

# EPISD 3121 FICA ALTERNATIVE PLAN

## Plan Advantages:

- ✦ You contribute with pre-tax dollars, which reduces the amount of federal income tax you pay.
- ✦ Your account earnings are compounded to build up your account until the funds are paid out to you.
- ✦ Your contributions earn an investment return daily, with the earnings credited to your account monthly.
- ✦ You save more with EPISD FICA Alternative than you do with Social Security, yet your take-home pay remains virtually the same.
- ✦ Unlike Social Security, the money in your account – your contributions and earned interest – is yours to withdraw when you terminate employment.

## IMPORTANT PLAN INFORMATION

- ✦ Enrollment in the 3121 FICA Alternative is automatic with your employment.
- ✦ Annually, you will receive a statement documenting your contributions and earnings.
- ✦ If your account balance at the time of your termination of employment is less than \$5,000 you will be contacted about roll-over options after 24 months of no activity.
- ✦ If your account balance at the time of your termination of employment is less than \$1,000 you will receive a check after 24 months of no activity.
- ✦ You have to pay federal income tax on your contributions and the earnings in the tax year you receive your benefit. You will receive a W-2 from TCG Advisors by January 31 of the following year for tax reporting purposes.
- ✦ If you should die, your spouse will receive the full amount in your account, unless you designated otherwise.

Part-time, Temporary and Substitute Employees may also want to begin saving for Retirement through the EPISD's 403 (b) Tax Sheltered Annuity Program. For more information, visit [www.episd.org/benefits](http://www.episd.org/benefits) click on the tab labeled 403(b).