

# **BENCOR Special Pay Plan Q & A's for DROP Employees**

Revised 07/2010

## ***When are contributions made to BENCOR for DROP employees?***

Contributions are made to the BENCOR Special Pay Plan for employees when they enter DROP, at the end of each plan year in which they are enrolled in DROP, and upon their termination of employment. At this time, SPALC employees are not eligible for the Plan as it was not ratified by their bargaining unit.

## ***How are the end-of-plan year contributions calculated?***

1. The employee's end-of-year sick leave balance (less the 30-day holdback) is multiplied by the appropriate percentage taken from the DROP Sick Leave Table. (The percentage is based on the month and year the employee is scheduled to terminate from DROP.)
2. These eligible sick leave hours are multiplied by the employee's hourly rate of pay (base hourly rate + degree supplement).
3. This amount is then multiplied by the percentage of sick leave the employee is entitled to based on years of service in the District. (Employees with more than 12 years of service are eligible for 100%.)
4. If this amount does not exceed the plan year contribution limit, the full amount is sent to BENCOR. If the amount exceeds the plan year contribution limit, an amount equal to the plan year contribution limit is sent to BENCOR and any amount that exceeds the plan year contribution limit is retained in your sick leave balance and will be applied toward future BENCOR plan year contributions.

## ***What is the 30-day sick leave holdback?***

Thirty days of each DROP participant's sick leave balance is held back from the calculation of the annual contribution to the participant's BENCOR account each year until the final year in which the participant terminates employment (at which time the 30 days will be included in the calculation of the contribution for the final year of employment). Holding back 30 days of sick leave ensures that DROP participants (with a balance of 30 days or more) will retain a minimum beginning balance each year of 30 days of sick leave upon which to draw should they become sick. The holdback also helps protect the Sick Leave Bank

## ***When and where are my BENCOR contributions sent?***

Contributions are sent to Wells Fargo (Trustee for the BENCOR Plan). Wells Fargo then forwards the funds to Transamerica, the company that provides investment options for the BENCOR Plan.

***Will I be able to withdraw funds from my BENCOR account before I terminate employment with the School District?***

No, regular distributions may only be taken upon termination of employment. Loans (up to 50% of the participant's BENCOR account balance) are available, however, to active employees. Loans shall be for a prescribed term of no longer than five years, with no penalty for prepayment, and interest payments on any loan shall be credited to the participant's account.

***How is my sick leave balance affected by contributions to my BENCOR Special Pay Plan account?***

Your sick leave balance is reduced by the amount contributed to your BENCOR account. Your remaining sick leave balance is available for you to use and you will continue to accrue additional sick leave hours during DROP according to your work schedule.

***Who can I contact to discuss my various investment options?***

Michael Stephenson is the BENCOR Financial Advisor identified to assist School District of Lee County employees with the investment options available to them under the BENCOR Special Pay Plan. Mike can be reached at: (239) 283-8884  
(888) 258-3422  
mstephenson@bencor.com

***Do I need to enroll in the BENCOR Special Pay Plan?***

If you are eligible, you are automatically enrolled in the BENCOR Special Pay Plan. However, there is a BENCOR enrollment form in your packet that is used to designate your beneficiary and to choose your investment options.

***When should I send in the BENCOR enrollment form?***

You should send the BENCOR enrollment form to *BENCOR* Administrative Services (address on the form) during the month of June. If you do not send in a form, all funds will be directed to the Transamerica Financial Life Insurance Company Guaranteed Pooled Fund (Fixed) Account.

***How will I know how much is deposited in my BENCOR Special Pay Plan account?***

Each time a contribution is made to your BENCOR account, you will receive a BENCOR Special Pay Plan contribution worksheet from Payroll which explains how your contribution was calculated.

***How will I know my sick leave balance after the District has made the annual contribution to my BENCOR Special Pay Plan account?***

Your BENCOR Special Pay Plan contribution worksheet from Payroll will show your adjusted sick leave balance after the contribution has been calculated.