Policy on Mandatory Participation in Retirement Plans

I. POLICY STATEMENT
As per Alabama state law, all non-student Auburn University employees in at least a 50% work capacity or more, for a year or longer, must participate upon date of hire as a condition of employment, in a retirement plan with the Retirement Systems of Alabama. (RSA).

Controlling Authority: AL Code § 16-25-1

II. POLICY PRINCIPLES
As a state-supported higher education institution, Auburn university is responsible for enrolling, deducting and remitting contributions, reporting and certifying service credit, and other administrative tasks to aid the RSA in the administration of retirement plans. Contributions to the retirement plans are tax deferred for federal income tax purposes until retirement or withdrawal from the plan.

Teachers’ Retirement System of Alabama (TRS):
All full-time employees, except Civil Service employees, appointed at 100% FTE and for one year or longer (9 or 12-month appointment) must enroll within the first 30 days of full time employment. Contributions with TRS will begin with the employee’s first paycheck.

Employees at 50% FTE and employed longer than one year must begin participation in TRS at the beginning of part time employment.

Employees’ Retirement System of Alabama (ERS):
As of the date of this policy, only current Civil Service employees appointed at 100% FTE for one year or longer the Alabama Cooperative Extension Service participate in the Employees’ Retirement System.

Membership Plans as Defined by Retirement Systems of Alabama (TRS and ERS)
Participants with RSA service credit prior to January 1, 2013, are Tier 1 members with a contribution rate specified by RSA. Contributions are based on percentages of earnable compensation determined by state law and subject to change by the Alabama Legislature.

Participants with no RSA service credit prior to January 1, 2013, are Tier 2 members with a contribution rate specified by RSA. Contributions are based on percentages of earnable compensation determined by state law and subject to change by the Alabama Legislature.

Participants in RSA plans that transition from full-time to part-time employment status must continue to contribute.

All plan provisions are administered by and through the Retirement Systems of Alabama. Additional Information concerning RSA retirement can be accessed at https://www.rsa-al.gov/.

III. EFFECTIVE DATE
State Law Mandated 1975
IV. **APPLICABILITY**
All non-student employees, employed in at least a 50% work capacity on a continuing basis for longer than one year, must participate upon date of hire in the Teachers’ Retirement System (TRS).

V. **POLICY MANAGEMENT**
- **Responsible Office:** Human Resources
- **Responsible Executive:** Associate Vice President, Human Resources
- **Responsible Officer:** Executive Director, Payroll, Benefits and Records

VI. **DEFINITIONS**
FTE – Full Time Equivalent is a unit that indicates percentage of time worked.

VII. **POLICY PROCEDURES**
Auburn University will electronically enroll all eligible employees with Retirement Systems of Alabama within 30 days of eligibility.


VIII. **INTERPRETATION**
Associate Vice President, Human Resources

IX. **HISTORY**
[https://www.rsa-al.gov/](https://www.rsa-al.gov/)
- AL Code § 16-25-1
- AL Code § 36-27-47