

Maryland Thoroughbred Horsemen's Association

Backstretch Pension Plan



Questions and Answers
Guidebook for Participants



The MTHA Board of Directors, with the approval of the Maryland Racing Commission, established the MTHA Retirement Plan for Thoroughbred backstretch employees and trainers at Maryland's mile tracks. The primary purpose of the Plan is to provide retirement income as a supplement to Social Security.

When did the Plan Begin?

The Plan was established 1/1/88 and was recently amended in 2016 to provide for some improved provisions.

Who is eligible to participate in the Plan?

Individuals who are licensed by the Maryland Racing Commission as either 1) a trainer or 2) as a backstretch employee are eligible after the individual has been licensed for one (1) year and has attained age eighteen (18). Backstretch employees include grooms; exercise riders; hot walkers; pony persons; and stable foremen.

The following categories of licensees are not eligible to participate: owners (as opposed to owner/trainers); security; maintenance; valets; parking; mutual clerks; vendors; miscellaneous; jockeys.

What is a Year of Service?

A Year of Service is any calendar year in which you were employed (or training) at a Maryland mile track for at least 1,000 hours.

What are earnings?

Earnings are your taxable income derived from backstretch employment or training at a Maryland mile track. You must provide proof of such earnings each year by showing a Plan representative your W-2 form or 1099 form, or your actual tax return as filed with the I.R.S.

Only the first \$22,000 of your earnings will be used to calculate your benefit in any one year.

For trainers, earnings are net taxable earnings derived from training at Maryland's mile tracks.

How is my Retirement Benefit calculated?

Your actual Retirement Benefit is the sum total in your account balance at such time as you qualify for Early or Normal Retirement and you actually retire. Each year, the MTHA Board determines the amount of money to be contributed into the Plan for that year and such amount is allocated to the individual account balances of each Participant based on a formula as follows: one (1) unit for each Year of Service at a Maryland mile track and .1 unit for each \$100 of earnings (to a maximum of \$22,000).

Each Participant's total units are divided by the total units of all Participants and the resulting fraction is that Participant's allocable share of that year's contributions.

For purposes of this formula, Participant's Years of Service are the sum total of all years in which he/she was licensed and actively working at a Maryland mile track for at least 1,000 hours in the calendar year.

What happens if I terminate employment prior to attaining Normal or Early Retirement Age?

If you terminate employment at Maryland's mile tracks and do not intend to return, you may be entitled to your account balance based on a concept known as vesting.

Vesting means the extent to which your account balance is non-forfeitable: You will earn vesting credit for each Year of Service, as defined above. Full vesting is reached after completion of three (3) Years. There is no vesting if your leave prior to completion of three (3) Years of Service. See below:

<u>Years of Service</u>	<u>% Vested</u>
1	0
2	0
3	100

What are Normal and Early Retirement Ages?

Normal Retirement Age is sixty-five (65) or fifth (5) anniversary of joining the Plan, if later. Early Retirement Age is a combination of age fifty-five (55) and twenty-five (25) Years of Service.

Can I cash out if I am vested and still employed but have not reached Normal Retirement Age?

No.

Can I cash out if I am vested and still employed but have reached Normal Retirement Age?

Yes. You may request a full or partial withdrawal of your Account once you meet the requirements for either Early or Normal Retirement.

When can I take a disbursement?

Beginning after July 1, 2016, distributions will be available as of the end of any calendar year quarter (March 31st, June 30th, September 30th or December 31st). You can withdraw up to 80% of your prior year's vested balance and may be entitled to a true-up balance after completion of the current year's allocation of contributions and investments gains or losses and release of the independent auditor's report. This process typically occurs in October or November of each year.

How will I know how much is in my account balance from year to year?

Each year, an individual benefit certificate will be prepared for each Participant. In order to complete this process, a Plan Representative will have to collect earnings and service data from all eligible Participants. This means that the allocation process will generally take place after April each year.

A current statement of your account will be given to each participant during the sign-up process. If you'd like a statement any other time call the MTHA office at 410-902-6842.

The MTHA Retirement Plan was approved by the MTHA Board in the hope that it would attract and retain quality employees at Maryland's mile tracks. After you have participated in the Plan for several years, you will recognize the value of contributions compounding with interest on a tax-deferred basis. As the Plan matures, your future retirement security becomes more assured.

How do I get a copy of the actual Plan language?

The MTHA office can provide you a copy of the Summary Plan Description or a copy of the entire Plan document if needed. Call 410-902-6842 for more information.

Who can I call if I have specific questions about my account or want to cash out?

Participants can call Joyce Hoffman at Pollard & Associates at 904-853-5385 or email jhoffman@pollardpensions.com for questions about their individual account. If you are eligible for a distribution (you are no longer working in a capacity to be covered by the Plan, or you have reached Early or Normal Retirement Age) and want to start the distribution process, contact Allison Bach at Pollard & Associates at 410-771-3035, ext. 211.



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This brochure is intended to summarize for you the highlights of the Plan. This brochure is not a part of the Plan, nor does it modify or interpret it; therefore, if there is any conflict between this brochure and the Plan, the Plan will govern. A copy of the actual Plan is available for your review at the MTHA Office or by calling 410-902-6842.

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