

Plan Overview

Employee Information

The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) introduced into law Internal Revenue Code Section 312 (b)(7)(F). As a result, you, as a part-time, seasonal or temporary employee of a government employer, may deposit money into a private retirement plan, instead of Social Security.

Thus, you are not covered under Social Security.

Under the 401(a) FICA Alternative Plan, you contribute 7.5% of your compensation to an account in your name. Any benefits which you have earned under any other retirement plan (as well as social security benefits) will not be reduced by participating in this plan.

Also, if you leave a position covered by this plan for any reason before retirement, you can withdraw the balance of your account, or continue to save the funds for retirement.

Eligibility

All employees who are not covered by their employer's retirement plan are automatically enrolled in this plan. There is no minimum age or service requirement.

Contributions

You contribute 7.5% of your compensation in place of Social Security tax deduction. You contribute before tax withholding is calculated, which reduces your current income taxes. You pay no taxes on your contributions or the earnings in your account until withdrawal.¹ Social Security taxes are never deducted. Individuals who are "active participants" for the year in certain tax-advantaged retirement plans, such as the FICA Alternative Plan, are subject to federal tax law limitations on deducting contributions for the same year to an Individual Retirement Account (IRA). These limitations also may affect a spouse's IRA deductions. Be sure to consult an independent tax advisor if you wish to take federal income tax deductions for contributions to an IRA.

Vesting

You will always own 100% of your account balance.

Investments

The investment options for this retirement plan are comprised of a Guaranteed Pooled Fund (an interest bearing account) and variable investment options. U.S. Bank is the trustee and handles all deposits into and distributions from the plan.

Investments are controlled by the participants. You may choose to invest your money in one or more of the 17 different funds available, using the enclosed investment election form.

You may change the investments whenever you like by obtaining a new investment election form from BENCOR Administrative Services, by phoning 1-888-258-3422 or visit www.bencorplans.com. However, if you prefer not to direct the investments of your funds, they will automatically be placed into the Guaranteed Pooled Fund (an interest bearing account) option. The interest rate on the GPF is declared annually on January 1 for the calendar year. Information on all investment options is enclosed.

Inactive Account Fees

No inactive account fees are charged to your account unless it has been two years since your last contribution AND your balance is less than \$1,000.00. At that time, if you do not elect a distribution, an account maintenance fee of \$0.35 per month will be applied.

Statements

Account balances are updated daily. You will receive a statement of your account after the end of each calendar year. Contributions, earnings, and any other activity in your account, will be reflected on your statement.

Withdrawals

Withdrawals from the plan may be made at the following times:

1. Termination of employment
2. Retirement
3. After age 70 ½ or retirement, if later, when the IRS requires that minimum distributions be made to the participant each year
4. Your total disability
5. Your death

Withdrawals from your account may be made in a lump-sum cash payment (the IRS 10% penalty on early withdrawals does not apply to withdrawals upon separation at age 55 or later) or as a transfer into an IRA or into another retirement plan (no IRS penalty will apply). There are no loan or hardship withdrawal provisions in this plan.

To request a withdrawal, send a written request to BENCOR Administrative Services. Include on the request your name, mailing address, Social Security number, account number and the name of your plan sponsor. A distribution packet will be sent to you. After completing the distribution forms, return the packet to your employer.

Distributions are processed once each month. Your employer may require a waiting period before you are eligible for distribution.

Income taxes are payable upon withdrawal. Federal restrictions and a 10% tax penalty may apply to early withdrawals.