



## ATLANTA PUBLIC SCHOOLS - BENCOR 401(a) FICA ALTERNATIVE PLAN

Welcome to Atlanta Public Schools BENCOR 401(a) FICA Alternative Plan (retirement plan). This letter provides general information about the Plan and describes where you can find more detailed information.

**What is this retirement plan?** The Atlanta Public Schools BENCOR 401(a) 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. 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 [www.bencorplans.com](http://www.bencorplans.com), click on **Participant Log On**, then select the **Get Started** box and follow the prompts to create your personalized user ID and password.

FEATURES OF THE PARTICIPANT WEBSITE	
* Unit Values	* Investment Fund Objectives
* Account Balance	* Fund Performance
* Account Balance, by Fund	* Address Changes
* Fund Transfers	* Investment Allocation Changes
* Online Beneficiary Designation	* Transaction History
* Download Forms	* Plan Overview

**How is my account invested?** The Plan offers different 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 the guaranteed option, which may or may not be the best option for your particular circumstances. Therefore, it is very important for you to log on to your account at [www.bencorplans.com](http://www.bencorplans.com) as soon as possible to obtain information about all the available investments and choose the options that are appropriate for your own objectives and preferences.

**Can I withdraw my account?** Your account is always 100% vested and belongs only to you. The balance of your account will be available for withdrawal by you **90 days** 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 [www.bencorplans.com](http://www.bencorplans.com). Additional information about income taxes and rollovers is included with the form. Mail your completed form to the Atlanta Public School Board, Risk Mgmt & Employee Benefits., at 130 Trinity Avenue SW, Atlanta, GA 30303

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

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 provided after the close of each calendar year. You may enroll in e-statements online to save mail time, paper and ink.

**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 [www.bencorplans.com](http://www.bencorplans.com). Click on the **Participant Log On** link to access your account. Logon tips for first time visitors are located on the logon page. After logging on, visit the **Communications** section and choose **Plan Related Forms** for an overview of the plan and website, or dial a Bencor Customer Service Representative at 1-888-258-3422, option 1. Representatives are available Monday – Friday, 8:30 a.m. through 5:00 p.m., Eastern Time.

## ATLANTA PUBLIC SCHOOLS - BENCOR 401(a) FICA ALTERNATIVE PLAN SUMMARY

**What is this retirement plan?** The Atlanta Public Schools BENCOR 401(a) FICA Alternative Plan (Plan) is a qualified retirement plan under Federal tax law that covers part-time, seasonal and temporary employees in the School District. The Plan provides an alternative benefit to Social Security and exempts you from FICA 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 is my account invested?** You may choose from among any of the investment options offered within the Plan. Go to [www.bencorplans.com](http://www.bencorplans.com), click on **Participant Log On**, then select the **Get Started** box and follow the prompts to create your personalized user ID and password. Once logged on, from the **Review** tab, click on **Fund and Fee Information** to review the investments available to you. Then, from the **Manage** tab, you can change the investment allocation of your account's current assets and future contributions. If you do not choose investment options, your account balance will be invested in the guaranteed option designated by your employer, which may or may not be the best option for your particular circumstances. Therefore, it is very important for you to log on to your account at [www.bencorplans.com](http://www.bencorplans.com) as soon as possible to obtain information about all the available investments and choose the options that are appropriate for your own objectives and preferences.

**What should I do to set up my account?** The Atlanta Public Schools BOE establishes your account for you. Once your account is created, you should select your investment options as described above. It's also important to go to the **Beneficiaries** link under the **Home** tab to name the person or persons who should receive your account in the event of your death.

**Can I withdraw money from my account?** Your account is always 100% vested and belongs only to you. The balance of your account will be available for withdrawal by you **90 days** 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. Distribution Request Forms with pertinent tax information are available from the **Forms** link located under the **Home** tab. Mail the completed form to Atlanta Public Schools, Risk Management & Employee Benefits, 130 Trinity Avenue SW, Atlanta, GA 30303-3624.

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

**Are my funds taxable and are there any penalties when I withdraw my funds?** Cash distributions and rollovers to Roth IRAs are taxable when distributed. Please review the Special Tax Notice included with the Distribution Request Form for more information.

