FRS Investment Plan Members

PCS Retirement Application Packet

Investment Plan Retirement Checklist:

▢ **Review the FRS publication *When Your FRS Employment Ends*** (included with this packet).

- Provides an overview of the FRS Investment Plan retirement process.
- Includes information on the requirements for taking a distribution, distribution options, taxes, de minimis distributions, required minimum distributions, name and address changes, the Health Insurance Subsidy, reemployment after retirement, and a Special Tax Notice.

▢ **Complete the following forms:**

- **PCS Resignation/Retirement Form**
  - Check the boxes for "Retirement" and "Investment Plan".
  - This form must be signed by you.
- **PCS Retirement from FRS Investment Plan Acknowledgement Form**
  - This form must be signed and notarized.

▢ **Submit both forms to PCS Risk-Retirement.**

- Retirement applications can be submitted to the Risk-Retirement Team by mail, email (**FRSapps@pcsb.org**), or pony. You can also drop off the paperwork at the Administration Building in Largo.
- Applications are accepted beginning two months prior to your retirement date (*e.g., An October retirement application can be submitted as early as August*).

◆ In order to request a distribution from your FRS Investment Plan account, you must terminate all employment with all FRS-participating employers for **three calendar months**.

◆ Reemployment Information

- **Retired on or after July 1, 2010:** if an Investment Plan retiree is reemployed by an FRS-covered employer in the first 7-12 calendar months (after having terminated for 6 calendar month), there are no reemployment exceptions. No additional Investment Plan distributions are permitted until the member either terminates employment or completes 12 calendar months of retirement. After one (1) year has passed since retirement, a member can receive additional Investment Plan distributions, even if they become reemployed by an FRS-covered employer.

- **Rehire with Pinellas County Schools:** If you retire from any Florida Retirement System (FRS) employer, there is a 12-month waiting period (from the date of last Investment Plan distribution) required before rehire with Pinellas County Schools. Pinellas County Schools policy requires a longer,
  12-month waiting period for rehire than the Florida Retirement System minimum waiting period of 6 months. Your rehire process will require all previous processes; i.e., application, background check, hiring paperwork, etc.

PCS PINELLAS COUNTY SCHOOLS

Vision:
100% Student Success

Mission:
"Educate and prepare each student for college, career and life."

ADMINISTRATION BUILDING
301 Fourth St. SW
P.O. Box 2942
Largo, FL 33779-2942
Ph. (727) 588-6000

The PCS Retirement Team is here to assist you with the retirement process. We will make every attempt to provide you with accurate and reliable information. However, information provided should not be considered a substitute for the financial calculations and benefit plan inquiries available directly through FRS.

The Retirement Team will notify you through your PCS email when your application is processed.

PCS and Risk Management are not responsible for any errors or omissions, or for the results of your retirement process and information. This is between you, as the employee, and FRS, as the retirement plan sponsor.

The Risk Management and Insurance Retirement Team can be reached by phone at 727-588-6214.

PINELLAS COUNTY SCHOOLS

RESIGNATION/RETIREMENT FORM

FIRST AND LAST NAME: ______________________ EMPLOYEE ID: ______________

SCHOOL/DEPARTMENT: ______________________ POSITION: ______________________

ADDRESS (CURRENT/FUTURE): ____
STREET ADDRESS CITY STATE ZIP

EMAIL ADDRESS: ______________________ CONTACT NUMBER: ______________

DIRECTIONS: IF YOU ARE RESIGNING FROM DISTRICT, COMPLETE SECTION 1.
IF YOU ARE RETIRING FROM DISTRICT (FRS) COMPLETE SECTION 2.

SECTION 1: RESIGNATION FROM PCS DATE AND REASON

I HEREBY SELECT TO:

❑ ***RESIGN*** from employment with the Pinellas County School District effective at the end of the work day:

_______ / _______ / 20_____

EMPLOYEE SIGNATURE: ______________________________ DATE: ______________

SECTION A: ALL EMPLOYEES Provide the single most important **Resignation Reason**

❑ RELOCATION
❑ GREATER JOB POTENTIAL
❑ CONTINUING EDUCATION
❑ MILITARY
❑ UNABLE TO RETURN FROM LEAVE
❑ HEALTH – NOT JOB RELATED
❑ HEALTH – JOB RELATED
❑ ON THE JOB STRESS
❑ DISSATISFIED WITH JOB DUTIES
❑ DISSATISFIED WITH PAY
❑ SUPERVISOR DISSATISFACTION
❑ LACK OF PROMOTIONAL OPPORTUNITY
❑ FAMILY RESPONSIBILITY (MARRIAGE, CHILD CARE, FAMILY CARE)
❑ RESIGN FROM CURRENT CONTRACT TO ACCEPT ANOTHER POSITION IN DISTRICT

SECTION B: INSTRUCTIONAL/CERTIFIED ONLY

❑ TO ACCEPT ANOTHER EDUCATION JOB INSIDE THE FLORIDA SCHOOL SYSTEM
❑ TO ACCEPT ANOTHER EDUCATION JOB OUTSIDE THE FLORIDA SCHOOL SYSTEM
❑ LEAVING EDUCATION PROFESSION
❑ CERTIFICATION

SECTION 2: PCS RETIREMENT (FRS) DATE AND REASON

I HEREBY SELECT TO:

❑ ***RETIRE*** from employment with the Pinellas County School District effective at the end of the work day:

_______ / _______ / 20_____

Provide **Retirement Reason** below (FRS Only)*

❑ NORMAL RETIREMENT
❑ RETIREMENT FROM DROP
❑ EARLY RETIREMENT
❑ FRS DISABILITY
❑ RETIREMENT FROM INVESTMENT PLAN

*If you are retiring and have not completed the FRS application for retirement, contact Retirement, Risk Management at 727-588-6214.

EMPLOYEE SIGNATURE: ______________________________ DATE: ______________

VERBAL RESIGNATION RECEIVED: ADMINISTRATIVE USE BELOW

__________ EMPLOYEE VERBALLY RESIGNED (EMAIL; PHONE CALL; VOICE OR TEXT MESSAGE)

ADMINISTRATOR SIGNATURE ______________________________ DATE: ______________

WITNESS SIGNATURE ______________________________ DATE: ______________

Sick/Vacation Leave: *Sick leave is only paid out when you retire from PCS. Contact the Retirement Team for more information. Advanced sick leave is reversed if your resignation/retirement date is earlier than the end of the fiscal year. Vacation leave is paid out after your last paycheck when you resign or retire from PCS (Max of 60 days per F.S. 1012.65). Health insurance is terminated on the last day of the month in which you resign, retire, or are terminated. Contact Risk Management @ 727-588-6197 for questions.*
Access pay/tax information after separation: https://www.pcsb.org/Page/26169 **Risk Management: https://www.pcsb.org/benefits**

PCS values your opinion. An Exit Survey link will be sent after your separation date.

PCS PINELLAS COUNTY SCHOOLS

Risk Management & Insurance
risk-retirement@pcsb.org
301 4th St. SW
Largo, FL 33770
(727)588-6214

Retirement from FRS Investment Plan Acknowledgement

FRS Investment Plan: (Defined Contribution)

Terminal Leave Payout:

Terminal pay shall be granted to an employee at normal retirement or disability retirement as provided by law. To be classified as a “retiree”, you must actively retire under FRS and receive a distribution within 6 months from retirement date from the FRS Investment plan.

Years of **Completed** Service with PCS	Retirement Percentage (Must retire under FRS)
During the first 3 years	35%
Years 4 through 6	40%
Years 7 through 9	45%
Years 10 through 12	50%
Years 13 through 15	75%
Years 16 through 20	85%
Years 21 through 24	95%
Years 25 and after	100%

PCS Health Insurance

You may participate in the PCS health insurance plan if you are at least 59 ½ years of age with 8 years of FRS service or have completed 30 or more years under FRS, regardless of age.

Acknowledgement:

I hereby certify that I understand and meet the above eligibility requirements for retiree insurance and/or terminal sick leave at retirement with the Pinellas County School district and will make application for distribution to the Plan Administrator as required by the Florida Retirement System and School Board Policy (1420, 3420, 4420, 1430.02, 3430.02, 4430.02) after 3 full calendar months without PCS earnings, but no later than within six (6) months from my retirement date. Failure to comply may result in repayment to the district of the full terminal payout, plus any accrued interest.

I further understand the provisions for rehire by any FRS employer outlined in the provided MyFRS Termination Kit.

