

BENCOR National Government Employees Retirement Plan Enrollment Form

401(a)

Transamerica Asset Allocation-Intermediate/Long Horizon seeks to provide greater opportunity for long-term return at higher risk levels by investing in an array of Diversified's Funds. The portfolio invests in a combination of equity and fixed income funds, with the greater emphasis on equity funds. **Advisor: Transamerica Asset Management, Inc.**

Transamerica Asset Allocation-Long Horizon seeks to attain its objective by investing in an array of Diversified's Funds with an emphasis on equity funds. The Fund has limited exposure to a variety of fixed income funds. **Advisor: Transamerica Asset Management, Inc.**

There is no guarantee that a fund will meet its investment objective.

All registered funds are available by prospectus only. The prospectus contains additional information about the funds, including the investment objectives, risks, charges and other expenses. For a prospectus on any of the options listed call 1-888-258-3422. You should consider all such information carefully before investing. Please read the prospectus carefully before you make your investment choices.

Diversified Investors Securities Corp. (DISC), 4 Manhattanville Road, Purchase, NY 10577, distributes security products. Any fund offered under a Plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements, such as DISC. If the Transamerica Funds, Transamerica Partners Funds, or Transamerica Premier Funds (collectively, the Transamerica Funds) are offered under the plan, the Transamerica are distributed by Transamerica Capital, Inc. (TCI) and are advised by Transamerica Asset Management (TAM). If any stable, fixed or guaranteed funds are offered under the plan by Diversified, these funds are made available under a group annuity contract issued by Transamerica Financial Life Insurance Company (TFLIC), 4 Manhattanville Road, Purchase, NY 10577. Diversified, TAM, TCI, TFLIC and DISC are affiliated companies, but not affiliated with BENCOR.

The Guaranteed Pooled Fund is a pooled separate account offered through Transamerica Financial Life Insurance Company (TFLIC), 4 Manhattanville Road, Purchase, NY 10577, which provides the guarantee of principal and interest.

Transamerica Asset Allocation Funds (also known as "Horizon Funds") invest in combinations of the funds of the Diversified Funds Group, as determined by Transamerica Asset Management based on each Horizon Fund's investment objective. The Strategic Allocation Funds bear investment management fees in addition to the investment management fees and expenses of the underlying funds in which they invest.

TFLIC, DISC and Diversified are affiliated companies, but are not affiliated with BENCOR, Galliard, nor any of the sub-advisors.

Bonds and bond funds are subject to interest rate risk, credit risk and inflation risk. Interest rate risk means that the value of bonds and bond funds generally falls when interest rates rise, causing an investor to lose money upon sale or redemption. Lower rated high yield corporate debt securities represent a much greater risk of default and tend to be more volatile than higher rated or investment grade bonds.

Equity funds invest in equity securities, which include common stock, preferred stock and convertible securities. Because such securities represent ownership in a corporation, they tend to be more volatile than fixed income or debt securities, which do not represent ownership. The securities of small and medium-sized companies, because of the issuer's lower market capitalization, may be more volatile than those of large-sized companies.

Foreign securities and markets pose different and possibly greater risks than those customarily associated with domestic securities, including currency fluctuations and political instability.

Instructions for Retirees

A. Complete the BENCOR Retirement Plan Enrollment Form - It is very important that you complete the enrollment form so BENCOR Administrative Services will have current information on you:

- 1. Address** - This is where your account statements will be sent.
- 2. Beneficiary** - This will assure that your account will be distributed in accordance with your wishes in the event of your death.
- 3. Investment Direction** - This form allows you to direct your investments upon enrollment. Remember: your money is automatically deposited into the Guaranteed Pooled Fund unless you direct otherwise.
 - a. Guaranteed Pooled Fund** - An interest rate is paid on these funds and the principal is guaranteed. Interest is credited daily to this account. The interest rate on the GPF is declared annually on January 1 for the calendar year.
 - b. Investment Options** - You may choose to invest your money in any of the additional investment options that may achieve a higher or lower rate of return than the Guaranteed Pooled Fund. These variable accounts carry no guarantees and the participant assumes all investment risk.

