

**Prepared for:**  
Butts County



# What would you most like to do when you retire?

A retirement planning guide developed in partnership with ACCG Retirement Services

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# What would you most like to do when you retire?

## Defined Benefit Pension Plan

### Summary of Plan Provisions

#### What is a Defined Benefit Plan?

A defined benefit plan is the most popular type of primary plan offered by local governments in Georgia. It is considered the most traditional type of retirement plan, and may be used alone or in conjunction with other types of plans and Social Security to provide income for participants at retirement.

This type of plan is called a “defined benefit” plan because the retirement benefits you will receive are set, or “defined” by the terms of the plan. Typically, the benefit amount is based on a formula that takes into account your salary and years of service in the organization. The plan provides a fixed monthly benefit payment for life, or you may choose from several other payment options that will determine the amount of your monthly benefit. Based on the payment options offered and selected, payments may also extend to your beneficiary after your death. Depending on the provisions of the Defined Benefit Plan under which you are covered, you may receive retirement benefits up to 60% of your final, pre-retirement earnings.

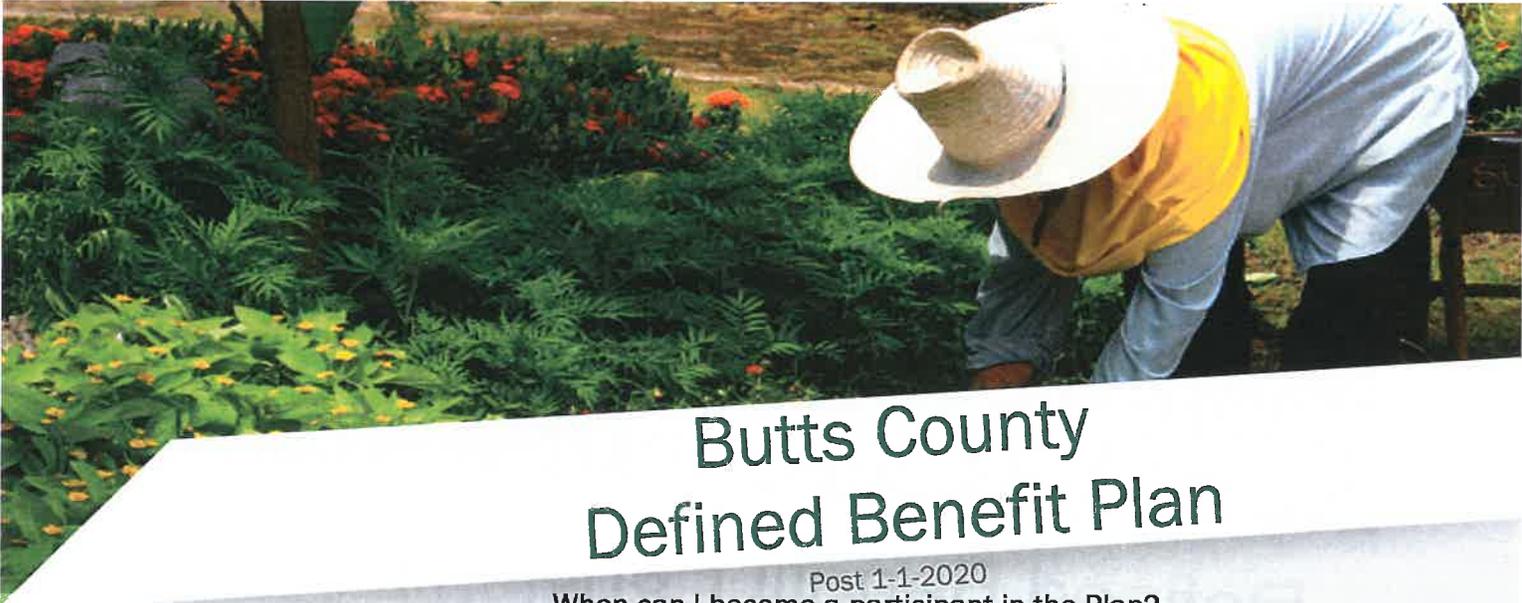
In conjunction with a defined benefit plan, your employer may also provide a secondary or supplemental retirement savings plan. Commonly referred to as a deferred compensation plan, or 457(b) plan, employees may contribute a portion of their pay, before taxes are deducted, into an individual investment account controlled by the employee. It is designed to provide another retirement savings avenue. If you take advantage of your deferred compensation plan, you can often increase your retirement income by an amount equal up to 25% of your final pre-retirement earnings.