______________________________________ ______________________________

Signature (Sign in presence of a Notary) Date

______________________________ ______________________________

Print Name Social Security #

Notary: State of Florida, County of Pinellas. The above named person who has sworn to and subscribed before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _________________, 20___, and is personally known___________ or produced ____________________________ identification.

______________________________ ______________________________________

Signature of Notary Public Print, Type, or Stamp Commissioned Name of Notary Public

PINELLAS COUNTY SCHOOLS

Pinellas County Schools would like to recognize our employees who retired during the 2023-2024 school year in a Virtual Retirement Memory Book and to say

Thank You!

Based on your years of service, we would also like to send you a $25 - $50 e-gift card to a restaurant or retailer of your choice. You must go online, select that you want the e-gift card and provide your personal email.

Retirement Memory Book Survey Submission Dates and Publishing Dates:

Fall Retirement Dates:	Spring Retirement Dates:	Summer Retirement Dates:
Jul. 26th - Dec. 8th	Dec. 9th - May 15th	May 16th - Jul 25th
To be published mid-Dec.	To be published late-May	To be published mid-Aug.
Submit Survey by: Dec. 1st	**Submit Survey by: May 5th**	**Submit Survey by: Jul. 20**

To Participate in Retirement Memory Book:

- Complete Retirement Survey using QR code or visit www.pcsb.org/retirement-survey
- You may select "opt out" for the Retirement Memory Book and you will automatically receive the e-gift card.
- Can't complete the form virtually? Complete the questions on the back of this form and turn it into the Risk Management office or email to: risk-retirement@pcsb.org
- Note: Your retirement date will determine which Virtual Retirement Memory Book your survey information will be in. Submit survey responses by the due dates listed above.

Questions? Call 727-588-6214

First Name: ______________________

Last Name: ______________________

Personal Email Address: ______________________

1. What is your current position or previous position while employed with PCS? ______________________

2. Where is the physical location you worked at? ______________________

3. How many years of service do you have with PCS? ______________

4. What is one of your favorite memories during your career?

____

____

5. What are you doing or looking forward to doing during your retirement? (one or two activities)

____

____

6. Would you like to be included in the 2024 Virtual Retirement Memory Book? ○ **YES** ○ **NO**

Participation in the Virtual Retirement Memory Book is not required to receive the e-gift card

7. How would you like your name listed in the Retirement Memory Book? ______________________

8. Would you like to include a photo of yourself in the Retirement Memory Book? ○ **YES** ○ **NO**

If yes, email it to risk-retirement@pcsb.org. Do not send pictures with current or graduated students.

FREQUENTLY ASKED RETIREMENT QUESTIONS FOR PAYROLL

WHAT PERCENTAGE OF SICK TIME DO I GET PAID WHEN I RETIRE? The retirement percentage used to calculate the value of remaining sick time is based on years of service in Pinellas County Schools only per Board policy. The current percentages are:

- 0-3 years – 35%
- 4-6 years – 40%
- 7-9 years – 45%
- 10-12 years – 50%
- 13-15 years – 75%
- 16-20 years – 85%
- 21-24 years – 95%
- 25 + years – 100%

HOW CAN I ESTIMATE WHAT MY SICK TIME IS WORTH?

The formula to estimate the value if your sick leave is:

Annual salary divided by contract days = daily rate of pay
Daily rate of pay times sick days remaining = total sick pay
Total sick pay times retirement percentage = sick pay value

For example: 10-month (198-day) teacher with an annual salary of $50,000 who has 100 sick days remaining at retirement after working in Pinellas for 24 years.

$50,000 divided by 198 days = $252.53 daily rate
$252.53 times 100 days = $25,253 total sick pay
$25,253 time 95% for 24 years = $23,990.35 sick pay value transferred to Bencor

HOW DOES THE SICK TIME TRANSFER TO BENCOR WORK WHEN I AM IN DROP?

The same calculation above is done on June 30th each year you are in DROP except only a portion of your remaining sick days is valued and if the total is over $2,500 it is transferred to Bencor each July. Employees in DROP will continue to earn sick leave and vacation, if applicable, while in DROP. If you leave DROP early your entire balance of sick leave at the time of separation will be valued and transferred to Bencor if greater than $2,500. The percentage of sick days transferred each July while in DROP is:

- Year 1 – 20%
- Year 2 – 25%
- Year 3 – 33%
- Year 4 – 50%
- Year 5 – 100%

For example: 10-month (198-day) teacher with an annual salary of $50,000 who has 100 sick days remaining at the end of the first year in DROP and has completed 27 years in Pinellas.

$50,000 divided by 198 days = $252.53 daily rate
100 days times 20% for 1 year in DROP = 20 days
$252.53 times 20 days = $5,050.60 total sick pay
$5,050.60 time 95% for 24 years = $4,798.07 sick pay value transferred to Bencor after year
1 Sick leave balance is reduced by 20 days

WHAT HAPPENS TO MY SICK TIME IF I LEAVE IN THE MIDDLE OF THE YEAR?

You are paid for all time you have earned. All employees are given 4 days up front and if you leave before the end of the year, we back out anything you have not earned. The following shows when you stop accruing…

MONTHS YOU WORK	WHEN YOU START & STOP ACCRUING
11.5 & 12 month	July – Feb, 4-day advance represents accrual for Mar - June
11 month	Aug – Feb, 4-day advance represents accrual for Mar - June
10 month	Aug – Jan, 4-day advance represents accrual for Feb - May
9 month	Aug – Dec, 4-day advance represents accrual for Jan - Apr

WHAT HAPPENS IF I HAVE MORE THAN 60 VACATION DAYS (for 12-month employees only)?

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 Statue. Any time earned above 60 days is use it or lose it. You may choose to have the value of up to 60 days transferred to Bencor when you enter DROP. The value of vacation leave transferred when entering DROP counts toward the highest 5 year AFC calculation. If 60 days was not transferred when entering DROP the difference between the days transferred and the 60 day maximum can be transferred when retiring from DROP. For example, you had 45 days transferred when entering DROP and earned another 20 vacation days while in DROP. We can only transfer 15 more days to Bencor at the end of DROP to equal the 60 day maximum and the 5 remaining days earned is use it or lose it.

60 days = 450 hours for 7.50 hours/day employees
60 days = 480 hours for 8.00 hours/day employees
62 days = 465 hours for 7.50 hours/day employees
62 days = 496 hours for 8.00 hours/day employees

HOW WILL MY PAY BE AFFECTED BECAUSE OF EQUALIZED PAY?

Equalized pay divides your annual salary by the number of checks paid in a school year so you receive the same pay when we are closed for Thanksgiving, winter break, spring break and other non-paid days during the school year. Depending on when you retire, we will calculate your final pay by comparing the pay you should receive for the days you worked with the equalized pay you received so far that school year. When you fill out your paperwork, it is best to contact payroll for more information.

WHAT DATE SHOULD I USE FOR RETIRMENT SO I DON'T OWE MONEY BACK?

Because we have equalized pay it is difficult to give an exact date. It is safe to say that if your retirement date is prior to winter break you will not have your last check adjusted for any overpayment.

DO I STILL GET PAID IN THE SUMMER IF I RETIRE ON THE 12 MONTH OPTION PLAN?

If your retirement date is on or after the last day of school then you will still receive your summer checks. If you want to be paid in a lump sum you need to contact Personnel to request the payout. All retirements prior to the end of school will receive a lump sum payout in their last paycheck.

WHEN CAN I EXPECT TO RECEIVE PAYMENT OF MY SICK/VACATION PAYOUT?

We will process your sick/vacation payout usually within two weeks of your retirement date. We have to make sure you didn't use any leave time in the last pay period before retirement. A letter with detailed calculations will be sent when we process the paperwork and send your money to Bencor or issue a check if the value is less than $2500.

Welcome to the BENCOR Special Pay Plan

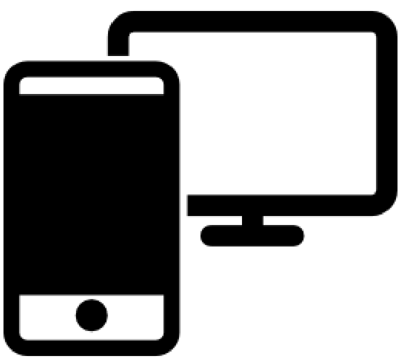
Pinellas County Schools provides the BENCOR Special Pay Plan as an important retirement benefit for all eligible employees. This letter provides general information about the plan and outlines available resources for you to get more detailed information.

