

# The School District of Osceola County, FL

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## **BENCOR** **Special Pay Plan**

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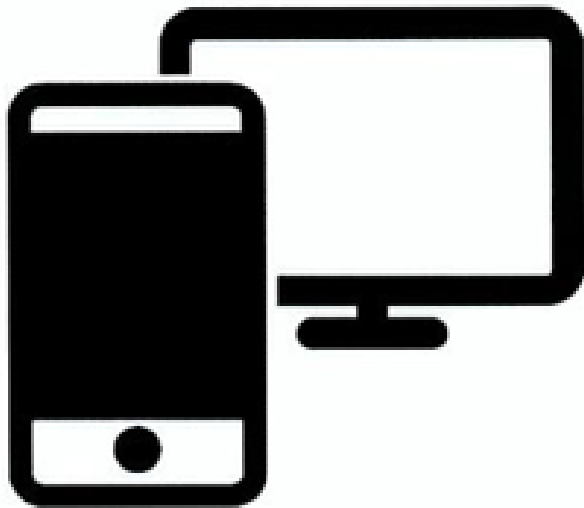
# Welcome to information about BENCOR Special Pay Plan

The School District of Osceola County provides the BENCOR Special Pay Plan as an important retirement benefit for all eligible employees. The information we've gathered provides general information about the plan and outlines available resources for you to get more in-depth information.

## Key Features of your Special Pay Plan

- All eligible employees are automatically enrolled in the program.
- Contributions of "special pay" are based on your accumulated sick and vacation leave.
- All contributions permanently save up to 7.65% in Social Security and Medicare taxes.
- Income taxes are deferred on contributions to the plan until you withdraw the funds.
- Contributions are 100% vested in your name.

## Where can you get more information?



1. **Online** at [www.bencorplans.com](http://www.bencorplans.com)  
Click on Participant Login, select your State, County and Employer then click Log In.

- A. For **First time** users, click on New User and follow the prompts.
- B. For **Returning users**, enter your User ID and Password, select Participant from the drop-down menu and Login.

2. **Call the BENCOR National Participant Service Center**

866-296-9712

(M-F 9:00 a.m. – 6:00 p.m. ET)

## **BENCOR Special Pay Plan Overview**

The BENCOR Special Pay Plan is a retirement program consisting of two parts, the *first* part satisfying the requirements under **Section 401(a)** of the Federal Tax law, the *second* part following the dictates of **Section 403(b)**. Together, these two parts are offered by BENCOR, Inc. as one Plan to help governmental entities, as well as you; the employee; save up to 7.65% of Social Security and Medicare taxes on certain forms of “special pay” (as described below) contributed to the first and second parts of the Plan. The Plan also results in the deferral of your income taxes on that same special pay that is contributed under both parts of the Plan; income taxes are not imposed until you withdraw money from the Plan. The Social Security and Medicare tax savings are *permanent* because these taxes are not imposed on withdrawals from the plan.

### **FREQUENTLY ASKED QUESTIONS**

**Who participates in the Plan?** To be eligible for the Plan, you must be in a category of employees designated as *covered by School board policy*. If you are covered by such policy, then you will participate if you (i) are retiring, entering DROP, or upon separation of employment for other reasons, and (ii) have accumulated “special pay” (vacation leave or terminal sick leave).

**What should I do to set up my account?** Your employer establishes your Plan account for you. Once your account is created, you should log on to your account to:

- 1) Select your statement delivery preference (electronic/paper) under **Statements/Forms**; and
- 2) Designate the person(s) who should receive the funds in your account in the event of your death by using the **Beneficiaries link** under the **gear icon**.

**How is my account invested?** The Plan offers a full array of investment options in which you may choose to invest amounts contributed to your account. If you do not choose investment options, your account will be invested automatically in your plan’s default option, which may or may not be the best option for your circumstances. Therefore, it is very important for you to login to your account as soon as possible to obtain information about all the available

investments and choose the option(s) that are appropriate for your objectives and preferences.

**What is contributed to the Plan?** Contributions to the Plan consist of accumulated special pay that otherwise would be paid to you in cash at retirement or other separation from service.

