



ONLINE ENROLLMENT & WEB ACCESS GUIDE



**Town of Duxbury
457 FICA Alternative Plan (OBRA)
(Mandatory – Non-Benefit Eligible Employees)**



457

457 FICA ALTERNATIVE PLAN

Town of Duxbury

PLAN HIGHLIGHTS

The Town of Duxbury has established a 457 FICA Alternative (OBRA) Plan to help employees accumulate money for their long-term financial needs.

WHAT IS A 457 FICA ALTERNATIVE (OBRA) PLAN?

The FICA Alternative (OBRA) Plan is a savings program for employees who cannot participate in our Retirement System. 457 refers to a section of the IRS Code that allows you to save part of your earnings on a PRE-TAX basis. This Plan lowers your current taxable income and helps your long-term savings grow faster.

These individuals are generally part-time, seasonal, and temporary employees.

HOW MUCH WILL YOU SAVE?

As a participant of the FICA Alternative Plan, 7.5% of your gross pay is deducted automatically from your paycheck and invested for you.

PLAN INFORMATION?

Plan Name:

Town of Duxbury
457 FICA Alternative Plan

Plan Sponsor:

Town of Duxbury

Third-Party Administrator:

PenServ Plan Services, Inc.
102 Trade Zone Drive
West Columbia, SC 29170
(800) 849-4001

INITIAL ELIGIBILITY?

You must work for the Town for at least 1 hour to become eligible to contribute to the 457 FICA Alternative Plan.

HOW TO JOIN THE PLAN?

You do not need to enroll. Enrollment is mandatory; 7.5% of your grosspay is deducted from your paycheck and invested into your account every pay period.

INVESTMENT CHOICES?

The funds invested in Target Date Funds from American Funds Share Class R6 and based on your retirement age and date of birth. You'll have additional investment choices available to modify at any time. Additionally, the Plan offers a Stable Value Fund from The Standard, the most conservative investment option available.

VESTING?

You always own 100% of your contributions and earnings in the FICA Alternative Plan.

DISTRIBUTIONS FROM THE PLAN?

You or your beneficiary are allowed to withdraw your vested balance when one of the following events occur:

1. Termination of Employment
2. Retirement
3. Death

FEES?

An annual account administration fee of \$4.20 plus an annual asset fee of 0.75% on your total account balance is applied. Benefit Payments are \$10.00 per occurrence.

NOTES:



Frequently Asked Questions

Town of Duxbury 457 FICA Alternative (OBRA) Plan

What is a 457 FICA Alternative (OBRA) Plan?

The 457 FICA Alternative (OBRA) Plan is a savings program for employees who cannot participate in the State Retirement. These individuals are generally part-time, seasonal, and temporary employees.

What is the History of the Plan?

The Omnibus Budget Reconciliation Act of 1990 (OBRA) Amended the Internal Revenue Code and the Social Security Act to include state and local governments employees. The Act authorized the Secretary of the Treasury to adopt regulations and provide guidance to the Internal Revenue Service and Social Security Administration. The Act amended Internal Revenue Code Section 3121, under which Social Security participation became mandatory for all employers.

However, the Internal Revenue Code Section 3121 says that part-time, temporary, and seasonal (PTS) employees are exempt from the 3121 tax if provided a "comparable retirement system." In response, the 457 FICA Alternative Plan was to meet those requirements. This alternative provides a retirement plan for PTS employees who are generally not covered, like full-time employees. The adoption of the 3121 Plan provides an economic benefit for the Employer and their PTS employees.

Will my eligibility to receive Social Security benefits be affected by the Plan?

Your Social Security benefit and your eligibility to receive the benefit may be affected by your participation in this Plan. We suggest you consult a Social Security Administration department (www.ssa.gov) with any questions regarding their benefit.

Who is offering the 457 FICA Alternative Plan?

It is a partnership between the Town of Duxbury and Penserv Plan Services, Inc.

How do I enroll in the 457 FICA Alternative Plan?

You do not need to enroll. Enrollment is automatic; 7.5% of your gross pay is automatically deducted from your paycheck and invested in your account using investments selected by the Investment Fiduciary Advisor. Funds automatically are invested based on your expected retirement age using the Target Retirement Date Funds suite by American Funds Share Class R6.

How will my money be invested?

