

PENSACOLA STATE COLLEGE - BENCOR 401(a) FICA ALTERNATIVE PLAN

Welcome to Pensacola State College BENCOR 401(a) FICA Alternative Plan (retirement plan). This letter provides general information about the Plan and where to find more detailed information.

What is this retirement plan? The Pensacola State College 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 College 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.

How can I access my account? Go to www.bencorplans.com, click on **Participant Log On**, then select the **Get Started** box and follow the prompts to create your personalized user ID and password.

FEATURES OF THE PARTICIPANT WEBSITE	
* Unit Values	* Investment Fund Objectives
* Account Balance	* Fund Performance
* Account Balance, by Fund	* Address Changes
* Fund Transfers	* Investment Allocation Changes
* Online Beneficiary Designation	* Transaction History
* Download Forms	* Plan Overview

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 the guaranteed 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 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 **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, download a Distribution Request Form from www.bencorplans.com. Additional information about income taxes and rollovers is included with the form. Mail your completed form to Pensacola State College, Human Resources, 1000 College Blvd., Pensacola, FL 32504.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 70 ½, or retirement, if later.

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. You may enroll in e-statements online to save mail time, paper and ink.

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 logon to your account for plan and account information, go to www.bencorplans.com. Click on the **Participant Log On** link to access your account. Logon tips for first time visitors are located on the logon page. After logging on, visit the **Communications** section and choose **Plan Related Forms** for an overview of the plan and website, or dial a Bencor Customer Service Representative at 1-888-258-3422, option 1. Representatives are available Monday – Friday, 8:30 a.m. through 5:00 p.m., Eastern Time.