

Welcome :

Pinal County Retirees

PRIME-Choice© Retiree Meeting



PRECISION
Retirement Group

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Who is Precision Retirement Group?

PRG is a nationally recognized governmental benefit plan consultant.

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Traditionally, employers were accustomed to paying their retiring employees accumulated leave in a lump-sum payment in the form of a W2 wage or bonus which is taxable in the year it is received.

Some employers even asked their retirees if they would like to have this payment paid in multiple years or even left with the employer to pay for health insurance until it was exhausted. This option created a tax problem called... "Constructive Receipt"

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PLAN DESIGN

The ***PRIME-Choice***© Solution

Here's how the plan works...

The employer establishes a plan through *specific labor language* that enables the “*employer*” the ability to determine a retiring employee’s specific needs at retirement thereby allowing a “*choice*” between “*tax-free*” health benefits or a “*tax-deferred*” cash payment through a tax qualified retirement plan without violating “*constructive receipt*” issues.

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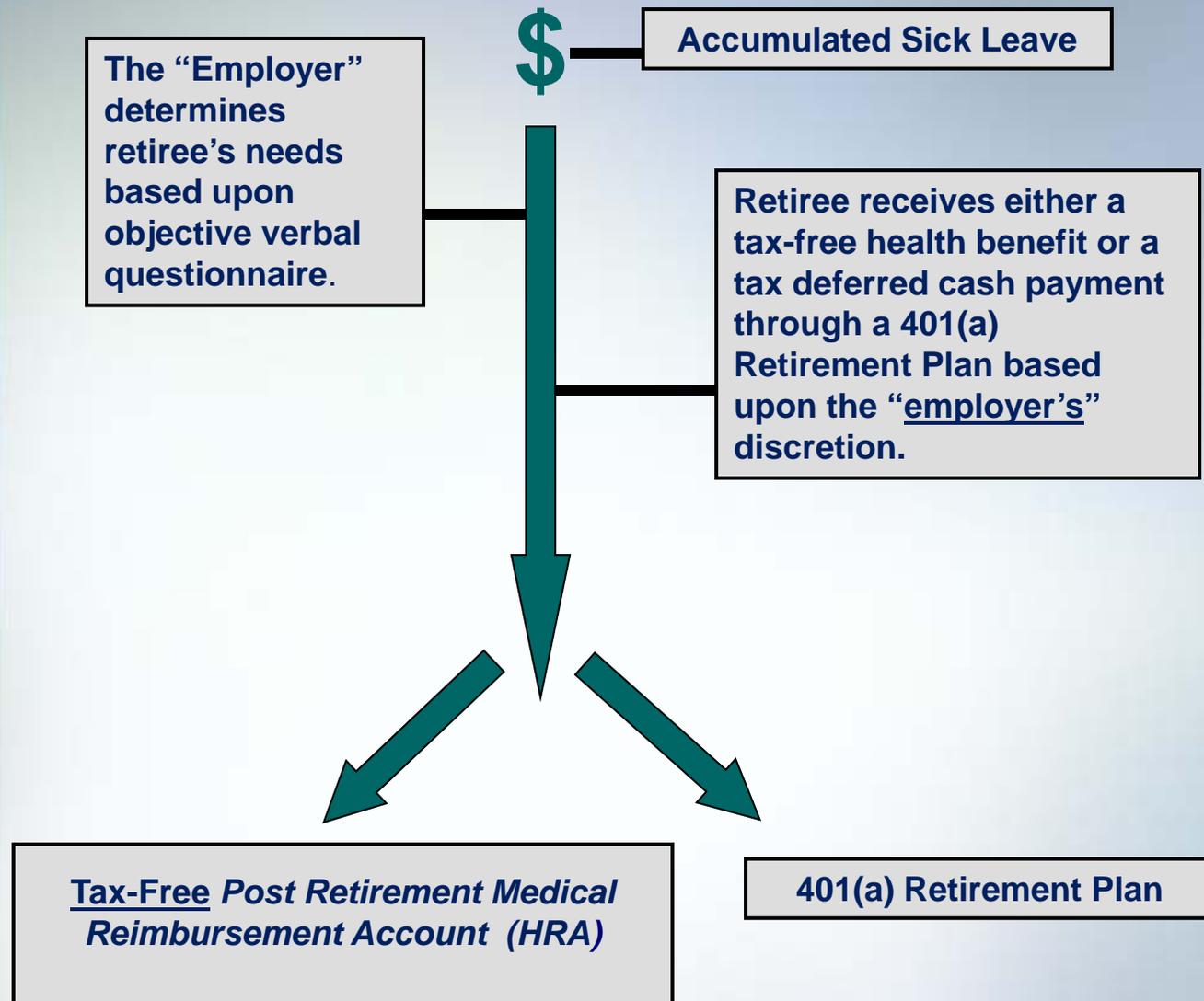
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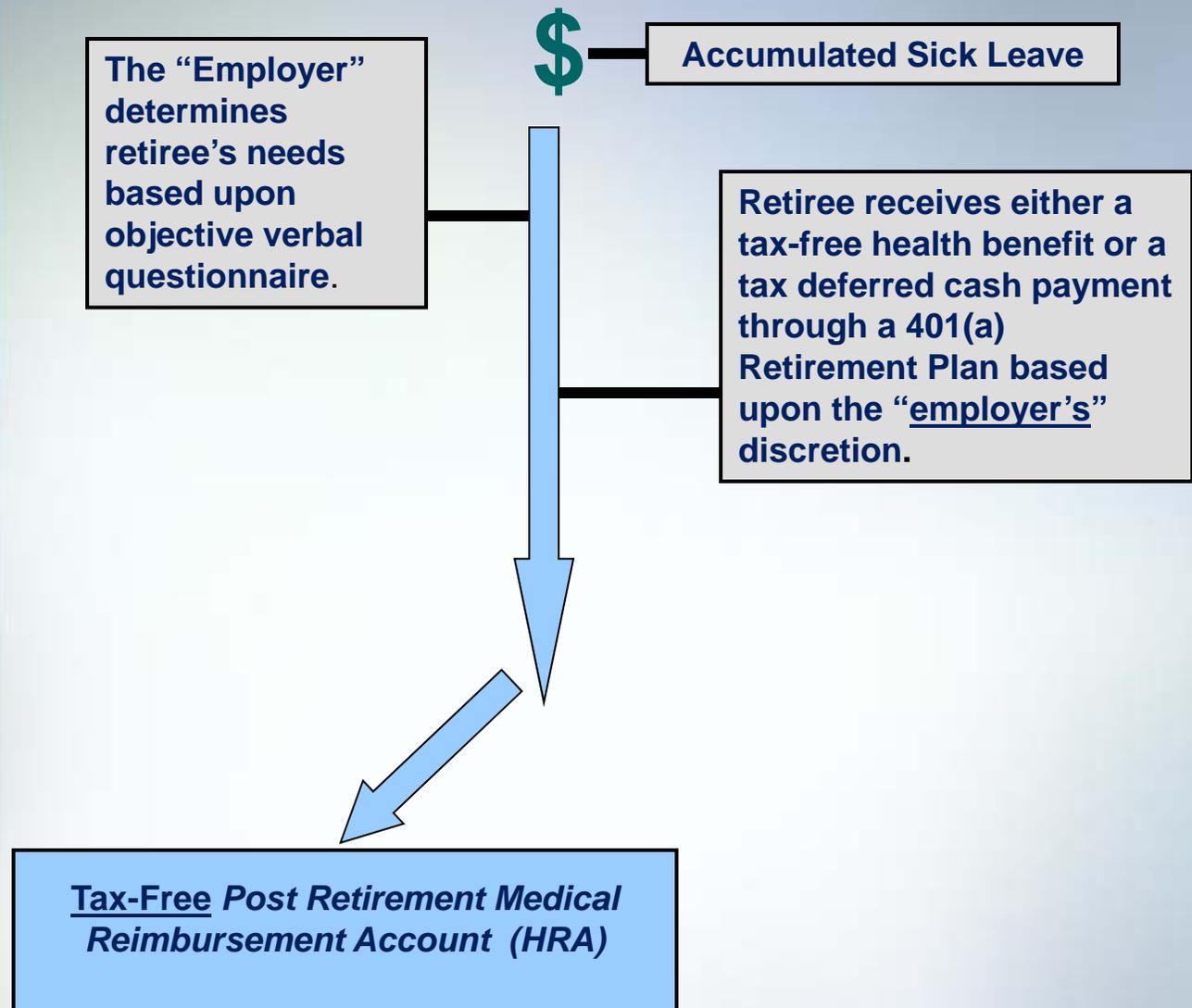
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HRA Component

Mandatory contribution of retiree's accumulated leave to the Post Retirement Incurred Medical Expense Trust:

Health Reimbursement Account (HRA)

Retiree Benefits:

- #1 Tax-free reimbursements for post retirement healthcare costs including premiums!**
- No FICA Taxation, savings 7.65% 😊**
- No Federal or State Income Taxation**
- Spouse & Dependent Expenses are Eligible**

A Triple Tax Benefit:

