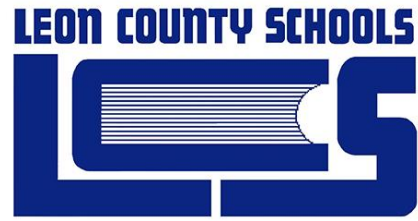


BENCOR Special Pay Plan Overview



The BENCOR Special Pay Plan is a retirement program consisting of two parts, the *first part* satisfying the requirements under **Section 401(a)** of the Federal tax law, the *second part* following the dictates of **Section 403(b)**. Together, these two parts are offered by BENCOR, Inc. as one Plan to help governmental units, as well as you as an employee, save up to 7.65% of Social Security and Medicare taxes on certain forms of "special pay" (as described below) contributed to the first and second parts of the Plan. The Plan also results in the *deferral* of your income taxes on that same special pay that is contributed under both parts of the Plan; income taxes are not imposed until you actually withdraw money from the Plan. The Social Security and Medicare tax savings are *permanent* because these taxes are not imposed on withdrawals from the Plan.

Frequently Asked Questions

Who participates in the Plan? To be eligible for the Plan, you must be in a category of employees designated as *covered by board policy*. If you are covered by such policy, then you will participate if you (i) are retiring, terminating or are entering into DROP, and (ii) have accumulated at least \$2,500 in "special pay" (sick leave pay, annual leave-vacation pay, incentive pay, etc.).

What should I do to set up my account? Your employer establishes your Plan account for you. Once your account is created, you should log on to your account to select your investment options as described below and update your beneficiary information to name the person or persons who should receive the funds in your account in the event of your death.

How is my account invested? The Plan offers a full array of investment options in which you may choose to invest amounts contributed to your account. If you do not choose investment options, your account will be invested automatically in your plan's default option, which may or may not be the best option for your 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 objectives and preferences.

What is contributed to the Plan? Contributions to the Plan consist of accumulated special pay that otherwise would be paid to you in cash at retirement or other separation from service. Contributions are made to the Plan at the time of your retirement or other separation, unless you are in DROP, in which case contributions are made to the Plan in each year of the DROP period leading up to your actual retirement date. In the latter case, the amount contributed each year depends upon the number of years in your DROP period. For example, an employee participating for a period of five (5) years will have Terminal Sick Leave Pay deposited as follows:

Initial Enrollment:	17% of balance of terminal sick leave
End of Year 1	20% of balance of terminal sick leave
End of Year 2	25% of balance of terminal sick leave
End of Year 3	33½% of balance of terminal sick leave
End of Year 4	50% of balance of terminal sick leave
End of Year 5	100% of balance of terminal sick leave

In addition to these employer-made contributions of special pay, you also may choose to "roll over" into the Plan monies invested in other eligible retirement plans or traditional IRAs, thereby consolidating your retirement savings in one place.

Is there a limit on the amount of Special Pay that can be contributed to the Plan? Yes. For 2018, the IRS limits contributions to the 401(a) part of the Plan on behalf of any participant to the *lesser* of \$55,000 or 100% of the participant's includible compensation for the most recent period counted as a year of service. If the amount of special pay exceeds the applicable limit for the 401(a) part of the Plan, any excess is contributed automatically to the 403(b) part of the Plan, again up to a maximum of \$55,000 for 2018, or 100% of the participant's compensation for the year, if less. In total, therefore, if a participant has other current compensation of at least \$55,000, up to

\$110,000 of special pay may be contributed to the Plan. If a participant's other current compensation is less than \$55,000, a different calculation applies, but a significant portion of special pay still may be contributed to the Plan.

Your employer never will contribute more to the Special Pay Plan on your behalf than is permitted by law. Any amount that cannot be contributed to the Plan will be paid to you as currently taxable compensation. Please consult your tax advisor or your BENCOR representative regarding your specific Plan contribution limits.

May I still make elective deferrals to another 403(b) or 457(b) plan? You still may elect to defer money into any other plans for which you are eligible, subject to all applicable limits imposed by Federal tax law, but no elective employee contributions may be made to the BENCOR Special Pay Plan.

Can I withdraw money from my account? Your account is always 100% vested and belongs only to you. The balance of your account is available for withdrawal at any time *after* your termination of employment, during DROP participation (penalties may apply), or upon total disability or death. In the case of your death, the beneficiary(ies) you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn in one or more cash distributions, which are taxable for the year of withdrawal, or in the form of a direct rollover to an IRA or other eligible retirement plan, which results in continued deferral of your income tax obligation. To request a withdrawal, download a Distribution Request Form from www.bencorplans.com. Additional information about income taxes and rollovers is included with the form.

Are my funds taxable and are there any penalties when I withdraw my funds? Income taxes are imposed for the year of withdrawal. Income taxes are deferred in the case of a rollover to an IRA or other eligible retirement plan, although rollovers to a "ROTH" IRA are currently taxable. The Special Tax Notice included with the Distribution Request Form provides general information about the taxation of distributions from the Plan. For specific tax information, consult an independent tax advisor.

There also is a 10% IRS penalty on withdrawals from the 401(a) or 403(b) part of the Plan unless taken after your retirement and you are at least age 55 in the year that you retire. Your employer has chosen to "make whole" those employees who fall within this category (only if the employee is separating from service, not participating in DROP) if they request all of their funds from the Plan Administrator within the period specified by the employer's policy. Contact your Payroll or Benefits Departments for more information on this program.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 ½ or retire, whichever is later, or following your death, if earlier.

Can I borrow from my account? You may be eligible to borrow up to 50% of your account balance. The minimum loan amount is \$1,000. The amount available to borrow is affected by any other Plan loans you have received. An initiation fee of \$75 is deducted from your account each time you take a loan. A quarterly loan maintenance fee of \$6.25 also applies but not in the quarter the loan is issued. There is a maximum of two (2) loans allowed. Please visit www.bencorplans.com to view loan availability and request a loan.

Will I receive statements? Statements showing your account activity and ending balance are provided after the close of each calendar quarter. You may enroll in e-statements online to save mail time, paper and ink.

Are there any fees? There are no administrative fees charged to your account unless your balance is less than \$1,000 *and* no contributions have been made to your account for more than two years. At that time, if you do not elect a distribution, a monthly maintenance fee will apply.