PINELLAS COUNTY SCHOOLS

Key Features of your Special Pay Plan

- All eligible employees are automatically enrolled in the program.
- Contributions of "special pay" are based on your accumulated sick, vacation or other leave/incentive pay.
- All contributions permanently save up to 7.65% in Social Security and Medicare taxes.
- Income taxes are deferred on contributions to the plan until you withdraw the money.
- Contributions are 100% vested to you.

Where Can You Get More Information?



1. **Your Employer's Benefits Department**
   Access *Frequently Asked Questions* and plan videos through your employer's Retirement Services department website.

2. **Online**
   www.bencorplans.com
   Click on **Participant Login,** select your State, County and Employer then click on **Log In**.

   For first time users, click on **New User** and follow the prompts.

   For returning users, enter your User ID and Password, select Participant from the drop-down menu and **Login.**

3. **BENCOR National Participant Service Center**
   866-296-9712
   (M-F 9:00 a.m. - 6:00 pm ET)

4. **Your local BENCOR Advisors:**
   David Ellis 813-449-4344

US BENCOR

Retiree Insurance Information

Employees who retire and receive a **state retirement check** at the time of separation from employment or currently participant in the **FRS Investment Plan** and completed **30 years** of service **or** have reached **59 ½ years of age with at least six years** of creditable service upon termination may participate in the retiree insurance program. Retirees may continue some of the insurances in effect at the time of their retirement except for Income Protection and AD&D.

Frequently Asked Questions

1. **How do I pay for my Health, Vision and Life Insurances as a retiree?**
   You will make a payment to **PCSB** for the first two months of coverage when you submit your enrollment form. Complete and return the **Florida Retirement System Insurance Payroll Authorization Forms,** there are two forms, one for Health code (245) and one for Life (322) and Vision (321) insurance. Premiums will be taken out of your pension check (premiums withheld from your FRS check are paying for the next month's premium.) If your pension check is not enough to have the health insurance premium deducted from it, you will make payments directly to PCS.
   Investment Plan – You will be billed from the Risk Management/Retirement department. A set of coupons will be mailed to you for the remainder of the calendar year. These coupons along with the the payment are due the 1st of each month. **If your annual premium amount is $150.00 or less we require that you pay for the entire year's coverage.**

❖ **For any of the coverage's below you have to assume the full cost of the monthly premiums.**

- **HEALTH and Vision INSURANCE:**
  You may continue the Health and Vision Insurance plan in effect at the time of your retirement, (Retirees are eligible to remove dependents from their plans at any time.) If you allow your coverage to terminate or you cancel your coverage when you retire, you cannot reenroll.

- **Dental Insurance:**
  Humana Advantage Dental Plan - If you elect to enroll in this plan, Humana Advantage Dental will mail you a bill. **You will make payments directly to Humana Advantage Dental Plan.**

- **Met Life Dental Plan:**
  Medcom is a third party administrator that will send enrollment and billing information to continue the Met Life Dental coverage that was in effect at the time of retirement.

- **Basic Board Term Life Insurance: No Cash Value**
  You may continue the amount of your board term life insurance in effect at the time of your retirement. You also have the option of enrolling in a lesser amount of coverage, but once you elect a lesser amount, you may never increase it. **The minimum coverage amount you may elect is $10,000.00.** You may also reduce the amount of your life insurance during the Annual Enrollment period (October).
  *The premium cost increases in 5 year increments. The policy **decreases in value at age 70** it is reduced to 65% of the policy value, age 75 it reduces to 45% of the original policy value**, age 80** it reduces to 30% of the original policy value **(It will not reduce any lower).**

- **Family Voluntary Term Life (VTL)** – ($5,000.00) policy on Eligible dependents – Your enrollment forms will reflect this coverage if you are enrolled at the time of retirement. (If your Spouse is also a PCSB retiree enrolled in our life insurance program or an active PCSB employee you may not elect to continue Family Term Life on him/her. **You are responsible for notifying us of this information.**

- **Optional Term Life for Employee, Spouse and Child** – These policies are available to you as individual policies if you were enrolled on your retirement date. You will need to contact (1-813-879-2900 ex 0283) The Standard Life Insurance Company of America within 31 days of your retirement date. You will make payments directly to The Standard Life Insurance Company.

2. What happens to my health plan when I (retiree) turn 65 and I am eligible for Medicare?
You would enroll in Medicare Parts A and B and could purchase a supplemental plan of your choice, rather than continue in Pinellas County Schools' commercial plan.

(A) You may remain on your Pinellas County Schools Commercial plan.
If your spouse is not qualified for Medicare Parts B and is currently covered by your Retiree School Board plan, then your spouse's coverage will end when you leave the School Board plan. If your spouse is also a PCS benefit eligible retiree and therefore eligible to maintain his or her own insurance policy with PCS. Cobra is available for spouses when the retiree goes on Medicare.

(B) Enroll in Medicare Part B and apply for a Medicare Supplement. (**SHINE –** Free Medicare Counseling & Information 1-8000-963-5337).

(C) Veterans should also inquire about Veteran's Tri Care benefits.

You will continue to receive your **Health Insurance Subsidy** no matter what health insurance you obtain. **Medicare alone qualifies** as having Health Insurance for the Health Insurance Subsidy (HIS) that is added to your retirement check by the Florida Retirement System.

When you are eligible for Medicare you do not need to wait for annual enrollment to change your plan but you will need to notify our office so that the current deduction will be stopped.

For more information about insurance, retirement and the retirement process, please attend one of our retirement information events held throughout the year. Information on dates and times for these retirement events are available through Risk Management.

2024 Monthly Insurance Rates

Medical, Vision, and Life Insurance Payments: Your monthly rates will be deducted from your monthly FRS pension check. If you do not receive an FRS pension check, payment coupons will be sent to you. Please note, if your annual premiums total $200 or less for dental or vision, you will need to make one annual payment.

Dental Insurance Payments: If you have Humana Advantage or MetLife Dental, they will bill you directly for your dental insurance. Dental insurance cannot be deducted from your FRS pension check.

Aetna Medical Plans	Retiree	Retiree + Spouse	Retiree + Children	Retiree + Family
Select Open Access	$875.00	$1,736.67	$1,545.00	$2,498.33
Choice POS II	$893.33	$1,775.00	$1,581.67	$2,571.67
CDHP	$840.00	$1,661.67	$1,470.00	$2,395.00
Basic Essential	$773.33	$1,533.33	$1,363.33	$2,205.00

	Retiree	Retiree + 1	Retiree + Family
Humana Dental Advantage 25 Plus Plan	$23.22	$39.27	$57.12

	Retiree	Retiree + 1	Retiree + Family
MetLife Dental Plan	$34.89	$60.60	$87.49

	Retiree	Retiree + 1	Retiree + Family
EyeMed Vision Care Plan	$3.65	$8.37	$13.51

The Standard Life Insurance Rates (Board Life)

Age	Rate	Age	Rate
35-39	$0.11	**55-59**	$0.51
40-44	$0.14	**60-64**	$0.98
45-49	$0.21	**65-69**	$1.55
50-54	$0.35	**70+**	$2.27

The life insurance rates are per $1,000 of coverage, based on your age as of January 1, and are subject to reduction at age 70.

