

POLICIES AND PROCEDURES

Subject: Retirement Plan For New and
Part-Time Employees not Currently
Eligible for TRS or ORP Reference: F-I-h

Source: President Eff. Date: April 12, 2004

Approval Auth.: President Approved:

Remarks: Replaces previous policy dated August 21, 1998.

Date: April 12, 2004

McLennan Community College has established a special retirement plan for new and part-time employees who are not currently eligible to contribute to the Teacher Retirement System or the Optional Retirement Plan. By law, this plan is mandatory for all employees not enrolled in another qualified retirement plan at McLennan Community College.

Any employee who is a part-time employee or who is not currently eligible to contribute to TRS or ORP must participate with the following exceptions: (a) a student who regularly attends classes at McLennan Community College, (b) retirees receiving payments from Teacher Retirement System or Optional Retirement Plan, or (c) employees currently contributing into the Teacher Retirement System at another institution.

An eligible employee will contribute 7.5% of gross salary. Contributions are invested in a group fixed annuity. By law an employee can not have access to his or her funds except after termination of employment. Fund distributions are made quarterly.