Your money is invested in your account using investments selected by the Investment Fiduciary Advisor. Funds automatically are invested based on your expected retirement age using the Target Retirement Date Funds suite by American Funds Share Class R6. Additionally, you have the option to use a Stable Value Fund from The Standard, the most conservative investment option available. Lastly, you can direct your investments yourself by selecting from a menu of additional funds offered.

Will I receive a statement of my account balance?

Yes, you receive quarterly statements from PenServ Plan Services, Inc. (Town of Duxbury's Third Party Administrator)

How do I change my name, address, or beneficiary?

- a. To change your name or address, you must notify the Town of Duxbury's Payroll Department. The Town's Payroll Department is responsible for notifying PenServ Plan Services, Inc. of any address change.
- b. To change your beneficiary, you need to complete a Beneficiary Form available in the Town's Payroll Department. You may also obtain the Beneficiary Form from PenServ Plan Services, Inc. The Beneficiary Form can be mailed directly to PenServ Plan Services, Inc. at the address indicated on the bottom of the form.
- c. If the Town of Duxbury no longer employs you, you can contact PenServ Plan Services, Inc. directly via Email at service@penserv.com, via phone at (800) 849-4001, or via a letter at the following address:

PenServ Plan Services, Inc. Attn: 457 FICA
Administration – Town of Duxbury
P.O. Box 3109
West Columbia, SC 29171

Am I required to complete the beneficiary designation form?

No. If you are married, your beneficiary under the Plan automatically is your spouse. If not married, your beneficiary becomes your children. If you do not have children, your beneficiary is automatically your estate.

What happens if I become a full-time employee?

You will no longer be eligible to participate in the Plan.

What happens when I leave service?

You will no longer be eligible to participate in the Plan

What are my options when I am no longer eligible to participate?

- 1) You may leave your funds in the Plan
- 2) You may transfer/rollover your funds to another eligible retirement plan

When am I eligible for a distribution?

- 1) If you terminate from employment from the Town of Duxbury without returning to work the following 12 months, you are eligible.
- 2) If you retire and are no longer working for your Employer, you are eligible.
- 3) If you become permanently disabled, you are eligible.
- 4) You may transfer your account balance to purchase service credit from your pension system.

How do I apply for a distribution?

You may obtain a "Distribution Form" from your Town's Payroll Department. Or you may contact PenServ Plan Services, Inc.

How long will it take to process my distribution?

Distributions can take up to ten (10) business days of being received in good order. Checks mailed to your address of record—processed quarterly.

Are there any transaction fees?

The cost for Benefit Payments is \$10.00 per occurrence.

Plan Participation Benefits & Options

The **Town of Duxbury 457 FICA Alternative (OBRA) Plan** offers a broad range of quality mutual funds that provides an opportunity to build a diversified retirement plan portfolio. Program options include:

- Online web enrollment, view account balances, monitor transaction history, and download administrative forms
- Update personal information, perform transactions or request an exchange of dollars between mutual funds
- Rebalance the account on a specified schedule or upon request

Plan Participation

As an employee of the Town of Duxbury, you are eligible to participate in the Plan.

Employee Mandatory Contributions: The FICA Alternative contributions are deducted automatically at 7.5% of compensation from your pay. You are 100% vested in these contributions immediately.

Investment Earnings are Tax-Deferred. Not only are Contributions withheld before income taxes are applied, but also the earnings on your investments sheltered from taxes until a withdrawal from your account, which allows your nest egg to grow faster than savings outside your retirement plan.

Investment Options. The Plan offers a selection of diversified mutual fund investments designed to provide an opportunity to create a suitable portfolio for your contributions to the Plan. The options you choose for your account allow you to maintain a broad mix of investment risk and investment performance.

As a participant in the Plan, I received a disclosure that compares the internal expenses of the Plan investments selected benchmark for the fund. The online investment

tools also provide current fact sheets and prospectuses for each fund

Distributable Event

Participants eligible for a distribution from the Plan should complete an application and submit the form to the Plan Administrator for approval. Distributions must meet IRS requirements for payment within 2 business days from receiving an approved application in good order.

Vesting.

Vesting is a term used to define the portion of your account that belongs to you and cannot withhold for any reason. Supposedly you are terminated by either you or your Employer. You are entitled to receive the entire balance of your account. Balances in your account are always 100% vested.

Withdrawals from the Plan.

