

## BENCOR FICA Alternative Plan Overview



The BENCOR 401(a) FICA Alternative Plan (Plan) is a qualified retirement plan under Federal tax law that covers part-time, seasonal and temporary employees of the District who are not covered by the Florida Retirement System. The Plan provides an alternative benefit to Social Security and exempts you from FICA (Social Security) payroll taxes. You continue to pay Medicare taxes on your wages. Enrollment in the Plan is automatic for every employee who works in a position covered by the Plan.

**How much is contributed?** You contribute 7.5% of your wages on a *pre-tax basis* (for income tax purposes) instead of paying Social Security taxes that otherwise would be determined and paid by you on an *after-tax basis*. You will see your Plan contribution amount reflected on your paycheck stub. Contributions are credited to an individual account in your name under the Plan.

**What should I do to set up my account?** Your employer establishes your Plan account for you. Once your account is created, you should log on to your account to:

- 1) select your statement delivery preference (electronic/paper) under **Statements/Forms**; and
- 2) designate the person(s) who should receive the funds in your account in the event of your death by using the **Beneficiaries link** under the **gear icon**.

**How is my account invested?** The Plan offers different investment options in which you may choose to invest amounts contributed to your account. If you do not choose investment options, your account will be invested automatically in your plan's default option, which may or may not be the best option for your particular circumstances. Therefore, it is very important for you to log on to your account at [www.bencorplans.com](http://www.bencorplans.com) as soon as possible to obtain information about all the available investments and choose the options that are appropriate for your own objectives and preferences.

**Can I withdraw my account?** Your account is always 100% vested and belongs only to you. The balance of your account will be available **120 days** after your termination of employment, retirement or total disability. In the case of your death, the beneficiary or beneficiaries you name under the Plan will be able to withdraw your account balance. Funds may be withdrawn as a lump sum cash distribution, which is taxable for the year of withdrawal, or as a direct rollover to an IRA or eligible retirement plan, which defers your income tax obligation. To request a withdrawal, log on to your account at [www.bencorplans.com](http://www.bencorplans.com) and submit your request electronically or download a Distribution Request Form. Additional information about income taxes and rollovers is provided online and with the form.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 ½ (age 72 for participants who reach age 70 ½ after 12/31/19) or retire, whichever is later, or following your death, if earlier.

Individuals who are "active participants" for the year in certain tax-advantaged retirement plans, such as this FICA Alternative Plan, are subject to federal tax law limitations on deducting contributions for the same year to an IRA account. These limitations also may affect a spouse's IRA deductions. Consult an independent tax advisor if you wish to take federal income tax deductions for contributions to an IRA.

**Will I receive statements?** Annual statements showing your account activity and ending balance are provided after the close of each calendar year.

**Are there any fees?** There are no administrative fees charged to your account unless your balance is less than \$1,000 and no contributions have been made to your account for more than two years. At that time, if you do not elect a distribution, a monthly maintenance fee will apply.

**How can I get more information?** To log on to your account for plan and account information, go to [www.bencorplans.com](http://www.bencorplans.com). Enter your User ID and Password, select **Participant** from the drop down and **Login**. After logging on, select Support from the menu to chat with a BENCOR Customer Service Representative, or dial a BENCOR Customer Service Representative at 866-296-9712. Representatives are available Monday – Friday, 9:00 a.m. through 6:00 p.m., Eastern Time.