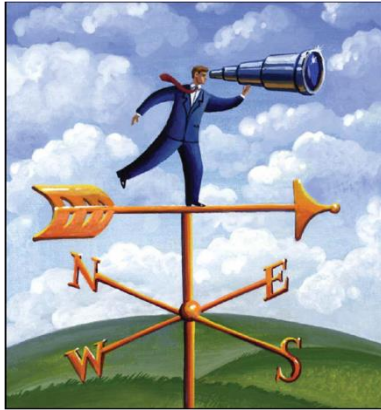




Broward County Public Schools



The School Board of
Broward County's
BENCOR Special Pay Plan

U**S** **BENCOR**

What is the SBBC BENCOR Special Pay Plan?

- ❖ The Special Pay Plan is offered by SBBC as a powerful way to help you realize your retirement dreams.
- ❖ If you are entitled to sick pay or vacation pay, the SBBC Special Pay Plan will help ensure that you never pay Social Security or Medicare taxes on that money.

How Does the SBBC BENCOR Special Pay Plan Work?

❖ Special Pay Comparison (Sick Pay Only)

	<u>Without Plan</u>	<u>With Plan</u>
❖ Accumulated Sick Pay	\$10,000.00	\$10,000.00
❖ Less Federal Tax	2,500.00	0.00 (Deferred)
❖ Less FICA Tax (6.2%)	620.00	0.00 (Permanently Saved)
❖ Less Medicare (1.45%)	<u>145.00</u>	<u>0.00</u> (Permanently Saved)
	\$6,735.00	\$10,000.00
	Net Pay	Deposited into your Account

Key Benefits of the SBBC BENCOR Special Pay Plan

❖ Tax Savings and Deferrals

- Permanently save FICA and Medicare Taxes
 - ❑ On \$10,000 you permanently save \$765 (7.65%)

- Federal Income Taxes are deferred until funds are withdrawn from the Plan.
 - ❑ Without the BENCOR Plan, Federal Income Taxes will be withheld from your sick pay and vacation pay distribution.
 - ❑ With the BENCOR Plan, all income taxes are deferred until funds are withdrawn from the Plan.
 - ❑ Manage payment of income taxes

Key Benefits of the SBBC BENCOR Special Pay Plan

❖ Contribution Limits

➤ 401(a)

- ❑ IRS 415 Limit – lesser of \$57,000 or 100% of plan year salary (7/1-6/30). If plan year salary is less than \$57,000, a different calculation will be used.
- ❑ Employees can also fully fund their elective deferral 403(b) Plan or 457 Plan.

Special Features of SBBC's BENCOR Special Pay Plan

❖ Contributions During DROP

➤ Multiple Annual Contributions

❑ Annual contribution of sick leave at end of each year of DROP.

➤ 5-Year example of \$10,000 payout:

			Balance	Deposit	Remaining Balance
Year 1	20% of	\$10,000 =	\$2,000	\$2,000	\$8,000
Year 2	25% of	\$8,000 =	\$2,000	\$2,000	\$6,000
Year 3	33.3% of	\$6,000 =	\$2,000	\$2,000	\$4,000
Year 4	50% of	\$4,000 =	\$2,000	\$2,000	\$2,000
Year 5	100% of	\$2,000 =	\$2,000	\$2,000	\$0
				<u>\$10,000</u>	

Other Special Features of SBBC's BENCOR Special Pay Plan

❖ Other Features

- Safety, Liquidity & Flexibility
- Tax-Deferred Earnings
- Optional Investment Accounts
- Loans
- Probate Avoidance

How Your Account is set up in the SBBC BENCOR Special Pay Plan

- ❖ Your Eligible Contribution is Automatically Deposited
 - SBBC sends deposit to Plan as stated by Board Policy
 - Deposit is credited to your BENCOR account
 - Money is deposited into the Guaranteed Account (principal guaranteed, interest bearing) backed by the underlying insurance company
 - BENCOR Administrative Services (BAS) records deposit and sends verification to participant along with account access information.

