

THE APPLE TEAM



Keenan Financial Services

Consultant

- Provides ongoing information
- Primary contact for the District and MidAmerica Administrative Solutions
- For questions about enrollment, call 800.444.9995 ext 3671

MidAmerica Administrative Solutions

Record Keeper

- Maintains plan records
- Produces annual individual statements
- Mails distributions and refunds
- Resource for all participant questions
- For customer service or questions about the plan, call 800.634.1178
- www.midamerica.biz

American United Life Insurance Company (AUL), a OneAmerica Company

Insurance / Funding

Annuity contracts for this product are underwritten by American United Life Insurance Company (AUL)

401(a)

Keenan

Innovative Solutions. Enduring Principles.

2355 Crenshaw Blvd., Suite 200
Torrance, CA 90501
800.444.9995 ext 3671
keenan.com/fs

Keenan & Associates | CA License #0451271 | 18.BRO.02.01

An outstanding alternative to Social Security for Schools and Community Colleges

for part-time and limited service employees

Accumulation Program for Part-time and Limited-service Employees



APPLE Actions

- Enrollment is automatic upon employment.
- Annual statements of account balance will be mailed to each participant approximately six weeks after the fiscal year ends.
- Distribution of participant account balances are available upon separation from the District, change of employment status, death, or permanent disability.
- If requesting a distribution, a participant must fill out a Request for Settlement of Account (RSA) form and return it to MidAmerica.
- Distributions will be made as soon as practical on a monthly basis.
- The District office has a complete copy of the Plan Document and Summary Plan Description for review.



What is APPLE?

- A qualified plan under 401(a) of the Internal Revenue Code for part-time and limited service employees.
- Established as an alternative to Social Security.
- Each employee of the District who is not covered under the Public Employee's Retirement System (PERS) or the State Teachers' Retirement System (STRS), and is not covered under a collective bargaining agreement that precludes coverage under this Plan, is an eligible employee.
- An employee is eligible to participate in the Plan after earning at least one hour of service for the District.
- Tax-deferred contributions accumulate in individual participant accounts and may provide additional retirement income.
- Combined employee/employer contribution is 7.5% of compensation.
- All assets of the Plan are held in a group annuity with a Fixed Interest Account and earn an annually adjusted minimum guaranteed interest rate. The guaranteed minimum interest rate will not be less than 1% or greater than 3%, however, the actual credited interest rate may be higher.
- A participant is always 100% vested.

APPLE Benefits

- Increased take-home pay.
- Pre-tax accumulation.
- Account balance is available to be paid upon separation of service from the District.
- Account balance may be paid to the participant's designated beneficiary.
- If a participant transfers to a category of employment covered under the Public Employees' Retirement System (PERS) or the State Teachers' Retirement System (STRS), they may be entitled to receive an in-service withdrawal of the account balance. To determine eligibility for an in-service withdrawal, please call MidAmerica's customer service line at 800.634.1178.
- APPLE Web Site: keenan.com/fs
 - Online Internet participant access to account activity and balance information.
 - Ability to update participant information such as name and address changes.
 - Convenient access to APPLE Plan materials, forms and reports.
 - Option to customize and print personal Statements of Account.
- Benefits are paid in a single lump sum payment, less mandatory 20% Federal withholding tax, and applicable state tax, or may be rolled over to an Individual Retirement Account (IRA) of your choice.*

* 10% early withdrawal penalty may apply if withdrawn before age 59½.



Southwestern Community College District

Frequently Asked Questions

What is an APPLE plan?

APPLE stands for Accumulation Program for Part-time and Limited service Employees. This plan is offered as an alternative to Social Security and provides retirement and payroll benefits to part-time, seasonal and temporary employees.

MidAmerica Administrative & Retirement Solutions (MidAmerica) is the plan administrator of the APPLE plan.

Who is required to participate in the plan?

If you are a part-time, temporary or seasonal employee not participating in a state retirement plan, you are required to participate in the plan.

What type of plan do I have?

Your plan is a 401(a) Deferred Compensation Plan

How are contributions made to my account?

You will have a 3.75% contribution automatically deducted from your paycheck. Your employer will also contribute 3.75% to your account per pay period.

When do I become eligible to take a distribution?

You are able to request a distribution if:

- You no longer work for your employer
- You went from being a part-time employee to a full-time employee

If you have legacy funds invested in the Money Purchase Plan (MPP), you are only able to request a distribution if:

- You no longer work for your employer
- You are at least 70 ½ years old

There is an IRS 10% penalty for distributions taken prior to age 59½ for plans such as this. However, if you are at least age 55 upon separation and remain separated, the penalty does not apply. If you return to work prior to age 59½ for the same employer for more than 20% of your preretirement schedule, to avoid the penalty, you should suspend distributions until you reach age 59½.

Am I required to take a distribution?

Once you've met certain age requirements, you are mandated by the Internal Revenue Service (IRS) to receive Required Minimum Distributions (RMDs). The following RMD age requirements are based on legislative changes that went into effect on January 1, 2020:

- If you were born on or before June 30, 1949, you must take your first RMD by April 1 of the year following (a) attainment of age 70½ or (b) retirement, whichever is later, and by December 31 each year thereafter.
- If you were born after June 30, 1949, you must take your first RMD by April 1 of the year following (a) attainment of age 72 or (b) retirement, whichever is later, and by December 31 each year thereafter.

If you do not begin receiving your RMD, the IRS applies an excise penalty tax equal to 50% of your total RMD not distributed during the taxable year. As part of MidAmerica's service to you, we will send you a communication noting the amount of your RMD beginning in the year you reach the age requirement.

How do I request a distribution?

You can request a distribution by completing a Request for Settlement of Account Form, which can be obtained by logging into your account on our secure website, www.myMidAmerica.com. Your temporary login is your Social Security number and your temporary password is the last four digits of your Social Security number.

You can also obtain the form by calling or emailing our Customer Service department at (800) 634-1178 or accountservices@MyMidAmerica.com.

When will I receive my distribution?

Distributions are issued in the second half of each month. We must obtain authorization from your employer

Are there taxes on distributions?

Federal taxes of 20% are withheld from lump-sum distributions over \$200. An additional 10% of the federal withholding is withheld for state taxes. Taxes are not withheld from rollover distributions.

Are hardship withdrawals allowed on the plan?

Hardship withdrawals are not permitted on the plan.

Where are funds invested?

Funds are invested in a fixed annuity with a guaranteed rate of return. Investments are provided by American United Life Insurance Company®, a OneAmerica® Company (AUL). For more information on your investments, please visit www.oneamerica.com.

How often will I receive account statements?

You will receive paper statements on an annual basis. However, you may access your account activity anytime by logging in to your account on our secure website, www.myMidAmerica.com. Your temporary login is your Social Security number and your temporary password is the last four digits of your Social Security number. You will then be asked to change your username and password.

Are there any fees?

There are no fees associated with your plan.

Does this plan affect my Social Security benefits?

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision" located here: <https://www.ssa.gov/planners/retire/wep.html>.

How can I view my account balance and transaction history?

Please log into www.myMidAmerica.com. Your username is your Social Security Number (SSN) and your initial password is the last four digits of your SSN.

Questions?

If you have questions regarding your plan, please contact MidAmerica Administrative & Retirement Solutions (MidAmerica), the plan administrator, at (800) 634-1178 or email us at accountservices@myMidAmerica.com.

For investment or plan information related questions, please contact your Keenan & Associates Representative at 800-444-9995.

