

What to Expect when it is time to terminate from DROP...

The Risk Management Retirement Team is providing DROP participants information regarding the DROP Termination process that will be a helpful tool when it is time to exit DROP early or on the DROP termination date.

While you are in the DROP, your monthly retirement benefits accumulate in the FRS Trust Fund earning interest while you continue to work for an FRS employer. Upon termination, your DROP account is paid to you as a lump sum payment, a rollover or a combination partial lump sum payment and rollover. Monthly benefits are paid to you in the amount as calculated upon entry into DROP, plus any applicable cost-of-living adjustments for intervening years.

If you work until your original Deferred Retirement Option Program (DROP) termination date, the Division of Retirement will mail you your DROP Termination Packet approximately 90 days prior to your last day of employment.

If your employment ends before your original DROP termination date, it is important that you contact the Division of Retirement as soon as possible so you can receive your DROP Termination Packet in a timely manner. You will need to know your final date of employment so a personalized packet can be prepared for you. The Division of Retirement can be contacted via phone, mail, fax, or email to report your new DROP termination date.

If you have created your FRS Online account and selected "Electronic" as your communication preference, this packet will be uploaded to the inbox of your account instead of mailed to you. You may access your FRS Online account to log in or create an account by going to <https://frs.fl.gov/>

HOW TO CONTACT THE DIVISION OF RETIREMENT

Mailing address:

Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000

Toll-free Phone: 844-377-1888

Fax number: 850-410-2010

Email: retirement@dms.myflorida.com

WHAT TO EXPECT IN YOUR DROP TERMINATION PACKET FROM FRS

- Cover letter explaining the process
- DP-TERM form (DROP Termination Notification) – to be completed by you and submitted to Risk Management for processing through FRS and Human Resources
- Form DP-PAYT, Selected Payout Method – to choose your DROP distribution method. You have three choices for the distribution of your DROP benefits:
 - Lump sum – less 20% tax withholding. The DROP payment is mailed to you directly.
 - Direct rollover – no tax withholding. The DROP rollover payment is mailed directly to the Custodian of your selected qualified plan.
 - Combined partial lump sum and direct rollover – the lump sum portion will be subject to the 20% tax withholding.
- Information sheet regarding the FRS Investment Plan and the lump sum DROP account.
- Direct Deposit information sheet

HOW TO BEGIN THE EXITING DROP PROCESS WITH PINELLAS COUNTY SCHOOLS

- To start the DROP process with Pinellas County Schools the PCS Resignation/Retirement form needs to be completed and submitted to your Principal/Department Head for their signature **no earlier than two months prior** to your retirement date. [Click here](#) for the PCS Exiting DROP packet.
- Submit the DP-Term DROP Termination Notification form from your FRS DROP termination packet to the Risk Management Retirement Team by fax or email prior to your DROP termination date. The Risk Management Retirement Team will process the DP-Term form through FRS.
- In the event that there is a delay in receiving the FRS packet, as long as you submit the PCS Resignation Retirement form PCS can move forward with processing your retirement. When you receive your packet from FRS, complete and submit the DP-Term form to Risk Management.

WHAT HAPPENS NEXT WITH FRS

- Upon receipt of the completed DP-Term form your name will be added to the FRS Retired Payroll. Your first monthly benefit will be dated as the last state business day of the month following your termination date.
- Your DROP payout will be processed after receipt of the completed DP-PAYT and will be mailed the month following termination. If you fail to return the DP-PAYT to FRS within 60 days after your termination date a lump sum distribution, less 20 percent federal tax withholding, will be mailed to you at any time after the 60 day period.
 - Lump sum or partial lump sum checks are mailed directly to you as they cannot be direct deposited
 - Rollover checks are mailed directly to the custodian(s) listed on your DP-PAYT form
 - You will receive a letter notifying you when the payout has been processed and mailed.

HOW TO CONTINUE INSURANCE BENEFITS AFTER RETIREMENT

- After you have submitted the required DROP termination forms to the Risk Management Retirement Team, a personalized Retiree Insurance Packet will be mailed to your home address on file with PCS.
- You will be offered health, dental, vision, and life insurance coverages that are active at the time of your retirement. Your active coverage will remain in effect through the last day of the month in which you retire. You have 30 days from the last day of the month in which you retire to elect your retiree insurance benefits.
- Retirees are required to provide two months of premiums for life, vision, and health insurance with the Retiree Election & Change Form at the time of enrollment.
- If your spouse is a current employee with PCS, you will need to be added to his/her active insurance plan 30 days prior to your coverage ending. Contact Risk Management Active Benefits at 588-6197.

HOW SICK AND VACATION TIME IS PROCESSED AT RETIREMENT

- Pinellas County Schools provides the **BENCOR Special Pay Plan** as an important retirement benefit for all eligible employees.
- Payroll processes your sick/vacation payout within four weeks from your retirement date. Your account is audited and they send a detailed letter with the calculations showing the value of the **terminal pay**. If the value of the payout is less than \$2,500 a check will be issued to you by PCS. Payouts of \$2,500 and greater are processed through BENCOR, and the funds are deposited into a Special Pay Plan account that is automatically set up for you.
- Income taxes are deferred on contributions to the plan until you withdraw the money.
- Contributions are 100% vested to you.
- 12-month employees may earn up to a maximum of 62 vacation days, but we can only payout up to 60 days of vacation in an employee's career, per Florida Statute. Any time earned above 60 days is use it or lose it. You may have chosen to have the value of up to 60 days transferred to BENCOR when you entered DROP. If 60 days was not transferred when entering DROP, the difference between the days transferred and the 60 day maximum will be transferred when retiring form DROP.

HOW TO CONTACT BENCOR

BENCOR Phone Number:

1-866-296-9712

BENCOR website:

Bencorplans.com

Local BENCOR advisor:

David Ellis

813-449-4344

dellis@bencor.com

Retired Payroll Information:

After your name has been added to the FRS Retired Payroll, you will receive a Retiree Packet by mail. This will be around the same time you are to receive your first monthly retirement check. This packet is automatically mailed to you, even if you have previously submitted one or all of the forms listed below.

WHAT TO EXPECT IN YOUR FRS RETIREE PACKET

- An information letter from FRS
- Tax form W-4P (Withholding Certificate for Pension Payments) – pensions are taxed as income.
- Form HIS-1 (Health Insurance Subsidy application) – This program provides a monthly benefit (added to your monthly retirement benefit check) to help cover some of the costs of maintaining health insurance coverage. \$5.00 for each year of service with FRS, not to exceed \$150.00.
- Information regarding setting up a Direct Deposit on the Retirement Online website.

HOW TO CONTACT THE RISK MANAGEMENT RETIREMENT TEAM

Mailing address:

Risk Management/Retirement
Pinellas County Schools
301 4th Street SW
Largo, FL 33770

Phone Number:

(727) 588-6214

Fax Number:

(727) 588-6182

Email:

risk-retirement@pcsb.org