

Okaloosa County School District



3121 FICA Alternative Plan

Frequently Asked Questions

What is a 3121 FICA Alternative Plan?

This plan is offered as an alternative to Social Security and provides retirement and payroll benefits to part-time, seasonal and temporary employees.

Who is required to participate in the plan?

If you are a part-time, temporary or seasonal employee not participating in a state retirement plan, you are required to participate in the plan.

What type of plan do I have?

Your plan is a 401(a) FICA Alternative plan.

How are contributions made to my account?

You will have a 7.5% contribution automatically deducted from your paycheck.

Plan Investments

Your funds are invested in a variable annuity with American United Life Insurance Company® (AUL), a OneAmerica® company. AUL has been in business for over 135 years, and has an A+ rating with A.M. Best. You can learn more about your investment options by reviewing your Fund Mapping sheet, included with your Welcome Kit and available in your online portal through www.myMidAmerica.com.

If you were receiving a 1.00% return with Transamerica, MidAmerica will guarantee a minimum rate of 2.05% through 2021. Beginning on January 1, 2022, the guaranteed minimum will be 1.50% for the life of the contract. If you were receiving a 2.70% return with Transamerica, MidAmerica will guarantee 2.70% on those grandfathered assets for the life of the contract. All earnings in the account are tax-deferred.

You can manage your plan investments through your online portal by logging in at www.myMidAmerica.com.

How often will I receive account statements?

You will receive paper statements on a quarterly basis. However, you may access your account activity anytime by logging in to your account on our secure website, www.myMidAmerica.com. Your temporary login is your Social Security number and your temporary password is the last four digits of your Social Security number. You will then be asked to change your user name and password.

When do I become eligible to take a distribution?

You can request a distribution if you meet any of the following conditions:

- You no longer work for your employer, after a 90-day waiting period
- You are in transition from being part-time employee to a full-time employee, after a 90-day waiting period
- Upon attaining Normal Retirement Age, age 65

Upon death, a distribution may be issued to the beneficiary or beneficiaries you have on file. If no beneficiary is designated on your account, the distribution will be made payable to your estate.

Am I required to take a distribution?

You are required to begin receiving Required Minimum Distributions (RMDs) by April 1 of the year following (a) attainment of age 70½ or (b) retirement, whichever is later, per IRS tax regulations. If you do not begin receiving your RMD, the IRS applies an excise penalty tax equal to 50% of your total RMD not distributed during the taxable year. Beginning in the year you turn 70½, MidAmerica will send you an annual statement each fall noting the amount of your RMD. If you have more than one 401(a) plan, you have the option to take your total aggregated RMD amount from only one plan.

How do I request a distribution?

You can request a distribution by completing a Distribution Election Form, which can be obtained by logging into your account on our secure website, www.myMidAmerica.com. Your temporary login is your Social Security number and your temporary password is the last four digits of your Social Security number. You can also obtain the form by calling or emailing our Customer Service department at (800) 430-7999 or accountservices@myMidAmerica.com.

When will I receive my distribution?

Distributions are issued weekly. We must obtain authorization from your employer before we pay a distribution. It can take 15-20 days to process your request and issue your distribution.

Are there taxes on distributions?

Federal taxes of 20% are withheld from lump-sum distributions over \$200. Taxes are not withheld from rollover distributions.

There is an IRS 10% penalty for distributions taken prior to age 59½ for plans such as this. However, if you are at least age 55 upon separation and remain separated, the penalty does not apply. If you return to work prior to age 59½ for the same employer for more than 20% of your preretirement schedule, to avoid the penalty, you should suspend distributions until you reach age 59½.

Are hardship withdrawals allowed on the plan?

Hardship withdrawals are not permitted on the plan.

Are there any fees?

Yes. If no contributions have been made into your account for a full year, you will be charged an administrative fee of \$1.00 per month. These plan participants who are no longer employed with the School and who could, at any time, request a distribution of their account balance.

Does this plan affect my Social Security benefits?

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2005, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$313.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision".

How can I view my account balance and transaction history?

Please log into your secure online account through www.myMidAmerica.com. Your initial username is your Social Security Number (SSN) and your initial password is the last four digits of your Social Security number.



Agent Information

For Investment advice, please contact either of the agents listed below.

Brian English, English Financial Group (850) 926-7487 or by email at brian@englishfg.com

Lester Hamrick, The Hamrick Group (850) 766-4029 or by email at lester@thehamrickgroup.com

Questions?

If you have questions regarding your plan, please contact MidAmerica Administrative & Retirement Solutions (MidAmerica), the plan administrator, at (800) 430-7999 or email us at accountservices@myMidAmerica.com.

If submitting paper forms, send to:

MidAmerica Administrative & Retirement Solutions
Attn: 3121 Admin
P.O. Box 149
Lakeland, Florida 33802
Fax: (863) 688-4200
distributions@myMidAmerica.com

