



UNIVERSITY OF FLORIDA

Office of the Vice President for Human Resource Services

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Date: December 7, 2005

To: Adjunct Faculty, Postdocs, Housestaff, and Other OPS Employees

From: Kyle J. Cavanaugh, Vice President
Human Resource Services

Subject: Introduction to Your New Retirement Plan

The University of Florida has adopted a qualified retirement plan for part-time, seasonal, or temporary employees who are not covered by the State Retirement System. Beginning on January 13, you will be covered through a new retirement plan called the FICA Alternative Plan. Instead of paying 6.2% social security taxes post-tax, you will now contribute 7.5% of your pre-tax wages into an investment account in your name. Medicare contributions at 1.45% will continue to be withheld and matched by the university. The plan is mandatory for eligible employees, and you will be automatically enrolled or un-enrolled by the university based on your salary plan status during the affected pay period.

This program offers several advantages, some of which are provided below:

- 1) You are not subject to Social Security taxes while covered by this plan.
- 2) Any benefits that you have earned under any other retirement plan (as well as Social Security benefits) will not be reduced by participating in this plan. Also, if you leave a position covered by this plan for any reason before retirement, based on eligibility requirements you can withdraw the balance of your account, or continue to save the funds for retirement.
- 3) Contributions to this plan are pre-tax. Therefore, your income and Medicare taxes are reduced. This is the least expensive way to save for retirement and allows you to accumulate a higher retirement benefit. No taxes are paid on the contributions or earnings in the plan until they are withdrawn.
- 4) You will have an individual account in your name into which your contributions will be placed and from which distributions can be paid only to you. Account

balances are updated daily. You may access the data about your account online through the BENCOR web site, www.bencor.com/index.asp.

- 5) Investments are provided by Diversified Investment Advisors (DIA) and Transamerica Life Insurance Company and are controlled by the participants. You may choose to invest your money in one or more of the 17 different funds available by using the enclosed investment election form. You may change the investments at your discretion by obtaining a new investment election form from Bencor Administrative Services. However, if you prefer not to direct the investments of your funds, they will automatically be placed in the Fixed Account which is currently earning 3.50% APR. Information on all other investments is enclosed.
- 6) There are no administrative fees associated with this plan.
- 7) You will be provided with statements annually after the plan year-end on December 31.

Additional information about the plan may be found at the University of Florida's Human Resource Services web site, www.hr.ufl.edu/benefits/ficaalternative.htm. If you have questions about this information, you may contact the following Human Resource Services representatives: Paula Varnes Fussell at 392-4621 or Mark Hollis at 392-1225.

We have enclosed an enrollment form for you to complete that identifies your investment choice and beneficiary (or beneficiaries) for the account. With your first contribution, a PIN number will be established for you by BENCOR that will be the last four digits of your social security number. We suggest you change the PIN number the first time you log into the web site to access your account. If you have any questions about the plan or wish to request additional forms, please contact BENCOR Administrative Services Monday through Friday from 8:30 a.m. to 4:30 p.m. EST at 1-888-258-3422.

Enclosure