Of course, with these opportunities to save for your retirement also comes responsibility. You are strongly encouraged to take full advantage of available retirement plans provided by your employer. It may mean the difference between a comfortable retirement and a meager one for you and your family.



#### Defined Benefit Plan Highlights

- Benefits in addition to Social Security
- Lifetime monthly benefits
- Optional types of benefit payments for more effective retirement planning
- Can be used in conjunction with retirement savings plan
- Death benefits may be available



# Butts County Defined Benefit Plan

Post 1-1-2020

## When can I become a participant in the Plan?

Full time employees and elected officials to the extent provided in the Plan become participants on the January 1 following three (3) years of Service.

## When can I retire?

You will have a vested benefit after seven (7) years of Vesting Service. Your Normal Retirement Date is the date on which you are eligible to retire and receive your full benefit as provided by the Plan. This is the later of age 65 or five (5) years of Vesting Service.

## How much will I receive if I retire on or after my normal retirement date?

The following benefit formula is used to calculate the monthly benefit payable at your Normal Retirement Date:

2.0% of Final Average Compensation  
Multiplied by Years of Credited Service (maximum 40)

Example: \$25,000 Average Annual Compensation and 15 Years of Credited Service

.02 multiplied by \$25,000	\$ 500
Multiplied by 15 Years of Service	\$500 x 15 = \$7,500 annual benefit or \$625.00 per month

**Final Average Compensation** – The average of your compensation received during the highest 60 consecutive months out of the last 120 months prior to termination of employment with the County.

**Years of Credited Service** – Period of service, measured in years, months and days used to calculate your benefit as determined by the County (maximum 40 years).

## Is there an early retirement option?

### Unreduced Early Retirement:

If your date of hire is before January 1, 2010, you are eligible for an Unreduced Early Retirement Pension when your age and years of Vesting Service total 75 points.

If your date of hire is on or after January 1, 2010, you are eligible for an Unreduced Early Retirement Pension when your age (minimum age 55) and years of Vesting Service total 75 points.

### Reduced Early Retirement:

If no longer employed with Butts County you may apply for a reduced early retirement benefit the later of the date you attain age 60 or ten (10) years of Vesting Service. This benefit will be reduced at a rate of 0.41% for each month that the benefit starts prior to your Normal Retirement Date (approximately 5% annually).

Example: Monthly benefit of \$625.00 payable at normal retirement

1 year early – the benefit is approximately \$593.75 per month (5% reduction)
3 years early – the benefit is approximately \$531.25 per month (15% reduction)
5 years early – the benefit is approximately \$468.75 per month (25% reduction)

## If I become disabled, are there any disability benefits from the Plan?

Prior to applying for disability from the Plan, you must receive the Social Security Disability Award Letter ("Award Letter"), which declares you totally and permanently disabled. You may be eligible to receive a disability benefit from the Plan if, on the date specified in the "Award Letter," you are an active employee and have at least 10 years of Vesting Service with the County. The Plan Administrator may require you to submit evidence of continued eligibility for disability pension at any time.

If you qualify for disability, your first check is payable the effective date of the first Social Security Disability monthly benefit.

Your disability benefit is calculated the same way as your retirement benefit. When you reach your Normal Retirement Date, your disability benefit from the Plan will terminate, and you will start receiving your retirement benefit.

## When I die, are there any benefits for my beneficiaries?

Yes, most, but not all, plan participants will be able to provide some level of benefits for their beneficiaries.

