

EPISD's 3121 FICA ALTERNATIVE PLAN OFFERS A POSITIVE ALTERNATIVE TO SOCIAL SECURITY

Why pay Social Security taxes when you can use the money to build your own, personal retirement savings account instead?

Through the EPISD 3121 FICA Alternative Plan, you contribute 7.5% of your pay to your plan account on a pre-tax basis. That takes roughly the same amount out of your pocket as the 6.2% you would pay to Social Security on an after-tax basis. (The example to the right shows you how this works.) The money in your 3121 FICA Alternative Plan earns interest that's guaranteed. The statement that you receive from TCG Advisors shows you how your money grows.

Best of all, when you stop working, the money in your plan account is yours to take with you. **(Requirements for a distribution are that you must terminate employment with no intent of returning to employment with EPISD in the future.)**

Normally, the taxes you pay are based on your total income. But through the 3121 FICA Alternative Plan and its pre-tax feature, taxable income is based on your total income minus your 7.5% pre-tax contributions. Some of the tax dollars you were paying before the FICA Alternative were paying Uncle Sam, so now you're contributing to your own personal account.

How 6.2% equals 7.5%

	FICA	3121
Gross Salary*	\$1,000.00	\$1,000.00
Less 7.5% contribution	0.00	75.00
Taxable Income	\$1,000.00	\$ 925.00
Less 15% income tax **	150.00	138.70
Less 6.2% Social Security	62.00	0.00
Less 1.45% Medicare	14.50	14.50
Net Paycheck	\$ 773.50	\$ 771.75

* Assumes \$1,000 compensation

** Assumes 15% income tax bracket

RETIREMENT PLAN FOR PART-TIME, TEMPORARY, AND SEASONAL EMPLOYEES,
INCLUDING SUBSTITUTE TEACHERS

FOR MORE INFORMATION PLEASE CONTACT TCG Advisors TOLL-FREE 1-800-943-9179

FOR FREQUENTLY ASKED QUESTIONS Visit <http://region10rams.org/plans/fica/>

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