

FICO Plant Closure – 401(k) Plan FAQs

Q: If I have a participant loan balance, what are my options?

A: You have three choices relating to your loan balance:

1. Do nothing and the balance of the loan will become taxable income to you on the earlier of the date you take a distribution of the rest of your account balance or 60 days from the date your employment ends. If you are under age 59 ½, you will also owe a penalty to the IRS equal to 10% of your loan balance, payable on your tax return. You'll be able to roll over the non-loan balance in your account even if you choose not to take any action on your loan balance.
2. Repay the loan balance to an IRA between now and the time you file your tax return for 2022, which would be the spring of 2023.
3. Roll over your loan balance to your new employer's plan so you can continue to make payments but you'll need to first confirm that your new employer's plan will accept the loan.
4. Continue to make payments on your loan by sending the payments to FICO to forward to Mass Mutual.

Q: What happens to my 401(k) account when I no longer work for FICO?

A: You will be able to withdraw your money from the plan once you are no longer an employee. If you don't make your own choices, what happens next depends on the size of your account balance, including any participant loan balances.

1. If your account balance is less than \$1,000, you will eventually receive a check for 80% of the balance and the other 20% will be sent to the IRS for taxes. If you are under age 59 ½, you will owe a penalty to the IRS equal to 10% of your balance, payable on your tax return.
2. If your account balance is between \$1,001 and \$5,000, your account balance will be sent to an IRA that will be opened for you.
3. If your account balance is more than \$5,000, your account balance will stay in the FICO 401(k) plan.

Q: How do I request my withdrawal?

A: You can call Empower Retirement at 800-854-0647 and they can help you with the process. You'll need to provide the Plan Number which is 829365, and the Plan Name which is Farmers Investment Co 401(k).

Q: How do I roll over my account balance to my new employer's retirement plan?

A: When you complete the form to withdraw your account balance from the FICO 401(k) plan, you'll check the box to roll it over to your new employer's plan and you'll include the plan name. You'll want to check with your new employer first to make sure that they will accept the money and, if they do, be sure to ask for the proper rollover instructions for their plan.

Q: How do I roll over my account balance to an IRA?

A: When you complete the form to withdraw your account balance from the FICO 401(k) plan, you'll check the box to roll it over to an IRA and you'll include the name of the investment company or bank where your IRA account is held.

Q: What about taxes if I roll over my account balance to my new employer's retirement plan or an IRA?

A: Taxes are not withheld from a distribution that you roll directly over to another employer's plan or to an IRA and the amount of the distribution is not taxable to you. Make sure that the check will be made out and sent directly to the new institution.

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Q: What if I want to withdraw my account balance in cash?

A: When you complete the form to withdraw your account balance, you'll check the box that you want a cash distribution. You'll receive a check for 80% of the balance and the remaining 20% will be sent to the IRS for taxes. The tax withholding is mandatory, you can't request that you receive 100% of the balance.

If you're under age 59 ½, you'll also owe a penalty to the IRS equal to 10% of the total amount and it will be paid when you file your tax return.

Q: Does losing my job qualify me for a hardship distribution before my employment ends?

A: Losing your job doesn't change the rules for qualifying for a hardship distribution. You're eligible for a hardship distribution at any time if you have medical expenses, are being evicted or foreclosed from your home, need to pay college tuition, or funeral expenses for an immediate family member.

Q: What if I have more questions and want to talk to someone?

A: You can call Robert Lopez at 602-650-6237 or 480-340-7165. You can also send him an email at robert.lopez@cbiz.com.