It is very important to keep your beneficiary designation up-to-date. Please contact the county when you need to change your beneficiary.

### For Retirees

1. When you apply for your retirement, you may elect a form of benefit payment that will provide a monthly benefit to your beneficiary after your death.
2. If you start receiving your retirement benefit immediately after terminating employment, you may qualify for the lump sum death benefit that is pay-able to your beneficiary after your death. This is not a life insurance policy and may be taxable to your beneficiary. The amount of death benefit is equal to 50 times your monthly pension amount, subject to a maximum of \$15,000.

### For Active Participants

If you die while still employed by the County, in most cases there is a death benefit equal to 50 times your monthly pension benefit projected to your Normal Retirement Date.

### For Terminated Participants

If you have a vested retirement benefit when you terminate employment from the County, and die prior to receiving your retirement benefit from the Plan, your beneficiary will receive a lump sum benefit equal to 50 times your monthly pension benefit projected to Normal Retirement Date, subject to a maximum of \$50,000.

### For Disabled Participants

If you are receiving a disability benefit from the Plan, and die prior to your Normal Retirement Date, your beneficiary will receive a lump sum death benefit equal to 50 times your monthly disability benefit, subject to a maximum of \$50,000.

### Questions:

Contact ACCG Retirement Services  
at  
[Clientservices@accg.org](mailto:Clientservices@accg.org)  
or  
(770) 952-5225 / (800) 736-7366



Regional Client Manager  
**David Bell**  
(470) 631-1918  
[dbell@accg.org](mailto:dbell@accg.org)

# Frequently Asked Questions

## Who do I contact to apply for a benefit?

### Retirement

Approximately two months prior to your retirement, contact your Human Resources Department and complete the proper paperwork. The Jurisdiction will forward the completed forms to ACCG Retirement Services for processing.

### Death Benefit

Your Human Resources Department should be notified of the death of any active or former employee. If there is a death claim, the Jurisdiction will assist the beneficiary in completing the forms, which will be sent to ACCG Retirement Services for processing.

## When I retire, what payment options are available?

Selecting a payment option is key to your retirement planning. When you begin to seriously consider retirement, contact your Human Resources Department to get an estimate of what you may receive as of the date you are considering for retirement. You will be asked at that time to provide the date of birth of your beneficiary, if applicable. This is required to calculate all the various options available. These calculations will help you choose the option that best suits your needs at retirement.

### Option #1: Life Only

Paid for your lifetime only. There is no provision for paying monthly benefits to a beneficiary after your death.

### Option #2: Ten Year Certain and Life

Paid for your lifetime, but also guaranteed for at least ten years. If you die before the end of the certain period, the remainder of the payments for the certain period will be paid to your beneficiary.

### Option #3: Joint and Survivor

You will receive a monthly benefit paid to you for your lifetime. Upon your death, your beneficiary will receive an amount in accordance with the option you chose at retirement. However, if your beneficiary dies before you, there will be no additional monthly payments after your death.

- **100% Joint and Survivor–**  
The beneficiary will receive the same amount you had been receiving
- **75% Joint and Survivor–**  
The beneficiary will receive three-quarters of the amount you had been receiving
- **66% Joint and Survivor–**  
The beneficiary will receive two-thirds the amount you had been receiving
- **50% Joint and Survivor–**  
The beneficiary will receive one-half the amount you had been receiving

### Option #4: Joint and Survivor with POP-UP

The same as Option #3, except: If your beneficiary dies before you, your monthly benefit will increase to the Option #1, Life Only, which is also called the “normal form.” This level of benefit payment will be paid for the remainder of your lifetime.

## How do I obtain additional information?

If you have any questions, please call ACCG Retirement Services at (770) 952-5225 or (800) 736-7166, or e-mail [clientservices@accg.org](mailto:clientservices@accg.org).

