

Town of Somers FICA Alternative Retirement Plan



The FICA Alternative Retirement Plan Gives You More Control!

As a Part-time, Seasonal or Temporary (PST) employee you are accustomed to seeing 6.2% after-tax FICA withholding required by The Social Security system deducted from your paycheck. Under normal circumstances, you will not see that money until you reach Social Security benefit eligibility. As permitted by law your employer is providing you with the benefits of The FICA Alternative Retirement Plan, available to qualified governmental entities under Internal Revenue Code Section 3121 as an alternative to Social Security.

How The FICA Alternative Retirement Plan works:

As a PST employee you are automatically enrolled the FICA Alternative Retirement Plan. A 7.5% pre-tax contribution is deducted from your wages and is contributed to your personal 457 Deferred Compensation account. Contributions to your FICA Alternative account are deposited in a group annuity contract with Life Insurance Company of the Southwest which provides guaranteed interest (1%) and principal.

Flexibility:

Unlike Social Security, with The FICA Alternative Retirement Plan your contributions and interest earnings are available to you as a distribution for the following events:

- Upon separation from service of employment
- At normal retirement age
- In the event of death or disability

Distributions can be taken as a taxable cash distribution or rolled over to another eligible plan. A distribution charge of \$12.00 or interest earned, whichever is less, is deducted when you do take a distribution. Distributions forms are available at your HR office or by emailing Mark Powers at mpowers@prginfo.net.

Who do you contact with Plan or Account questions?

If you have questions about the plan, contact your Human Resources Department or your Precision Retirement Group Representative: **Mark Powers** at 1-203-589-7008 or mpowers@prginfo.net. You may also review the Summary Plan Description with your employer.

If you have questions about your account please contact the plan administrator:

Pelion Benefits, Inc., 3713-C University Drive, Durham, NC, 27707 1-888-532-7526

Pelion will forward you an annual statement each January and you can also access your via the internet. For internet instructions please refer to the last page.

Forms:

The following pages, Enrollment Form and IRS Form 1945, must be completed and returned to your employer as soon as possible.



**The FICA Alternative Retirement Plan
Participant Enrollment Form**

This form is for a: New Enrollment Name Change Change of Address Change of Beneficiary

Employer: Town of Somers, CT

PARTICIPANT INFORMATION (Please Print Information Clearly)

Social Security Number: _____ Date of Birth: _____ Date of Hire: _____

Name: _____ Married: Single:

Street: _____ City: _____ State: _____ Zip: _____

E-mail Address: _____ Phone: _____

Designation of Beneficiary

Primary Beneficiary (ies)

| Name | Relationship | Social Security Number | Date of Birth | Percentage |
|------|--------------|------------------------|---------------|------------|
| | | | | |
| | | | | |

Contingent Beneficiary (ies)

| Name | Relationship | Social Security Number | Date of Birth | Percentage |
|------|--------------|------------------------|---------------|------------|
| | | | | |
| | | | | |

Investment

Contributions are made to a group annuity contract with Life Insurance Company of the Southwest. Funds will earn a reasonable rate of interest that will never be less than the contract guarantee of one percent (1%).

Distributions

Distributions are available upon separation of employment, normal retirement age or upon death.
Distribution Forms available from your HR department.

Participant's Signature: _____ Date: _____

Please return completed form to your Human Resource Department

For questions about your account contact:

**PELION BENEFITS, INC. • 3713-C University Drive • Durham, NC 27707
Telephone 888.532.7526 • Fax 919.942.2804**

PLEASE REMEMBER TO MAKE A COPY FOR YOUR RECORDS

**Statement Concerning Your Employment in a Job
Not Covered by Social Security**

Employee Name _____

Employee ID# _____

Employer Name Town of Somers _____

Employer ID# _____

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision."

Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security (\$500 - \$400=\$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, "Government Pension Offset."

For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free 1-800-772-1213, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security Benefits.

Signature of Employee _____ **Date** _____

Information about Social Security Form SSA-1945 Statement Concerning Your Employment in a Job Not Covered by Social Security

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security**, is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect a Social Security benefit received as a spouse or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, www.socialsecurity.gov/form1945. Paper copies can be requested by email at oplm.oswm.rqct.orders@ssa.gov or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.



Directions for accessing your account online and downloading plan forms.

- 1) Go to www.prginfo.net
- 2) Select Participant Account Access
- 3) Select one of the following: PRIME Plan (Medical Expense Reimbursement Participants), Special Pay (Retirement Plan Participants) or FICA Alternative (Social Security Alternative Participants)
- 4) Enter your Social Security number as the User ID
- 5) Enter the last 4 digits of your Social Security as the Password
- 6) Select Login

At this point you will be asked to create security questions and change your User ID and Password

Click: [Participant Account Access](#)

[Download Forms](#)

| ↓ | ↓ | ↓ |
|--|---|---|
| Prime Trust (Medical Expense Reimbursement Plan) | Special Pay Plan 401(a) or 403(b) | FICA Alternative Plan |
| <u>Medical Expense Claim login</u> | <u>Current Participants / Login</u> | <u>Current Participants / Login</u> |
| <u>Forms Library</u> Medical Expense Claim form ACH Direct Deposit Authorization | <u>Forms Library</u> Special Pay Plan Distribution Election Form ACH Direct Deposit form | <u>Forms Library</u> Special Pay Plan Distribution Election Form ACH Direct Deposit Form |

For Account Questions call:

Christine Chnupa
Pelion Benefits, Inc
1-888-532-7526

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 Chippewa Falls, WI. 54729
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