B. Using Your BENCOR Account

- 1. Withdrawals** - You may withdraw your funds from this account at any time after your termination of employment with no surrender charges. Please seek tax advice from competent counsel to determine the tax liability on withdrawals.
- 2. Loans** - You may borrow the lesser of \$50,000 or 50% of your account balance, for any reason, and not pay taxes on the borrowed funds if the loan is prepaid as required by IRS guidelines.
- 3. Changes to your investment options** - You may change your investment options at any time with no transfer fees. You may make these changes either over the telephone, over the internet or by written instructions. Please see the listings on the back cover for contact addresses, phone numbers and web information.
- 4. Rollovers** - Upon your termination of employment, you may rollover these funds into other tax-advantaged investments such as IRA and 403(b) accounts. For a complete list of rollover options, please contact your financial advisor. **You may also rollover other tax advantaged investments into the BENCOR account.**

NOTE: If you rollover your funds into an IRA and you have not attained the age of 59½, you may subject your rolled funds to a 10% tax surcharge if you withdraw these funds prior to attaining this age.

GENERAL INFORMATION

Employer: UNIVERSITY OF FLORIDA BOARD OF TRUSTEES

Worksite Location: _____

Address: _____

City: _____ State: _____ Zip: _____

Participant Name: _____

Address: _____

City: _____ State: _____ Zip: _____

SS#: _____ Date of Birth: _____

Telephone #: _____

BENEFICIARY DESIGNATION

Participant Primary Beneficiary: _____

Address: _____

City: _____ State: _____ Zip: _____

SS#: _____ Date of Birth: _____

Relationship: _____

% Share: _____

Participant Contingent Beneficiary: _____

Address: _____

City: _____ State: _____ Zip: _____

SS#: _____ Date of Birth: _____

Relationship: _____

% Share: _____

Participant Contingent Beneficiary: _____

Address: _____

City: _____ State: _____ Zip: _____

SS#: _____ Date of Birth: _____

Relationship: _____

% Share: _____

Married Participant

I understand that I must select my spouse as sole Primary Beneficiary under this Plan unless he/she consents in writing to my naming another Primary Beneficiary. (Please contact BENCOR Administrative Services for a Spousal Consent form if naming a Primary Beneficiary other than your spouse.)

Unmarried Participant

I understand that the following designation becomes null and void in the event of my marriage. I will promptly inform BENCOR of any change in my marital status.

I understand that if I outlive my Primary Beneficiary, benefits will be paid to my estate on my death unless I designate a Contingent Beneficiary(ies). (If additional space is required, please attach a separate page providing all designation information and the percentage share for each.)

Signature _____ Date _____

INVESTMENT ELECTION

Please ensure that the investment instructions provided below are accurate. We will be relying on your instructions to allocate your contributions. Please note that investment allocation percentages must total 100%.

All funds are deposited into the Guaranteed Pooled Fund unless you select other investment options below.

The investment allocation indicated below is for :

- Current Investments
 Future Investments
 Both Current & Future Investments

Withdrawals due to Employer-initiated events may be subject to restrictions and/or adjustments.

Stable Value Fund

_____ % TFLIC Guaranteed Pooled Fund

Stock Funds

_____ % Transamerica Partners Value
_____ % Transamerica Partners Stock Index
_____ % Transamerica Partners Large Core
_____ % Transamerica Partners Large Growth
_____ % Transamerica Partners Mid Value
_____ % Transamerica Partners Mid Growth
_____ % Transamerica Partners Small Value
_____ % Transamerica Partners Small Growth
_____ % Transamerica Partners International Equity

Multi-Asset Funds

_____ % Transamerica Asset Allocation-Short Horizon
_____ % Transamerica Asset Allocation-Short/Inter Horizon
_____ % Transamerica Asset Allocation-Intermediate Horizon
_____ % Transamerica Asset Allocation-Inter/Long Horizon
_____ % Transamerica Asset Allocation-Long Horizon

Bond Funds

_____ % Transamerica Partners Total Return Bond
_____ % Transamerica Partners High Yield Bond

100 % Total

Please return completed form to:

BENCOR Administrative Services, Inc.
8488 Shepherd Farm Drive
West Chester, Ohio 45069

For a prospectus on any of the options listed above or for customer service call **1-888-258-3422**.

