



KNOX COUNTY RETIREMENT SYSTEM PARTICIPANT LOANS



Before taking a loan from your retirement plan, consider:

- The impact of borrowing from your future
- The costs of a retirement plan loan
- Taxes
- Loan default consequences
- A loan's impact on your investment strategy

If you have any additional questions please contact:

USI Consulting Group

(866) 305-8846, plan code 524

Monday - Friday 8:00 am to 5:00 pm ET.

The Knox County Retirement Board (*the Board*) offers a loan request feature for the Knox County Government Employees. Eligible participants are able to model and request a loan from the usicg.com website, subject to the terms of the plan. The website will also display the status of your loan from the time the application is entered through processing and mailing of your loan check.

For qualified eligible participants, once you request and confirm your loan using the website, it is automatically submitted for processing from your account. Requests are generally processed within one business day, and checks are mailed within three business days from the date your loan is processed. You will receive a Promissory Note and Disclosure attached to your loan check. By signing the loan check, you acknowledge receipt of this documentation and agree to all terms of the loan. We encourage you to keep this paperwork for your records.

Included is a **Quick Reference Guide for Plan Loans** that provides step by step instructions on how to apply for a loan using the usicg.com website. We hope that you find this guide and new Loan Program helpful and easy to use, should you wish to initiate a loan from your account in the future.

Loan applications are available online only.

PARTICIPANT LOAN PROGRAM HIGHLIGHTS*

Eligible Participants

Active participants in the Asset Accumulation, STAR, or 457(b) Plans who are fully vested** and have a minimum account balance of \$20,000.

Loan Provisions

- Minimum loan amount: \$5,000.
- Maximum loan amount: 25% of vested balance up to \$50,000, subject to applicable IRS rules.
- Maximum loan term may not exceed five (5) years.
- Only one (1) loan is permitted at any time across ALL Plans

Fees

The interest rate for a new loan will be reviewed periodically and may be subject to change. Effective July 1, 2021 until changed, the interest rate is 6% per annum.

- \$50 origination fee.
- \$35 annual administrative fee (*deducted semi-annually in installments of \$17.50 each*).

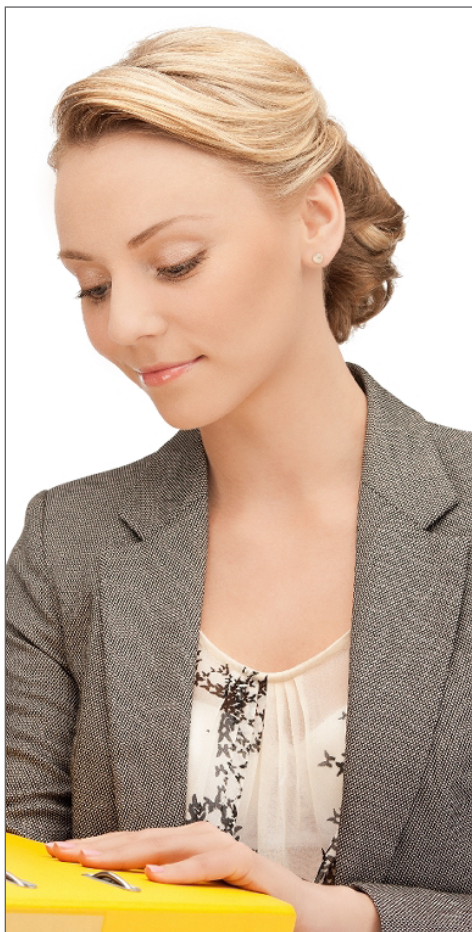
Loan Default Notice

A defaulted loan shall be treated as a deemed distribution and will be taxable in accordance with federal law.

**The Board reserves the right to modify, amend or terminate this Program or any provision at any time. Participant Loan Program documents can be found at www.knoxcounty.org/retirement.*

***457(b) participants must have been employed for at least 5 years.*

QUICK REFERENCE GUIDE FOR PLAN LOANS



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Monday - Friday 8:00 am to 5:00 pm ET

Following is a summary of the steps to apply for a loan from your retirement account via the USICG website:

1. Log on to www.usicg.com.
2. Click on the **Retirement Account Access** button.
3. Select Participant **Login/Sign On** under the Participant Account Service menu.
4. Enter your User ID and Password and click the **Login** button. Click on **Continue** to be Redirected To Our New Website.
5. Choose **Manage** from the menu and then click to **Withdraw**. You may **Review My Current Loan** or choose **Loan Modeling** if you wish to estimate loan payments or request a loan.
6. Select **Model/Request Loan** to get started and **Please Select Loan Type**, enter the **Principal Amount** you wish to borrow, **Term** of the loan (in months) and **Payment/Cycle** for repaying per pay period.

Payments/Cycle

Bi-Weekly - County & Schools
Semi-Monthly - Some School Departments



7. Click **Calculate Payment** to receive the **Amount Amortized, Origination Fee, Payment Amount** per pay period and the **Number of payments**. Choose **Sample Payment Schedule** to view the principal, interest, payment amounts and balance by payment number.
8. Click **Request Loan** to accept the terms shown on the screen and apply for the loan.
9. Review the Loan Request Verification screen and click **Confirm** if all terms are correct (*you may also Edit or Cancel your request*). Clicking Confirm submits your loan for processing.
10. Read and Print a copy of the Loan Request Confirmation for your records. Follow "Loan Processing Steps" below.

Loan Processing Steps

In general, once you verify the terms and submit your loan request it will be processed within one business day. You may check on your loan request by clicking on Loan Application Status under Loans in the drop-down menu on the top of your screen on the website. Loan checks are generally mailed within three business days from the date your loan is processed. The loan check will be mailed to the address shown on the loan request screen. If this address is incorrect, please contact USI Consulting Group (see contact information to the left) before submitting your loan request.

You will receive a Promissory Note and Disclosure attached to your loan check. By signing the loan check, you acknowledge receipt of this documentation and agree to all terms of the loan. This paperwork should be retained for your records.

Loan Repayment

Plan loans must be repaid. When you apply online, and choose how much you would like to borrow, you will be informed of the amount that will be withheld, after tax, from your County paycheck, and for how long. Please note, in planning your loan that the repayment is **in addition** to your 6% mandatory pre-tax employee contribution. When you take a loan, you have both deductions from your paycheck.