**What if I entered DROP?** If you enter DROP, contributions are made to the Plan in each year of the DROP period leading up to your actual retirement date. The amount contributed each year depends upon the number of years in your separation period. For example, an employee participating for a period of five (5) years who has accumulated Sick Leave Pay, will have that Terminal Sick Leave Pay deposited as follows (OSCEOLA 6.531):

If there are *1-12 months* remaining from the calculation date to the Deferred Termination Date the payment shall be made as 50% of the value of the accumulated sick leave.

If there are *13-24 months* remaining from the calculation date to the Deferred Termination Date the payment shall be made as 33.33% of the value of the accumulated sick leave.

If there are *25-36 months* remaining from the calculation date to the Deferred Termination Date the payment shall be made as 25% of the value of the accumulated sick leave.

If there are *37-48 months* remaining from the calculation date to the Deferred Termination Date the payment shall be made as 20% of the value of the accumulated sick leave.

Employees terminating prior to the end date of their DROP will be paid 100% of their eligible sick leave balance per policy. Allowing employees to shelter their terminal pay in this fashion maximizes the terminal pay that can be sheltered. If the yearly sick pay contribution exceeds the amount of the contribution limit (see Contribution Limits above) the excess amount will be rolled into the next plan year.

In addition to these employer-made contributions of special pay, you also may choose to “roll over” into the Plan monies invested in other eligible retirement plans or traditional IRAs, thereby consolidating your retirement saving in one place.

**Is there a limit on the amount of Special Pay that can be contributed to the Plan?** Yes. The IRS adjusts the annual dollar limit periodically to reflect cost-of-living increases.

Your employer never will contribute more to the Special Pay Plan on your behalf than is permitted by law. Any amount that cannot be contributed to the Plan will be paid to you as

currently taxable compensation. Please consult your tax advisor or your BENCOR representative regarding your specific Plan contribution limits.

**May I still make elective deferrals to another 403(b) or 457(b) plan?** You still may elect to defer money into any other plans for which you are eligible, subject to all applicable limits imposed by Federal tax law, but no elective employee contributions may be made to the BENCOR Special Pay Plan.

**Can I withdraw money from my account?** Your account is always 100% vested and belongs only to you. The balance of your account is available for withdrawal at any time after your termination of employment, during DROP participation, or upon total disability or death. In the case of your death, the beneficiary(ies) you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn in one or more cash distributions, which are taxable for the year of withdrawal, or in the form of a direct rollover to an IRA or other eligible retirement plan, which results in continued deferral of your income tax obligation. To request a withdrawal, download a Distribution Request Form from [www.bencorplans.com](http://www.bencorplans.com). Additional information about income taxes and rollovers is included with the form.

**Are my funds taxable and are there any penalties when I withdraw my funds?** Income taxes are imposed for the year of withdrawal. Income taxes are deferred in the case of a rollover to an IRA or other eligible retirement plan, although rollovers to a "ROTH" IRA are currently taxable. The Special Tax Notice included with the Distribution Request Form provides general information about the taxation of distributions from the Plan. For specific tax information, consult an independent tax advisor.

There also is a 10% IRS penalty on withdrawals taken prior to the attainment of age 59 ½ if you retire prior to the year in which you turned age 55.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 1/2 (age 72 for participants who reach age 70 ½ after 12/31/19) or retire, whichever is later, or following your death, if earlier.

**Can I borrow from my account?** You may be eligible to borrow up to 50% of your account balance. The minimum loan amount is \$1,000. The amount available to borrow is affected by any other Plan loans you have received. An initiation fee of \$75 is deducted from your account each time you take a loan. A quarterly loan maintenance fee of \$6.25 also applies but not in the quarter the loan is issued. There is a maximum of two (2) loans allowed. Please visit [www.bencorplans.com](http://www.bencorplans.com) to view loan availability and request a loan.

**Will I receive statements?** Statements showing your account activity and ending balance are provided after the close of each calendar quarter.