Information

FRAUD WARNING

In some states, we are required to advise you of the following:

Florida Residents Only: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Applicable to everyone, except Florida, New York, Oregon and Virginia Residents: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime, and subjects such person to criminal and substantial civil penalties.

Diversified Investment Advisors is a national investment advisory firm specializing in retirement plans. The company's expertise covers the entire spectrum of defined contribution and defined benefit plans. Headquartered in Purchase, NY, Diversified helps more than 1.3 million participants save and invest wisely to and through retirement.

TFLIC Guaranteed Pooled Fund seeks to provide maximum yield consistent with a guarantee of principal and interest. The portfolio is a guaranteed separate account of Transamerica Financial Life Insurance Company (TFLIC) that invests in a diverse pool of high quality fixed-income instruments and is offered through a group annuity contract. TFLIC has been rated A+ by A.M. Best. **Advisor:** *Galliard Capital Management*

Transamerica Partners Total Return Bond invests in US Government, asset-backed and mortgage-backed securities, corporate securities, and on an opportunistic basis, convertible, high yield and international fixed income securities. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Western Asset Management Company.*

Transamerica Partners High Yield Bond Fund invests in high yield fixed income securities, rated BB or lower (by Moody's and Standard & Poor's rating agencies). **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Eaton Vance Management.*

Transamerica Partners Value invests in a diversified portfolio of common stocks selling at reasonable valuations relative to their future projected earnings. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Hotchkis and Wiley*

Transamerica Partners Stock Index seeks to match the returns and volatility (risk) of the S&P 500 Equity Index. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Barclays Global Fund Advisors.*

Transamerica Partners Large Core (formerly Growth & Income) invests in a diversified portfolio of stocks which have the potential to generate long-term capital appreciation and current dividend income. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *BlackRock Financial Management, Inc., Aronson+Johnson+Ortiz, LP,*

Transamerica Partners Large Growth (formerly Equity Growth) invests in a diversified portfolio of common stocks with the potential for above-average growth in earnings. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Marsico Capital Management, LLC, Wellington Management Co., and OFI Institutional Asset Management, Inc.*

Transamerica Partners Mid Value invests in a diversified portfolio of medium size value-oriented companies. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Cramer Rosenthal McGlynn, LLC, LSV Asset Management.*

Transamerica Partners Mid Growth invests in a diversified portfolio of medium size, growth-oriented companies. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Columbus Circle Investors*

Transamerica Partners Small Value invests in a diversified portfolio of small, high-quality companies selling at large discounts to the underlying value of the business. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Mesirow Financial Investment Management, Inc. and OFI Institutional Asset Management, Inc.*

Transamerica Partners Small Growth invests in a diversified portfolio of small, growth-oriented or emerging growth companies that are believed to offer above average opportunities for long-term price appreciation. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *Trustco Capital Management.*

Transamerica Partners International Equity invests primarily in the stock markets of the United Kingdom, continental Europe, Japan, Canada, and Australia. **Advisor:** *Transamerica Asset Management, Inc.* **Subadvisor(s):** *LSV Asset Management and Wellington Management Company.*

Transamerica Asset Allocation-Short Horizon seeks to attain its objective by investing in an array of Diversified's Funds. The primary emphasis is on fixed income funds with limited exposure to equity funds. **Advisor:** *Transamerica Asset Management, Inc.*

Transamerica Asset Allocation-Short/Intermediate Horizon seeks to provide consistent returns with reduced volatility by investing in an array of Diversified's Funds. The portfolio invests in a combination of both fixed income and equity funds, maintaining limited exposure to the equity funds. **Advisor:** *Transamerica Asset Management, Inc.*

Transamerica Asset Allocation-Intermediate Horizon seeks to provide greater potential for long-term return at moderate risk levels by investing in an array of Diversified's Funds. The portfolio invests in a combination of both fixed income and equity funds, maintaining approximately equal exposure to both asset classes. **Advisor:** *Transamerica Asset Management, Inc.*

The performance figures represent past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Visit www.bencorplans.com to obtain performance data current to the most recent month-end and quarter-end.

