

# FICA

## Alternative Retirement Plan



### The FICA Alternative Retirement Plan Gives You More Control!

As a part-time, seasonal or temporary employee, you are accustomed to seeing your FICA tax withholding required by The Social Security system deducted from your paycheck. Under normal circumstances, you will not see that money until you retire. Instead of sending FICA taxes to the Federal Government, your employer is providing you with the benefits of The FICA Alternative Retirement Plan available under Internal Revenue Code Section 3121.

### Here is how The Plan works:

Rather than reducing your wages on an after-tax basis by the required 6.2% FICA tax on each pay check, your employer established The FICA Alternative Retirement Plan account. A 7.5% pre-tax contribution is deducted from your wages and is contributed to your personal account.

### Flexibility and earnings:

Unlike Social Security, with the The FICA Alternative Retirement Plan your contributions and interest earnings are available to you:

- Upon termination of employment
- At normal retirement age
- In the event of death or disability

Contributions to your FICA Alternative account are deposited in an annuity contract which provides guaranteed interest and principal.

The FICA Alternative Retirement Plan was established by your employer to help you make the most of your benefits. If you have questions, contact your Human Resources Department or your Precision Retirement Group Representative.

### Paycheck Comparison

	Social Security	FICA Alternative
Gross monthly wage	\$1000.00	\$1000.00
Less 7.5% pre-tax contribution	-0-	\$(75.00)
Taxable Income	\$1000.00	\$925.00
Less 15% Fed inc. taxes	\$(150.00)	\$(138.75)
Less 5% State inc. taxes	\$(50.00)	\$(46.25)
Less 6.2% FICA withholding	\$(62.00)	-0-
Less 1.45% Medicare	\$(14.50)	\$(13.41)
Net paycheck to you:	\$723.50	\$726.59

*\* Above calculations are based upon general assumptions. Actual calculations for your circumstance can and will be different based upon your financial circumstances.*