Cash distributions are subject to 20% mandatory withholding for Federal income tax. The IRS assesses a 10% additional tax, also called an "early withdrawal penalty," if you withdraw your funds before age 59 ½. However, if you are at least 55 when you leave employment, this additional tax will not apply. Also, the additional tax does not apply if you are withdrawing money from your account due to your total disability or if your account is paid out to a beneficiary due to your death. If you live in a state with a state income tax, you also may be subject to state tax withholding.

**Are there other tax issues I should know?** The Special Tax Notice provides general information about the taxation of distributions from a qualified retirement plan. For specific tax information, consult an independent tax advisor.

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 provided after the close of each calendar year. Go to **e-documents** under the **Home** tab to sign up for e-statements and other e-documents.

**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.

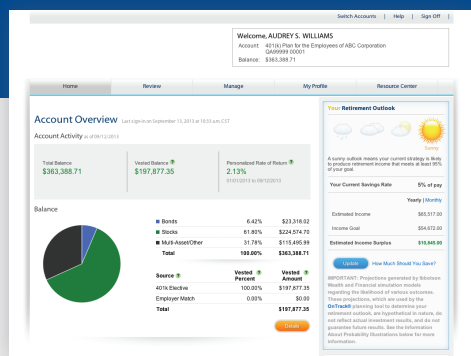
**How can I talk to someone if I have more questions?** For administrative assistance, dial a Bencor Customer Service Representative at 1-888-258-3422, and select option 1. Representatives are available Monday – Friday, 8:30 a.m. to 5:00 p.m., Eastern Time.

# Easy access to your account

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

## First-Time Users

- Select "Participant Log On."
- Click "Get Started."
- Follow the instructions to establish a customer ID and password.



## Frequent Users

- Click "Participant Log On."
- Sign in to your account by entering your customer ID and password.
- Click on the name of the account you want to access.

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.

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 five tabs—**Home, Review, Manage, My Profile,** and **Resource Center**—and select the action you want to take from the drop-down lists.

## Check Account Balance

- Balance automatically appears on Account Overview page (in the Home menu at the top of the screen).
- For account balance by fund, click "Details."

## Review Investment Performance

- To get performance and fee details for all the funds in your plan, in the Review menu, click "Fund and Fee Information."

## Change Future Investment Allocations (new contributions)

- To choose or change how new contributions will be invested, in the Manage menu, click "Future Allocations."

## Transfer Between Investment Options (current assets)

- To transfer balances between individual or groups of funds, in the Manage menu, click "Transfers."
- To change your overall investment mix, in the Manage menu, click "Current Allocations."

## Get Loan Details

- To review loan status and get payoff details for current loans (if applicable), in the Review menu, click "Loan Details."

## Forms and Beneficiary Information

- To locate forms and beneficiary information, in the Home menu, select "Forms" or "Beneficiaries."

## Customer service

- From the top right on any page, select **Help**.

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.



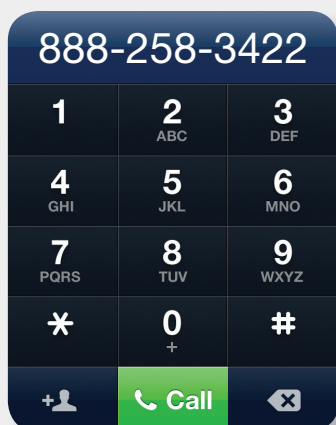
Brighten *Your Outlook*<sup>SM</sup>

# Easy access to your account

## Call 888-258-3422, option 1

### First-Time Callers

- Call 888-258-3422, option 1.
- Enter your Social Security number.
- Follow the prompts for creating your Personal Identification Number (PIN).



### Frequent Users

- Call 888-258-3422, option 1.
- Enter or say your Social Security number.
- Choose the account you wish to access.
- Enter or say your PIN.

### Check Account Balance

- Account balance automatically offered.
- For account balance by fund, say "Account information," then "Balances."

### Review Investment Performance

- Say "Hear account information."
- Say "Fund information," then "Performance."

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

- Say "Change my account."
- Say "Future allocation."
- Provide updates to investment allocation.

Confirmation sent the following business day.

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

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

- Say "Change my account."
- Say "Transfer current assets."
- Provide transfer information.

Confirmation sent the following business day.

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

### Get Loan Details

- Say "Get loan information."
- Choose to either get information about a new loan or your personal loan history.

### Customer Service

- Say "Speak to a counselor."