

LEWISVILLE ISD 457(b) FICA Alternative Plan and Trust Through Education Service Center Region 10

The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) mandates that employees of public agencies, including school districts who are not members of the employer's existing retirement system as of January 1, 1992 be covered under Social Security or a qualifying alternate plan. The ESC Region 10 457(b) FICA Alternative Plan satisfies federal requirements as a qualified alternative plan.

- Eligibility:** An employee must participate in the FICA Alternative Plan if they are not eligible to contribute to the Teacher Retirement System (TRS). Employees over 65 years of age are exempt.
- Contributions:** The FICA Alternative Plan requires a 7.5% contribution from your gross earnings each pay period. The deferrals are made on a "pre-tax" basis, unlike Social Security, which are made on an "after-tax" basis.
- Investments:** This plan is administered for LISD by Jem Resource Partners, Inc. The portfolio is the Teacher/Employee Retention and Recruitment Program (TERRP) managed by TCG Investment Advisory Services LP and the ESC Region 10 TERRP Investment Advisory Committee. Since inception, the portfolio has had an average rate of return of over 16.00%. The current investment allocation is available at www.region10rams.org.
- Balances:** Investment balances can be monitored at www.region10rams.org. The login is your Social Security Number and your password is the last four (4) digits of your Social Security Number.
- Statements:** Annual statements will be mailed to all participants in September each year. If you do not receive your annual statement please contact JEM Resource Partners, Inc. at 1-800-943-9179.
- Distributions:** An employee is eligible for a distribution (withdrawal) of their funds for any of the following reasons:
- Retirement (age 65)
 - Permanent and Total Disability
 - Termination of Employment
 - Death
 - Change in employment status to a position covered by TRS (if there have been no contributions to the account for two (2) years and the account balance is less than \$5,000, the employee may be able to request a distribution).

Contact JEM Resource Partners, Inc. at 1-800-943-9179 to request a distribution of funds.

- Taxation:** When the employee begins to receive benefits, the funds received become taxable income. If the taxable portion of the account balance exceeds \$200, the employee can avoid immediate taxation by directing the account balance to:
- A traditional IRA
 - An eligible employer plan that accepts the rollover (i.e. TRS, 403(b), 457, etc.)

- Beneficiary:** If the employee dies while a participant the account balance will be distributed to the employee's beneficiary. If the employee is married at the time of death, the spouse is automatically the beneficiary. If the employee wishes to designate someone other than the spouse as beneficiary, the employee must do so in writing and the spouse must sign a spousal consent form. If the employee is unmarried at the time of death, the account balance will be paid to the employee's estate unless another beneficiary has been designated.

The form to designate a beneficiary is available on-line at www.region10rams.org.

JEM Resource Partners, Inc.
4201 Bee Caves Road, Suite C-101
Austin, TX 78746
Toll Free: (800) 943-9179 Fax (888) 989-9247
Email: jemtpa@jemtpa.com
www.region10rams.org