



FICA Alternative Plan Overview

The Pearland ISD BENCOR 457(b) FICA Alternative Plan (Plan) is a qualified retirement plan under Federal tax law that covers part-time, seasonal and temporary employees of the School District who are designated as eligible by School Board policy. The Plan provides an alternative benefit to Social Security and exempts you from FICA (Social Security) payroll taxes. You continue to pay Medicare taxes on your wages. Enrollment in the Plan is automatic for every employee who works in a position covered by the Plan.

How much is contributed? You contribute 7.5% of your wages on a *pre-tax basis* (for income tax purposes) instead of paying Social Security taxes that otherwise would be determined and paid by you on an *after-tax basis*. You will see your Plan contribution amount reflected on your paycheck stub. Contributions are credited to an individual account in your name under the Plan.

How can I access my account? Go to <https://bencor.rprgonline.com>, enter your social security number as the User ID and the last four digits of your social security number as the Password. Select **Participant** from the drop down and **Login**, follow the prompts to create your personalized security questions, user ID and password.

How is my account invested? Your account will be invested automatically in the employer directed fund option.

Can I withdraw my account? Your account is always 100% vested and belongs only to you. The balance of your account will be available after your termination of employment, retirement or total disability. In the case of your death, the beneficiary or beneficiaries you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn as a lump sum cash distribution, which is taxable for the year of withdrawal, or as a direct rollover to an IRA or eligible retirement plan, which defers your income tax obligation. To request a withdrawal, download a Distribution Request Form from <https://bencor.rprgonline.com>. Additional information about income taxes and rollovers is included with the form.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 ½, or retirement, if later.

Individuals who are "active participants" for the year in certain tax-advantaged retirement plans, such as this FICA Alternative Plan, are subject to federal tax law limitations on deducting contributions for the same year to an IRA account. These limitations also may affect a spouse's IRA deductions. Consult an independent tax advisor if you wish to take federal income tax deductions for contributions to an IRA.

Will I receive statements? Annual statements showing your account activity and ending balance are available online after the close of each calendar year. You may enroll in e-statements online to view your annual statement.

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.

How can I get more information? To logon to your account for plan and account information, go to <https://bencor.rprgonline.com>. Enter your User ID and Password, select **Participant** from the drop down and **Login**. After logging on, select Support from the menu to chat with a Bencor Customer Service Representative, or dial a Bencor Customer Service Representative at 1-866-296-9712. Representatives are available Monday – Friday, 8:00 a.m. through 5:00 p.m., Central Time.

