



**3121 FICA Alternative Plan
Participant Enrollment, Investment Election, And Designation of Beneficiary Form**

PARTICIPANT INFORMATION (Please Print Information Clearly)

Social Security Number: _____ Date of Birth: _____ Date of Hire: _____
 Name: _____ Married: _____ Single: _____
 Street: _____ City: _____ State: _____ Zip: _____
 E-mail Address: _____ Phone: _____
 Employer: City of Manitowoc

Investment Election

I authorize all contributions to be invested as follows:	Contribution Percent %
GUARANTEED FIXED OPTION	
Guaranteed Fixed Account	100%
TOTAL	100%

Designation of Beneficiary

I hereby revoke any Designation of Beneficiary I may previously have made under the above Plan and designate the following as my Beneficiary (ies) under the Plan:

Primary Beneficiary (ies)

Name	Relationship	Social Security Number	Date of Birth	Percentage

Contingent Beneficiary (ies)

Name	Relationship	Social Security Number	Date of Birth	Percentage

Participant's Signature: _____ Date: _____

**Please Submit Form To:
 PELION BENEFITS, INC. • P.O. Box 110355 • Research Triangle Park, NC 27709
 Telephone 888.532.7526 • Fax 919.942.2804**

Statement Concerning Your Employment in a Job Not Covered by Social Security

Employee Name _____ **Employee ID#** _____
Employer Name City of Manitowoc **Employer ID#** 39-6005511

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

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 2013, the maximum monthly reduction in your Social Security benefit as a result of this provision is \$395.50. 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."

Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of \$600 based on earnings that are not covered under Social Security, two-thirds of that amount, \$400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a \$500 widow(er) benefit, you will receive \$100 per month from Social Security (\$500 - \$400=\$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, "Government Pension Offset."

For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free 1-800-772-1213, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security Benefits.

Signature of Employee _____ **Date** _____

Information about Social Security Form SSA-1945 Statement Concerning Your Employment in a Job Not Covered by Social Security

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security**, is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect a Social Security benefit received as a spouse, surviving spouse, or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, www.socialsecurity.gov/online/ssa-1945.pdf. Paper copies can be requested by email at ofsm.oswm.rqct.orders@ssa.gov or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.



3121 FICA Alternative Plan

Plan participants can access their account on-line at www.prginfo.net. Following are the steps necessary to login at the website:

1. Select Participant Account Access
2. Select FICA Alternative
3. Enter your social security number (no dashes) for User Id
4. Enter the last 4 digits of your social security number for Password
5. Select Login

You can change your User Id and Password after you have logged in. Online access allows you to view and update your personal information including your address and beneficiary information, as well as, view your account balance, statements and transactions. For Forms and Frequently Asked Questions, select Participant Forms Library from the home page at www.prginfo.net and then select Special Pay Participants.

MEMO

To: Seasonal, Temporary and Part-Time Employees

Subject: FICA ALTERNATIVE SAVINGS PLAN

The City of Manitowoc utilizes a FICA Alternative Savings Plan for seasonal and temporary employees, and part-time employees not eligible for participation in the City Retirement Plan. Rather than reducing your wages on an after-tax basis by the required 6.2% FICA tax on each pay check, the City of Manitowoc contributes 7.5% of your salary on a pre-tax basis to a FICA Alternative investment account in your name. Your take home pay does not change in any noticeable way and you'll benefit from tax-deferred market rates of returns on your pre-tax investment.

	Social Security	FICA Alternative
Gross monthly wage	\$1,000.00	\$1,000.00
Less 7.5% pre-tax contribution	-0-	75.00
Taxable income	1,000.00	925.00
Less 15% Fed income tax	150.00	138.75
Less 5% State income tax	50.00	46.25
Less 6.2% FICA/Social Security	62.00	-0-
Less 1.45% Medicare	14.50	14.50
Net Paycheck	\$723.50	\$725.50

What does change is that you gain important control and flexibility. Unlike Social Security, with the FICA Alternative Plan your contributions and interest earnings are 100% vested in their own pre-tax account and are available to you:

- Upon termination of employment;
- In the event of death or disability; or
- At normal retirement age.

This is not a voluntary program. All eligible employees must submit an enrollment form. Complete the "Participant Enrollment Form" as well as the "Statement Concerning Your Employment in a Job Not Covered by Social Security" and return it to your supervisor or the Human Resources office. You must indicate your beneficiary designation on the enrollment form.

Once per calendar year you will receive a statement indicating all deposits and interest earned from Pelion Benefits, Inc. When you terminate or separate from employment, your account balance will be available for distribution. You may select a direct payment or a direct rollover to an IRA account or other qualified plan. Direct payments will be subject to mandatory Federal income tax withholding at a rate of 20% as well as State withholding where required. If you elect a direct rollover to an IRA or other qualified account, mandatory withholding is not required. There is a processing fee of the lesser of \$12 or interest earned on all distribution payments.

Upon termination of employment from the City of Manitowoc, you may request a Distribution Election Form from Pelion Benefits, Inc. at 1-888-532-7526, or you can obtain the form online at www.pelionbenefitsinc.com. Submit your completed Distribution Election Form directly to Pelion Benefits by mail, or fax to 984-219-6139.

If you have specific questions regarding your FICA Alternative account or about distribution of funds after your employment ends, contact:

Precision Retirement Group
103 N Bridge Street, Suite 270
Chippewa Falls, WI 54729
Phone: 800-238-9101

OR

Pelion Benefits, Inc.
3713-C University Drive
Durham, NC 27707
Phone: 888-532-7526
Fax: 984-219-6139

If you have general questions, call the Payroll office at 686-6964.