

Procedure to Pay Final Wage and Leave Payout

These are the procedures to pay final wages for retirees and other terminated employees terminal leave payout for sick and annual (vacation) time.

Final Wages – Terminated and Retiring Employees

- Employees in year-round positions will receive a regular biweekly paycheck on June 29, 2018 if their final day of service is 6/30/2018. This covers the 6/09/2018 – 6/22/2018 pay period. Employees will be paid for 6/23/2018 - 6/30/2018, which falls into the following pay period, on 7/13/2018.
- Employees in positions that are not year-round are considered to be deferred employees. If you are on a 26-pay frequency and if Human Resources has inactivated your job screen no later than June 7, 2018 you should receive your balance of payment in a lump sum on June 29, 2018 or as soon as is practicable. Should the above cutoff date not be met, summer paychecks will be issued and distributed throughout the summer on the regular pay dates in accordance with the FY18 Pay Calendar.
- Employees who are terminating from DROP on 6/30/2018 will be issued summer paychecks and they will be distributed throughout the summer on the regular pay dates in accordance with the FY18 Pay Calendar

Terminal Leave Payout for Sick and Vacation Time

Personnel who resign, terminate, decease, or retire with a minimum of six (6) years of service employment, shall receive compensation for unused sick leave at the maximum allowable percentage per Florida Statute:

- ◆ Six (6) years of service..... 40%
- ◆ Seven to ten (7-10) years of service.....45%
- ◆ Ten to twelve (10-12) years of service.....50%
- ◆ Twelve years plus one day (12 plus) years of service.....100%

All bargaining groups shall receive payment based on the current rate of pay. All non-bargaining administrative personnel shall be compensated at the rate of pay for the year in which the hours were earned, beginning in 2004, as per State Statute.

Who is eligible for vacation payment?

All twelve (12) month employees are eligible for payment of accrued vacation time upon termination, death, retirement or upon entering DROP, up to a maximum of 480 hours or 500 hours if contract language supersedes state statute. Any leave in excess of the maximum will be forfeited pursuant to state statute and Board policy. Payout amounts cannot be determined until the fiscal year is complete; all leave used must be reported and all leave earned must be posted.

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What is the method of payment?

Employees with ten (10) or more years of consecutive District service shall have payment made in accordance with Board Policy and Contract language to **Bencor Administrative Services**.

When can I expect to receive payment?

At fiscal year end when terminations and retirements are at the greatest level, payment processing may take six (6) to eight (8) weeks from date of termination/retirement. Every effort will be made to expedite payments. Payments to Bencor Administrative Services are remitted twice each month after pay day and may take two weeks to post to individual accounts.

What is BENCOR?

The Bencor National Government Employees Retirement Plan™ (Bencor Special Pay Plan™) is offered by BENCOR, Inc. to help governmental units and their employees save up to 7.65% of Social Security/Medicare taxes and to defer income taxes on eligible Plan contributions. Provided below is an explanation of how the Plan works:

Eligibility:

- Employees covered under this Plan by board policy, who are retiring or terminating with at least ten (10) years of service or entering into DROP and have accumulated "Special Pay" (terminal pay, sick leave pay, annual leave pay, etc.), will participate in this Plan.
- Accumulated "Special Pay" will be placed into the BENCOR NATIONAL PLAN™ subject to contribution limits.

Contribution Limits

- Contributions to the 401(a) Plan cannot exceed 100% of Plan Year Salary or \$55,000 (the current limit for 415(c)(1)(A) – whichever is less).
- If your Plan Year Salary is less than \$55,000, a different calculation will be used to determine your Plan contribution limit.
- The maximum Special Pay Plan contribution limit is calculated each year.
- In addition, you can fully fund your elective-deferral 403(b) or 457 accounts.
- Please consult your tax advisor or your BENCOR advisor regarding your Plan contribution limits. BENCOR Advisors can be reached at 877-377-1266.

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Investments & Investment Expenses

- Initially, Special Pay Plan contributions are automatically invested into the Transamerica Financial Life Insurance Company Guaranteed Pooled Fund. This is a principal-guaranteed, interest-bearing account. There are no front-end loads, back-end loads, surrender charges, administrative fees, 1099 fees or any other fees charged against this account. This account is fully liquid. **There is a guaranteed minimum rate of return.**
- An asset management and administration fee is reflected in the guaranteed interest rate on the fixed investment option and the unit values of the mutual fund investment options.
- The participant can self-direct funds among an array of investment choices.
- No administrative fees are charged to your account unless no contribution has been deposited for two (2) years AND your balance is less than \$1,000. At that time, if you do not elect a distribution, an account maintenance fee will be applied -- currently \$1.80 per month.

Distributions

- Distributions from the Bencor account may be taken at termination of employment, or upon total disability or death.
- The participant may choose to leave money in the Plan, self-directing future investments and taking distributions as desired in a *tax-deferred manner*. Distributions may be taken in a lump sum or periodic payments may be taken monthly, quarterly, semi-annually or annually. (Remember, it may be advantageous under Federal tax laws to delay taking distributions until a later tax year when the individual's tax rate may be lower).
- A participant (or surviving spouse) may "roll over" the Plan balance into an IRA or into another qualifying plan. In addition, participants can roll money from an IRA or another plan into the BENCOR Plan.
- To receive a distribution, the participant must initiate the process by *requesting a distribution packet* from BENCOR Administrative Services at **1-877-377-1266**
- Distributions will be processed in a timely manner with minimum waiting.
- There is no 10% IRS penalty if the employee is at least age 55 in the year of separation from employment.
- Please consult your tax advisor for information regarding the taxability of Plan distributions.
- Loans – For *loan* provisions, contact the BENCOR Administrative Services at **1-877-377-1266**.

If you have any further questions, please refer to the phone numbers provided in this job aid for assistance.