





DISCLAIMER

If questions of interpretation arise as a result of the attempt to make retirement provisions easy to understand, Chapter 121, Florida Statutes; Chapter 60S, Florida Administrative Code; and the Internal Revenue Code shall remain the final authorities.

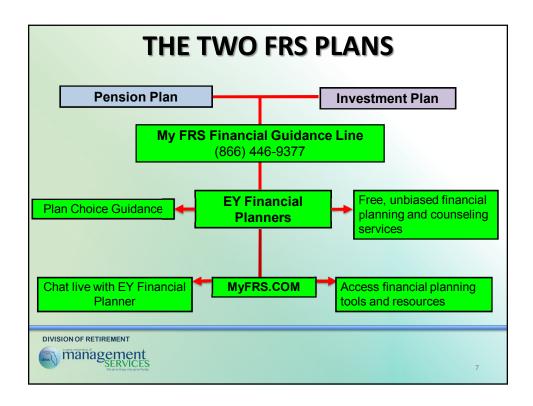


FRS HISTORY

- FRS created in December 1970 (TRS/SCOERS Merger)
 - Only one plan FRS Pension Plan
 - Employee contributions required
- Employee Non-Contributory System
 - (Jan. 1, 1975 June 30, 2011)
- Three percent Employee Contributions effective July 1, 2011
- FRS Investment Plan offered beginning July 1, 2002



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NORMAL RETIREMENT DATE

- Is when you are first eligible to receive an unreduced retirement benefit; and
- Is also when you are eligible to participate in the Deferred Retirement Option Program (DROP).



NORMAL RETIREMENT DATE

- All Service Classes; except Special Risk
 - Vested and age 62, or 30 years of service whichever occurs first; or
 - the age after 62 when you become vested.
- Special Risk Class Service
 - Vested and age 55, or 25 years of Special Risk Class Service whichever occurs first; or
 - the age after 55 when you become vested.
- Dual Membership -
 - Special Risk Class service and other class service
- Member Handbook Page 43



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NORMAL RETIREMENT DATE

- If reaching by age, your Normal Retirement date would be the first of the month you turn that age.
- If reaching by years of service, your Normal
 Retirement date would be the first of the month
 following the month you attain the years of service.



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NORMAL RETIREMENT DATE - DROP

- K-12 Instructional Personnel, may enter DROP at Normal Retirement or at <u>anytime</u> after reaching Normal Retirement and participate for a full 60 months.
- All others, unless you are eligible to defer your 60month DROP participation period, your 60-month DROP participation period starts at your Normal Retirement date.
 - 12 month election window



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WHO CAN DEFER THEIR 60-MONTH DROP PARTICIPATION PERIOD?

- Special Risk Class Normal Retirement by years of service prior to age 52
- All other Classes Normal Retirement by years of service prior to age 57
- 12 month election window



WHO CAN DEFER THEIR 60-MONTH DROP PARTICIPATION PERIOD?

- Elected Officials
 - May defer DROP entry until the next term of office but can only participate in DROP for 60 months or the length of that term of office whichever is less.
- DROP Guide -Page 16



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WHAT IS DROP?

- Retiring under the FRS Pension Plan
- Delaying termination of employment up to 60 months
- Monthly retirement benefits accrue in your DROP account
- Not subject to 3 percent employee contributions
- DROP interest Effective annual interest rate of 1.3 percent
- Cost-of-Living Adjustment (COLA)



UPON TERMINATION OF DROP

DROP termination packet

- DP-Term form
- DP- PAYT form

DROP accumulation paid in one of three ways:

- Lump-sum payment; or
- Direct rollover to an eligible retirement plan; or
- Partial lump-sum payment and partial direct rollover.



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THE BENEFIT CALCULATION FORMULA

Years of Service

X

% Value per Year X Average Final Compensation

= Option 1 Gross Annual Benefit at Normal Retirement

Divide by 12 = Gross Monthly Option 1 Benefit



YEARS OF SERVICE

Is the total of all years and parts of years you worked in a covered position with an FRS employer.

