

Welcome to the BENCOR Special Pay Plan

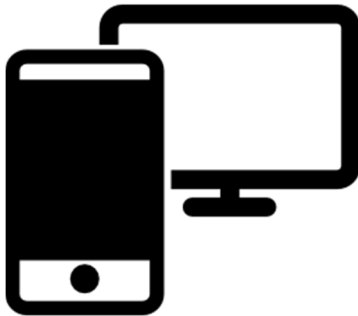
Orange County Public Schools provides the BENCOR Special Pay Plan as an important retirement benefit for all eligible employees. This letter provides general information about the plan and outlines available resources for you to get more detailed information.



Key Features of your Special Pay Plan

- If you are eligible, you are automatically enrolled in the program.
- Your employer will make a contribution of "special pay" based on your accumulated sick, vacation or other leave/incentive pay into a retirement account in your name.
- You will permanently save up to 7.65% of your wages in Social Security and Medicare taxes that otherwise would be deducted from your wages.
- Income taxes are deferred on contributions to the plan until you withdraw the money from your account in the plan.
- Your plan account is always 100% vested and belongs only to you.

Where Can You Get More Information?



1. Your Employer's Benefits Department

Access *Frequently Asked Questions* and plan videos through your employer's Retirement Services department website.

2. Online

bencorplans.com

Click on **Participant Login**, select your State, County and Employer then click on **Log In**.

For first time users, click on **New User** and follow the prompts.

For returning users, enter your User ID and Password, select Participant from the drop-down menu and **Login**.

**3. BENCOR National Participant Service Center
866-296-9712**

(M-F 9:00 a.m. - 6:00 pm ET)

4. Your local BENCOR Advisors at 800-330-4014:

David Payne

Travis Payne

Michael Payne

Easy access to your account

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.

www.bencorplans.com

Online

Click on **Participant Login**, select your State, County and Employer then click on **Log In**.

For first time users, click on **New User** and follow the prompts.

For returning users, enter your User ID and Password.

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 four tabs- **Dashboard, Transactions, Statements/Forms** and **Support** - and select the action you want to take from the drop- down lists.

Check Account Balance

- Balance automatically appears on My Dashboard page (in the Dashboard menu at the top of the screen).
- For account balance by fund, review "My Portfolio" on My Dashboard.

Review Investment Performance

- To get performance and fee details for all the funds in your plan, simply click on the fund name on any page. This will display performance, as well as links to the fund fact sheet and prospectus.

Change Future Investment Allocations (new contributions)

- To choose or change how new contributions will be invested, in the Transaction menu, click "Manage Investments" then "Change Elections".

Transfer Between Investment Options (current assets)

- To transfer balances between individual or groups of funds in the Transactions menu, click "Manage Investments" then "Transfer Funds".


Request a New Loan or View Existing Loans

- To request a new loan in the Transactions menu, click "Request a Loan".
- To view existing loans in the Transactions menu, click "View Loans".

Request a Distribution

- From the Transactions menu, select "Request a Distribution".
- When the page loads, click on the "here" link to submit your request.

Forms and Beneficiary Information

- To locate forms and beneficiary information, in the Forms & Reports menu, select "Forms". You can also update your Beneficiary information online by selecting the gear icon  in the upper right of the screen.

Customer service

- From the Support menu, select "Live Chat" to talk with a Client Care Manager, or "Contact Us" for email and phone information.

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.



BENCOR Special Pay Plan Overview

The BENCOR Special Pay Plan is a retirement program consisting of two parts, the *first part* satisfying the requirements under **Section 401(a)** of the Federal tax law, the *second part* following the dictates of **Section 403(b)**. Together, these two parts are offered by BENCOR, Inc. as one Plan to help governmental units, as well as you as an employee, save up to 7.65% of Social Security and Medicare taxes on certain forms of "special pay" (as described below) contributed to the first and second parts of the Plan. The Plan also results in the *deferral* of your income taxes on that same special pay that is contributed under both parts of the Plan; income taxes are not imposed until you actually withdraw money from the Plan. The Social Security and Medicare tax savings are *permanent* because these taxes are not imposed on withdrawals from the Plan.