Withdrawals from your account are permitted after severance from employment. You must also begin distributions by April 1, following the year you retire or attain age 72. The Plan may also distribute small, inactive accounts.

Web Access: <http://www.penserv.com/login>

Plan Enrollment

Employees can enroll in the Plan using the attached Plan Access Code.

Any employee who is employed may participate in the Plan. Salary deferral information provides your Employer forentry into the payroll system subject to employer guidelines.

Enrollment in the Plan is a two-step process. In addition to making a salary deferral election and selecting a company to receive your contributions, You'll need to complete the necessary documentation required by the selected investment provider. You should immediately contact a vendor representative for assistance in establishing your investment account if such an account does not currently exist. Failure to establish a contract or custodial agreement with your selected vendor may prevent the timely investment of your funds.

For further Information on the enrollment process, you may contact the PenServ office listed below.

Contact for Further Information

PenServ Plan Services, Inc.

Website: <http://www.penserv.com>

Phone: (800) 849-4001

Fax: (803) 791-5925

Mailing Address: P.O. Box 3109 | West Columbia, SC | 29171
Email: service@penserv.com

Investment Options

The Following investments are available to your account:

Seq.No.	Fund Name	Fund Category	Quote Symbol	Percent to Invest
1.	Vanguard LifeStrategy Income Inv	Allocation—15% to 30% Equity	VASIX	%
2.	Vanguard LifeStrategy Cnsvr Gr Inv	Allocation—30% to 50% Equity	VSCGX	%
3.	Vanguard LifeStrategy Moderate Gr Inv	Allocation—50% to 70% Equity	VSMGX	%
4.	Vanguard LifeStrategy Growth Inv	Allocation—70% to 85% Equity	VASGX	%
5.	American Funds New World R6	Diversified Emerging Mkts	RNWGX	%
6.	American Funds Intl Gr and Inc R6	Foreign Large Blend	RIGGX	%
7.	Vanguard Developed Markets Index Admiral	Foreign Large Blend	VTMGX	%
8.	Vanguard Total Intl Stock Index Admiral	Foreign Large Blend	VTIAX	%
9.	Victory Trivalent International Sm-Cp R6	Foreign Small/Mid Blend	MSSIX	%
10.	PGIM High Yield R6	High Yield Bond	PHYQX	%
11.	JPMorgan Core Bond R6	Intermediate Core Bond	JCBUX	%
12.	Vanguard Total Bond Market Index Adm	Intermediate Core Bond	VBTLX	%
13.	JHancock Bond R6	Intermediate Core-Plus Bond	JHBSX	%
14.	Hartford Core Equity R6	Large Blend	HAITX	%
15.	Vanguard 500 Index Admiral	Large Blend	VFIAX	%
16.	Vanguard Total Stock Mkt Idx Adm	Large Blend	VTSAX	%
17.	Principal Blue Chip R-6	Large Growth	PGBHX	%
18.	JPMorgan Equity Income R6	Large Value	OIEJX	%
19.	Madison Mid Cap R6	Mid-Cap Blend	MMCRX	%
20.	The Standard Stable Asset Fund II	Stable Value	N/A	%
21.	Hartford Strategic Income R6	Multisector Bond	HSNVX	%
22.	Fuller & Thaler Behavioral Sm-Cp Eq R6	Small Blend	FTHFX	%
23.	PIMCO RAE US Small Instl	Small Value	PMJIX	%
24.	DWS RREEF Real Estate Securities R6	Real Estate	RRRZX	%
25.	American Funds 2020 Trgt Date Retire R6	Target-Date 2020	RRCTX	%
26.	American Funds 2025 Trgt Date Retire R6	Target-Date 2025	RFDTX	%
27.	American Funds 2030 Trgt Date Retire R6	Target-Date 2030	RFETX	%
28.	American Funds 2035 Trgt Date Retire R6	Target-Date 2035	RFFTX	%
29.	American Funds 2040 Trgt Date Retire R6	Target-Date 2040	RF GTX	%
30.	American Funds 2045 Trgt Date Retire R6	Target-Date 2045	RFHTX	%

For additional information or assistance with this process, please contact PenServPlan Services, Inc. at:

Phone: 800-849-4001 | Email: service@penserv.com

Mailing Address: P.O. Box 3109, West Columbia, SC 29171

Investment Options - Continued

The Following investments are available to your account:

Seq.No.	Fund Name	Fund Category	Quote Symbol	Percent to Invest
31.	American Funds 2050 Trgt Date Retire R6	Target-Date 2050	RFITX	%
32.	American Funds 2055 Trgt Date Retire R6	Target-Date 2055	RFKTX	%
33.	American Funds 2060 Trgt Date Retire R6	Target-Date 2060	RFUTX	%
34.	American Funds 2065 Trgt Date Retire R6	Target-Date 2065+	RFVTX	%
35.	PGIM Global Total Return R6	World Bond	PGTQX	%
36.	Vanguard Total Intl Bd Idx Admiral	World Bond-USD Hedged	VTABX	%
	TOTAL			100 %

For additional information or assistance with this process, please contact PenServPlan Services, Inc. at:

Phone: 800-849-4001 | Email: service@penserv.com

Mailing Address: P.O. Box 3109, West Columbia, SC 29171

Enrollment & Using the Plan Website

Welcome to the Town of Duxbury 457 FICA Alternative Plan. Enrollment in the Plan is easy. You simply need to follow the instructions prompted on the Plan's web page. The website supports programs designed to protect your Personal Information. The system recognizes upper and lower case characters; therefore, if you enter capital letters in your User Name or Password, the identical upper or lowercase is required each time you enter the Information.

Plan Website Address: <http://www.penserv.com/login> and select: +New Participant

Enter: Your Social Security Number

Enter the Plan Access Code: **duxb9372**

Step 1 Enter your Personal Information.

Items marked with an asterisk (*) must complete before you can proceed to the next step. **Username Information:** This Information is used to access your account, direct transactions, and invest your contributions. The system protects your Personal Information; the codes you enter here should not share with another individual. For security purposes, you may not use sequential numbers or letters (i.e., 123 or ABC), your name, Social Security number, or symbols (i.e., @, ! &).

Step 2 Designate your beneficiaries.

This designation can have necessary tax and legal effects. You should consult your tax advisor before naming a beneficiary for your account. Be sure a relationship is designated for each beneficiary. You may be required to complete an additional form if you do not complete it.

Step 3 Select investments for your new contributions.

The investment election percentages you enter to the Money Source you selected. Please note that you can always change your investment election percentages once you have completed the enrollment process.

Step 4 Review and confirm your entries.

Please review the Information you provided for the Plan. Be sure you check the entries carefully; the data used to establish permanent plan records and access to your account.

Congratulations! Your enrollment is complete.

You may access your account through the Plan's website (displayed above) at any time using your Username and Password. If you elected to receive email confirmations, you would receive confirmation of your enrollment at the email address entered during the Enrollment Process.

Important Security Information

The Password entered for your account is always secured by the system and should be protected and not shared. If you do not provide accurate information from the beginning, information will be denied.

Enrollment Information Worksheet

The following Information requires to login to the website: <http://www.penserv.com/login>

User Name

The Username is a 6 - 12 character alpha-numeric field that you use when logging on to the website. This Information should remain confidential during enrollment on the website as it permits access to your account and Personal Information.

Password

A 6 - 8 character field that works in conjunction with your User Name to protect the security of your account.

Verification Question

Verification is a question asked to answer if you forget or misplace your Password. With a correct response, the PenServ system provides the Information that permits you to reset your Password.

Personal Information

Personal Information includes your name, address, and home phone, as well as your date of birth, date of employment, and marital status. This Information helps determine eligibility for certain plan transactions and compare the data provided by your Employer.

Email Address

If you provide an email address at the time of enrollment, we confirm your data entry to the website. Automatically an email is sent to the address provided. Only the Participant can change the email address in the system.

Investment Selections

This section provides a list of all the mutual funds available for you to select. You may select as many as you want as long as the overall percentage is 100%. Investment allocations can be modified if no allocations are selected; the system assigns Vanguard Retirement Target Date Funds based on your age.

Review & Confirm Your Entries

The system permits you to make changes to your selections before submitting the data to the system. Please review the Information carefully, and submit it to your Plan.

Logging Into Your Account After Enrollment

Once you have saved your User Name and Password to the system, the program captures your entries, and you must log in using the participant selection on the Login Screen. You will no longer be able to enter as a "New Participant."

Assistance

For further assistance, please contact a PenServ Participant Services Representative at (800) 849-4001

Email: service@penserv.com

