



TOWN OF LUNENBURG MASSACHUSETTS - BENCOR 457(b) FICA ALTERNATIVE PLAN SUMMARY

What is this retirement plan? Town of Lunenburg Massachusetts BENCOR 457(b) FICA Alternative Plan is a qualified retirement plan under Federal tax law that covers part-time, seasonal and temporary employees of the Town. The Plan provides an alternative benefit to Social Security and exempts you from FICA (Social Security) payroll taxes. You continue to pay Medicare taxes on your wages. Enrollment in the Plan is automatic for every employee who works in a position covered by the Plan.

How much is contributed? You contribute 7.5% of your wages on a *pre-tax basis* (for income tax purposes) instead of paying Social Security taxes that otherwise would be determined and paid by you on an *after-tax basis*. You will see your Plan contribution amount reflected on your paycheck stub. Contributions are credited to an individual account in your name under the Plan.

How is my account invested? You may choose from among any of the investment options offered within the Plan. Go to www.bencorplans.com, click on **Participant Log On**, then select the **Get Started** box and follow the prompts to create your personalized user ID and password. Once logged on, from the **Review** tab, click on **Fund and Fee Information** to review the investments available to you. Then, from the **Manage** tab, you can change the investment allocation of your account's current assets and future contributions. If you do not choose investment options, your account balance will be invested in the Core Bond option designated by your employer, which may or may not be the best option for your particular circumstances. Therefore, it is very important for you to log on to your account at www.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 should I do to set up my account? Town of Lunenburg establishes your account for you. Once your account is created, you should select your investment options as described above. It's also important to go to the **Beneficiaries** link under the **Home** tab to name the person or persons who should receive your account in the event of your death.

Can I withdraw my account? Your account is always 100% vested and belongs only to you. The balance of your account will be available for withdrawal by you after your termination of employment, retirement or total disability. In the case of your death, the beneficiary or beneficiaries you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn as a lump sum cash distribution, which is taxable for the year of withdrawal, or as a direct rollover to an IRA or eligible retirement plan, which defers your income tax obligation. Distribution Request Forms with pertinent tax information are available from the **Forms** link located under the **Home** tab. Mail the completed form to: Town of Lunenburg, Human Resources Dept., 17 Main Street, Lunenburg, MA 01462.

Are my funds taxable and are there any penalties when I withdraw my funds? Cash distributions and rollovers to Roth IRAs are taxable when distributed. Please review the Special Tax Notice included with the Distribution Request Form for more information. Cash distributions are subject to 20% mandatory withholding for Federal income tax. If you live in a state with a state income tax, you also may be subject to state tax withholding.

Are there other tax issues I should know about? The Special Tax Notice provides general information about the taxation of distributions from a qualified retirement plan. For specific tax information, consult an independent tax advisor.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 ½, or retirement, if later.

Individuals who are "active participants" for the year in certain tax-advantaged retirement plans, such as this FICA Alternative Plan, are subject to Federal tax law limitations on deducting contributions for the same year to an IRA account. These limitations also may affect a spouse's IRA deductions. Consult an independent tax advisor if you wish to take federal income tax deductions for contributions to an IRA.

Will I receive statements? Annual statements showing your account activity and ending balance are provided after the close of each calendar year. Go to **e-documents** under the **Home** tab to sign up for e-statements and other e-documents.

Are there any fees? A \$1.17 monthly-maintenance fee.

How can I talk to someone if I have more questions? For administrative assistance, dial a Bencor Customer Service Representative at 1-888-258-3422, and select option 1. Representatives are available Monday – Friday, 8:30 a.m. to 5:00 p.m., Eastern Time.

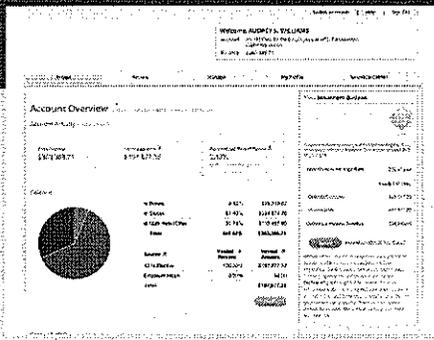
Easy access to your account

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

First-Time Users

- Select "Participant Log On."
- Click "Get Started."
- Follow the instructions to establish a customer ID and password.



Frequent Users

- Click "Participant Log On."
- Sign in to your account by entering your customer ID and password.
- Click on the name of the account you want to access.

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 five tabs—**Home**, **Review**, **Manage**, **My Profile**, and **Resource Center**—and select the action you want to take from the drop-down lists.

Check Account Balance

- Balance automatically appears on Account Overview page (in the Home menu at the top of the screen).
- For account balance by fund, click "Details."

Review Investment Performance

- To get performance and fee details for all the funds in your plan, in the Review menu, click "Fund and Fee Information."

Change Future Investment Allocations (new contributions)

- To choose or change how new contributions will be invested, in the Manage menu, click "Future Allocations."

Transfer Between Investment Options (current assets)

- To transfer balances between individual or groups of funds, in the Manage menu, click "Transfers."
- To change your overall investment mix, in the Manage menu, click "Current Allocations."

Forms and Beneficiary Information

- To locate forms and beneficiary information, in the Home menu, select "Forms" or "Beneficiaries."

Customer service

- From the top right on any page, select **Help**.

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.

Easy access to your account

Call 888-258-3422, option 1

First-Time Callers

- Call 888-258-3422, option 1.
- Enter your Social Security number.
- Follow the prompts for creating your Personal Identification Number (PIN).



Frequent Users

- Call 888-258-3422, option 1.
- Enter or say your Social Security number.
- Choose the account you wish to access.
- Enter or say your PIN.

Check Account Balance

- Account balance automatically offered.
- For account balance by fund, say "Account information," then "Balances."

Review Investment Performance

- Say "Hear account information."
- Say "Fund information," then "Performance."

Change Future Investment Allocations (*new contributions*)

- Say "Change my account."
- Say "Future allocation."
- Provide updates to investment allocation.

Confirmation sent the following business day.

Please note that this allocation change impacts only your future contributions.

Transfer Between Investment Options (*current assets*)

- Say "Change my account."
- Say "Transfer current assets."
- Provide transfer information.

Confirmation sent the following business day.

Please note that changing current allocations does not change how your future contributions will be invested.

Customer Service

- Say "Speak to a counselor."