



FLORIDA DEPARTMENT OF MANAGEMENT SERVICES
retirement
We serve those who serve Florida



Fall
Edition
2017

Bulletin

...the newsletter for members of the Florida Retirement System Pension Plan.

2017 Legislation

On June 14, 2017, Governor Scott signed Senate Bill 7022 into law (Chapter 2017-88, Laws of Florida). The following outlines the changes impacting the Florida Retirement System (FRS) and other state-administered retirement programs:

- New employer contribution rates are in effect for payrolls reported on or after July 1, 2017. The required employee contribution remains at 3 percent.
- Effective January 1, 2018, members will have eight calendar months after the month of hire to make an active election between the Pension Plan and the Investment Plan. If members do not make an active election by the end of the election period, there will be a default membership. Members in classes other than the Special Risk Class will default to the Investment Plan, and members in the Special Risk Class will default to the Pension Plan. All members will continue to have a second election if they wish to change membership plans.
- Investment Plan members in classes other than the Special Risk Class who are killed in the line of duty will have monthly survivor benefit payments payable for the surviving spouse's lifetime or on behalf of dependent children until the youngest child reaches age 18. The annual benefit is 50 percent of the member's base pay at the time of death. The earliest benefit payments can begin is July 2017. The member's Investment Plan account must be surrendered to the Pension Plan to receive these monthly survivor benefits for in-line-of-duty deaths occurring on or after July 1, 2017.
- Retirees of the FRS Investment Plan, the State University System Optional Retirement Program (SUSORP), the Senior Management Service Optional Annuity Program (SMSOAP) and the State Community College Optional Retirement Program (SCCSORP) will become renewed members in the FRS Investment Plan, the SUSORP or the SCCSORP depending upon the plan covering the position held if the member is employed in a regularly established position and was initially enrolled on or after July 1, 2017. Florida Retirement System Pension Plan retirees remain ineligible for renewed membership if initially reemployed on or after July 1, 2010.
- The SMSOAP is closed to new members effective July 1, 2017. An unretired member who has participated in the SMSOAP prior to July 1, 2017, can continue to participate in this plan.



Member Annual Statement

Have you noticed the exciting changes made to your Member Annual Statement (MAS)? The MAS is available only online through your FRS Online account. This online format allows us to present you with an improved, more dynamic product that provides you with more information pertaining to your FRS benefit.

Your MAS summarizes your retirement record and, if you are vested, includes projected estimates of your future monthly benefit. An MAS is created only for active FRS Pension Plan members or hybrid members with Pension Plan service. An MAS is not created for you if you are a Pension Plan retiree or if you are participating in the Deferred Retirement Option Program (DROP), have applied for retirement with or without DROP participation or are a member of the FRS Investment Plan without any Pension Plan service credit. If you are a hybrid member—meaning that you joined the FRS Investment Plan for your future service and kept your



prior Pension Plan service credit—your MAS reflects only your Pension Plan service.

Your MAS is available in the month you were born and is based on service credit through the prior month. You will receive an email notifying you that your MAS is available from your FRS Online account using the email address on file with the division. If your FRS Online account is not yet established and

we have an email address on file, you will be provided, by email, a temporary 60-day access to view your MAS while you get your FRS Online account established. See FRS Online Awaits Your Visit on Page 4 for more information on creating an FRS Online account.

The information in your MAS is designed to assist you in your retirement planning. As an additional resource to FRS members, the MyFRS Financial Guidance Program offers free access to experienced and unbiased

financial planners. See Explore Your Options below for more information about this valuable resource.

Explore Your Options

The FRS offers comprehensive resources through the MyFRS Financial Guidance Program. Financial planners are available by calling the guidance line toll free at 866-446-9377 (available Monday through Friday, 9 a.m. to 8 p.m.). You can also access a variety of online tools on www.MyFRS.com. The planning services cover many aspects, from budgeting and loans to investment advice for your retirement savings. The FRS Financial Guidance Program also offers seminars that members may attend.

If you are still in your initial election period, are five months from your initial date of enrollment in the FRS or have a second election available, you may choose to participate in the FRS Investment Plan instead of the FRS Pension Plan. The Choice Service can help you understand the differences between the two plans and the possible impacts of your selection to help you determine what choice is in your best interest. You can reach the Choice Service by calling 866-446-9377 and selecting prompt 1.

