



# Arizona State Retirement System

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WWW.AZASRS.GOV

## Update

## ASRS Supplemental Retirement Savings Plan

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### **New Supplemental Retirement Savings Plan offered through ASRS**

The Arizona State Retirement System has a new program for non-state employees that will allow eligible active members to save additional money for retirement. A similar but separate retirement savings plan will be offered to state and university employees by the Arizona Department of Administration.

The new ASRS plan will be called the Supplemental Retirement Savings Plan (SRSP) and is qualified under Section 401(a) of the Internal Revenue Code. The SRSP allows eligible members to contribute tax-deferred money into an account that can be drawn upon in retirement.

The SRSP program will be offered voluntarily to ASRS employer partners. Members will be eligible to participate only if their employer signs up for the new plan. The Arizona Department of Administration is planning a similar program for state and university employees, who will not be eligible for the ASRS SRSP program.

Nationwide Retirement Solutions has been selected as the administrator of the new ASRS plan. Under Nationwide, one of the largest financial services companies in the United States, SRSP participants will have access to high-quality customer service, including telephone and web access to accounts, and a diverse selection of investment choices which they can manage.

Due to the distinctive features and benefits of the SRSP, the Internal Revenue Service requires restrictions that are unique from regulations governing 457 and 403(b) retirement plans. These restrictions include: an irrevocable election to participate with a two-year window of opportunity; an irrevocable election to contribute a percentage of pay, a flat dollar amount, or a scheduled contribution over time; and a mandate that account balances be distributed upon retirement.

Participants may elect to defer up to 100 percent of pay or \$45,000, whichever is lower. This limit is higher than limits for the 457 or 403(b) plans offered to many ASRS members by their employers. In addition, the SRSP permits loans, which many 457 and 403(b) plans do not.

The SRSP is offered in addition to the ASRS Defined Benefit Plan, the primary pension plan that provides members a lifelong income upon retirement. To be financially secure during retirement, however, it is suggested that individuals have other income sources, such as Social Security, and personal savings. The SRSP may be a convenient way to augment personal savings for some members.

To learn more, please visit the Nationwide website at [www.azsrsp.com](http://www.azsrsp.com)