BENCOR NATIONAL PLAN INVESTMENT OPTIONS

TAP = Transamerica Partners						
		Annualized Rates of Return				
		For Periods Ended 12/31/2008				
	Funds	1 Year	3 Yrs	5 Yrs	10 Yrs/ Inception	Inception Date
Stock Funds						
	Transamerica Partners Value	-46.87	-18.55	NA	-13.93	May-05
	TAP Stock Index Fund	-37.38	-8.91	-2.79	-2.03	Aug-93
	Transamerica Partners Large Core	-37.03	-10.73	-3.53	-4.13	Jan-86
	Transamerica Partners Large Growth	-40.21	-11.60	-4.63	-3.75	Mar-93
	Transamerica Partners Mid Value	-38.09	-9.38	0.25	3.44	May-01
	Transamerica Partners Mid Growth	-41.87	-8.52	-0.22	-3.32	May-01
	Transamerica Partners Small Value	-27.17	-10.05	-3.56	-1.35	May-02
	Transamerica Partners Small Growth	-38.31	-10.40	-4.39	-1.23	May-02
	TAP International Equity	-50.25	-11.21	-1.62	0.82	Dec-92
Multi-Asset Funds						
	TAP Asset Allocation-Short Horizon	-9.33	0.03	1.30	3.00	Jul-96
	TAP Asset Allocation-Short/Inter Horizon	-17.96	-2.69	0.20	2.04	May-98
	TAP Asset Allocation-Inter. Horizon	-25.50	-5.06	-0.81	1.14	Jul-96
	TAP Asset Allocation-Inter/Long Horizon	-32.84	-7.88	-2.02	0.18	Jul-96
	TAP Asset Allocation-Long Horizon	-39.60	-10.60	-3.27	-1.32	May-98
Bond Funds						
	TAP Total Return Bond	-9.00	-0.67	NA	-0.40	May-05
	TAP High Yield Bond	-29.31	-7.19	-2.01	1.58	Sep-95
Stable Fund		The minimum guaranteed interest rate for calendar year 2009 is 3.85%.				
	TFLIC Guaranteed Pooled					

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Diversified Investors Securities Corp. (DISC), 4 Manhattanville Road, Purchase, NY 10577, distributes securities products. Any fund offered under a plan is distributed by that particular fund's associated fund family and its affiliated broker-dealer or other broker-dealers with effective selling agreements, such as Diversified Investors Securities Corp (DISC). If the Transamerica Funds, Transamerica Partners Funds, or Transamerica Premier Funds (collectively the Transamerica Funds) are offered under the plan, the Transamerica funds are distributed by Transamerica Capital, Inc. (TCI) and are advised by Transamerica Asset Management (TAM). If any stable, fixed or guaranteed funds are offered under the plan by Diversified, these funds are made available under a group annuity contract issued by Transamerica Financial Life Insurance Company (TFLIC), 4 Manhattanville Road, Purchase, NY 10577. Diversified, TAM, TCI, TFLIC, and DISC are affiliated companies, but are not affiliated with BENCOR.

The total rates of return for the Funds are calculated in accordance with SEC regulations for performance advertising. Performance reflects historical investment results (including changes in share price and reinvestment of dividends and capital gains) less charges and deductions of The Diversified Funds Group (including those of the underlying Core Funds). Returns are annualized. For certain funds, certain fees may have been waived or expenses advanced during the periods shown. Without such waivers or advance of expenses, the total returns shown would have been lower. Additionally, the employer's retirement plan may also assess an administrative fee, which would reduce the performance data quoted.