The Standard Dependent Term Life

Dependent Rate	$1.50 for $5,000 of coverage

Pinellas County Schools Web Site – www.PCSB.org

Florida Retirement System Contact Information
FRS WEB Site .... https://myFRS.com
FRS Online (for Your Calculations) .... https://frs.fl.gov
Florida Retirement System 844-377-1888

BENCOR 1-866-296-9712

- BENCOR Local Contact David Ellis - **813-449-4344**

Wex Health Inc. (COBRA) - 1-866-451-3399

Aetna

- Aetna Concierge Services (Pinellas County Schools Plan) **866-253-0599**
- Aetna Onsite Representative – **727-588-6367**

Humana Advantage Dental Plan (Direct Bill) (Group #548085) - **800-979-4760**

MEDCOM (MetLife Dental Plan - Direct Bill) (Group #95682) **- 800-523-7542**

Eye Med Vision Advantage Plan (Group #9856857) **- 888-203-7437**

Employee Assistance Plan (EAP) - Resources for Living - **800-848-9392**

SHINE - https://floridashine.org

- Free Medicare Counseling and Information – **800-963-5337**

MEDICARE PROVIDERS

- Humana Medicare HMO – Age 65 – **727-698-1123 or 517-6418**

Social Security – **800-772-1213**

Voluntary Retirement Programs (Roth's, 403(b)'s and 457(b)'s)

- **TSA Consulting Group – 1-888-796-3786**

Risk Management Contacts 588-6214, 588-6141, 588-6140 **risk-retirement@pcsb.org**

Risk Management Fax - **727-588-6182**

For Investment Plan Members:

WHEN YOUR FLORIDA RETIREMENT SYSTEM EMPLOYMENT ENDS

Your FRS Investment Plan Distribution Options and Special Tax Notice

July 2023

MyFRS
Florida Retirement System

Contents

Este Folleto Está Disponible en Español

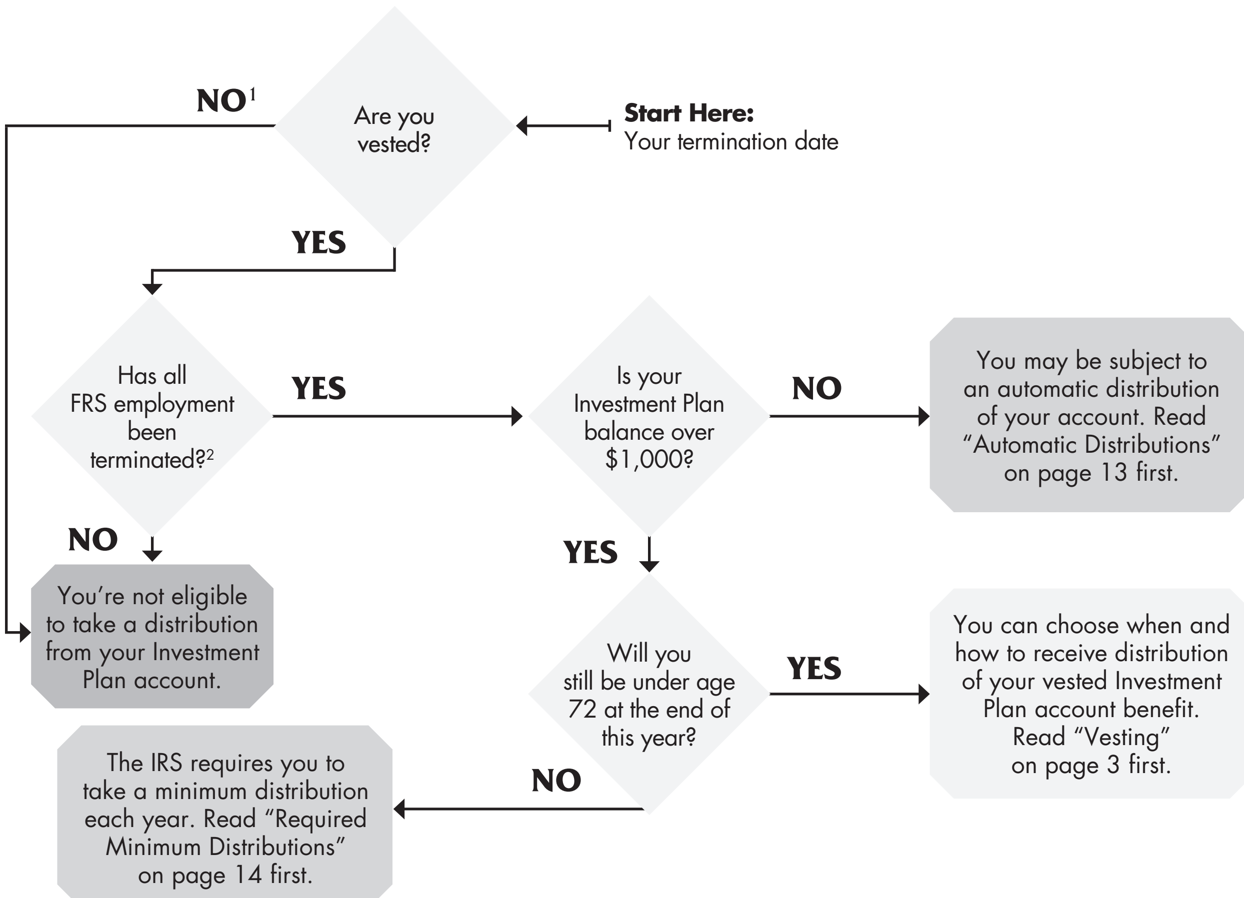
Visite MyFRS.com, haga clic en Publicaciones y busque el enlace debajo de Retirees.

What's Your Next Step?

Below is a high-level overview of the decisions you have to make regarding taking distributions from your Investment Plan account. This booklet is here to help you along the way by defining terms you need to know, explaining your options, and walking you through your choices.

If you have any questions or would like further guidance about what to do next, call the MyFRS Financial Guidance Line to speak with an experienced EY financial planner free of charge.

1-866-446-9377, Option 2 (TRS 711)
8:00 a.m. to 6:00 p.m. ET, Monday through Friday, except holidays.



[1] If you are not vested, you are eligible to receive your employee contributions and any earnings.

[2] See definition of "FRS employment" on page 2.

When Your FRS Employment Ends

You can't plan for your retirement without first understanding when your FRS employment really ends.

Below are definitions of terms used in this booklet to describe when you can withdraw your retirement savings from the Investment Plan and what would happen to distributions you've requested if you are reemployed at a later date.

FRS employer:	Any agency that participates in the Florida Retirement System.
FRS employment:	• Being actively employed by **any** FRS employer in **any** capacity; and/or • Providing any service to **any** FRS employer that may create an employment relationship through any arrangement (paid or unpaid), including OPS, adjunct, election poll work, temporary employment, or working through a third party that provides service to an FRS employer, etc.
FRS-covered employment:	A position that is eligible to be reported for FRS contributions.

Vesting

Vesting refers to gaining ownership of your Investment Plan benefit. You can only request a distribution of the vested portion of your Investment Plan account.

Do you have *at least one year of FRS-covered service* in the Investment Plan?	You are vested in all contributions (yours and your employer's) to your Investment Plan account and any earnings on those contributions.
Do you have *less than one year of FRS-covered service* in the Investment Plan?	You are vested only in *your* contributions to your Investment Plan account and any earnings on your contributions.
Did you *transfer a benefit* from the Pension Plan into the Investment Plan?	You must have eight or more years of total FRS-covered service (six or more years if initially hired prior to July 1, 2011) to be vested in the transferred Pension Plan benefit and any earnings on that transferred benefit.

What Happens to Your Unvested Balance After Termination

If you do not have enough FRS-covered service to be fully vested in your Investment Plan account when your FRS employment ends — and you do not take a distribution from your vested balance — your unvested balance will be moved to a suspense account.

If you return to FRS-covered employment (see page 2) within five years from your date of termination, your unvested balance, plus earnings, will be reinstated from the suspense account.

Warning! You will permanently forfeit the unvested portion of your balance, and its associated service credit, if you:

1. Do not return to FRS-covered employment within five years of your termination date or the date you were no longer in an FRS-covered position; or
2. Choose to take a distribution of your vested balance (whether from the Investment Plan or Pension Plan), or a refund of your employee contributions, while you have an unvested balance in a suspense account.

Other Things to Think About Before Choosing a Distribution

In addition to being sure your FRS employment has ended (see page 2) and that you are vested (see page 3), here are some other things to consider.

1. **You can request a distribution only under these two circumstances:**
    1. All FRS employment (see page 2) has been terminated for at least three full calendar months. Here's an example:

Month terminated	1st full month	2nd full month	3rd full month	Eligible for distribution
JANUARY	FEBRUARY	MARCH	APRIL	MAY

    2. You have reached normal retirement. See "Normal Retirement" on page 5.

2. **If you choose to take a distribution, the FRS will consider you to be "retired" and reemployment restrictions would apply.**
See "When You Are Officially Retired" on page 5.

3. **Your distribution will be subject to taxes and possibly to penalties.**
See "Taxes and Penalties" on page 7.

4. **A distribution could affect your eligibility to continue your current health insurance coverage with your employer.**
Before taking a distribution from your Investment Plan account, be sure to contact your employer's personnel office to verify your eligibility to continue your health insurance and other types of insurance coverage.

5. **Will you have enough money in retirement?**
The Investment Plan was designed to help you save money for your retirement. Before taking any distributions, consider how much money you have in your account and how long that money has to last.