If you are an existing FRS member and you wish to transfer from the Pension Plan to the Investment Plan or from the Investment

Plan to the Pension Plan, please keep in mind that you **must** transfer (and receive confirmation of your transfer) prior to terminating your FRS employment in order to have a valid election.

If you are a new hire who has not yet selected a plan, a Pension



Plan member who still has a second election or a current DROP participant who is considering rolling your DROP accumulation into the Investment Plan after you retire, you may wish to review the Investment Plan's Annual Fee Disclosure Statement. It can be found in the Investment Funds section at www.MyFRS.com. This statement provides information about the structure of the Investment Plan, administrative and individual expenses and investment

fund information, including performance benchmarks, fees and expenses. If you have questions about the Annual Fee Disclosure Statement, call the MyFRS Financial Guidance Line at 866-446-9377 and select prompt 2. We encourage you to take advantage of these free resources to assist you in preparing for your financial future.

Helping Us Reduce Costs and Save Resources

The division no longer conducts mass mailings of publications but continues to maintain all of our publications, guides and newsletters on the [Publications](#) page of our website (www.frs.myflorida.com). This ensures that the latest versions are always available to our membership.

You have the option to select electronic as your delivery preference for FRS documents, meaning that you wish to receive an email notification when benefit estimates, DROP termination packets, retirement acknowledgements and other information you requested from the Division of Retirement is available from your FRS Online account. This preference is available to all FRS Online users with a verified email address established by the user, not an employer-provided email address. You will receive notification by email when your MAS and other correspondence is available to view, as well as when links to new publications are

available on our website. This choice saves both postage and paper and provides you with information in the fastest manner possible.

Employers report their members' mailing addresses to the division. Please keep your address updated with your employer so that any correspondence is delivered to your correct address. If you have not yet applied for retirement benefits but are no longer working for an FRS-participating employer or have retired and are receiving a benefit, contact the Division of Retirement to update your mailing address. See Contacting the Division of Retirement on Page 6.

Thank you for assisting us with our mission to provide a high-quality, innovative and cost-effective retirement system. We can't do it without you!

Annual Fee Disclosure Statement Notice

[The Investment Plan's Annual Fee Disclosure Statement](#) provides information concerning the plan's structure, administrative and individual expenses and investment funds, including performance, benchmarks, fees and expenses. This statement is designed to offer relevant information in simple terms to help you make better investment decisions. The statement is available online in the [Investment Funds](#) section on www.MyFRS.com, or you can request electronic delivery to your MyFRS.com secure mailbox or have a printed copy mailed at no cost by calling the MyFRS Financial Guidance Line toll free at 866-446-9377 and selecting option 4 (TRS 711).

Update Your Beneficiary Information Online

You can designate, update or change a beneficiary using your FRS Online account any time before you retire or begin your participation in DROP. After logging in to your FRS Online account, click on Beneficiary under Member Information on the Members page to complete and submit your new information.

If you name beneficiaries with sequential designations, you must provide the name, date of birth and gender for each of the beneficiaries. You may also enter the beneficiary's Social Security number. If your beneficiaries are to be paid through a trust, you will need to provide the name of the trust and the date it was established. If your beneficiary is an organization, you must provide its name, address and tax identification number.

You can also complete Form BEN-001 and returned it to the division to change your beneficiary designation. This form is available by visiting the Members page of the division's website, www.frs.myflorida.com, and clicking on the Forms link.

Once you retire or begin DROP participation, you must use Form FST-12 to change your beneficiary designation. If you chose options 3 or 4, your new beneficiary must also qualify as a joint annuitant, and your benefit will be recalculated. For

questions regarding the selection of your new beneficiary after retirement or DROP participation begins, please contact the division. See Contacting the Division of Retirement on Page 6.

The screenshot shows the Florida Department of Management Services website. The header includes the department's name and logo, along with navigation links for Business Operations, Workforce Operations, Agency Administration, Other Programs, and About Us. The main content area is titled 'Division of Retirement' and contains information about state retirement systems in Florida. It includes a sidebar with links to various resources like Publications, Legislation, and Public Records. A 'Helpful Links' section on the right highlights 'FRS Online' and provides details about its features and security. The footer mentions the document reader download link and the Florida PDF Reader.

