MEMBER DISTRICT 457(B) PLAN

The Fringe Benefits Consortium (FBC) assists your school district in maintaining an IRS compliant 457(b) Plan to help employees accumulate money for their long term financial needs.

WHAT IS A 457(b) PLAN?
A 457(b) Plan is a tax-deferred (pre-tax) retirement savings plan made available to employees of governmental entities. This lowers your current taxable income and helps your long term savings grow faster.

CONTRIBUTION LIMITS
You may elect to save:
- Up to 100% of your income
- Up to $17,000 in 2012
  - Extra $5,500 if age 50+
  - Extra $17,000 if within 3 years of retirement

GENERAL PLAN INFORMATION
Plan Administrator:
Fringe Benefits Consortium
6401 Linda Vista Rd. Room #505
San Diego, CA 92111-7399
Compliance Administrator:
National Benefit Services, LLC
8523 South Redwood Road
West Jordan, UT 84088
(800) 274-0503 ext. 5

ELIGIBILITY
All school district employees are eligible to participate in the Plan.

HOW TO JOIN THE PLAN
1. Complete the FBC Nationwide Enrollment Form. Use this form to set up your account by selecting your investment elections and designating a beneficiary for your account.
2. Complete the FBC Salary Reduction Agreement (SRA). On this form you will designate the amount of your pay you wish to have forwarded to the Plan each pay period.

EMPLOYER CONTRIBUTIONS
The Plan is not funded by any employer contributions. All contributions to the Plan are employee deferrals.

CONTRIBUTION CHANGES
You may change the amount that you contribute to the 457(b) Plan by using the FBC Salary Reduction Agreement.

INVESTMENT CHOICES
The FBC’s 457(b) Plan is a single-vendor pooled trust arrangement established with Nationwide Life Insurance Company.

There are currently 48 mutual fund investments offered within the Plan. The options are diverse with stock based mutual funds (large-cap, small-cap and mid-cap), bond based mutual funds, stable value funds – including a fixed account and money market account, life style funds (aggressive, moderate, conservative, etc), and the option to have a professional money manager manage your account for you.

The FBC’s Investment Advisory Committee meets regularly to monitor the investments that are included in the program to ensure that the core investments are meeting the Plans expectations.

INVESTMENT CHANGES
You can change your future investment allocations by accessing your account online at www.fbcetire.com or by using the voice response unit established at Nationwide for the Plan by calling (800) 772-2182.

You can also transfer funds among investment options or realign your entire account by accessing your account online. Changes can also be facilitated by calling Nationwide Customer Service by calling (888) 867-5175 and referencing Group Account #196-80051.

VESTING
You are always 100% vested in your 457(b) account maintained under this Plan.

DISTRIBUTIONS FROM THE PLAN
You or your beneficiary will be able to withdraw your vested balance when one of the following occurs:
- Retirement
- Total Disability
- Death
- Termination of Employment

A distribution processing fee of $50 applies.

LOANS
Your Plan allows for loans, and will allow you to borrow up to 50% of your account balance or $50,000 (whichever is less). The Plan has a minimum loan amount of $1,000. The interest rate on Plan loans is prime + 2%.

General loans may be amortized over 1 to 5 years. Residential loans may be amortized up to 15 years. All loans will require at least quarterly loan payments. Loan payments, both principle and interest, will be deposited back into your own account.

A loan origination fee of $65 applies. Also, an annual loan maintenance fee of $50 will be assessed each year the loan is maintained.

HARDSHIP DISTRIBUTIONS
Your Plan allows for unforeseeable emergency withdrawal distributions. Unforeseeable emergency withdrawals are taxable, and are subject to IRS regulations.

To qualify for this type of distribution the following circumstances must be proven:
- Severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or beneficiary, the participant or beneficiary’s spouse, or the participant or beneficiary’s dependant.
- Loss of the participant’s or beneficiary’s property because of casualty or other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

ADMINISTRATIVE FEES
The following fees apply to the program:
- 0.25% asset based administration fee and wrap fee.
  - Vanguard and American Funds investments carry an additional 0.35% asset based wrap fee.
- $1.33 per month recordkeeping charge and statement fee
- $2.00 per month compliance fee assessed to active contributors

There are no front-end loads, back-end loads or surrender fees.