Accessing Your SBBC BENCOR Special Pay Plan

- ❖ Using your account (Subject to IRS Guidelines)
 - Withdrawals at employment separation
 - ❑ Use as income or take as you need
 - ❑ Make-Whole Provision
 - Loans
 - ❑ 1/2 of account balance up to \$50,000 (initiation fee of \$75 for each loan plus a maintenance fee of \$6.25 quarterly)
 - ❑ There is a maximum of two (2) loans allowed
 - Change Investments
 - ❑ Over the phone, online or through BENCOR Retirement Specialists
 - Rollovers – In & Out

Using Your SBBC BENCOR Special Pay Plan Account for DROP Distributions

- ❖ DROP Options
 - Take Cash – pay taxes
 - Rollover to a Qualified Plan (e.g. BENCOR) – defer taxes
 - Combination partial cash and partial rollover
- ❖ BENCOR Plan is designed to accept DROP Rollovers
 - You Already Have an Existing Account
 - Make final decision at later date
 - Potentially pay less in taxes when you do use the money

Investment Options in the SBBC BENCOR Special Pay Plan

❖ Guaranteed Fund

➤ Stable Value Account with Lincoln Financial

❑ **You earn 1.95% on your money through 12/31/2020**

❑ Your Principle and Interest are Guaranteed

❑ No Participant Restrictions or Charges

❑ Rate resets semi-annually

❖ Variety of Mutual Funds

➤ Varying investment management fees (annual asset-based)

➤ Investment Diversity through multiple Mutual Fund Asset Classes

Investment Options in the SBBC BENCOR Special Pay Plan – Current Fund Line-Up

Stable Value Account/Default Account

[Lincoln Stable Value Account](#)

Aggressive Bonds

[BlackRock High Yield Bond Instl](#)

Large-Cap Stocks

[Invesco Diversified Dividend A](#)

[JPMorgan US Equity R6](#)

[American Funds Fundamental Invs R6](#)

[Fidelity® Total Market Index Fund Premium Class](#)

[PRIMECAP Odyssey Stock](#)

[T. Rowe Price Growth Stock Adv](#)

Small/Mid-Cap Stocks

[American Beacon Mid-Cap Value Instl](#)

[Hartford MidCap R6](#)

[Janus Henderson Venture I](#)

[Delaware Small Cap Value R6](#)

Interm./Long-Term Bonds

[Metropolitan West Total Re Bd Admin Cl](#)

International Stocks

[American Funds EuroPacific Gr R4](#)

Target-Date Funds

[Vanguard Target Retirement Income Inv](#)

[Vanguard Target Retirement 2015 Inv](#)

[Vanguard Target Retirement 2020 Inv](#)

[Vanguard Target Retirement 2025 Inv](#)

[Vanguard Target Retirement 2030 Inv](#)

[Vanguard Target Retirement 2035 Inv](#)

[Vanguard Target Retirement 2040 Inv](#)

[Vanguard Target Retirement 2045 Inv](#)

[Vanguard Target Retirement 2050 Inv](#)

[Vanguard Target Retirement 2055 Inv](#)

Where to get more information on SBBC's BENCOR Special Pay Plan

- ❖ Your Benefits Department – access *Frequently Asked Questions* and plan videos through SBBC's benefits web portal.
 - ❖ Online at www.bencorplans.com
 - ❖ Through your Local BENCOR Advisors
 - Kevin Semisch
 - Shawn Flynn
- You Can Reach Them At:
(954)-425-0665
- ❖ BENCOR Advisors are available to help you free of charge
 - ❖ Note: BENCOR Advisors do not provide investment advice

SBBC's BENCOR Special Pay Plan – Your Next Steps

- ❖ Account is Automatically Set Up For You
- ❖ Log on to www.bencorplans.com
 - Update Your Home Address, email address, contact numbers
 - Choose Your Beneficiary
 - Change Your Investment Direction (If You Want To)
- ❖ Reach out to your Local BENCOR Advisor for Help

SBBC's BENCOR Special Pay Plan Questions

??? QUESTIONS ???

Send an Email: questions@bencorservices.com

Login to your account: www.bencorplans.com

Call your local advisor: (954) 425-0665

Call BENCOR Administrative Services: (866) 296-9712