



National Life
Group®



Welcome to Your FICA **Alternative Retirement Savings Plan**

As a part-time, seasonal, or temporary (PST) employee, you are eligible to participate in a special type of plan called a FICA Alternative, a retirement savings benefit that you own and keep for life!

Rather than a deduction from your paycheck for Social Security payroll tax (also called Federal Insurance Contributions Act or FICA), your payroll deduction instead is directed into a retirement plan backed by an annuity that protects your premiums paid and interest earned, and declares a guaranteed fixed rate of interest each year.

How Does Your Savings Grow?

- ✓ Instead of paying Social Security taxes on an after-tax basis, you save 7.5% of your wages on a pre-tax basis.
- ✓ Enrollment is automatic and your income tax-deferred contributions to the plan are automatically deducted from your wages.
- ✓ Payroll deductions are directed into a retirement plan that is backed by an annuity.
- ✓ Retirement savings grow in the plan more rapidly due to tax deferral.
- ✓ The group unallocated annuity issued by Life Insurance Company of the Southwest, a member of National Life Group, protects your premiums paid and interest earned, and declares a guaranteed fixed rate of interest each year.



Products issued by

Life Insurance Company of the Southwest®

National Life Group® is a trade name of National Life Insurance Company, founded in Montpelier, VT in 1848. Life Insurance Company of the Southwest, Addison, TX, Chartered in 1955 and their Affiliates. Each Company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

Save With Confidence

National Life Group is the #1 issuer of fixed indexed annuities in employer plans.¹ Our fixed annuity policyholders have never lost a penny of their contributions or interest earned due to stock market volatility.² Plus, you benefit from:



Competitive

fixed rate of interest³



Secure

savings not subject
to market loss



Fully liquid

to the participant with
penalty-free withdrawals
subject to plan and
contract restrictions

Frequently Asked Questions

Understanding the FICA Alternative Plan

While you will no longer be eligible to make contributions to the plan, you may

- ✓ Keep your savings growing within the plan.
- ✓ Roll your account balance to another eligible plan (i.e. traditional IRA, 403(b) or 457(b) employer plan).
- ✓ Start receiving the benefit payout at which point the funds are taxed as ordinary income.

Can I access my savings while still with my employer?

Yes, you may take an in-service withdrawal or roll over your account to another retirement benefit once you are vested and deemed eligible by IRS age limits.

When am I eligible for a distribution?

- ✓ You may begin distributions under any one of the following conditions.
- ✓ Terminate from your employer without any intention of returning to work for them in the next 12 months.
- ✓ Retire, and are no longer working for your employer.
- ✓ Become permanently disabled.
- ✓ Transfer your account balance to purchase permissive service credit from your state retirement plan.

Are distributions from the plan subject to the premature distribution penalty tax?

No, your savings are fully liquid and never subject to the 10% excise tax.

While there are no fees associated with the annuity used to fund the plan, please check with your Third Party Administrator (TPA) for any plan-related fees, to make changes to your plan, or to request a distribution.

Group Annuity, forms 20602(0119) and 20603(0119), is issued by Life Insurance Company of the Southwest.

1. LIMRA US Individual Annuity Industry Sales Report, 3Q2023.

2. Indexed annuities do not directly participate in any stock or equity investments.

3. Interest is guaranteed to the plan.