



POLICY: 6Hx28:3C-14

Responsible Executive:

Vice President, Organizational Development and Human Resources

Policy Contacts: Asst Vice President, Talent Mgt & Total Rewards

Specific Authority: 1001.64 F.S.

Law Implemented: 1001.64 F.S.

Effective Date: 06-19-2025

Date of Last Policy Review: 06-19-2025

401(a) Qualified Retirement Plan

Policy Statement:

- I. Effective March 31, 1999, the president is authorized to establish a 401(a) qualified retirement plan. The plan will be a defined contribution plan for full-time employees with a plan year of July 1 - June 30. The purpose of the plan is to exempt terminal sick leave, terminal vacation leave, and other payments as deemed appropriate by the president to eligible participants from employee and employer FICA taxes and to defer employee income tax on these payments. This is a mandatory plan for full-time employees who are eligible to participate.
- II. The College President or designee(s) may adopt procedures to implement this policy.

Policy History:

Adopted 3-17-99; Amended 12-10-02; Amended 12-14-10; Amended 6-19-25; Formerly 6Hx28:07-40

Related Policies:

College Policy 6Hx28: 3C-11 Retirement Programs

College Policy 6Hx28: 3C-15 403(b) Qualified Retirement Plan

College Policy 6Hx28: 3D-03 Total Rewards: Vacation, Sick, and Personal Leave for Full-Time Employees

College Policy 6Hx28: 3F-02 Terminal Pay for Full-Time Employees

Procedures:

I. Eligible participants will work with Organizational Development and Human Resources (ODHR) to complete the appropriate paperwork required to participate in the 401(a) Plan. Payments to eligible participants that exceed the maximum permitted by law to a 401(a) plan will be made to the 403(b) Qualified Retirement Plan in accordance with the provisions of this Policy and College Policy 6Hx28:3C-15, 403(b) Qualified Retirement Plan.

II. Eligible participants include the following:

A. State of Florida Retirement System (FRS) members and State Community College System Optional Retirement Program (CCORP) who have reached normal or early retirement as defined by State laws and rules governing the FRS.

1. Eligibility for 401(a) contributions begins:

- a. the day prior to the first day of normal retirement (e.g., first day of normal retirement is 12/1/2025, eligibility begins on 11/30/2025), or
- b. the last day of the month in which the letter of resignation and application for retirement are notarized and accepted in ODHR if this occurs after the first day of normal retirement.

2. Eligibility for 401(a) contributions ends when final terminal pay is processed in accordance with College Policy 6Hx28: 3F-02 Terminal Pay for Full Time Employees.

- a. The letter of resignation and application for retirement may be completed in coordination with ODHR up to one calendar year prior to the employee's date of separation from the College. The letter of resignation is irrevocable.

3. Once the eligible employee retires, they may choose to leave contributions in the 401(a) plan and/or take distributions in accordance with the 401(a) plan documents.

B. Deferred Retirement Option Program (DROP) Participants.

1. Eligibility begins the day before the DROP begin date.

2. Eligibility ends when final terminal pay is processed in accordance with College Policy 6Hx28: 3F-02 Terminal Pay for Full Time Employees.

3. Once the eligible DROP employee separates employment, they may choose to leave contributions in the 401(a) plan and/or take distributions in accordance with plan documents.

- C. Employees assigned to positions in the executive/senior administrator career band, as defined by ODHR, who have unused accrued vacation leave in excess of the maximum carry over in accordance with College Policy 6Hx28: Total Rewards: Vacation, Sick and Personal Leave for Full Time Employees.
- D. Employees enrolled in the Valencia Optional Retirement Program in accordance with College Policy 6Hx28: 3C-11 Retirement Programs.

Refer to College policies 6Hx28: 3F-02 Terminal Pay for Full Time Employees, 6Hx28: 3C-11 Retirement Programs, and 6Hx28: 3D-03 Total Rewards: Vacation, Sick and Personal Leave for Full Time Employees for a description of the required payments into the 401(a) plan and when these payments occur.

Procedure History:

Adopted 3-17-99; Amended 12-10-02, Amended 12-14-10; Amended 10-21-2015; Amended 6-19-25; Formerly 6Hx28:07-40

Date of Last Procedure Review: 06-19-2025