6. **You will lose future potential earnings on the money you withdraw.**
The money you withdraw from the Investment Plan will lose its potential to gain investment earnings, unless you roll it over into another investment account.

Normal Retirement

You qualify for normal retirement upon reaching a certain combination of age and/or years of service. Once you've achieved the Investment Plan's normal retirement requirements and have been terminated for one full calendar month, you can take a one-time distribution of up to 10% of your Investment Plan account balance. If you haven't achieved normal retirement, you must wait until you have been terminated for three full calendar months before you can take a distribution.

The table below explains when you reach normal retirement, according to the Investment Plan's rules.

Special Risk Class	All Other Membership Classes
• Age 55 or older and one or more years of FRS-covered service • Age 52 or older and 25 or more years of Special Risk and military service • Any age and 25 or more years of Special Risk service	**Hired after July 1, 2011** • Age 65 or older and one or more years of FRS-covered service • Any age and 33 or more years of FRS-covered service **Hired prior to July 1, 2011** • Age 62 or older and one or more years of FRS-covered service • Any age and 30 or more years of FRS-covered service

When You Are Officially Retired

Once you take any distribution from the Investment Plan, including a withdrawal of only your employee contributions or a rollover to another plan, the FRS will consider you to be retired. Once you are considered retired:

- You will lose any non-vested Investment Plan or prior Pension Plan service.
- You can eventually be reemployed by any FRS employer but, as the timeline on page 6 shows, you might not be eligible to receive additional distributions from your Investment Plan account.

Receiving a required minimum distribution (RMD) or an automatic distribution (de minimis distribution) will not cause you to be considered retired.

Reemployment After Retirement

Returning to FRS employment after retirement includes providing any service to any FRS employer through any arrangement, whether paid or unpaid. See page 2 for the complete definition of FRS employment.

Calendar Months Following Your First Distribution	Month	
	0	**Month of First Distribution**
	1–6	**Reemployment Blackout Period** If you return to any employment with an FRS employer during this period, you (and possibly your employer) will be required to repay any benefits you received. You must notify the Investment Plan Administrator of employment during this period by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711). Retirees may provide volunteer services with an FRS employer without violating the termination requirements or reemployment limitations (must comply with Section 121.091(15), Florida Statutes).
	7–12	**Suspension of Distributions** If you return to any employment with an FRS employer during this period, any distributions you requested from the Investment Plan will be canceled and any distributions you are receiving (including the Health Insurance Subsidy) will stop until either you terminate FRS employment or until 12 calendar months pass from your retirement date. You are exempt from this suspension of distributions if you are a retired law enforcement officer who is reemployed during this period as a school resource officer with an FRS employer. Retirees may provide volunteer services with an FRS employer without violating the termination requirements or reemployment limitations (must comply with Section 121.091(15), Florida Statutes). You must notify the Investment Plan Administrator of employment during this period by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).
	After 12 months	**No Reemployment Restrictions** There are no restrictions on working for an FRS employer after you have been retired for 12 calendar months. You can keep any distributions you've received and receive further Investment Plan distributions even if you are reemployed by an FRS employer.

This Benefit Can Help Pay Your Health Insurance Premiums

If the FRS considers you to be retired, you may be eligible for the Health Insurance Subsidy (HIS). The HIS is a monthly supplemental payment that offsets the cost of your health insurance premiums. This is an extra benefit; it does not come from your Investment Plan account balance. To be eligible to receive the HIS, you must meet the Pension Plan's normal retirement age and service requirements for your class of membership, provide proper documentation certifying that you have health insurance coverage, and apply for the HIS.

For more information about the HIS and how to apply for and take advantage of this benefit, read "The Health Insurance Subsidy" on page 16.

Taxes and Penalties

The money in your Investment Plan account is pretax money, meaning it has never been taxed. When you take a distribution, you will be responsible for paying the taxes you owe on that money. Your age and personal financial situation will determine the amount of tax you'll be required to pay.

A mandatory 20% will be withheld from the taxable amount of your distribution, unless you roll over the entire distribution into another tax-deferred account. The withheld amount will be credited against any income tax you owe for that year. If the tax amount you owe is higher than the 20% withheld, you will be responsible for any additional taxes when you file your income tax return. If you receive payment before you reach age 59½, the IRS may impose an additional 10% penalty tax for early withdrawal.

Before you take money out of your account, contact the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711), to discuss the impact that taxes will have on your benefit. For additional information, see the Special Tax Notice on page 18.

Taxes and Penalties: An Example

$30,000	distribution
– $6,000	20% withholding
– $3,000	10% early withdrawal penalty if under age 59½
$21,000	net payment to you

A mandatory 20% will be withheld from the taxable amount of your distribution, unless you roll over the entire distribution into another tax-deferred account.

Annuity Income Tax Considerations

Annuity income payments made over time allow you to spread out your tax obligations. The purchase of an annuity is not a taxable event. When you receive your monthly benefit payments, they are taxed as ordinary income in the year they are received. Every year you will receive a Form 1099-R for the payments received in the prior year.

If You're Living Outside the United States

If your address is outside the United States when you receive your distribution, you may be subject to a higher 30% withholding rate, unless you qualify for a lower rate.

If you're a U.S. citizen living outside the U.S. and want the U.S. withholding rate of 20% applied to your payment, you must complete a Form W-9.

If you're not a U.S. citizen and your country of residence qualifies for a tax withholding rate of less than 30%, you may request the lower rate by completing a Form W-8BEN. Your form must be submitted and approved prior to your payment request.

Withholding rates and forms can be found on www.irs.gov. For more information, refer to IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*. If you have questions, call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).

Distribution Options

Once you are eligible to take a distribution, you have a variety of options, including leaving your money in the plan. If you take any distribution from the Investment Plan, including a withdrawal of only your employee contributions or a rollover to another plan, the FRS will consider you to be retired.

Balances below $1,000 are subject to automatic distribution. See page 13 for more information.

One-Time Distribution for Normal Retirement

If you meet the Investment Plan's normal retirement requirements (see page 5), you may receive a one-time distribution of up to 10% of your account balance.

Leave Your Money in the Plan

As long as you have an account balance of more than $1,000, you can keep your money in the Investment Plan. You will not receive any employer contributions, but you will still enjoy all the benefits of FRS membership, including:

- Continued potential for investment growth and earnings.
- Access to MyFRS Financial Guidance Line services (online and telephone).
- The ability to monitor and change your investment elections.
- Deferring taxes and avoiding penalties associated with withdrawals.
- Low investment management fees.
- The option to roll over into your Investment Plan account any other qualified plans you may have, such as a 401(k) from another employer or an individual retirement account (IRA).

After contributions to your Investment Plan account have stopped for three consecutive months, you will be charged a low account maintenance fee of $6 per quarter.

While it may be tempting to tap your retirement savings for today's expenses, the Investment Plan is intended to provide you with income you'll need in your retirement. Plus, taxes and early distribution penalties could cost you 30% to 40% or more of your account value.

Fixed Guaranteed Retirement Income

A fixed income annuity provides you with a guaranteed monthly paycheck (offered by MetLife, the FRS's approved lifetime income provider). These payments are not subject to market fluctuations; they are the same month to month. You can choose to receive these payments for your lifetime, for the lifetime of a spouse/loved one, or for a specified period.

Some payment features and options include:

Single Life Annuity. This option guarantees that you will receive fixed payments for as long as you live. Payments will cease upon your death.

Joint and Survivor. This option pays you guaranteed monthly payments during your lifetime. After you die, a continuing benefit of either 100% or a reduced percentage of the original benefit will continue to be paid to your survivor, depending on the election you select on your annuity election form.

Return of Premium Guarantee. This feature ensures that your beneficiary gets back the amount you used to purchase this option, minus any payments you received.

There are two types of annuity products available:

Immediate Guaranteed Retirement Income. This option provides a guaranteed monthly payment that can start right away (within 12 months of purchase).

Deferred Guaranteed Retirement Income. This option lets you delay guaranteed monthly payments until as late as age 85, which means higher monthly income payments due to starting later in life. Purchasing this option can reduce the amount of your Investment Plan balance that may be subject to required minimum distribution (RMD) rules. You may use up to $200,000 of your Investment Plan balance to purchase this option.

Flexible Payment Schedule

A flexible payment schedule lets you decide how much money to withdraw and how often. You can set up monthly, quarterly, semiannual, or annual payments. Unlike the guaranteed retirement income options, these payments are not guaranteed to last for your lifetime, but a flexible payment schedule allows you to change payment amounts and frequency at any time.