The information in this summary is intended only as a general outline of the plan and not a complete description. For an exact statement of your rights, you must refer to the ACCG Defined Benefit Plan Document on which your plan is based. All issues arising in the administration of the plan will be addressed by the plan trustees consistent with the plan and Trust Agreement.

Benefits under the plan are not insured by the PBGC.

ACCG Retirement Services is the retirement services division of ACCG, Georgia's county association. More than 150 jurisdictions and local government employees in Georgia trust their retirement services needs to ACCG Retirement Services.



# What would you most like to do when you retire?

## 457(b) Deferred Compensation

### Summary of Plan Provisions

#### What is a Deferred Compensation Plan?

457(b) deferred compensation plans are available to local, state, and federal government and tax exempt organizations. They are termed “deferred compensation” plans because they offer you the opportunity to “defer” or postpone some of your current compensation and receive it, with earnings, in the future. Each pay period, your employer deposits your selected amount of deferred compensation into your ACCG Retirement Services 457(b) account which is then invested in funds selected by you.

At separation from employment or retirement, your 457 (b) funds, plus earnings, are available to you. When used for retirement, the tax liability may be much less because your overall income may be lower than when you were working.

Local governments use these plans either as a primary or secondary type of retirement plan. When used as a primary retirement plan, employers sometimes make contributions to the plan to supplement employee deferrals. However, such plans are often established as a secondary plan used to supplement other types of plans, and virtually all of the contributions into the plan come from employee deferrals. There are more local government employees participating in a 457(b) plan than any other type of retirement plan.

Participating in your 457(b) deferred compensation plan is one of the best ways to build assets for use during your retirement years. Because all of the earnings grow tax-deferred, they increase in value much faster than if you were required to pay federal and state income taxes each year on those investment returns. Depending on whether your 457(b) plan is your primary or secondary plan, and in combination with your investment success, it can often provide retirement benefits up to 35% of your final, pre-retirement earnings.



#### 457(b) Deferred Compensation Plan Highlights

- 100% Immediate account ownership
- Tax-deferred investment returns
- Diversified high quality investment options
- Participant directed investment selection
- Transferable to other plans after termination
- Benefits in addition to Social Security



# 457(b) Plan Provisions

## **Am I eligible to participate, and if so, when can I enroll?**

Generally all full-time and part-time employees are eligible to participate in the Plan. You can enroll on the first pay period of any month under a 457(b) plan. Please be aware that once you complete the documentation necessary to begin participation, it may take several pay periods for your contribution to be deducted from your pay and invested in your desired investment choices.

Contact either your Regional Client Manager or your payroll department to confirm eligibility and get started in the plan.

## **How much can I contribute?**

### **Regular Contributions**

You can contribute 100% of your pay up to a maximum of \$19,500 in 2020. Future years may be adjusted for inflation.

### **Age 50 Catch-Up Contributions**

In the year you become age 50 and for all years thereafter, you can increase your contribution by a specified amount over and above the regular contribution limit. In 2020, the amount is an additional \$6,500 maximum.

### **Three Year Catch-Up Contributions**

If you are three years or less from retirement, you may be able to further increase your contributions by the three year catch-up contribution amount. This can only be used if you have not contributed the maximum amount in previous years. However, you cannot use it in combination with the age 50 catch-up contribution. Please contact your ACCG Retirement Services Regional Client Manager to help you determine if you are eligible to make a three year catch-up contribution and the maximum amount you may contribute.

### **Employer Contributions**

Some employers have the 457(b) account as the employee's primary retirement account and make contributions into the account. Both the employer and employee contributions added together must not be more than the IRS limits for the year.

### **Contribution Example:**

Susan Jones is 49 on January 1, 2020. She plans to retire at a normal retirement age of 65. She wants to put as much as possible into her 457(b) account until she retires.