FRS Online Awaits Your Visit

The Division of Retirement's website, www.frs.myflorida.com, provides a wide range of information and access to FRS Online. The login link for FRS Online is located on the upper right side of the division's home page. The Members page is your online source for updates, forms, publications and other useful information. Log in to your [FRS Online](#) account to access your secure information and maintain your personal information, including the following:

- Review a summary of your FRS service credit.
- View and print your most recent MAS.
- Review and update your beneficiary information.
- Select your communication preference for receiving FRS documents such as benefit estimates and retirement acknowledgements.
- Create retirement benefit estimates, including DROP estimates, with criteria you select.
- Update your email address, username and password.
- View the mailing address we have on file for you. Contact your employer to update your reported home address unless you are a reemployed retiree. Reemployed retirees need to contact the division to update their home mailing address.
- Request a refund of your employee contributions if you have terminated your FRS employment.
- Sign up for direct deposit for FRS payments after you have received a letter acknowledging receipt of your application for service retirement without DROP participation. A DROP participant will receive this information with the termination packet sent three months before the participant's DROP termination date.

During DROP participation, you can achieve the following:

- Review your DROP account information, including your initial monthly benefit and your projected monthly benefit upon completion of DROP.
- See your projected DROP accrual, month by month, through your DROP termination date.
- Review your beneficiary information.
- Select your communication preference for receiving your FRS documents, such as your DROP termination packet.
- Submit a direct deposit authorization up to three months prior to your DROP termination date.
- Update your email address, username and password.

Once you retire and begin receiving monthly retirement benefits, you can use your FRS Online account to complete the following:

- View your benefit payment information and print statements of benefits.
- Update your mailing address.
- Print pension income verification letters.

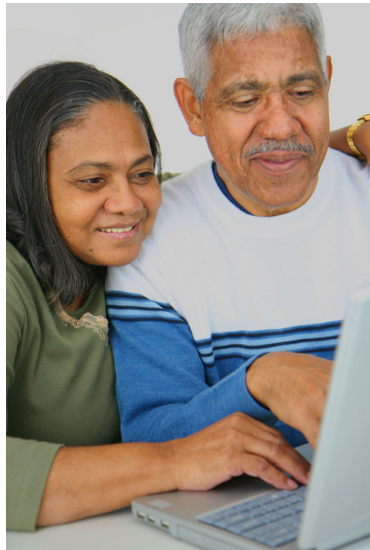
- View and print your IRS Form 1099-R and your Retiree Annual Statement.
- Select your communication preference for receiving your 1099-R and Retiree Annual Statement and the Retiree Newsletter.
- Adjust your federal income tax withholding.
- Sign up for direct deposit of your FRS benefit or update your direct deposit information if changing accounts or banking institutions. **Please note that the Department of Financial Services has updated its process of receiving paper forms to start or update existing direct deposit information. Forms can no longer be faxed and must include a legible photocopy of a signed, valid government-issued photo ID.**

If you have not logged in recently, when you log in to your FRS Online account, you must update your password, choose three security questions and provide the responses to those questions and provide your email address. The Division of Retirement recommends providing a home email address that is accessible to you after work hours to provide consistent communication to you, especially if you change employers and once you retire. Though your employer may be providing your work email address on its payroll report, information provided by you on your FRS Online account takes precedence and, in this case, becomes your primary email address for communication from the division.

If your account has been inactive for an extended period of time, you will need to enter your MyFRS PIN or request it if you have misplaced it. This request can be made once you have either entered your username and password or clicked on the "Forgot your password or your user name?" link on the login page and provided your credentials. (This is the original MyFRS PIN you would have received during your plan choice period.)

Another security measure implemented for your protection is that temporary passwords cannot be given out over the telephone but are instead either emailed to the address on your FRS Online account or mailed to you via the U.S. Postal Service. Additionally, any time you log in from a new computer and/or location or when you have forgotten your password, you will be required to answer one of the security questions you previously created.

You can access and manage your FRS account information anytime. If you are a new user, you can set up your user profile and account by selecting the "New User?" link from the login page. All new users to FRS Online will be required to enter their PIN during the initial account setup. If you do not have the PIN provided when you first enrolled in the system, you can request your PIN during this initial account setup process. If you are having trouble logging in, contact the Division of Retirement toll free at 844-377-1888 or at 850-907-6500 if you're in the local Tallahassee calling area.