Rollover

Rolling over your vested account balance into another qualified retirement plan, such as an IRA, 401(k), 403(b), or 457, is a great way to keep your retirement savings invested and to defer taxes and penalties. However, other plans may charge higher investment management and administrative fees, and they may not offer the same distribution options as the Investment Plan. Some plans may even pressure you to buy other products or services.

If you intend to open another qualified retirement plan so you can continue saving for retirement, and you would like to keep all your retirement savings in one place, you do have the option of leaving your balance in the Investment Plan and rolling over funds from your other account into the Investment Plan at a later date.

Lump-Sum Payment

You can choose to have a full or partial lump-sum distribution of your Investment Plan account balance paid directly to you.

You should think twice about taking a lump-sum payment. While it may be tempting to tap your retirement savings for today's expenses, the Investment Plan is intended to provide you with income you'll need in your retirement. Plus, taxes and early distribution penalties could cost you 30% to 40% or more of your account value. For more information, please see the Special Tax Notice on page 18.

Before you choose a lump-sum payment, call the MyFRS Financial Guidance Line to speak with an unbiased financial planner at no cost, or contact another tax advisor of your choosing at your own expense.

Combination

You can choose any combination of distribution options allowed under the Investment Plan: fixed guaranteed retirement income, flexible payment schedule, rollover, and/or lump-sum distribution. Let a financial planner help you determine what may be best for you. For assistance, call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).

How to Request a Distribution

The Investment Plan is designed to provide you income in your retirement. You cannot receive a distribution during your FRS employment (see page 2) and you should not request a distribution if you intend to return to FRS employment (see page 6).

Be sure to review the Special Tax Notice on page 18. You will be required to acknowledge you've read it before your distribution will be processed.

By Phone: 1-866-446-9377, Option 4 (TRS 711)
You will need to provide your PIN.

Online: MyFRS.com > Investment Plan
(user ID and password required)

Once you've made your request, you can make changes to it up until 4:00 p.m. ET on the distribution date.

You should not request a distribution if you have any intention of returning to work for an FRS employer.

Forgot Your PIN?

Request a PIN reminder on MyFRS.com or call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711).

When You Can Request a Distribution

You can submit a request by phone or online for a distribution from your Investment Plan account up to one and a half months prior to the date you are eligible to take the distribution. Known as a "pended" distribution, this option can help you avoid long wait times that sometimes occur on the first date you are eligible to take your distribution (first business day of the month). Here's an example:

If your termination date Is:	You're eligible for distribution on the first business day of:	You would be eligible to make a pended request on:
May 20	September	July 15[1]

[1] Requests can be made no earlier than the 15th calendar day of the month. You can make changes to your pending distribution up until 4:00 p.m. ET on the pending distribution date.

To make your request online, log in to MyFRS.com. Select Investment Plan, FRS Investment Plan > Withdrawals and Rollovers Out, and then select a payment type.

To make your request by phone, call 1-866-446-9377, Option 4 (TRS 711). You will need your PIN.

When You Will Receive Your Distribution

Monthly Payments

Monthly checks and direct deposits are issued on the last business day of each month. Allow three business days for a direct deposit to appear in your bank account, or five to seven days for a check to arrive by mail.

Lump-Sum Payments

For direct deposit, allow three business days from the day your request is received.

For a check, allow five to seven days from the time your request is received for the check to arrive by mail. Expedited delivery of checks is available by request.

How You Can Receive Your Distribution

Installment payments or lump-sum distributions from your Investment Plan account can be deposited directly into your personal banking account. ACH deposit information can be set up at any time at MyFRS.com by logging in and going to Investment Plan > Personal Information > Financial Institutions.

If you want to receive your distribution as a check, the check will be mailed to your address on file with the Investment Plan Administrator. If you fail to cash or deposit a check within 180 days, it will be voided; a replacement check must be requested for the same amount as the voided check.

How Your Distribution Amount Is Calculated

Distributions will be based on your total account balance at the close of business on the day that the distribution is processed, provided the request is completed by 4:00 p.m. ET. If the distribution is processed after 4:00 p.m. ET or on a non-business day, the distribution amount will be based on the account balance at the close of business on the next business day the financial markets are open. Pending distributions are processed on the first business day of the month.

Once a distribution is taken from your Investment Plan account, no additional interest earnings are earned on those funds.

Distributions will be taken on a pro-rata basis from each of the investment funds in your Investment Plan account, or, if you have an adequate balance in the FRS Stable Value Fund (350), you can request the distribution be paid solely from that fund.

Do You Have a Self-Directed Brokerage Account?

If you have funds in the self-directed brokerage account (SDBA), you must have sufficient funds in your Investment Plan primary account to satisfy your distribution request. If there are insufficient funds in your primary account to process the distribution request, you will need to liquidate funds from your SDBA and transfer the funds to your primary account prior to processing a distribution. For additional information, review the SDBA Access Guide on MyFRS.com.

If You Return to FRS Employment

If you request a distribution and then return to FRS employment (see page 2) with any FRS employer before receiving it, you must notify the Investment Plan Administrator to cancel your request. Also, if your employment status on the FRS database changes from “Terminated” to “Active” during this period, the Investment Plan Administrator will cancel any pending distribution.

How to Earn Credit Toward Another Retirement

If you return to FRS-covered employment (see page 2) after taking a distribution (effective for reemployed service on or after July 1, 2017), you are considered a "reemployed retiree" or "renewed member." As a reemployed Investment Plan retiree, you are required to participate in the Investment Plan, unless you are reemployed in a position eligible to participate in the State University System Optional Retirement Program (SUSORP) or State Community College System Optional Retirement Program (SCCSORP). However, you are not eligible for the following:

- A 2nd Election to switch to the Pension Plan;
- Pension Plan membership or DROP participation; or
- Disability benefits.

Automatic Distributions

If your vested account balance is $1,000 or less when your FRS employment ends, it will be subject to an automatic distribution. This is known as a "de minimis distribution." However, this distribution won't be made until your FRS employment has been terminated for at least six calendar months.

If your balance is subject to an automatic distribution, you can choose to receive it as a lump-sum payment or roll it over to another qualified retirement plan, such as an individual retirement account or another employer's 401(k) plan.

Receiving an Automatic Distribution Does Not Mean You're "Retired"

The FRS will not consider you to be retired if you receive an automatic de minimis distribution of your Investment Plan balance. This means you will not be subject to the same termination requirements and reemployment limitations as a retiree. If you are rehired by an FRS employer in an FRS-covered position after receiving a de minimis distribution, you will be placed back in the Investment Plan.

If you request a distribution prior to the automatic de minimis distribution being paid, you will be considered retired and will forfeit any unvested account balance and associated service credit. If you return to FRS-covered employment in the future (effective for reemployed service on or after July 1, 2017), you will be enrolled in the Investment Plan as a reemployed retiree, unless you are reemployed in a position eligible to participate in the SUSORP or SCCSORP. (See "How to Earn Credit Toward Another Retirement" for more information and exceptions.)

An Automatic Distribution Does Not Make You Eligible for the Health Insurance Subsidy

Because you will not be considered "retired" after receiving an automatic de minimis distribution, you will not be eligible for the Health Insurance Subsidy (HIS). To be eligible for the HIS, you must be retired and must meet the Pension Plan's normal retirement age and service requirements for your class of membership.

For more information about the HIS and how to take advantage of this benefit, read "The Health Insurance Subsidy" on page 16.

Required Minimum Distributions

The Internal Revenue Service (IRS) requires that you begin taking distributions from your Investment Plan account in the calendar year you reach age 72 or terminate employment, whichever is later (age 73 if you reach age 72 after December 31, 2022). These are known as required minimum distributions (RMDs).

The Investment Plan Administrator will notify you if you are required to take an RMD. You will continue to receive a notice by mail in January of each year an RMD is required.

You Can Delay Your First RMD

You can defer your first RMD payment until April 1 of the following year. To request a deferral, you must call the Investment Plan Administrator by November 30.

How Much Is an RMD?

The amount of an RMD changes from year to year. It is based on your age and your account balance at the end of the previous year. Any distributions you receive during the year will be applied to your RMD amount. If by December you have not satisfied your RMD requirement for that year, the balance needed to satisfy the requirement will be sent to you as an additional benefit payment.