Frequently Asked Questions

Who participates in the Plan? To be eligible for the Plan, you must be in a category of employees designated as *covered by School board policy*. If you are covered by such policy, then you will participate if you (i) are retiring or are entering into DROP, and (ii) have accumulated "special pay" (terminal pay, sick leave pay, etc.).

What should I do to set up my Plan account? Your employer establishes your Plan account for you. Once your account is created, you should log on to your account at bencorplans.com to:

- 1) select your statement delivery preference (electronic/paper) under **Statements/Forms**;
- 2) designate the person(s) who should receive the funds in your account in the event of your death by using the **Beneficiaries link** under the **gear icon**;
- 3) make an investment election under **Investments**; and
- 4) add your personal email address for plan communications, including statement notifications.

What are the options for investment of my account? The Plan offers different investment options in which you may choose to invest amounts contributed to your account. The options are listed and described on the website. If you do not choose investment options, your account will be invested automatically in your Plan's default option, which may or may not be the best option for your circumstances. Therefore, it is important for you to log on to your account at 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 is contributed to the Plan? Contributions to the Plan consist of accumulated special pay that otherwise would be paid to you in cash at retirement or other separation from service.

If you enter DROP:

Accumulated Sick Pay – Contributions are made to the Plan in each year of the DROP period leading up to your actual retirement date. The amount contributed each year depends upon the number of years in your separation period. For example, an employee participating for a period of five (5) years who has accumulated Sick Leave Pay, will have that Sick Leave Pay deposited as follows:

Year 1	20% of balance of terminal sick leave
Year 2	25% of remaining balance of terminal sick leave
Year 3	33% of remaining balance of terminal sick leave
Year 4	50% of remaining balance of terminal sick leave
Upon Separation	100% of remaining balance of terminal sick leave

Employees terminating prior to the end date of their DROP will be paid 100% of their eligible sick leave balance per policy. Allowing employees to shelter their terminal pay in this fashion maximizes the terminal pay that can be sheltered. If the yearly sick pay contribution exceeds the amount of the contribution limit (see Contribution Limits above) the excess amount will be rolled into the next plan year.

Annual Leave - Employees participating in DROP subject to employer policy have the option to:

- (1) Receive their annual leave as a lump-sum distribution at the time of enrollment in DROP, or
- (2) Receive a lump-sum payment at the end of the DROP period.

If option (1) is chosen (annual leave paid as a lump-sum at the time of enrollment in DROP) this dollar amount will be included in the employee's compensation for retirement benefit calculation purposes (FRS).

If option (2) is chosen (wait until end of DROP period), this dollar amount is not included in the FRS benefit calculation.

Under option (1) or option (2) above, annual leave will be placed into the Plan subject to contribution limits. Any annual leave in excess of Plan contribution limits will be paid to the participant subject to Federal tax and related payroll taxes (Social Security and Medicare).

In addition to these employer-made contributions of special pay, you also may choose to "roll over" into the Plan monies invested in other eligible retirement plans or traditional IRAs, thereby consolidating your retirement savings in one place.

Is there a limit on the amount of Special Pay that can be contributed to the Plan? Yes. The IRS adjusts the annual dollar limit periodically to reflect cost-of-living increases. [Click here to see the current IRS limits.](#)

Your employer never will contribute more to the Special Pay Plan on your behalf than is permitted by law. Any amount that cannot be contributed to the Plan will be paid to you as currently taxable compensation. Please consult your tax advisor or your BENCOR representative regarding your specific Plan contribution limits.

May I still make elective deferrals to another 403(b) or 457(b) plan? You still may elect to defer money into any other plans for which you are eligible, subject to all applicable limits imposed by Federal tax law, but no elective employee contributions may be made to the BENCOR Special Pay Plan.

Can I withdraw money from my account? Your account is always 100% vested and belongs only to you. The balance of your account is available for withdrawal at any time *after* your termination of employment, during DROP participation, or upon total disability or death. In the case of your death, the beneficiary(ies) you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn in one or more cash distributions, which are taxable for the year of withdrawal, or in the form of a direct rollover to an IRA or other eligible retirement plan, which results in continued deferral of your income tax obligation. To request a withdrawal, log on to your account at bencorplans.com and submit your request electronically. Additional information about income taxes and rollovers is provided online.

