

ASCIP Social Security Alternative Plan Offerings

ASCIP offers Member Districts two Social Security alternative plans to choose from, allowing you to select the type of program and contribution structure that works best for your district's needs. While the two plan options, the Defined Contribution Plan and the Defined Benefit Plan are fundamentally different, both satisfy the OBRA requirements for alternative retirement plans offered to part-time, temporary and seasonal employees. Both plans provide options far less costly than the overall 12.4% contribution required under Social Security (6.2% from each, the employer and the employee).

Defined Contribution Plan

The Defined Contribution (DC) plan operates under section 457(b) of the IRC and the investments are offered through MetLife Securities and Metropolitan Life Insurance Company. The DC plan requires a 7.5% contribution level, but also allows for this contribution to be split between the district and the employee.

Other advantages of the DC plan option include:

- Immediate vesting
- Employee contributions are made with pre-tax dollars
- Interest earnings are guaranteed
- Upon termination, distributions can be rolled over into other tax favored plans or made in cash

Defined Benefit Plan

The Defined Benefit (DB) plan operates under section 401(a) of the IRC, and is administered by SISC and offered in partnership with ASCIP. The DB plan is non-contributory (100% district paid), with the contribution percentage actuarially determined each year. The contribution amount for 2008 has been set by SISC at 3.5%, far below the required contributions under Social Security.

Benefits under the plan are based on a formula that uses the average annual pay for the employee's highest three consecutive years and multiplies this times 1.5% and the total years of service to get the annual benefit payable at age 65. Benefits can then be paid out as a lump sum or as a monthly benefit amount (the annual benefit calculated divided by 12).

**See the front of this page for information on the
Unum Provident LTC Insurance Offerings**

The chart above only provides highlights of the benefits offered by ASCIP and are subject to change to be in conformance with benefit provisions required under health care reform legislation (ACA). If there are inconsistencies between this chart and the official plan documents, the plan documents will govern. ASCIP may modify, amend or terminate any of the benefit plans at any time, with or without notice. This chart does not serve as a contract.