid into KTRS Retiree Medical Plan) - 14.52% Employer Match to above - 7.16% Employee (participant on or after 07-01-08 (Includes 1.75% paid into KTRS Retiree Medical Plan) - 14.84% Employer Match to above	Contributions: 6.16% Employee 8.74% Employer Match to ORP (State law mandates an employer contribution of 5.10% be sent to KTRS, but this does not earn the employee KTRS benefits.)
Contributions are Tax-deferred	Contributions are Tax-deferred
Investment Options Determined by KTRS (Employee assumes no investment risk)	Employee Makes All Investment Decisions: Investment risks are assumed entirely by employee; accounts may gain or lose value.
Vested After Five Years	Immediate Vesting
Inflation Protection/COLA: Annual 1.5% adjustment after retirement	No Cost-of-Living Adjustment (COLA)
After Separation of Employment: May leave account or request refund of basic employee contributions (Does not include portion for health plan)	After Separation of Employment: May withdraw/ rollover total account value (Limitations may apply)
Retirement for Participants Prior to 07-01-08: Age 55 with 5 Years of Service (Reduced benefits) Any Age with 27 Years of Service Retirement for Participants On/After 07-01-08: Age 60 with 5 Years of Service Age 55 with 10 Years of Service (Reduced benefits) Any Age with 27 Years of Service	Employee Choice: Early Retirement Produces a Smaller Income Payment; Minimum Distribution Required (MDR) by age 70½.
Medical Insurance Coverage: May be available upon retirement; cost of coverage depends on service years	No Medical Coverage for Retirees
Death Benefit & Monthly Survivor Benefit	Employee Account Balance Paid to Beneficiary or Managed by Beneficiary
Purchase of Service Credit for: -Up to six Years of Military Service - Up to 10 Years of Out-of-State Service - Withdrawn Accounts - Part-time Service - Leaves of Absence Without Pay - ORP years of contribution (Limitations apply)	No Provision for Purchase of Additional Service Credit
Permanent Disability: After 5 years, members are eligible to apply (60% of Final Average Salary)	No Disability Benefits
Benefit Formula at Full Retirement is: - Service credit (years of service) x Retirement Factor (% multiplier) x Final Average Salary (High 3 years or high 5 years) = Annual Benefit. At retirement, several monthly income options are available.	Retirement Benefits Based on Investment Selections and Account Values