FRS Retirement Webcasts

If you are looking to better understand your benefits under the FRS Pension Plan, whether you are at the beginning of your career, nearing retirement or somewhere in between, the “[Understanding Your Benefits under the FRS Pension Plan](#)” video found on the [Members page](#) of the division’s website, www.frs.myflorida.com, is the place to start. This video will provide you an overview

of the FRS Pension Plan, direct you to other FRS Pension Plan publications on the website and offer answers to questions such as the following:

When am I vested under the FRS Pension Plan?

When am I eligible to retire?

How is my benefit calculated?

What is DROP?

How can I get an estimate?

Also found on the Members page of the division’s website are the [Employee Retirement Seminar](#) videos. The Employee Retirement Seminar is geared specifically toward FRS Pension Plan members initially enrolled in the FRS prior to July 1, 2011, who are within

one year of service retirement or DROP entry and includes the following presentations:

The Division of Retirement provides an explanation of benefits under the FRS Pension Plan for members initially enrolled prior to July 1, 2011; useful information in preparation for retirement from the FRS Pension Plan; the requirements to follow when applying for retirement benefits; and information about federal withholding taxes, direct deposit of monthly benefits, the health insurance subsidy and reemployment after you retire.

The Division of State Group Insurance provides attendees information on continuing State Group Insurance benefits upon retirement from a state agency.

The Bureau of Deferred Compensation of the Department of Financial Services provides attendees with valuable information regarding the State of Florida’s Deferred Compensation Program.

The MyFRS Financial Guidance Program Estate Planning provides information to assist you in understanding the importance of protecting yourself and your entire family through proper estate planning. An EY financial planner from the Financial Guidance Program answers questions on how FRS and Social Security benefits affect your survivors and why you should have a living will, health care proxy, durable power of attorney and more. The financial planner dispels myths like “I don’t have enough assets for estate planning” and “I don’t need a will; my spouse will inherit everything.” You will also receive practical action steps and a review of planning resources.

The Social Security Administration provides attendees information on Social Security benefits and Medicare.

Division Use of Your Social Security Number

The Division of Retirement is responsible for maintaining agency and member service records for the FRS and other state-administered retirement plans; for overseeing municipal and special district firefighters’ and municipal police officers’ pension plans (Chapters 175 and 185, Florida Statutes); for ensuring compliances under Part VII, Chapter 112, Florida Statutes, for all local government plans; and for serving as the Social Security administrator for the state and its political subdivisions. Filing all member records by Social Security number helps identify members and meets state and federal reporting requirements. Social Security numbers are confidential and exempt from public records requests under section 119.07(1), Florida Statutes, and section 24(a), Article I of the Florida Constitution.



When in Doubt, Call Us to Find Out

From time to time, third-party companies will gather names and contact information of FRS members and retirees to solicit your business. Anytime you receive something in the mail or via email that appears to come from the Division of Retirement or to be authorized by the division and causes you to be suspicious, do not hesitate to contact us for confirmation. You may be requested to forward a copy of the letter or email you received to the division. See Contacting the Division of Retirement on Page 6.

Benefit Delivery Requirement

Members who retired on or after July 1, 2000, are required by law to use direct deposit. We encourage you to enroll in direct deposit as soon as you receive our letter acknowledging receipt of your service retirement application or the DROP termination packet. Log in to the secure environment of your FRS Online account to establish or change your direct deposit information.

Benefit Forfeiture – A Hidden Cost of Crime

Certain employment-related offenses by public officers or employees can result in a number of consequences, some of which you may not know about. Besides being charged with a crime and the costs of defending yourself, conviction may also result in your having to pay fines and court costs, losing your job and going to jail or prison.

Were you aware that conviction of certain offenses may also result in the forfeiture, or loss, of all of your FRS rights and benefits, except for a refund of your personal contributions? Forfeiture includes benefits accumulated during DROP participation.

Sections 121.091(5) and 112.3173, Florida Statutes, specify certain crimes for which a member could forfeit his or her FRS benefit. Forfeiture will occur if a member is convicted, enters a plea of guilty or “no contest” or is terminated from his or her public office or employment as a result of an admission of committing, aiding or abetting one of the offenses listed below. These offenses include the following:

- Employment-related embezzlement, bribery or theft.
- Misuse of public office, as defined by Chapter 838, Florida Statutes.
- Conviction of an elected official of an impeachable offense by the Florida Senate.