Receiving an RMD Does Not Mean You're "Retired"

The FRS will not consider you to be retired if you receive an RMD. This means you will not lose any unvested service credit nor will you be subject to the same termination requirements and reemployment limitations as a retiree. If you are rehired by an FRS employer in an FRS-covered position after receiving an RMD, you will be placed back in the Investment Plan.

However, if you receive benefit payments that exceed the required RMD, you will be considered retired and will forfeit any unvested account balance and associated service credit. If you return to FRS-covered employment in the future (effective for reemployed service on or after July 1, 2017), you will be enrolled in the Investment Plan as a reemployed retiree, unless you are reemployed in a position eligible to participate in the SUSORP or SCCSORP. (See "How to Earn Credit Toward Another Retirement" for more information and exceptions.)

If You Return to FRS Employment

If you return to FRS employment after receiving notice that an RMD is required, you will be paid the RMD for the year. Future RMDs will not be calculated and paid until you again terminate employment.

If it is later determined that you received an ineligible RMD payment, the Investment Plan may request that the RMD be returned to your Investment Plan account.

An RMD Does Not Make You Eligible for the Health Insurance Subsidy

Receiving an RMD does not make you eligible for the Health Insurance Subsidy (HIS). To be eligible for the HIS, you would have to request a distribution above any required RMD amount.

For more information about the HIS and how to take advantage of this benefit, read "The Health Insurance Subsidy" on page 16.

Annuity Distributions

A lifetime annuity distribution will satisfy the RMD requirements for the amount of your purchase.

How You Can Reduce Your RMD

Purchasing the Deferred Guaranteed Retirement Income option can reduce the amount of your Investment Plan balance that may be subject to RMD rules.

Please contact EY for further guidance at 1-866-446-9377, Option 2 (TRS 711), Monday through Friday between 8:00 a.m. and 6:00 p.m. ET.

Keeping Your Contact Information Up to Date

Your checks, member quarterly statements, year-end tax forms, and any other Investment Plan communications will be sent to you via electronic delivery or mailed to your address on file with the Investment Plan Administrator, so be sure to keep your information up to date. While you're an active employee, you can make these changes through your employer.

For name changes, request a Name Change Form from the Investment Plan Administrator by calling 1-866-446-9377, Option 4 (TRS 711). Or send a letter, including your old name, your new name, the last four digits of your Social Security number, and a copy of the court order, marriage certificate, or driver's license, to the Investment Plan Administrator by mail (Investment Plan, P.O. Box 785027, Orlando, FL 32878-5027) or by fax (1-888-310-5559).

For address changes, log in to MyFRS.com or call the Investment Plan Administrator at 1-866-446-9377, Option 4 (TRS 711). A confirmation statement will be mailed within two business days to both your current address on file and the new address.

If you are receiving the Health Insurance Subsidy, complete and submit Form ADDCH 1, Address Change Request, available on the Division of Retirement's website at www.frs.myflorida.com.

How to Access Your Check Advice and 1099-R Form

You can access your Check Advice (distribution verification) and 1099-R tax forms online. Log in to MyFRS.com and click "Investment Plan." Click on the tile labeled "1099-R Reprints/Check Advice."

The Health Insurance Subsidy

Once you are considered retired and have reached the Pension Plan's normal retirement requirements, you may be eligible for a supplemental payment of $45 to $225 per month toward your health insurance premiums. This payment is known as the Health Insurance Subsidy (HIS). To receive this benefit, you must meet certain eligibility requirements and you must take action to apply.

How Much Your HIS Is Worth

If you qualify, your HIS benefit will equal $7.50 for each year of creditable FRS-covered service you completed, with a minimum benefit of $45 per month and a maximum benefit of $225 per month.

HIS Eligibility Requirements

To be eligible to receive monthly HIS payments, you must meet the following requirements:[1]

- The FRS must consider you to be retired. See "When You Are Officially Retired" on page 5.
- You must have eight or more years of FRS-covered service (six or more years if hired prior to July 1, 2011) or be eligible for an FRS disability benefit.
- You must have met the Pension Plan's normal retirement age and service requirements for your class of membership — even if you've already taken a distribution from the Investment Plan. See "Normal Retirement" on page 5. NOTE: If you currently do not meet the Pension Plan's normal retirement requirements, it is your responsibility to apply for the HIS once you meet these requirements.
- You must have current health insurance. Cover Florida Health Care Access Program, Medicare, and TRICARE coverage are accepted.
- You must have successfully applied for the HIS.

[1] If you elected the Investment Plan Hybrid Option, you must apply to receive the HIS. Your HIS payments will begin when you begin receiving your Pension Plan benefit.

When the HIS Will Begin

It is your (or your surviving spouse's) responsibility to obtain certification of health insurance coverage and to apply for the HIS. HIS payments will begin the month in which you attain normal retirement under the Pension Plan, provided you are retired and the Division of Retirement has received Forms HIS-IP and HIS-IP-2 and birth certification.

HIS payments are retroactive up to a maximum of six months. This allows you up to six months from the date you attain normal retirement to submit your completed forms without missing any payments.

When the HIS Will End

Your HIS payments will continue until you are no longer eligible. When you die, your surviving spouse will be entitled to your HIS. Only a spouse is eligible to be a beneficiary under the HIS program.

Important Note

The HIS is subject to available funding and continued approval by the Florida Legislature. HIS payments shall not be subject to assignment, execution, or attachment, or to any legal process whatsoever.

How to Apply for the HIS

It is your or your surviving spouse's responsibility to obtain certification of health insurance coverage and to apply for the HIS by submitting the following documentation to the Division of Retirement.

- Application for Health Insurance Subsidy for Investment Plan Members (HIS-IP)
  This form must be completed after your distribution date.
- Health Insurance Subsidy Certification for Investment Plan Members (HIS-IP-2)
  This form must be completed after your distribution date.
- Copy of one of the following forms for proof of birth date.
  - Birth certificate
  - Delayed birth certificate
  - Valid, unexpired U.S. passport
  - Census report more than 30 years old
  - Life insurance policy more than 30 years old
  - Letter from the Social Security Administration stating the date of birth it has established for the payment of benefits
  - Certificate of naturalization
  - Florida driver's license issued after January 1, 2010, that indicates compliance with the federal REAL ID Act.

  Photocopies of the above are accepted.

  If you cannot provide one of the forms of proof listed above, you may provide copies of **two** of the following forms of proof.
  - Birth certificate of a child, showing your age (limit one)
  - Baptismal certificate more than 30 years old
  - Hospital record of birth
  - School record at time you entered grammar school
  - A copy of the retiree's death certificate if the spouse is applying for the subsidy

Original documents are not required. Legible copies are accepted. Be sure to write the last four digits of your Social Security number and current name on your submitted documentation. If providing verification for your beneficiary or joint annuitant, please include your information and the individual's relationship to you. For example, for your spouse, write: Spouse of [your name and last four digits of your Social Security number].

Questions?

If you have any questions about the HIS, call the Division at 1-844-377-1888, or write to the Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000.

Special Tax Notice – Governmental Plan Payments (other than 457 Plans)

This notice explains how you can continue to defer federal income tax on your retirement savings in your Plan and contains important information you will need before you decide how to receive your Plan benefits. This notice does not address any applicable state or local tax rules that may apply.

This notice is provided to you because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to an IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you, or in the case of a Roth conversion, to obtain tax-free investment returns. Your payment may be rolled over to a SIMPLE IRA but not to a Coverdell Education Savings Account. An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Before making the rollover, check with the administrator of the plan that is to receive your rollover.

If you have additional questions after reading this notice, you should contact your Plan Administrator at 1-866-446-9377, Option 4.

Summary

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

- A certain type of payment — called a "DIRECT ROLLOVER" — can be made directly to a traditional or Roth IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit; or
- The payment can be PAID TO YOU.

If you choose a **DIRECT ROLLOVER**:

- You choose whether your payment will be made directly to your IRA (traditional or Roth) or to an eligible employer plan that accepts your rollover. Your payment may be rolled over to a SIMPLE IRA but not to a Coverdell Education Savings Account. A distribution of non-Roth amounts can be rolled over to an eligible employer plan, to a traditional IRA or, by paying taxes on the non-Roth amounts and converting them to Roth amounts, to a Roth IRA.
- You can roll the payment to a traditional IRA or an eligible employer plan and the taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.
- You may elect to pay income taxes now, and then roll the payment to a Roth IRA. Later distributions from the Roth IRA (including a distribution of earnings) will not be taxed, provided that the distribution is a "qualified distribution" from the Roth IRA.