Tax Free Contributions, Tax Free Interest and Tax Free Reimbursements

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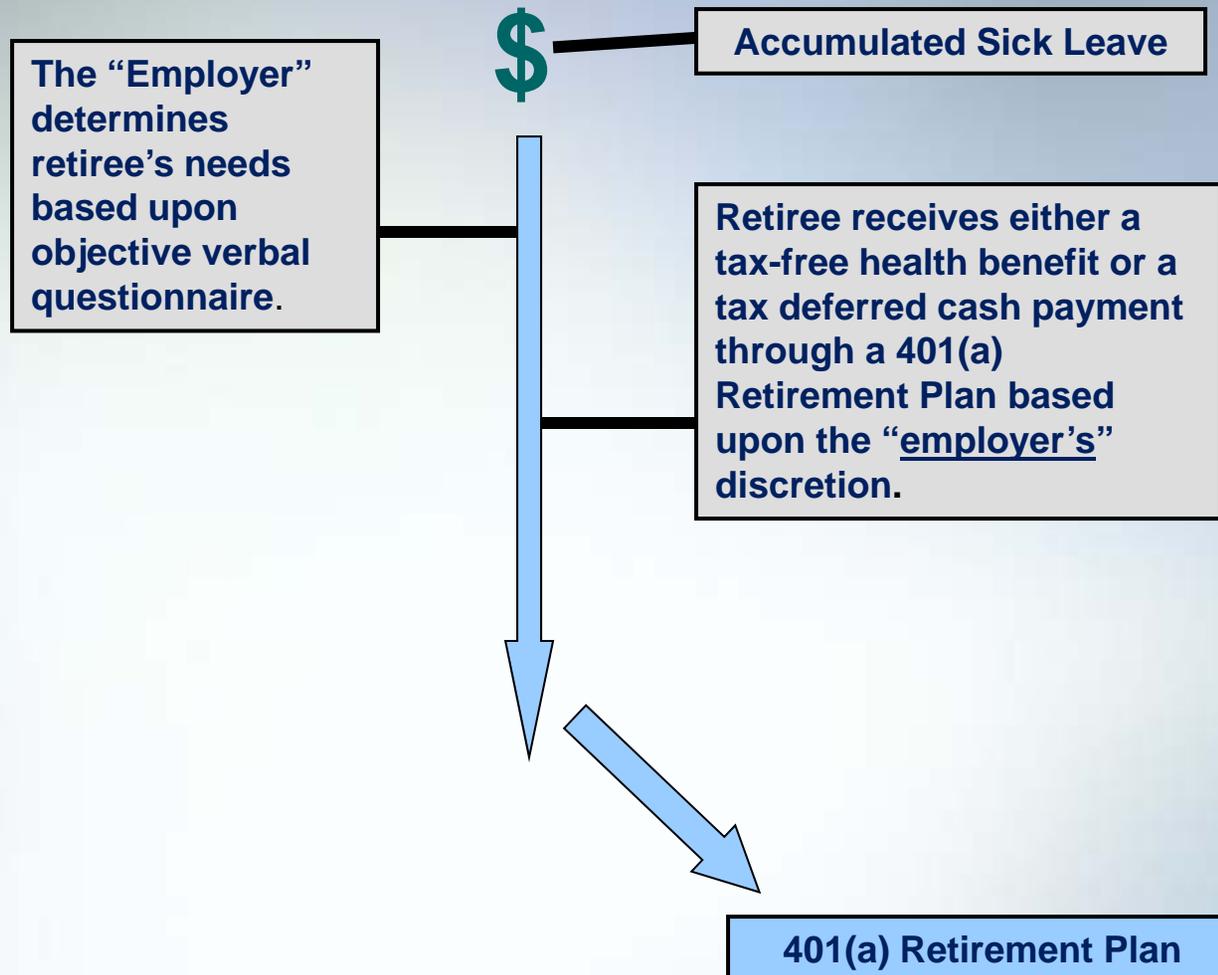
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401(a) Retirement Plan Component

Mandatory contribution of retiree's accumulated sick leave to a IRC 401(a) Plan.

Retiree Benefits:

- No FICA Taxation - Immediately Save 7.65% 😊**
- Complete Liquidity - Transferable**
- Opportunity to Defer Federal & State Income Tax**
- Investment Options**
- No Sales or Surrender Charges**

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PLAN PARTICIPANT SAVINGS

	<u>HRA</u>	<u>401(a)</u>
Sample Leave Payment	\$12,000	\$12,000
Federal Tax (28%)	\$3,360	Def.
State Tax (5%)	\$600	Def.
FICA Tax (7.65%)	<u>\$678</u>	<u>\$678</u>
(Net Payment)	\$12,000	\$12,000
Plan Savings	\$4,878	\$ 678
Amount available for post retirement healthcare costs	\$12,000	\$8,040

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- › Enrollment Form
- › Distribution -Transfer Form*
- › Reimbursement Form
- › EFT Authorization Form

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E-mail Questions to: **www.prginfo.net**

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Please Ask Questions!