



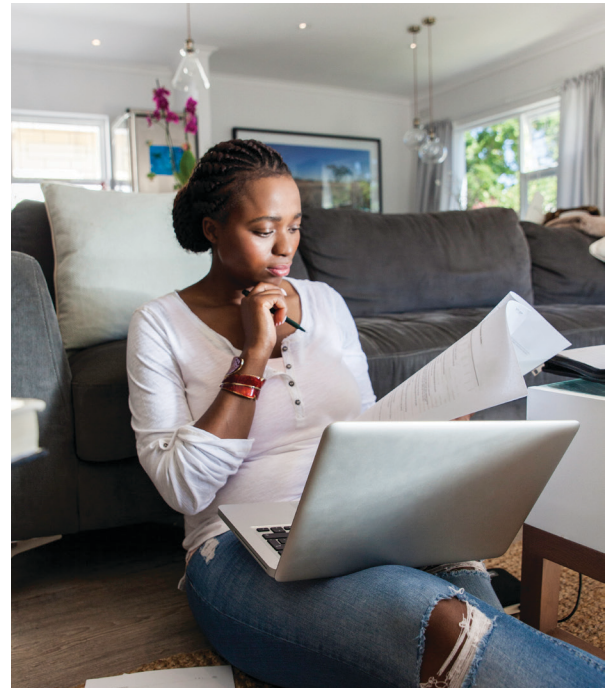
# InvestQ FICA Alternative

## New 3121/PST Plan

The FICA Alternative plan was created to help government agencies save the cost of matching FICA (Social Security) tax on part-time, seasonal, and temporary employees who do not qualify for a state or government pension. This comprehensive program features no conflict-of-interest, low fees (with no surrender charge or vendor penalties), excellent investments, turn-key administration, guaranteed compliance with applicable state laws, and fiduciary protection.

### Why choose FICA Alternative?

- ✓ Federal law states that employees of public agencies who are not members of the employer's existing retirement system as of January 1, 1992 be covered under Social Security or a qualifying alternate plan.
- ✓ Part-time and seasonal employees are typically not covered by pension systems
- ✓ Social Security requires that the equivalent of 12.4% of an employee's salary be contributed each month (6.2% employee, 6.2% employer)
- ✓ A FICA Alternative Plan requires only a combined 7.5% contribution.
- ✓ The employer determines who makes the contribution; employee or employer contributes the entire 7.5% or can be a combination.
- ✓ Having a FICA Alternative plan can help employers save money and provide a better retirement solution for their employees.



### Formula for Savings:

$$\text{Part-time employee wages} + \text{Seasonal worker wages} \times 6.2\% = \text{Potential Employer Savings}$$

#### ✓ Maximize Savings

This plan can help reduce or eliminate mandatory employer contributions to the Social Security System.

#### ✓ Better Retirement

Employees are able to keep the money they contribute to their retirement plan, regardless of typical government requirements.

#### ✓ Rollover-Friendly

If employees become full time status, they can roll their FICA plan into a qualifying voluntary retirement plan.

Learn more about the ESC Region 13 InvestQ Co-op at [www.esc13.net/investq](http://www.esc13.net/investq).

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