- Violating any state law against strikes by public employees.
- Committing a lewd or lascivious act, as defined in section 800.04, Florida Statutes, against a victim under the age of 16 through the use or attempted use of a member’s rights, privileges, duties or position of the member’s public office or employment position.
- Committing sexual battery, as defined in Chapter 794, Florida Statutes, against a victim under age 18 through the use or attempted use of a member’s rights, privileges, duties or position of the member’s public office or employment position.

The division may become aware of pending or resolved charges in a number of ways, including notice from your employer, the court system, the Commission of Ethics and media reporting about the charges. The division will not pay retirement benefits to any member or beneficiary until the final resolution of any criminal charges against him or her, if the resolution of those charges could require the forfeiture of benefits.

If you have a question about forfeiture, please contact the division. See Contacting the Division of Retirement below.

Should I Take a Refund?

Beginning in July 2011, all active FRS members (excluding those participating in DROP) are required to contribute 3 percent of their salary on a pre-tax basis as part of the funding of their future retirement benefits. These employee contributions are able to be refunded to you only once you terminate all employment with FRS-participating employers (including employment not covered by the FRS) and remain off all FRS-participating employers’ payrolls for three calendar months.

Pension Plan members who choose to receive a refund of employee contributions lose the service credit earned during the time period that contributions were made. Refunded service may be purchased after the Pension Plan member returns to work for one service credit year. A decision about purchasing refunded service must be finalized before the member retires. In addition, if you choose not to roll over your refund to a qualified plan, your refund will have taxes withheld at a 20 percent rate based on Internal Revenue Service requirements.

Investment Plan members who receive a distribution, including a distribution of employee contributions, are considered retired.

Contacting the Division of Retirement

The Division of Retirement’s offices are open from 8 a.m. to 5 p.m. ET, Monday through Friday, excluding state holidays. A map to the division’s offices is available on the [Contact Us](#) page of the division’s website at www.frs.myflorida.com.

Call the Division of Retirement to receive assistance with your questions. A division representative can be reached toll free at 844-377-1888 or at 850-907-6500 if you’re in the local Tallahassee calling area.

Your questions or comments can also be sent to the division from the [Contact Us](#) page of the website or emailed to retirement@dms.myflorida.com. When writing to the division, please include your full name, the last four digits of your Social Security number, your mailing address and a daytime telephone number. If writing to the division, address your correspondence to the following:

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



Termination, Reemployment and Renewed Membership

If you are currently participating in DROP or are planning to retire under the Pension Plan soon without participating in DROP, you must meet the termination requirement to finalize your retirement. Meeting the termination requirement means you must be terminated from all employment with all FRS-participating employers for the first six calendar months of retirement or after your DROP termination date. This includes employment with an FRS-participating employer that is not covered for FRS benefits. For example, if you have a part-time job with a different FRS employer in addition to your full-time job with an FRS employer, you must terminate from both employers when terminating to end DROP participation or retire without DROP participation. If you work for an FRS-participating employer during the termination period (including employment not covered by the FRS), your retirement (including DROP participation) will be voided and you must repay all benefits received, including any DROP payout. You must apply for retirement again to establish a future retirement date. Your eligibility to participate in DROP, if any, is based on your future retirement date.

You cannot receive FRS benefits while working with an FRS-participating employer during the seventh through 12th calendar months of retirement or after your DROP termination date. Your benefits will be suspended for any months that you work for

an FRS-participating employer during this period, regardless of whether your employment is covered for retirement. Retirement benefits received in violation of this provision must be repaid, and suspended benefits are not paid to you at a later date. There are no exceptions to this reemployment limitation.

If you retire or your DROP termination date is on or after July 1, 2010, and you return to FRS-covered employment after retiring, you cannot be enrolled as a renewed member and will not earn another FRS retirement benefit.

If you retired or your DROP termination date was prior to July 1, 2010, and you became initially reemployed with an FRS-participating employer before July 1, 2010, you are enrolled as a renewed member and will continue to earn creditable service toward another retirement benefit while working in any FRS-covered position until you retire again.