## How much can she put in annually?

In 2020, she can put in the maximum regular contribution of \$19,500. Ms. Jones will reach age 50 during 2020; therefore she would be eligible to begin making the age 50 catch-up contribution in addition to the Regular Contribution for a total of \$ 26,000 in 2020. In 2021 and later, she can contribute at least \$26,000 annually and may be more in future years if the IRS increases the limits to keep up with inflation. Three years before retirement, at age 62, Ms. Jones can determine if she is eligible for the three year catch-up contribution. Assuming she has contributed the maximum since age 48, she will have to look at her contributions prior to age 48 to determine if she had previously contributed the maximum allowable amount and to calculate the previously unused contribution amount.

## How and when do I become vested in my account?

“Vesting” refers to your “ownership” of the funds in your 457(b) account. From the moment money goes into your account, you are 100% vested in both the contributions and investment earnings. This applies even to contributions your employer puts into your 457(b) account.

## Can I get money out when I am still working?

Yes, but only under very limited circumstances such as a severe unforeseen financial emergency. Your 457(b) account is designed for your use after retirement. IRS sets guidelines for determining if you qualify for an unforeseen emergency distribution.

## After I terminate employment, when can I withdraw money from my account?

With a 457(b) Plan, unlike many other retirement plans, you have complete access to all of your money without an “early withdrawal” penalty. While ACCG Retirement Services would strongly encourage you to keep your money in some type of retirement plan, you can withdraw your funds at any time after termination, for any reason. Please remember that if you withdraw your money, you will be required to pay federal and state income taxes on it. Any money you withdraw will have a mandatory 20% deducted for federal income taxes but this may not be enough to pay your actual taxes. You have the option of:

- leaving your money in the ACCG Retirement Services 457(b) Plan to continue to grow;
- withdrawing all of your money in one lump sum;
- transferring or “rolling” your money to an IRA or other eligible retirement plan;
- receiving regular withdrawals for either a specified amount or a specified period of time.

For a complete description of your withdrawal payment options, please contact your ACCG Retirement Services Regional Client Manager.

## If I die and I have money in my account, what will happen to it?

Upon your death your account balance will be paid to your beneficiary (or beneficiaries if you specified more than one). We would strongly encourage any beneficiary entitled to receive money to contact your ACCG Retirement Services Regional Client Manager for a complete description of his or her options.

## How are my account funds protected?

Your contributions and investment earnings are held in a trust at the Charles Schwab Bank exclusively for the benefit of all plan participants. Your employer cannot gain access to your funds and no creditors can gain access to your funds. All transactions are permanently recorded in ACCG Retirement Services recordkeeping system and can be recalled at any time for review or discussion with you.

**For a copy of the Plan document, please contact your employers Human Resources Department**

\*Your account balance is subject to market fluctuations.

## Frequently Asked Questions

### Who Can I Contact if I Have Questions

On your ACCG Retirement Services quarterly statement, your local Regional Client Manager is listed with their phone number. If you want to contact the main office in Atlanta with questions other than investment guidance, please call ACCG Retirement Services Client Services at 800.736.7166.

### What costs or fees am I charged for my account?

Your annual administrative fee amount will be capped once your account balance reaches \$25,000; you will incur no additional administrative fees on an annual basis, regardless of how much your balance grows. You can potentially save on investment fees from your other retirement accounts by rolling over your balances into your ACCG Retirement Services 457(b) account. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s).

### What investment options do I have?

ACCG Retirement Services has a line up of 19 tax-deferred investments. Your employer may choose to include Target Date, Target Risk, Core Index, and Single Asset Options. The funds are diversified to help you decide what savings method is best for you.

### Who selects and tracks the performance of investment options?

As part of the turnkey plan administration solution offered by ACCG Retirement Services, the ACCG Defined Contribution Board of Trustees (the "DC Board") assumes the fiduciary responsibility for the fund lineup it recommends to plan sponsors. The DC Board maintains an Investment Policy Statement which details the qualitative and quantitative criteria it uses to monitor and recommend the fund lineup. The DC Board meets quarterly to review the investment lineup and, as needed, adds, removes or replaces available investment options.

