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 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? An amount equal to 7.5% of your wages is deducted from your pay and contributed on a pre-tax basis (for income tax purposes) to a Plan account in your name. You will not have to pay Social Security taxes on your wages while you are eligible for and participating in the Plan.

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

1) select your statement delivery preference (electronic/paper) under Statements/Forms;
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;
3) make an investment election under Investments; and
4) add your personal email address for plan communications, including statement notifications.

What are the options for investment of my account? The Plan offers different investment options in which you may choose to invest amounts contributed to your account. The options are listed and described on the website. 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 circumstances. Therefore, it is important for you to log on to your account at 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 money from 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(ies) 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 Funds may be withdrawn as a lump sum cash distribution, which is taxable for the year of withdrawal, or as a direct rollover to an IRA or other eligible retirement plan, which defers your income tax obligation. To request a withdrawal, log on to your account at bencorplans.com and submit your request electronically. Additional information about income taxes and rollovers is provided online.

Your account is subject to the IRS Required Minimum Distribution rules after you reach age 73 or retire, whichever is later, or following your death, if earlier. (If you reached age 72 before 1/1/2023, your required beginning date may be different.)

Will I receive account statements? Annual statements showing your account activity, including beginning balance, contributions made, investment results and ending balance, are provided to you after the close of each calendar year. You may generate a statement on demand at any time by logging in to your account.

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.

May I still contribute to an IRA? Yes, your participation in the Plan does not prohibit you from making contributions to an Individual Retirement Account (IRA). However, 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 for income tax purposes contributions made for the same year to an IRA. 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.

How can I get more information? To log on to your account for Plan and account information, go to bencorplans.com. After creating your account and 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.