Are my funds taxable and are there any penalties when I withdraw my funds? Income taxes are imposed for the year of withdrawal. Income taxes are deferred in the case of a rollover to an IRA or other eligible retirement plan, although rollovers to a "ROTH" IRA are currently taxable. The Special Tax Notice included with the Distribution Request Form provides general information about the taxation of distributions from the Plan. For specific tax information, consult an independent tax advisor.

An additional 10% tax (early withdrawal penalty) may apply to withdrawals taken prior to the attainment of age 59½ if you retire or otherwise separate from service prior to the year in which you turned age 55.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 73 or retire, whichever is later, or following your death, if earlier. (If you reached age 72 before 1/1/2023, your required beginning date may be different.)

Can I borrow from my account? You may be eligible to borrow up to 50% of your account balance. The minimum loan amount is \$1,000. The amount available to borrow is affected by any other Plan loans you have received. An initiation fee of \$75 is deducted from your account each time you take a loan. A quarterly loan maintenance fee of \$6.25 also applies but not in the quarter the loan is issued. There is a maximum of two (2) loans allowed. Please visit bencorplans.com to view loan availability and request a loan.

Will I receive account statements? Statements showing your account activity, including beginning balance, contributions made, investment results and ending balance, are provided after the close of each calendar quarter. You may generate a statement on demand at any time by logging in to your account.

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.





Requesting a Distribution from your BENCOR Account

Special Pay Plan (Sick and Annual)

When you are eligible for a distribution (withdrawal), you may request your entire account balance, or only a portion of your balance. No forms are required to withdraw your funds. The distribution process is entirely online and accessed through the BENCOR website.

How to Begin the Distribution Process



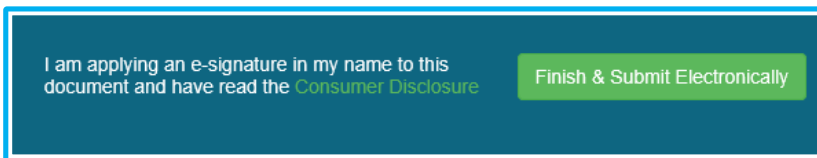
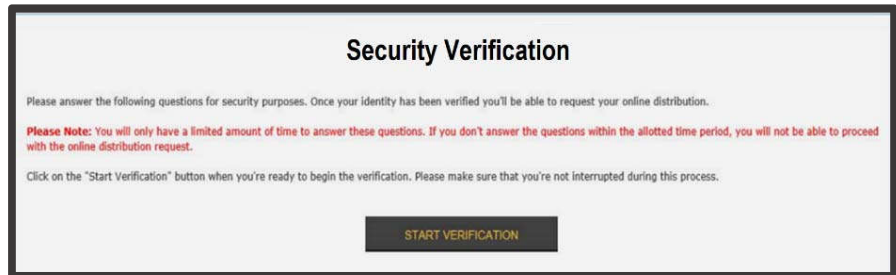
- 1) Go to <https://bencorplans.com>. Click on Participant Login, select your State, County and Employer, click on Log In and log in to your account. *(For first time users, click on the "+ New User" link to change the log in window to allow you to "Request User ID and Password". Follow the prompts to answer security questions and set up your user account.)*
- 2) After login, click on **Request a Distribution** in the Transactions menu near the top of the page.
- 3) When the page loads, click on the **"here"** link to request a distribution. Follow the prompts to enter your information, e-sign and submit. That's it!

What to Expect



Safe Online Authentication with LexisNexis® InstantID®

The security of your private information and your retirement account are important. You will be asked to correctly answer security questions to ensure that only you have access to your account.



No Hassle Online Signature and Submission



Automatic Distribution Status Updates

You can elect to receive text and/or email updates letting you know when your distribution has been approved by your Plan Sponsor and when it has passed the final review.

Your distribution request was approved by your plan sponsor and has been sent for final review. We will notify you again when the review process is complete and your distribution has been processed.

Your distribution request has been approved. Trades will typically be sent in 1-2 business days. If all trades settle in a normal manner, your distribution proceeds will typically be issued within 3-5 business days of approval.

Thank you.
Client Services