### How do I access my account?

Account information can be accessed online at [ACCGretirement.org](http://ACCGretirement.org). You will need to use the log in information provided to you once you have enrolled in the plan. Once you have accessed your account online you can:

- view investment performance and balances
- change or realign investment elections and fund balances
- view and download quarterly statements
- change your address, e-mail address and password

### How often can I change investment choices, and is there a charge each time I change?

You can change investment choices or realign fund balances as often as you like. ACCG Retirement Services will not impose a charge. Some funds, however, may charge a redemption fee, so please review the information provided on-line. ACCG Retirement Services would encourage you to establish an asset allocation strategy and maintain it for a period of time.

### Will I receive a quarterly benefit statement?

You will receive a comprehensive benefit statement as soon as possible after the close of each quarter. The statement shows your account balance, any contributions and earnings or losses credited to your account during the reporting period, and recent performance of each of the plan's investment options. A more detailed statement is available online. Notify ACCG Retirement Services when you change your address so you are sure to receive your statement.

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ACCGretirement.org  
(770) 952-5225  
(800) 736-7166



# Program Funds and Returns

As of: September 30, 2019

## 401(a) & 457(b) Retirement Programs

Security Name	Risk Category	Morningstar Category	Return YTD	Tot Ret 3 Mo	Tot Ret 12 Mo	Return 3 Yr*	Return 5 Yr*	Return 10 Yr*	Expense Ratio
<b>Asset Allocation Funds</b>									
American Funds 2010 Trgt Date Retire R4	Very Low	Target Date 2000-2010	9.31	0.72	5.19	5.28	4.68	6.72	0.69
American Funds 2015 Trgt Date Retire R4	Low	Target Date 2015	10.04	0.77	5.33	5.71	4.97	7.14	0.68
American Funds 2020 Trgt Date Retire R4	Low	Target Date 2020	10.37	0.63	4.87	6.32	5.42	7.78	0.69
American Funds 2025 Trgt Date Retire R4	Low	Target Date 2025	11.29	0.36	4.22	7.15	5.97	8.70	0.71
American Funds 2030 Trgt Date Retire R4	Moderate	Target Date 2030	12.40	0.14	3.43	8.27	6.77	9.36	0.73
American Funds 2035 Trgt Date Retire R4	Moderate	Target Date 2035	13.87	-0.13	2.66	9.23	7.38	9.67	0.74
American Funds 2040 Trgt Date Retire R4	Moderate	Target Date 2040	14.26	-0.26	2.25	9.53	7.57	9.83	0.75
American Funds 2045 Trgt Date Retire R4	High	Target Date 2045	14.48	-0.25	2.21	9.73	7.71	9.90	0.75
American Funds 2050 Trgt Date Retire R4	High	Target Date 2050	14.57	-0.32	2.02	9.81	7.76	9.93	0.77
American Funds 2055 Trgt Date Retire R4	High	Target Date 2055	14.56	-0.31	2.07	9.80	7.75	NA	0.77
American Funds 2060 Trgt Date Retire R4	High	Target Date 2060+	14.50	-0.31	2.00	9.76	NA	NA	0.79
BlackRock 20/80 Target Allocation A	Very Low	Allocation - 15% to 30% Equity	9.98	1.57	6.82	4.49	4.12	6.42	0.81
BlackRock 40/60 Target Allocation A	Low	Allocation - 30% to 50% Equity	12.03	1.28	5.57	6.04	5.05	7.54	0.80
BlackRock 60/40 Target Allocation A	Moderate	Allocation - 50% to 70% Equity	14.27	1.00	3.94	7.24	5.66	8.40	0.76
BlackRock 80/20 Target Allocation A	High	Allocation - 70% to 85% Equity	16.08	0.56	2.39	8.36	6.20	9.11	0.70
<b>Core/Index Funds</b>									
Columbia Small Cap Index A	High	Small Blend	13.13	-0.31	-9.73	8.85	9.38	12.50	0.45
Federated Mid-Cap Index Svc	Moderate	Mid-Cap Blend	17.21	-0.27	-3.21	8.78	8.29	12.03	0.56
Schwab International Index	Very High	Foreign Large Blend	12.95	-1.00	-1.02	6.50	3.34	4.90	0.06
Schwab@ S&P 500 Index	Moderate	Large Blend	20.52	1.70	4.21	13.34	10.76	13.16	0.02
Vanguard Total Bond Market Index Adm	Very Low	Intermediate-Term Bond	8.68	2.43	10.43	2.90	3.35	3.69	0.05
Reliance Trust Stable Value Fund	Stable Value	Stable Value	1.68	0.56	2.29	2.09	1.95	2.29	1.27
<b>Category Average Expense Ratio:</b>									<b>0.40</b>
<b>Total Average Expense Ratio:</b>									<b>0.65</b>

