



FICA ALTERNATIVE RETIREMENT PLAN FOR PART-TIME EMPLOYEES NOT COVERED BY TEXAS RETIREMENT SYSTEM (TRS)

District Contribution

The District will contribute 1.3% of salary; Employee will contribute 6.2% of salary instead of paying Social Security taxes.

- District's and your contributions plus earnings grow tax deferred.
- Your net take home pay is not affected.
- Your account is 100% vested at all times.
- If you leave the District, you may withdraw yours and the District's contributions plus earnings.

Details

The District has set up a separate Retirement Savings Plan called the “**FICA Alternative Plan**”. This plan will replace Social Security for part-time, seasonal and temporary employees of the District.

Very few of the District's substitute teachers, crossing guards and other employees who would be covered by this Plan earn enough in Social Security to benefit from the FICA taxes that they or District currently pays. Many of the larger districts in the Houston area, including Cypress-Fairbanks ISD and Fort Bend ISD have added such plans for their part-time employees.

Employee and District contributions will be made to the Klein ISD-FICA Alternative Plan.

- District will contribute 1.3% of pay for the employee to the Plan.
- Employee's will contributes 6.2% of pay to the Plan instead of paying Social Security taxes.
- This change will not effect your net take home pay.
- The funds will grow tax-deferred in an account invested in accordance with the employee's direction and handled by professional money managers.
- The employee is always 100% vested in the employee and district funds plus earnings.
- If the employee leaves Klein ISD the funds can be withdrawn and paid to the employee in cash with no penalties or the employee may rollover the funds tax-free to an Individual Retirement Account or other tax-deferred plan.

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