



HUMAN RESOURCES

Retirement Plan Alternative “OBRA” for Part-Time, Seasonal, Intermittent and Temporary Employees

Washoe County is pleased to announce a program for all part-time, seasonal, intermittent and temporary employees. The primary purpose of this Plan is to provide a retirement plan alternative to Social Security for all part-time, seasonal, intermittent and temporary employees as set forth in the Omnibus Budget Reconciliation Act of 1990 ("OBRA"). In addition, this plan permits part-time, seasonal, intermittent and temporary employees of Washoe County to enter into an agreement which will provide for deferral of payment of a portion of their current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of Section 457 of the Internal Revenue Code of 1986, with other applicable provisions of such Code, and in accordance with the General Statutes of the State.

If you have any questions regarding this plan, please contact Human Resources at 775-328-2081; Voya Representative: Tom Verducci at 775-775-530-3089 or Voya's Retirement Readiness Service Center at 800-584-6001.

Some frequently asked questions are:

- Q. What is a Section 457 deferred compensation plan?**
Established under internal revenue code section 457, deferred compensation plans are tax deferred, supplemental retirement plans. Contributions to 457 plans are not subject to federal income tax at the time of deferral.
- Q. Why am I required to participate?**
The Omnibus Budget Reconciliation Act of 1990 (OBRA) requires that all state and local governmental employees be covered by social security or an employer retirement plan.
- Q. Is participation in the deferred compensation plan mandatory?**
Yes. Your employer will automatically deduct the required 7.5% of gross salary to provide you, as a part time, seasonal, intermittent or temporary employee with a defined contribution plan in lieu of social security coverage.
- Q. Where are the contributions invested?**
Contributions will be directed to Voya's Fixed Account. The Fixed Account provides safety of principle and a competitive rate of return.

- Q. If my contributions are not currently taxable, do I need to make any adjustments to my tax returns each year?**
No. Your employer will make the necessary adjustments on your W-2 form, lowering your gross wages by the amount that you contributed in each tax year.
- Q. When will I have to pay income tax on my deferred compensation account?**
All distributions will be taxed as "ordinary income." Taxes are payable on amounts distributed to you in the year of receipt.
- Q. When can I withdraw my money?**
Assets in the plan may be withdrawn upon termination of employment, regardless of age.
- Q. Are there any penalties at withdrawal?**
No. There are no penalties or early withdrawal provisions applicable to the plan.
- Q. What are the payout options available to me when I separate from service?**
Payout options include lump sum and designated amount on a monthly, quarterly or annual basis.
- Q. Will I receive any account statement?**
Yes. Participants will receive quarterly statements by mail.
- Q. How can I check my account balance in addition to checking my statement?**
You can contact Voya's Retirement Readiness Service Center and speak to a Customer Service Associate at 800-584-6001 or visit the website at www.washoeco.beready2retire.com.
- Q. Do I need to notify anyone if I change my name and/or address?**
Yes. You can contact Voya's Retirement Readiness Service Center and speak to a Customer Service Associate at 800-584-6001.
- Q. Are there any fees or charges for participating?**
Yes. A total asset based fee of 0.8% to cover recordkeeping and administrative expenses is applied to all deferred compensation accounts.
- Q. What if I become a full-time employee with my employer?**
If you become a full-time employee, you may transfer the value of your OBRA Account to the voluntary 457 plan available to full-time employees.



**HUMAN
RESOURCES**

Retirement Plan Alternative “OBRA” Acknowledgement for Part-Time, Seasonal, Intermittent and Temporary Employees

I have read and understand the Plan for all part time, seasonal, intermittent and temporary employees, regarding OBRA information.

I understand that Washoe County does not contribute to social security on my behalf for monies earned and I have read and understand the option explained to me regarding this additional retirement plan offered by Washoe County to replace the lack of Social Security contributions.

It has also been explained to me that that this plan is not optional under The Omnibus Budget Reconciliation (OBRA) act of 1990, requiring all state and local governments to cover employees under the social security or an employer retirement plan.

Employee Signature

Date