Leave Payout Question and Answer for Rolling Earned Unused Leave into Fidelity 403(b)/and or 457(b) Account(s)

1. What percentage of my earned unused leave can I roll into my Fidelity 403(b) and/or 457(b) account?
The percentage is determined by your union membership. Please see your union contract for details. Union contracts are available on the Department of Labor Relations website: http://www.montgomeryschoolsmd.org/departments/associationrelations/.

2. What is the dollar amount of my leave payout that I can roll into my 403(b) and/or 457(b) account?
The dollar amount will vary. The dollar amount is affected by:
   a. The amount you have already contributed to your 403(b) and/or 457(b) in the calendar year that you retire and;
   b. IRS limits in effect for the calendar year that you retire.

3. Do I have to fill out the 457(b) and the 403(b) Leave Payout forms if I want my leave rolled into both my 403(b) and 457(b) accounts?
Yes.

4. I currently am not making a contribution to my 403(b) and/or 457(b) account. Can I submit a Leave Payout form?
Yes, but to help ensure proper processing of your payout, you should start contributing a nominal amount to your 403(b) and/or 457(b) at least two pay periods prior to your retirement date. To set up your contribution, please log in to www.NetBenefits.com/mcps or call Fidelity at 1-800-343-0860.

5. If I roll over my leave payout to my 403(b) and/or 457(b), will I have to pay taxes on that amount?
You will have to pay some taxes. The example below is for illustrative purposes only.

<table>
<thead>
<tr>
<th>Total amount of leave payout: $19,292.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount that was rolled to 403(b): $8,500.00</td>
</tr>
<tr>
<td>Amount that was rolled to 457(b): $8,500.00</td>
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<tr>
<td>Total: $17,000.00</td>
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Taxes paid before rollover (paid on the total amount of $19,292.00):
FICA OAS = $1,196.11
FICA Med = $279.73

Taxes paid after rollover (paid on $2,292.00; difference between total value of leave and amount rolled over):
Fed Tax = $504.24
MD Tax = $125.73
Mont. Co tax = $69.97

6. Do I have to submit my Leave Payout forms with my retirement forms?
Yes.

7. Do I need to complete a Leave Payout form if I want my earned unused leave paid to me directly?
No.
8. **What if I change my mind about rolling over my leave payout to my 403(b) or 457(b) plan prior to my retirement date?**
   If you wish to change your election, please contact the plan administrator at 240-740-2821 or submit a revised Leave Payout form to the retirement team at Employee and Retiree Services Center (ERSC) at least 2 weeks prior to your retirement. It is not possible to accommodate all requests.

9. **When will my leave payout be deposited into my Fidelity account?**
   It generally takes 6 to 8 weeks after your retirement date for the leave payout to be deposited into your Fidelity 403(b) and/or 457(b) account(s). The deposit will occur on a regularly scheduled pay date. Once the payout is deposited, you can view it in your Fidelity account (login at [www.NetBenefits.com/mcps](http://www.NetBenefits.com/mcps)).

10. **Will leave transferred from my former employer be paid out by MCPS at retirement?**
    Leave transferred from another employer will not be paid out by MCPS at retirement.

    *Note: 403(b) and/or 457(b) participants who retire and become re-employed by MCPS in any capacity cannot withdraw money penalty-free from their plan(s) if they are not age eligible (59.5 for both plans). Once you are re-hired by MCPS as a temporary employee or substitute teacher you are eligible to participate in the plan(s) again by electing to contribute a percentage of your pay.*