

## RETIREMENT/DEFERRED COMPENSATION QUESTIONS & ANSWERS

- Q: Are federal and state taxes withheld from pension checks?  
A: Federal taxes are withheld. Pension payments are not state taxable; therefore, state taxes are not withheld.
- Q: How many retirement plans does the county have?  
A: Two. The defined benefit retirement plan is for employees hired prior to July 1, 1994 (which no longer is offered). The defined contribution retirement plan (401a) with ICMA is for employees who chose to convert from the defined benefit plan or hired after July 1, 1994. (Some bargaining unit dates may differ).
- Q: May I take a loan from my ICMA 401(a) Retirement Account?  
A: Yes, you may apply online at [www.icmarc.org](http://www.icmarc.org) or call ICMA at 800-326-7060.
- Q: May I contribute more money to my defined contribution retirement?  
A: You may not change your pre-tax amount; however, you may contribute up to 10% after-tax dollars to your 401(a) defined contribution retirement plan. You may do so by visiting the ICMA web site at [www.icmarc.org](http://www.icmarc.org) or by calling 800-326-7060.
- Q: Does Oakland County offer any additional ways to save for retirement?  
A: Yes, Oakland County offers convenient payroll deductions to the 457 Deferred Compensation Plan. Also, available through payroll deduction are Traditional and Roth IRA's through ICMA.
- Q: How can I get information or enroll in the ICMA Sidecar IRA's?  
A: Visit the ICMA web site at [www.icmarc.org](http://www.icmarc.org) or call ICMA at 800-326-7060. (Roth #705326, Traditional #701326).
- Q: How can I enroll or change my payroll deductions in deferred compensation?  
A: You may call Fidelity at 800-343-0860 or visit their web site at <http://fidelity.com/atwork>.
- Q: How much may I contribute to the deferred compensation plan?  
A: Employees under the age of 50 may contribute up to \$16,500 in 2009. Those over age 50 may contribute an additional \$5,500 for a total of 22,000 as long as they are not in the special catch-up.

- Q: What is the deferred compensation special catch-up?  
A: If an employee has not contributed the maximum allowed in deferred compensation during their employment with the county and they are within 3 years of retirement, they may be able to contribute up to twice the normal contribution limit (2009 special catch-up limit - \$33,000).
- Q: What are the IRS regulations regarding the deferred compensation hardship provision?  
A: A hardship is an unexpected financial emergency that is beyond the control of the participant. (See FAQ's Hardship Withdrawals on the ocbenefits web site).
- Q: When do I have access to my deferred compensation money?  
A: You may access your account when you separate or retire from county service. During active employment, you have access to deferred monies through the IRS hardship provision or you may call Fidelity at 800-343-0860 for a loan from your account.
- Q: When I retire may I choose the Traditional Blue Cross plan even though I do not have it as an active employee?  
A: Employees hired prior to January 1, 1997 may choose the Traditional Blue Cross plan when they retire regardless of the medical coverage they have as an active employee. (Some bargaining unit dates may differ).
- Q: Who is my dental and vision coverage with?  
A: Vision coverage is through Blue Cross. Dental coverage is through Delta USA.
- Q: What happens to my life insurance policy when I retire?  
A: The county does not provide life insurance upon retirement. A few employees have a small life insurance policy when they retire if they hired prior to September 21, 1985 and stayed on the "Old" plan for benefits or did not take a refund of the contributions made to their life insurance between 1985 and 1986.

