

Summary Of Walton County Pension Benefits

Introduction

This summary does not give full details of the Plan nor does it cover all points. The complete documents under which the Plan is operated are available to you in the Human Resources Office. In the case of any conflict between this Summary and provisions of the Plan documents, the provisions of the Plan documents will prevail.

Description of Plan

Walton County has a diverse employee population. In an attempt to provide retirement benefits to fit the needs of this diverse employee population, the County provides a three-tiered approach to retirement benefits. The County's retirement consists of a Defined Benefit Plan, a Defined Contribution Plan (401a), and a Deferred Compensation Plan (457b).

1. Defined Benefit Plan

The County's Defined Benefit is what is often considered the traditional type of retirement plan. It is called a defined benefit plan because the retirement benefits you will receive during retirement are set or defined by your employer. The benefit amount is based on a formula that takes into account your salary, years of service and age. In addition, you have several payment options that will increase or decrease your actual monthly benefits. The plan provides a fixed monthly benefit payment to you for at least your lifetime. Based on the payment option selected, payments may also extend to your beneficiary after your death.

2. 401(a) Defined Contribution Plan

This plan establishes an individual retirement account that contributions are made to by Walton County and you (2-5% by Walton County and 2% by you). The benefits you receive during retirement will be based on the amount of contributions made to your account and the level of investment earnings throughout your career with Walton County, no set or defined level of benefits is established by the county. Earnings in the 401(a) plan are taxed deferred.

3. 457(b) Deferred Compensation Plan

The County also offers a 457(b) Deferred Compensation Plan. The Deferred Compensation Plan allows an employee to "defer" some of their current pay into an individual investment account for use, with investment earnings, in the future. Walton County will contribute an additional 2-3% into your 401(a) Defined Contribution Plan if you elect to contribute 2-3% or more into one of the 457(b) Deferred Compensation Plans. Earnings in the 457(b) plan can be tax deferred.

Eligibility for participation in the Plans

Defined Benefit – New hires are eligible on their date of hire. Eligible employees hired prior to January 1, 2004, will have a January 1, 2004 participation date, unless they purchased prior years of service during the 2019 buyback window.

Defined Contribution - Eligible employees begin participation after completing one (1) year of service.

Deferred Compensation – Employees become eligible to participate in the plan on their date of hire.

Plan Provisions

Defined Benefit

Employee Contribution – Employees must contribute 2% of their compensation on a pre-tax basis.

Vesting – If you have completed five (5) years of service when you terminate employment from the County, you are entitled to your full benefit from the Plan payable at Normal Retirement. If you have completed four (4) years of service but less than 5 at the time of termination from the County, you are entitled to 50% of your benefit from the Plan, payable at Normal Retirement. If you have completed less than four (4) years of service at the time of termination from the County, you are not entitled to a benefit from the Plan.

Normal Retirement Age – The later of age 65 or three (3) years of plan participation.

Benefit Formula – The following is the benefit formula used to calculate the benefit payable at your Normal Retirement Date:

1.25% times your Final Average Compensation x Years of Service = Annual Benefit

Final Average Compensation – The average of your compensation received during the sixty highest paid consecutive months out of the last one hundred twenty months prior to termination of employment with the County.

Years of Service – Calendar years and complete months of service. Vesting will include all years of service. Benefit calculation will be based on the later of your date of hire or 1/1/2004, unless you purchased years of service during the 2019 buyback window.

Reduced Early Retirement – You are eligible to retire as early as age 55 provided you have at least ten years of service at the time of termination of employment from the County. This benefit will be actuarially reduced because you will receive the benefit over a longer period of time.

Unreduced Early Retirement – You are eligible to retire early with an unreduced benefit as early as age 55 provided you have at least twenty five years of service at the time of termination of employment from the County. This is called a “Rule of 80” with a minimum age of 55.

Disability Benefits - Prior to applying for disability from the Plan, you must receive the Social Security Disability Award Letter, which declares you totally and permanently disabled. You may be eligible to receive a disability benefit from the Plan if you are an active employee and have at least ten years of service with the County. You may be required to submit evidence of continued eligibility for disability pension at any time. If you qualify for disability, your first check is payable the later of age 50 or the effective day of the first Social Security Disability monthly benefit.

Death Benefits

Active participants – If you die while still employed by the County, there is a death benefit equal to fifty (50) times your monthly pension benefit projected to your Normal Retirement Date.

Terminated Participants – If you completed at least ten year of service when you terminate employment with the County, and die prior to receiving your retirement benefit from the Plan, your beneficiary will receive 50% of your earned benefit, payable for 10 years.

Retirees – When you apply for your retirement, you may elect a form of benefit payment that will provide a monthly benefit to your beneficiary after your death.

401(a) Defined Contribution Plan

Employee Contribution – Employees must contribute 2% of their compensation on a pre-tax basis.

Employer Contribution – Walton County will contribute 2% of your compensation, plus 100% match of a 2-3% contribution made by you into one of the 457 Deferred Compensation Plans.