Each of the funds of the Transamerica Partners Funds Group (other than the Stock Index Fund) is available through a Core Fund & Feeder structure, under which each such 'Feeder' fund invests in a 'Core Fund' with a corresponding investment objective. The Feeder funds are separate series of a registered investment management company. The Core Funds are registered investment management companies. For Funds showing inception dates prior to 1996 (other than the High Yield Bond Fund), the underlying Core Funds were established on January 3, 1994 (except the International Equity Core Fund which was established in October of 1995) when corresponding pooled separate accounts of MONY Life Insurance Company (formerly, The Mutual Life Insurance Company Of New York) (the "predecessor pooled separate account(s)") with corresponding investment objectives, policies and restrictions contributed all of their assets to such investment management companies. These investment management companies thereupon became available for investment by certain institutional investors, including mutual funds. All other Core Funds were established on the inception dates shown and do not have predecessor pooled separate accounts. Fund returns for the periods prior to the commencement of operations are hypothetical and are based on the historical data from the Core Funds and, if applicable, the predecessor pooled separate accounts. The predecessor pooled separate accounts were not registered under the Investment Company Act of 1940 and, therefore, were not subject to certain investment restrictions imposed by that Act. If the predecessor pooled separate accounts had been registered under the Act, performance might have been adversely affected. Stock Index Fund returns for periods prior to the commencement of operations are hypothetical and are based on the historical data from the S&P 500 Index Master Investment Portfolio, established on August 31, 1993. Other classes of shares, with different fee structures, may be available from the Funds depending on the retirement plan investor status. Transamerica Asset Management, Inc. ("TAM") is the investment advisor to each of the Core Funds and has the ability to appoint sub-advisors to manage the portfolio of each Core Fund.

Certain performance data for such funds are provided by independent firms that track the investment industry (such as Lipper, Inc.) or from the fund family itself. Although data are gathered from sources believed to be reliable, neither the independent tracking firms nor Diversified can guarantee the completeness, accuracy, timeliness or reliability of the data. All data are historical and subject to change at any time. Diversified and the independent tracking firms may use different methodologies for providing mutual fund performance information. The independent tracking firms reserve all rights in their respective proprietary data.

Diversified's presentation of performance information for the non-Transamerica Partners funds, if any, is for informational purposes only and should not be construed as an endorsement or recommendation by Diversified nor be the basis of any investment decision. Depending on the particular non-Transamerica Partners, Diversified or its affiliate may receive remuneration from the fund family (or its service provider) for providing certain recordkeeping or other administrative services.

The Transamerica Asset Allocation Funds invest in combinations of the funds of the Transamerica Partners Funds Group, as determined by Transamerica Asset Management, Inc. (TAM) based on each Fund's investment objective. The Asset Allocation Funds bear investment management fees in addition to the investment management fees and expenses of the underlying funds in which they invest. The Transamerica Asset Allocation Funds invest in combinations of the funds of the Transamerica Partners Funds Group, as determined by Transamerica Asset Management, Inc. (TAM) based on each Fund's investment objective. The Asset Allocation Funds bear investment management fees in addition to the in

FREQUENTLY ASKED QUESTIONS

Do I have a choice in participating in this program?

The program is mandatory for all covered employee groups who retire or participate in the Deferred Retirement Option Program (DROP). According to Internal Revenue Service (IRS) guidelines, the program must be mandatory in order to qualify for the tax advantages of the plan.

I accumulate vacation pay. What happens when I enter DROP?

At the time you enter DROP, you have the option of receiving your accrued vacation leave at the beginning or end of your DROP period. With either option, your accrued vacation leave will be deposited into your account in the BENCOR 401(a) plan. If you elect to have your accrued vacation leave paid at the beginning of DROP, it will be used in the calculation of your five highest years of earnings, and to calculate your monthly retirement benefit under the Florida Retirement System (FRS). Your accrued sick leave is deposited into your BENCOR 401(a) account over the five-year DROP period or at separation of service.

How much of my accrued leave balance can be deposited into my BENCOR account each year ?

For the plan year 2009 contributions cannot exceed the IRS 415(c) limit currently the lesser of \$49,000 or 100% of the Plan Year Compensation into the 401(a) plan.

Are my funds safe?

If you elect to have your funds deposited into the fixed interest option, the principal and interest paid on the account carry a minimum rate of return guaranteed by the investment provider. If you elect to invest your funds into the variable investment options, you assume all market risks.

Can I deposit my DROP funds into the account once I leave DROP?

At the end of your DROP participation, you can complete the "Request for Balance for Direct Rollover" provided by FRS and have your DROP account "rolled" into your BENCOR 401(a) account - this will continue the Federal income tax deferral. If you are between the ages of 55 and 59½, consider the BENCOR 401(a) account for your "rollover" of DROP funds. Unlike an IRA account, there is no IRS 10% early distribution penalty unless you retire prior to the year in which you attain age 55.