- Service credit awarded monthly if payroll reported.
- Service credit tracked by fiscal year (July June).
- Service credit awarded each month based upon your reported work period; e.g., 9, 10, 11 or 12 month.

Plus years of service can include any optional service credit that you purchase.



OPTIONAL SERVICE CREDIT

- Refunded Service Form <u>FR-9</u>, or call the division
- Leave of Absence Form <u>FR-28</u>
- In-State/Out-of-State Service Form <u>FR-30</u> or DD-214
- Purchasing Optional Service
 - Personal remittance; or
 - Trustee to Trustee transfer from another eligible tax deferred account; see form PRO-1 and FRS Member Handbook.
- FRS Member Handbook Pages 33 38



PERCENTAGE VALUE PER YEAR						
Regular Class Service	Senior Management Service Class					
Age 62 or 30 years = 1.60%	2.00%					
Age 63 or 31 years = 1.63%	Special Risk Class					
Age 64 or 32 years = 1.65%	Prior to July 1, 1974 – 2.00%					
Age 65 or 33 years = 1.68%	On or after July 1, 1974 – 3.00%					
Elected Officers' Class Service						
Judges and Justices = 3.33%						
All others = 3.00%						
management SERVICES No are that all are to the	19					

AVERAGE FINAL COMPENSATION (AFC)

- Average of your highest five fiscal years of salary.
 - Fiscal Year is July 1 through June 30
- AFC calculation can include:
 - Up to 500 hours of Lump Sum Annual Leave Payouts
 - Subject to agency limitations
 - State Agency limitations:
 - Career Service employees Up to 240 hours
 - Senior Management and Exempt employees 480 hours
 - Special Comp earned within the last 11 months prior to retirement



AVERAGE FINAL COMPENSATION (AFC)						
AFC Calcu	lation of mem	ber retired	effective Jan. 1, 201	L8 - Middle of fiscal year		
				and the same of th		

Fiscal Year	Service Credit	Salary Used in AFC	Explanation
2018 —	→ .50 →	\$15,000.00	Annualized (\$15,000.00/.50 service credit) = \$30,000.00 which is in the highest five and therefore \$15,000.00 earned in this .50 of a fiscal year will be used in the AFC .
2017 —	→ 1.00	\$29,000.00	
2016 —	→ 1.00	\$28.000.00	
2015	1.00	\$27,000.00	
2014 —	→ 1.00	\$26,000.00	
2013 —	.50 —	\$12,500.00	Fiscal year salary of \$25,000.00 times the percentage needed to make a full five fiscal years of salary = .50 service credit \$25,000 X .50 = \$12,500 to be used in the AFC.
Totals——	→ 5.00 years —	\$137,500.00 —	(\$137,500.00/5) = AFC = \$27,500.00

BENEFIT FORMULA CALCULATION

Member with all Regular Class Service at Normal Retirement:

Years of Service	X	% Value/Year	x	Average Final Compensation
30	Χ	1.60%	Χ	\$25,000.00

= Gross Annual Option 1 Benefit of \$12,000.00

Divide by 12

= Gross Monthly Option 1 Benefit of \$1,000.00



BENEFIT FORMULA CALCULATION

Member with all Special Risk Class Service at Normal Retirement:

Years of Service	x	% Value/Year	X	Average Final Compensation
25	Χ	3.00%	X	\$25,000.00
= Gross Annual Option 1 Benefit of \$18,750.00				

= Gross Annual Option 1 Benefit of \$18,750.00

Divide by 12

= Gross Monthly Option 1 Benefit of \$1,562.50



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BENEFIT FORMULA CALCULATION

Member with Regular and Special Risk Class Service at Normal Retirement both classes of service:

Years of Service	X	% Value per year	X	AFC	Option 1 Annual Benefit
25 years Special Risk	X	3.00%	X	\$25,000.00	\$18,750.00
5 years Regular Class	Χ	1.60%	X	\$25,000.00	\$2,000.00
30 years Total Option 1 Annual Benefit Amount				\$20,750.00	
Divide by 12 to get Monthly Option 1 Benefit				\$1,729.17	



EARLY RETIREMENT

Service Retirement before Normal Retirement Date

- Benefit reduced five percent for each year under Normal Retirement age
 - All Classes, except Special Risk Reduced from age 62.
 - Special Risk Class Reduced from age 55.