401(a) Defined Contribution Plan continued...

Access to Money in Account and Distribution Options – You are eligible to receive the County's contributions to the plan according to the following vesting schedule:

<u>Years of Service</u> (at termination)	<u>Vested Percentage</u>
1	0%
2	0%
3	0%
4	50%
5	100%

*You are fully vested in your contributions instantly; however, you cannot receive it until you terminate employment.

You may rollover your funds to another plan or an IRA; or you may elect a lump sum distribution, which is subject to 20% federal tax withholding. You may be subject to a tax penalty if the funds are withdrawn before age 59 ½.

Investment of contributions – You will receive a choice of investment options and will choose the options that will help you reach your retirement goals. You can change investment choices or realign fund balances as often as you like.

Benefit Statements – You will receive a comprehensive benefit statement as soon as administratively possible after the close of each quarter.

Access to Account Information – Account information can be accessed through the internet at www.gebcorp.com, or you can call the toll free voice response unit at 866-482-7101.

457(b) Deferred Compensation Plan

Purpose – A 457(b) Deferred Compensation Plan allows employees to put money in an account for retirement on a tax-deferred basis. The account is in your name and you control it. The plan has a number of investment options and you invest the money in the manner you choose. You may change your investment choice anytime you want. Walton County offers two Deferred Compensation Plan providers, GEBCorp and VALIC. You may choose to invest with only one provider or invest with both. The total amount deferred must not exceed the amount permitted by law. The Human Resources Department or plan representative can tell you the annual amounts permitted each year by law.

Tax Information – Employee contributions to the Deferred Compensation Plan are not taxed until the participant withdraws the funds. Earnings on the account are not taxed until withdrawn.

When can you get your money? - Except for unforeseen financial emergencies, distributions are normally made upon termination of employment or death.

Unforeseen financial emergencies – Current regulations define an unforeseeable emergency as severe financial hardship resulting from a sudden and unexpected illness or accident of the participant or a dependent, a loss of property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control. Any amount distributed from the plan, as the result of an emergency, cannot exceed the amount reasonable needed to satisfy the emergency.

Portability – If you change employers, you may be able to transfer your Deferred Compensation Plan account to another eligible Deferred Compensation Plan. You may also roll over your Deferred Compensation Plan account to another tax-qualified plan that accepts rollovers or to an IRA.

Access to Accounts – Both providers offer easy access to your account information either through the internet or toll-free phone numbers. In addition, representatives from each provider regularly schedule time at county offices to meet with county employees.

ROTH 457(b) Deferred Compensation Plan

Purpose – A Roth 457(b) Deferred Compensation Option allows employees to put money in an account for retirement on a POST-tax basis. The account is in your name and you control it. The plan has a number of investment options and you invest the money in the manner you choose. You may change your investment choice anytime you want. Walton County's ROTH option is only offered through GEBCorp. The total amount deferred must not exceed the amount permitted by law. The Human Resources Department or plan representative can tell you the annual amounts permitted each year by law.

Tax Information – Employee contributions to the Deferred Compensation Roth Plan are post-tax.

When can you get your money? - Distributions are normally made upon termination of employment or death.

Unforeseen financial emergencies – This option is not available for Roth 457(b) plans.

Access to Accounts – GEBCorp offers easy access to your account information either through the internet or toll-free phone number. In addition, the GEBCorp representative regularly schedules time at county offices to meet with county employees.

Insurance Benefit for Retirees

Employees who are retiring with 20 years of service and are at least 62 years of age are eligible for EMPLOYEE ONLY health coverage paid for by Walton County until age 65 or until they have other insurance, (i.e. Medicare, etc.)

Walton County Retirement Benefits



Defined Benefit Pension Plan

2% Mandatory Employee Contributions

Eligible for full retirement at age 65.

Reduced Early retirement on the later of age 55 or 10 years of service (actuarially reduced by a percentage).

Unreduced Early retirement at age 55 with 25 years of service. This is called a "Rule of 80" with a min. age of 55.

Benefit is 1.25% of your annualized average monthly compensation multiplied by your years of credited service.

Multiple payment options are available and include survivorship and certain life options. Lump sum payments are not available through this plan.

401(a) Defined Contribution Plan

2% Mandatory Employee Contributions

2% Employer Contributions

An additional 2-3% employer contribution (match) will be made if employee voluntarily contributes 2-3% into one of Walton County's 457(b) Deferred Compensation plans.

Eligible for retirement distribution at age 59 ½ with no penalty (distributions made before age 59 ½ will incur a 10% tax penalty).

Payment options include: lump sum, periodic payments or a rollover into another qualified plan upon separation of service.

457(b) Deferred Compensation Plan

100% Voluntary Participation by Employee

An additional 2-3% employer contribution (match) will be made into your 401(a) plan if you voluntarily contribute 2-3% into this plan.

Maximum contribution changes annually

Eligible for distribution upon separation of service with no age restriction or penalty.

Payment options include: lump sum, periodic payments or a rollover into another qualified plan upon separation of service.

Roth post-tax contribution option

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