**Are there any fees?** There are no administrative fees charged to your account unless your balance is less than \$1,000 and no contributions have been made to your account for more than two years. At that time, if you do not elect a distribution, a monthly maintenance fee will apply.

## Easy access to your account

Your plan website is the first step for anything you want to know about your account. Use it to sign in to your account, find information about your retirement plan benefits, and learn more about saving for your future.

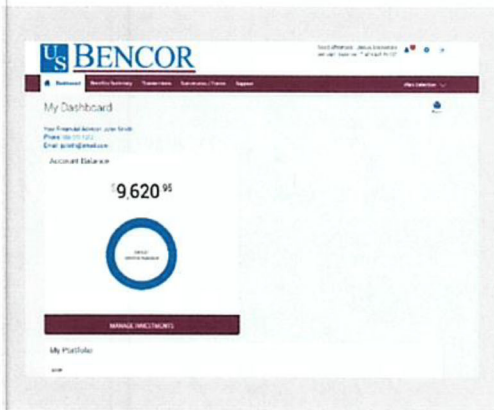
[www.bencorplans.com](http://www.bencorplans.com)

### Online

Click on **Participant Login**, select your State, County and Employer then click on **Log In**.

For first time users, click on **New User** and follow the prompts.

For returning users, enter your User ID and Password.



*When you enter a change, a confirmation will be sent the following business day. Changes that are completed prior to 4 p.m. ET will be valued using the market closing unit values for that day. Changes completed after 4 p.m. ET will be valued using the market closing unit values for the following business day.*

Once you have signed in, you can review the current status of your account, make changes, and access tools to help you personalize your retirement strategy. From the main menu, scroll over the four tabs- **Dashboard**, **Transactions**, **Statements/Forms** and **Support** - and select the action you want to take from the drop- down lists.

### Check Account Balance

- Balance automatically appears on My Dashboard page (in the Dashboard menu at the top of the screen).
- For account balance by fund, review "My Portfolio" on My Dashboard.

### Review Investment Performance

- To get performance and fee details for all the funds in your plan, simply click on the fund name on any page. This will display performance, as well as links to the fund fact sheet and prospectus.

### Change Future Investment Allocations (new contributions)

- To choose or change how new contributions will be invested, in the Transaction menu, click "Manage Investments" then "Change Elections".

### Transfer Between Investment Options (current assets)

- To transfer balances between individual or groups of funds in the Transactions menu, click "Manage Investments" then "Transfer Funds".


### Request a New Loan or View Existing Loans

- To request a new loan in the Transactions menu, click "Request a Loan".
- To view existing loans in the Transactions menu, click "View Loans".

### Request a Distribution

- From the Transactions menu, select "Request a Distribution".
- When the page loads, click on the "here" link to submit your request.

### Forms and Beneficiary Information

- To locate forms and beneficiary information, in the Forms & Reports menu, select "Forms". You can also update your Beneficiary information online by selecting the gear icon  in the upper right of the screen.

### Customer service

- From the Support menu, select "Live Chat" to talk with a Client Care Manager, or "Contact Us" for email and phone information.



## Easy access to your account

Call 866-296-9712

### First-Time Callers

- Call 866-296-9712, option 3
- Enter your Social Security number.
- Enter your Personal Identification Number (PIN) - last four digits of your Social Security number.

866-296-9712



### Frequent Users

- Call 866-296-9712, option 3.
- Enter your Social Security number.
- Choose the account you wish to access.
- Enter your PIN.

### Check Account Balance

- Personal account information, press 1; then
- For balance information, press 1.

### Review Investment Performance

- Personal account information, press 1; then
- For current investment rates of return, press 2.

### Change Future Investment Allocations (*new contributions*)

- Personal account information, press 1; then
- For investment information, press 2.

Confirmation sent the following business day.

*Please note that this allocation change impacts only your future contributions.*

### Transfer Between Investment Options (*current assets*)

- Personal account information, press 1; then
- To transfer between funds, press 3.

Confirmation sent the following business day.

*Please note that changing current allocations does not change how your future contributions will be invested.*

### Customer Service

- From the main menu, for customer service, press 1.