Can I withdraw the funds from my BENCOR account while I am still employed or participating in DROP?

Funds may only be withdrawn after separation from service from your employer. However, a loan provision in this program allows you to access funds in your account while continuing to defer income tax. Contact BENCOR Administrative Services directly should you have additional questions on loan provisions.

I am presently participating in a voluntary 403(b) TSA account and making contributions through my payroll. How does the BENCOR Special Pay Plan affect my contributions?

The BENCOR Special Pay Plan qualifies for these valuable tax benefits under IRC Section 401(a). Your voluntary contributions are under IRC Section 403(b). Therefore, each plan has its own contribution limits with no coordination. After separation from service, you may roll over your funds from one account to the other with no limits.

The BENCOR Special Pay Plan qualifies for valuable tax benefits under IRC Section 401(a).

THE BENCOR PLAN DESCRIPTION

The BENCOR National Government Employees Retirement Plan™
BENCOR Special Pay Plan

UNIVERSITY OF FLORIDA BOARD OF TRUSTEES

The BENCOR NATIONAL GOVERNMENT EMPLOYEES RETIREMENT PLAN™ (BENCOR SPECIAL PAY PLAN™) is a tax-advantaged Plan offered by BENCOR, Inc. to help governmental units and their employees save up to 7.65% of Social Security/Medicare taxes and to defer income taxes on eligible Plan contributions. Provided below is an explanation of how the Plan works, subject to employer policy:

Eligibility

- Employees covered under this Plan by board policy, who are retiring, terminating or entering DROP and have accumulated at least \$2,000 in “Special Pay” (sick leave pay, annual leave-vacation pay, etc.) will participate in this Plan.
- Accumulated “Special Pay” will be placed into the BENCOR NATIONAL PLAN™ subject to contribution limits.

Contribution Limits

- Contributions to the 401(a) Plan cannot exceed 100% of Plan Year Salary or \$49,000 – whichever is less.
- If your Plan Year Salary is less than \$49,000, a different calculation will be used to determine your Plan contribution limit.
- The maximum Special Pay Plan contribution limit is calculated each year.
- In addition, you can fully fund your elective-deferral 403(b) account or 457(b) account.
- Please consult your tax advisor or your BENCOR advisor regarding your Plan contribution limits.

Investments & Investment Expenses

- Initially, Special Pay Plan contributions are automatically invested into the Transamerica Financial Life Insurance Company Guaranteed Pooled Fund. This is a principal-guaranteed, interest-bearing account. There are no front-end loads, back-end loads, surrender charges, administrative fees, 1099 fees or any other fees charged against this account. This account is fully liquid. **There is a guaranteed minimum rate of return.**
- Subsequently, the participant can self-direct among an array of investment choices.
- An asset management and administration fee is reflected in the guaranteed interest rate on the fixed investment option and the unit values of the mutual fund investment options.

Distributions

- Distributions may be taken at termination of employment, during DROP participation or upon total disability or death.
- The participant may choose to leave money in the Plan, self-directing future investments and taking distributions as desired in a *tax-deferred manner*. Distributions may be taken in a lump sum or periodic payments may be taken monthly, quarterly, semi-annually or annually. (Remember, it may be advantageous under Federal tax laws to delay taking distributions until a later tax year when the individual’s tax rate may be lower).
- A participant (or surviving spouse) may “roll over” the Plan balance into an IRA or into another qualifying plan. In addition, participants can roll money from an IRA or another plan into the BENCOR Plan.
- To receive a distribution, the participant must initiate the process by *requesting a distribution packet* from BENCOR Administrative Services at **1-888-258-3422**.
- Distributions will be processed in a timely manner with minimum waiting.
- There is no 10% IRS penalty if the employee is at least age 55 in the year of separation from employment (59 ½ if the distribution is during the DROP period).