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BENEFIT PAYMENT OPTIONS

- Benefit Payment Option 1 and Option 2
 - Beneficiary can be anyone
- Benefit Payment Option 3 or Option 4
 - Beneficiary must be a qualified joint annuitant.
 - Your spouse.
 - Your natural or legally adopted child who is either under age 25 or is physically or mentally disabled and incapable of self-support (regardless of age).
 - Your parent, grandparent, or a person for whom you are the legal guardian, claimed as a dependent on your federal income tax.



COST OF LIVING ADJUSTMENT (COLA)

Retirees receive a COLA in their July benefit each year

- Service prior to July 1, 2011 three percent COLA
- Service earned July 2011 and after 0% COLA

COLA calculated at retirement:

Years of service through June 2011 X three percent Total years of service at retirement

Example: 23/30 X 3% = 2.30%

23/35 X 3% = 1.97%



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APPLICATION FOR RETIREMENT

- Apply up to six months prior
- Service Retirement Form FR-11
- DROP
 - DROP Retirement Application Form DP-11
 - Notice of Election to Participate in DROP and Resignation of Employment – Form DP-ELE



OTHER ITEMS REQUIRED TO COMPLETE APPLICATION

- Form FRS-110 Option Selection Form
- Form SA-1 Spousal Acknowledgement Form
- Birth Date Verification member and for Joint annuitant if you selected Option 3 or 4 (See BVR-1 Form)
- Copy of registered Marriage Certificate if you selected benefit payment option 3 or 4 and listed your spouse as your joint annuitant



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FORMS ON WEBSITE: FRS.MYFLORIDA.COM Search Current Location Only Members The FRS Online link takes you to a secure website where you can access your personal Retirement retirement account information and can calculate informal benefit estimates based on assumed retirement ages. Members 4 The Forms page provides access to forms available to members. You may fill out most of Retirees **Forms** This page provides a complete list of the forms available to members. For your convenience, we have grouped forms together in the following retirement packets: **Retirement Packets** DROP Retirement Forms Packet containing all the forms needed to apply for DROP Retirement including the DP-11, the DP-ELE, the FRS-11o and the SA-1 Packet () Service Retirement Forms Packet containing all the forms needed to apply for Service Retirement including the FR-11, the FRS-110 and the SA-1 Packet () DIVISION OF RETIREMENT management

THE RETIREE PACKET

Received just prior to receipt of your first benefit check

- Form W-4P Tax Withholding Certificate for Pension Payment
- Form DFS-A1-26R, Direct Deposit Authorization
- Form HIS-1, Health Insurance Certification for Pension Plan Members



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REEMPLOYMENT AFTER RETIREMENT

Termination requirement: During the first six calendar months of retirement or following your DROP termination date, you may not work for any FRS employer.

No exceptions.

Reemployment Limitation period: During the 7th – 12th calendar months of retirement or following your DROP termination date, if your return to work for an FRS employer you must suspend your retirement benefit for the months you worked.

 Exception: Effective March 9, 2018, Special Risk retirees may be reemployed as a school resource officer



REEMPLOYMENT AFTER RETIREMENT

- Renewed Membership Closed effective 07/01/2010.
- Renewed Membership re-opened effective 07/01/2017, for reemployed retirees of the state-administered <u>defined</u> <u>contribution plans</u>.
- Any <u>FRS Pension Plan</u> retiree initially reemployed with an <u>FRS participating employer</u> on or after July 1, 2010, is not eligible to participate in any state-administered retirement plan.



