



# Palomar College

## 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.

U.S. BENCOR/MidAmerica (USB/MA) 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 5% contribution automatically deducted from your paycheck. Your employer will also contribute 2.5% 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 meet the required eligibility age. To view current age eligibility requirements, visit [www.myMidAmerica.com/3121resources](http://www.myMidAmerica.com/3121resources).

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).

You must take the RMD by April 1 following the calendar year in which you:

- Reach the age of 72 or.
- Turn 73 if you reach age 72 after December 31, 2022.

If you do not begin receiving your RMD, the IRS applies an excise penalty tax equal to 25% of your total RMD not distributed during the taxable year. As part of USB/MA'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 Retirement Plan Transaction Form, which can be obtained by logging into your account on our secure website, [www.myMidAmerica.com](http://www.myMidAmerica.com). If this is your first time accessing your plan online, click on **Access Account**, then **Participant Login**. On the next screen, click **New User** in the top left corner of the login tile. Enter your Social Security number (no dashes), Birth Date, and Zip Code, then click **Next**. You'll be asked to re-enter your Birth Date and Zip Code and click **Next** on the Request Credentials tile. You can now select your security questions, set up your login credentials, and enter your contact information.

You can also obtain the form by calling or emailing our Customer Service department at (800) 634-1178 or [accountservicess@myMidAmerica.com](mailto:accountservicess@myMidAmerica.com).

## When will I receive my distribution?

Distributions are issued weekly. We must obtain authorization from your employer before we pay a distribution. It can take 7-10 business days to process your request and issue your distribution.

## 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](http://www.oneamerica.com).

## How often will I receive account statements?

A statement showing your account activity, including beginning balance, contributions made, investment results, and ending balance is generated on an annual basis. You are automatically opted into e-statements and will receive an email notification once the statement is available. If you do not have an email address on file (or opt out of e-statements), you will receive a mailed paper statement. You may also generate a statement on demand at any time by logging into your account.

## Are there any fees?

There are no fees associated with your plan.

## Does this plan affect my Social Security benefits?

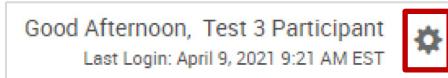
Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were 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 your secure online account through [www.myMidAmerica.com](http://www.myMidAmerica.com). If this is your first time accessing your plan online, click on **Access Account**, then **Participant Login**. On the next screen, click **New User** in the top left corner of the login tile. Enter your Social Security number (no dashes), Birth Date, and Zip Code, then click **Next**. You'll be asked to re-enter your Birth Date and Zip Code and click **Next** on the Request Credentials tile. You can now select your security questions, set up your login credentials, and enter your contact information.

## Can I name a beneficiary?

Yes. You may designate a beneficiary online by logging into your account on our secure website, [www.myMidAmerica.com](http://www.myMidAmerica.com). From the landing page, select the Settings icon, which is a small gear icon located in the upper right-hand corner of the screen. See image below as a reference:



Next, select **Beneficiaries**. From here, you are able to enter your beneficiary information. If you prefer to mail or fax your designation to us, you can download our Beneficiary Designation Form by logging into your account and selecting **Forms & Reports** from the blue header, then **Forms**.

You can also obtain the form by calling or emailing our Participant Services department at (800) 634-1178 or [accountservices@myMidAmerica.com](mailto:accountservices@myMidAmerica.com).

Please note if you have multiple plans with USB/MA, you will first need to select the plan for which you wish to make a designation. Beneficiary designations do not automatically apply to all of the benefits you have with USB/MA—you should ensure you designate a beneficiary for each plan that allows it.

## Questions?

If you have questions regarding your plan, please contact U.S. BENCOR/MidAmerica, the plan administrator, at (800) 634-1178 or email us at [accountservices@myMidAmerica.com](mailto:accountservices@myMidAmerica.com).

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