How the Special Pay Plan works

Let’s assume you participate in your 401(a) Special Pay Plan and retire on June 30, the last day of the fiscal year. Assume also that you earn \$48,000 a year and you have accumulated \$40,000 in unused sick-leave, annual-leave or vacation pay, which your employer will deposit into your Special Pay Plan account up to the maximum allowed by law. The remainder will be paid to you in cash.

In this example, the entire sick/annual-leave pay is within the maximum allowed by law and will be contributed to the plan. If the sick/annual-leave pay had been greater than \$49,000 (2009), the remainder would be paid to the employee in cash, less payroll taxes of 7.65%, and subject to current income tax. The maximum contribution for 401(a) Special Pay Plans may be reduced by, or require coordination with, contributions to other 401(a) plans of the employer in the same year.

The BENCOR 401(a) Special Pay Plan is a tax-qualified retirement plan for unused sick pay, vacation pay or severance pay.

Assuming plan contributions are non-elective employer contributions, the following illustrates the Special Pay Plan benefits:

Plan year compensation (7/1 to 6/30)	
Employee’s annual salary.....	\$48,000
Accumulated sick/annual-leave pay earned in the last full year of service.....	+40,000
Plan year compensation.....	<u>\$88,000</u>

Tax-year compensation (1/1 to 6/30)	
Employee’s one-half year salary.....	\$24,000
Accumulated sick/annual-leave pay.....	+40,000
Total tax-year compensation.....	<u>\$64,000</u>

Maximum plan contribution calculation

1. Take the greater of:

- 100% of annual salary (100% x \$48,000 = \$48,000), or
- 50%¹ of plan year compensation (50% x \$88,000 = \$44,000)

2. Take the lesser of:

- \$48,000 (calculated in number 1 above) or
- Annual dollar limit (\$49,000 in 2009), indexed

Maximum allowable plan contribution..... \$48,000

Actual plan contribution..... \$40,000
Balance paid directly to employee..... \$0

The following chart compares an employee's current-year tax liability² With and without the BENCOR Plan

Total tax-year compensation (salary plus sick/annual leave).....	\$ 64,000	\$ 64,000
Less BENCOR plan contributions.....	0	40,000
Total current taxable income.....	\$ 64,000	\$ 24,000

Federal income tax (25%) (for 2009).....	\$ 16,000	\$ 6,000
Payroll tax - Social Security (6.2%).....	3,968	1,488
Payroll tax - Medicare (1.45%).....	928	348
Total year 2009 tax owed.....	\$ 20,896	\$ 7,836

Income tax deferral ²	\$ 0	\$ 10,000
Permanent payroll tax savings.....	0	3,060
Total year 2009 tax savings plus tax deferral.....	\$ 0	\$ 13,060

This chart, including the compensation amounts and tax rate, is an example only, does not reflect the value of any investment and is not a guarantee of future returns.

¹ Fifty percent of gross compensation is the equivalent of 100% of adjusted compensation

² In the year of separation under the example above

Planning for the future today can help make tomorrow a lot brighter

The BENCOR Special Pay Plan, which is part of the BENCOR National Plan, is offered by your employer as a powerful way to help you realize your retirement dreams.

Here's how

If you are entitled to sick, annual-leave and vacation pay, as well as other forms of special pay, the BENCOR Special Pay Plan will help ensure you never pay Social Security and Medicare taxes on that money. It will also give you the ability to defer payment of the related income taxes until you receive distributions at retirement.*

Features and benefits:

Eligibility

- If you have accumulated sick, annual-leave and vacation pay, as well as other forms of special pay, you are required to participate in this plan.

Benefits to you

- You may invest the 7.65% of your special pay income that would otherwise have gone toward Social Security and Medicare tax on eligible plan contributions.
- Employer contributions are made on a pre-tax basis. Income tax on this compensation is deferred until distributions are taken.

Vesting

- You are immediately 100% vested in all contributions to your account.

Investments

- Upon enrollment, contributions are automatically invested in the Guaranteed Pooled Fund (an interest bearing account), where they will remain until you decide otherwise. The interest rate on the GPF is declared annually on January 1 for the calendar year.
- You may change the investments in your account:
 - 1) by completing a BENCOR Plan Enrollment Form; or,
 - 2) by following the investment allocation instructions in this booklet. If you choose one of the variable investment options, its value will fluctuate and an investor's units may be worth more or less than the original cost.