The FRS Ready. Set. Retire. guide, available from the division website's [Publications](#) page, provides more information about termination, reemployment limitations and renewed membership. If you have questions about termination, reemployment limitations or renewed membership, contact the division. See Contacting the Division of Retirement on Page 6.

Volunteer Spotlight

(Katie Williams, volunteer coach for City of Tallahassee)

The Division of Retirement would like to recognize FRS member Katie Williams for her volunteer work with City of Tallahassee's Parks, Recreation and Neighborhood Affairs (PRNA). Ms. Williams volunteers as a volleyball coach to girls who are between the ages of eight and 15. The City of Tallahassee offers many volunteer opportunities, including the following:

- Coaching various youth athletic teams such as flag and tackle football, cheerleading, volleyball, basketball, soccer, baseball and softball.
- Helping with special events such as the Winter Festival.
- Assisting in the care of dogs and cats housed at Animal Service Center shelter and assisting with other needs within the center.

Ms. Williams stated that she first started playing volleyball at age eight for a City of Tallahassee Parks and Recreation team. Ms. Williams has coached youth volleyball with the City of Tallahassee for nine seasons and says that one of the most rewarding things about coaching youth volleyball is "seeing the players improve and making new family friends." Ms. Williams hopes that dedicating her free time and sharing her passion for the sport that she loves will inspire the girls in the Tallahassee community to fall in love with the sport and give back to the community as well.

To learn more about volunteering with the City of Tallahassee PRNA, please visit <http://www.talgov.com/parks/parks-volunteer.aspx>. Additional information about Volunteer Opportunities is available from the division's website at www.frs.myflorida.com.



The Basics of DROP

Under the FRS Pension Plan, when you reach normal retirement, you can elect to participate in the Deferred Retirement Option Program (DROP).

When you are eligible to retire with unreduced benefits, you may elect to participate in DROP, allowing you to effectively retire, have your retirement benefit determined and continue working for up to five years. While you are in DROP, your monthly retirement benefits accumulate on your behalf, earning guaranteed monthly interest at an annual rate of 1.30 percent.

Your monthly benefit accumulating during DROP also increases by a cost-of-living adjustment (COLA). Your individual COLA is calculated when your DROP participation begins, based on your years of service before July 1, 2011, divided by your total years of service at retirement. This figure is then multiplied by 3 percent to determine your COLA. If you have not participated

in DROP for a full year, your first COLA will be prorated based on the number of months you have been retired as of July 1. For example, if your DROP is effective January 1, your first increase would be half of your calculated COLA times your June benefit, based on six months of retirement.

When you terminate employment, you can roll over your DROP accumulation to an eligible retirement plan, receive a lump-sum payment subject to taxes or choose a combination of these two payout methods. For more information about DROP, see the DROP guide on the Publications page of the Division of Retirement's website at www.frs.myflorida.com. For information regarding tax implications of either taking a lump-sum payout or rolling your DROP payout over into an eligible retirement plan, please see the Special Tax Notice in the DROP section of the Members page of the division's website, www.frs.myflorida.com.



Survey Feedback Drives Success

The division provides surveys to members after interacting with us. Your feedback lets us know, in measurable terms, how you feel about the information and services provided to you and helps to identify areas where improvements can be made. Therefore, if you were selected to participate in a survey and you took the time to return a response, THANK YOU!

If you have comments, suggestions or questions after completing the survey, please email them to rep@dms.myflorida.com.

Portability of Your FRS Pension

Switching employers? This can mean starting over for vesting if you're accruing a new retirement benefit. Depending on your employer, your FRS pension benefit may or may not continue growing.

If you terminate employment with your current FRS-participating employer and begin working for another FRS-participating employer, you will continue participation in the Pension Plan. Your combined service credit with all FRS-participating employers will count when calculating your final retirement benefit.

If you are vested when you leave FRS-covered employment and begin working for a non-FRS-participating employer, your benefit will remain in the Pension Plan until you are eligible

to apply for retirement. Your benefit will not increase in value, as no additional service credit is being added. However, if you begin working in an FRS-covered position in the future, your previous service credit will be combined with your new service credit and your pension benefit will increase.

If you are not vested when you leave FRS-covered employment, you are not eligible to receive a future monthly retirement benefit from the Pension Plan, only a refund of your employee contributions. However, if you return to FRS-covered employment at a later date and wish to restore all service associated with the refund, you will be required to purchase the refunded service plus interest.