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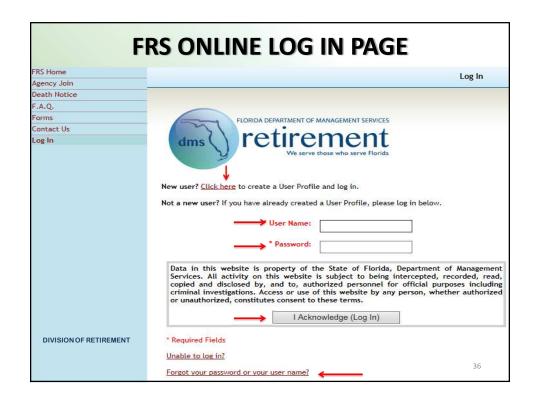
FORFEITURE OF BENEFITS

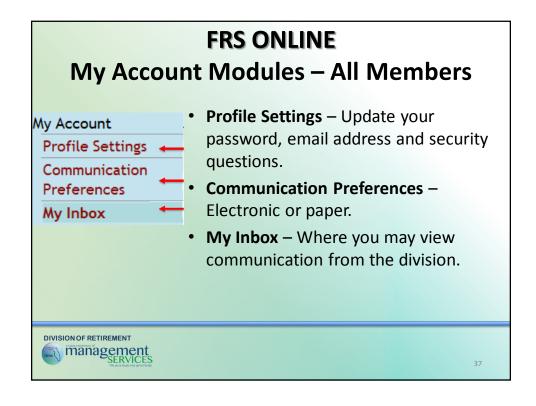
If you commit a specified offense prior to retirement or while participating in DROP and you are either:

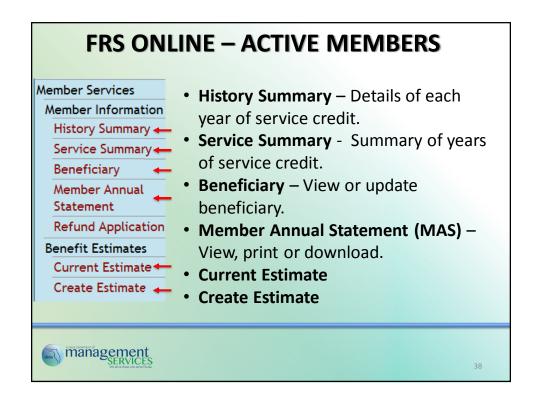
- Convicted by a court of competent jurisdiction; or
- Terminated from employment as a result of admitting to the commission of a specified offense.
- Member Handbook
- Section 121.091(5) or 112.3173, Florida Statutes

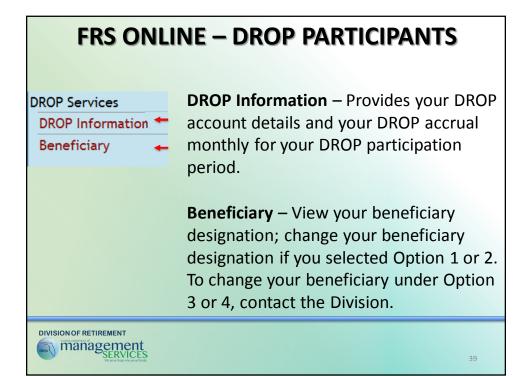


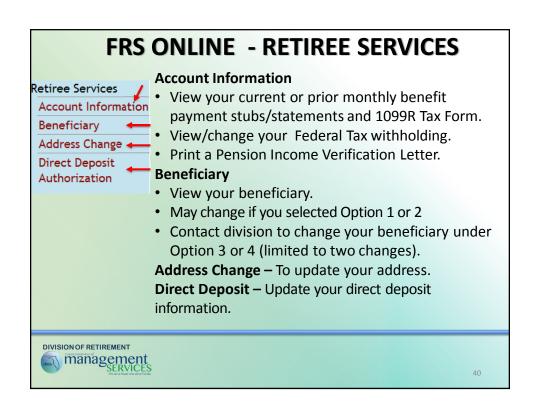












CONTACTING THE DIVISION

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QUESTIONS AND ANSWERS