Account statements

- As a participant, you will receive an account statement each quarter.
- Account balances are updated daily and are available over the telephone or the Internet.

*Retirement Plans are long-term investments. Income taxes are payable upon withdrawal. Federal restrictions and a 10% tax penalty may apply to a withdrawal after termination of employment if you are not at least age 55 by year end.

Plan administration

- BENCOR Administrative Services provides personalized consulting and administrative services for BENCOR National Plan participants.
- For general plan information, specific account information or to change investment options, please phone 1-888-258-3422. Press "5" to access the automated, toll-free voice system, 24 hours a day.
- Visit the BENCOR Web site at www.bencorplans.com, and choose "Account Access" to view your account information online.

Withdrawals and distributions

- It may be more advantageous under federal tax laws to delay taking distributions or withdrawals until a later tax year in which your tax rate may be lower.
- Distributions may be taken at termination of employment or upon total disability or death. As an eligible participant, you may leave your money in the plan to continue to benefit from tax-deferred growth. You may take distributions as you choose or set up periodic payments to be paid monthly, quarterly, semi-annually or annually. Or you may take a lump-sum distribution.
- To receive a withdrawal or distribution, you must initiate the process by requesting a distribution package from the plan administrator.
- For loan availability and provisions, contact the plan administrator.
- If you terminate your employment, you (or your surviving beneficiary) may roll the distribution to an IRA or another employer's tax-qualified retirement plan.
- Withdrawals are not subject to the federal 10% tax penalty if you are age 55 or older at separation from service with your employer. Penalty-free distributions will also be made upon total disability or to your beneficiary upon your death.
- Please consult your tax advisor for information regarding taxes on plan withdrawals and distributions.

Trustee

- Wells Fargo acts as trustee for the BENCOR National Plan and handles all plan deposits and distributions.

- Employees who have separated from service and fall within a certain age category (*those who were under age 55 in the year of separation from employment*) and elect to withdraw these funds are subject to a 10% early cash withdrawal penalty by the IRS. Subject to your employer policy, the employer has chosen to "make whole" those employees who fall within this category *if* they request all of their funds in cash from the Plan Administrator within **60 days** of separation from employment. This would normally require a make-up of 2.35% (10% penalty minus 7.65% previous savings on Social Security taxes). However, individuals who have met their FICA salary limit before retiring would receive an 8.55% (10% penalty – 1.45% savings) reimbursement for amounts over the FICA limit.
- Please consult your tax advisor for information regarding the taxability of Plan distributions.
- Loans – For *loan* provisions, contact the BENCOR Administrative Services at **1-888-258-3422**.

DROP participants' Annual Leave/Terminal Sick Leave Pay will be processed as follows:

- **Annual Leave** – Employees participating in DROP *subject to employer policy* have the option to:
 - (1) receive their annual leave as a lump-sum distribution at the time of enrollment in DROP, or
 - (2) receive a lump-sum payment at the end of the DROP period.

If option (1) is chosen (annual leave paid as a lump-sum at the time of enrollment in DROP), this dollar amount will be **included** in the employee's compensation for retirement benefit calculation purposes (FRS). If option (2) is chosen (wait until end of DROP period), this dollar amount is **not included** in the FRS benefit calculation.

Under option (1) or option (2) above, annual leave will be placed into the "BENCOR NATIONAL PLAN™" subject to contribution limits. Any annual leave in excess of Plan contribution limits will be paid to the participant subject to Federal tax and related payroll taxes (Social Security and Medicare).

- Terminal Sick Leave Pay – An employee participating in DROP *subject to employer policy* will have their accumulated sick-leave pay balance deposited into their "BENCOR NATIONAL PLAN™" account, subject to contribution limits, at the end of their DROP period.

If the sick-pay balance exceeds the contribution limit (*see Contribution Limits above*) for that year, any excess sick pay amount will be paid in cash, subject to all applicable taxes. This method of payment allows employees to take maximum advantage of Federal tax law.

Local Contact Info:
Dan Adel 386-344-3788
David Adel 386-365-4448

The BENCOR 401(a) Special Pay Plan