\* Annualized

### Performance and ACCG Retirement Services Fee Disclosure

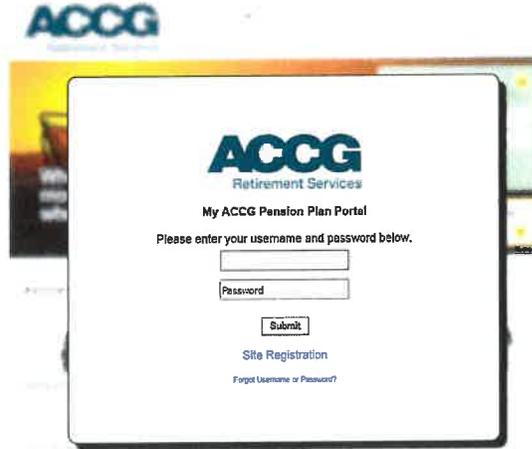
The performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than the original investment. Performance and expense statistics for each fund change over time. The funds are not FDIC-insured, may lose value and are not guaranteed by a bank or other financial institution. Performance figures are based on the total return for each investment. Total return reflects all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. Each participant's plan expenses and fees are unique to them and it is based on the participant's aggregated account balance(s). A maximum of 0.50% of asset value quarterly (2.00% of asset value annually), are not reflected and if included would reduce the performance accordingly. Individual participant expenses and fees could be lower than the maximum depending on the account balance(s) of the participant. Expenses and fees are based on the following tier system to determine the overall expenses and fees: 2.00% of first \$5,000, 1.75% of next \$5,000, .25% of next \$15,000, and 0.00% over \$25,000. There is also a \$20 annual participant fee and \$50 annual inactive participant fee assessed quarterly.



**DB MY PENSION PARTICIPANT REGISTRATION INSTRUCTIONS**

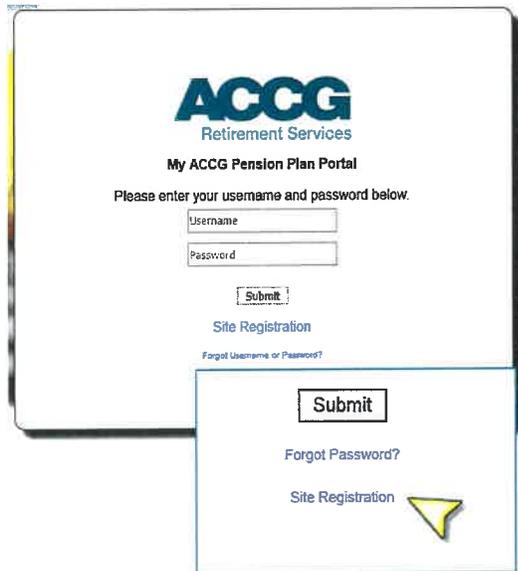
When you log in for the first time, you will need to register for the site using basic identification information to:

- establish a username and password
- update contact information
- set up your personalized Security Questions

