

Date: December 17, 2020

Dear Participant:

You are receiving this letter because you are an employee in a position that is not covered by the Teacher Retirement System of Texas (TRS). This includes most part-time, seasonal or temporary employees with Fort Stockton ISD. Effective February 1, 2021, Fort Stockton ISD has elected to adopt the RAMS FICA Alternative Plan; this is also called a “Social Security Opt-Out Plan”, “3121 Plan” or “FICA Alternative Plan” by some employers.

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 RAMS FICA Alternative Plan satisfies Federal requirements and is offered to Public School Districts and other education agencies in Texas. Each participating Employer has designed its own tax-deferred plan for its employees through the Region 10 FICA Alternative (referred to as the “Plan” in this letter).

Effective February 1, 2021, you will no longer have a Social Security post-tax deduction from your paycheck; you will make a pre-tax contribution to a FICA Alternative Account every pay period.

What are the benefits of the FICA Alternative Plan?

- The contributions made to the FICA Alternative Plan are available to you at the time you terminate your employment from Fort Stockton ISD.
- Participants earn market rate of return on their contributions, and your funds are always 100% vested.
- Upon leaving the District, you are eligible to rollover the funds to another qualified retirement account.

What does this do to my paycheck?

Following is a sample paycheck illustrating how the deduction will affect a paycheck using a fictitious income.

Sample Paycheck		
	Social Security	457(b) FICA Alternative
Gross Pay	\$400.00	\$400.00
Less 7.5% Plan	\$0.00	\$30.00
Taxable Income	\$400.00	\$370.00
Less 15% Income Tax	\$60.00	\$55.50
Less 6.2 FICA Tax	\$24.80	\$0.00
Less 1.45 Medicare Tax	\$5.80	\$5.80
Net Take Home Pay	\$309.40	\$308.70
Accumulated Savings		\$30.00

You will be able to see your account balance updated daily on the Region 10 RAMS website at www.region10rams.org after the first contribution has been made. You may also call TCG Administrators toll-free at 1-800-943-9179.

Here are the Important Things you Need to Know About the Fort Stockton ISD RAMS FICA Alternative Plan, Effective February 1, 2021:

- On February 1, 2021, TCG Administrators will begin administering the Plan.
- Matrix Trust will be the investment firm holding the FICA Alternative funds for your District.
- ESC Region 10 RAMS is the sponsor of the FICA Alternative program.
- The Summary Plan Description, which includes the Plan rules and discloses Plan fees, can be found on the public portion of the website after the effective date.
- Please review the enclosed RAMS FICA Alternative flyer for all details about the Plan including eligibility and distribution requirements.
- After your first payroll deduction, please login to your account to add your beneficiary information. You can access your account on the Region 10 RAMS website, www.region10rams.org. To login into your account, please follow the steps below:
 - a. Click the green **Login** box in the upper right-hand corner
 - b. Click the yellow **Login** box
 - c. User Name will be your Social Security Number (*no spaces or dashes*): #####
 - d. Password will be your date of birth (*MMDDYYYY*): #####

You will be required to change these after you log onto the website for the first time. You will be able to see the balance in your account after your first payroll deduction following February 1, 2021.

If you have any questions, please contact TCG Administrators by email at 457b@tcgservices.com or by calling 1-800-943-9179. Customer Service Representatives are available Monday-Friday from 8:00 AM – 7:00 PM.