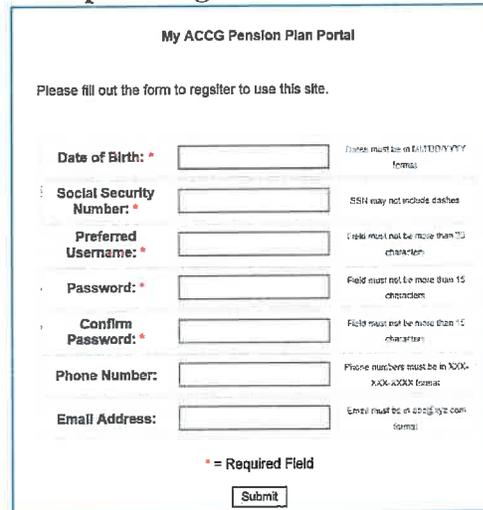


Register at [mypension.accretirement.org](http://mypension.accretirement.org)

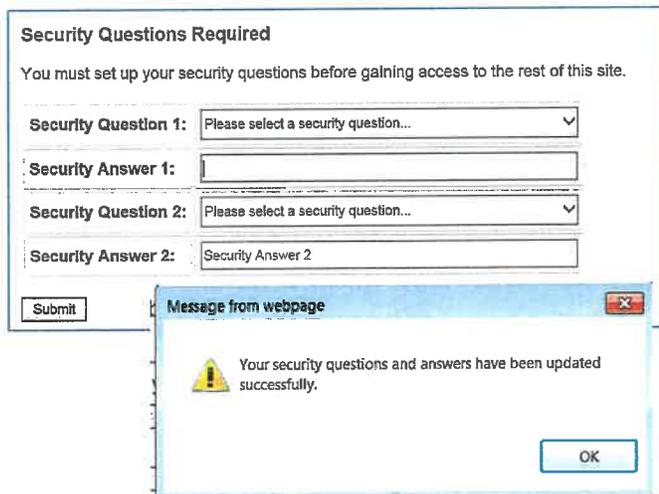
**1. Click on Site Registration**



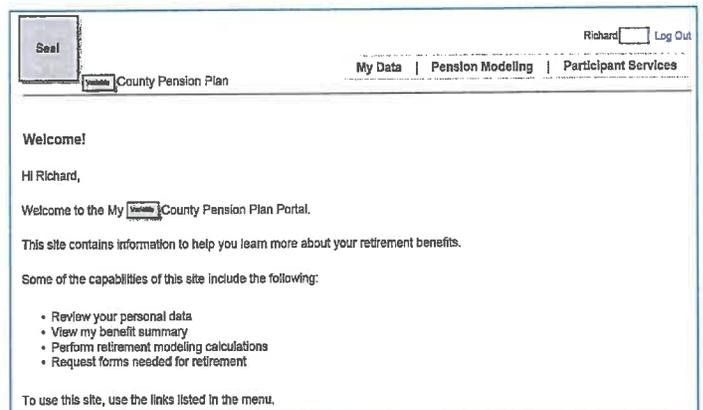
**2. Complete Registration Information**



**3. Complete Security Questions**



**4. Begin Using Site**



ACTIVE PARTICIPANTS AND INACTIVE PARTICIPANTS WHO HAVE NOT YET COMMENCED  
THEIR BENEFIT CAN USE THIS SITE TO:

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**My Data**

- View your profile, personal data, employment history, salary & contribution history, and additional employee information.

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**Pension Modeling**

- Run a Benefit Summary.
- Run a Benefit Estimate.
- Show Estimate History.

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**Participant Services**

- Print various client forms.
- Access related links. For Example Social Security and Medicare Information.
- Contact us by submitting an email.

Please contact ACCG Retirement Services Client Services at 770.952.5225 or 800.736.7166

or email [clientservices@accg.org](mailto:clientservices@accg.org) if you have any questions

[ACCGretirement.org](http://ACCGretirement.org)

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191 Peachtree Street NE, Suite 700  
Atlanta, Georgia 30303  
770.952.5225 or 800.736.7166  
[ACCGretirement.org](http://ACCGretirement.org)