If you choose to have a Plan payment that is eligible for rollover **PAID TO YOU**:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year or in accordance with Plan guidelines unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% early withdrawal tax. The additional tax would be assessed when you file your 1040 tax return.
- You can possibly roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, **you must find other money to replace the 20% of the taxable portion that was withheld**. If you roll over only the 80% that you received, you will be taxed and possibly subject to an additional 10% penalty on the 20% that was withheld and that is not rolled over.

Special options are available to eligible retired public safety employees and are described below under "Payment Paid to You."

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment paid to you can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you can waive the notice period by making an affirmative verbal election over the Plan Administrator's recorded telephone line indicating whether or not you wish to continue with the transaction and waive the waiting period. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

More Information

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

II. DIRECT ROLLOVER

III. PAYMENT PAID TO YOU

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to an eligible employer plan that accepts rollovers. Payments from a plan may be rolled over to a SIMPLE IRA but not to a Coverdell Education Savings Account. The portion of a payment (if any) that is drawn from an after-tax contributions account can be rolled over to a Roth IRA or to an eligible employer plan that accepts after-tax rollover contributions. The portion of a payment (if any) that is drawn from other types of accounts can be rolled over to an eligible employer plan, to a traditional IRA, or, if you make a Roth conversion, to a Roth IRA. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

After-Tax Contributions. If you made after-tax contributions to the Plan, these contributions can be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

Roll Over Into a Traditional IRA. You can roll over your after-tax contributions to an IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion. After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.
If you roll over after-tax contributions to an IRA, it is your responsibility to keep track of, and report to the Internal Revenue Service on the applicable forms, the amount of these after-tax contributions. This will enable the non-taxable amount of any future distributions from the IRA to be determined. Once you roll over your after-tax contributions to an IRA, those amounts CANNOT later be rolled over to an employer plan. You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan, and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion consists, first, of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

Roll Over Into an Employer Plan. You can roll over your after-tax contributions to an eligible employer plan using a DIRECT ROLLOVER if the other plan agrees to accept the rollover and provide separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can roll over after-tax contributions to either a qualified defined contribution or defined benefit plan under Code section 401(a) or a tax-sheltered annuity under Code section 403(b). You cannot roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions PAID TO YOU first. You must instruct the Plan Administrator of this Plan to make a DIRECT ROLLOVER on your behalf. Also, you cannot first roll over after-tax contributions to an IRA and then roll over that amount into an employer plan. You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

Conversion of Non-Roth Amounts by Means of a Rollover Into a Roth IRA. If you roll over a payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you have had a Roth IRA for at least 5 years and (1) you are age 59½ or (2) after your death or disability or (3) you qualify for another IRS-approved exception. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. You cannot roll over a payment from the Plan to a designated Roth account in another employer plan. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Payments That Cannot Be Rolled Over. The following types of payments cannot be rolled over:

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for (1) your lifetime (or a period measured by your life expectancy), or (2) your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or (3) a period of 10 years or more.

Required Minimum Payments. Beginning when you reach your Required Beginning Date (typically attainment of age 72 or after separation from service, whichever is later), a certain portion of your payment cannot be rolled over, because it is a "required minimum payment" that must be paid to you.

Inherited Accounts. You generally cannot roll over payments made from tax-advantaged accounts that have been inherited from another individual.

The Investment Plan Administrator should be able to tell you if your payment includes amounts that cannot be rolled over.

II. DIRECT ROLLOVER

A **Direct Rollove**r is a direct payment of the amount of your Plan benefits to an IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I of this notice. If your DIRECT ROLLOVER is into a traditional

IRA or an eligible employer plan, you are not taxed on any taxable portion of your payment until you later take it out of the traditional IRA or eligible employer plan. If your DIRECT ROLLOVER is into a Roth IRA, you are taxed on the taxable portion of your payment in the conversion to Roth treatment, and if the later distribution from the Roth IRA is a "qualified distribution," you are not taxed when you take it out of the Roth IRA (including earnings after the rollover). In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER — to avoid unwanted tax consequences when filing, you may want to consider establishing withholding independently. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than $200. However, you can do a 60-day rollover. Any eligible rollover distribution that you receive from the Plan that is otherwise non-taxable, and that you wish to roll over to an eligible employer plan, can be rolled over only in a DIRECT ROLLOVER.

Direct Rollover to a Traditional IRA. You can open an IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to make sure that the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. (See IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, for more information on IRAs, including limits on how often you can roll over between IRAs).

Direct Rollover to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a DIRECT ROLLOVER to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to an IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Direct Rollover of a Series of Payments. If you receive a payment that can be rolled over to an IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to do or not do a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting From a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 2, 1936, you might be entitled to 10-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections on the following page titled "Additional 10% Tax if You Are Under Age 59½" and "Special Tax Treatment if You Were Born Before January 2, 1936."

Physical Payment of the Direct Rollover. The Investment Plan Administrator does not currently process electronic direct rollovers to other retirement plan providers. A direct rollover is accomplished by making the distribution check payable to the new retirement plan provider for the benefit of the member. This type of distribution still qualifies for the direct rollover provisions outlined above.

III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I of this notice) and the payment is PAID TO YOU in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or an eligible employer plan that accepts rollovers (or unless you are an eligible retired public safety employee who makes the election to pay health care or long-term care premiums, described in this section below). If you do not roll it over, special tax rules may apply.

Income Tax Withholding

Mandatory Withholding. If any portion of your payment can be rolled over under Part I of this notice and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you, because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I of this notice, the mandatory withholding rules described above do not apply. In this case, you can elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I of this notice, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment (assuming you have not completed a similar 60-day rollover within the last 12 months). The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan. This 60-day rollover option is also available for converting to a Roth IRA.

You can roll over up to 100% of your payment that can be rolled over under Part I of this notice, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld, including potentially being subject to a 10% tax penalty if younger than age 59½.

Example: The taxable portion of your payment that can be rolled over under Part I of this notice is $10,000, and you choose to have it PAID TO YOU. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you can roll over the entire $10,000 to an IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld.

If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed (and potentially subject to penalty) in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. However, any refund is likely to be larger if you roll over the entire $10,000.

Additional 10% Tax if You Are Under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, (6) payments made to the extent you have deductible medical expenses that are greater than 7.5% of your adjusted gross income, (7) payments from a defined benefit, defined contribution, or other governmental plan to a qualified public safety employee following separation from service in the year in which they attain age 50 or 25 years of service, whichever comes first (see IRS Form 5329 for more information on the additional 10% tax), (8) payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution, or (9) payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to an IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special Tax Treatment if You Were Born Before January 2, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump-sum distribution," it may be eligible for special tax treatment. A lump-sum distribution is a payment, within 1 year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump-sum distribution, you must have been a participant in the plan for at least 5 years before the year in which you received the distribution. The special tax treatment for lump-sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump-sum distribution and you were born before January 2, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

There Are Other Limits on the Special Tax Treatment for Lump-Sum Distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump-sum distributions that you receive in that same year. You cannot elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, from a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to an IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to an IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump-sum distributions and how you elect the special tax treatment.

Special Election by Eligible Retired Public Safety Employees. If you are an "eligible retired public safety employee," you can make an election to exclude up to $3,000 of your otherwise taxable payment from your gross income, and not be taxed on the amount you exclude. The $3,000 can be used to pay for health insurance premiums for accident and health insurance plans, as well as for a qualified long-term care insurance contract covering you, your spouse, or your dependents. All distributions are combined from all of your eligible retirement plans — section 401(a), 457(b), 403(a) and 403(b) plans — for purposes of the $3,000 limit. You are an "eligible retired public safety employee" if you separated from service as a public safety employee of the employer maintaining the plan, and your separation from service was due to your disability or attainment of normal retirement age. Contact the Plan Administrator for more information about this special election.

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized in this notice that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you can choose to have a payment that can be rolled over, as described in Part I of this notice, paid in a DIRECT ROLLOVER to a traditional or Roth IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

The Plan allows non-spouse beneficiaries to make a DIRECT ROLLOVER of their share of an employee's account. If the account owner passed away prior to January 1, 2020, there are several flexible payment options for non-spouse beneficiaries. If the account holder passed away after December 31, 2019, and the non-spouse is not an eligible designated beneficiary, the total account balance must be distributed within 10 years.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III of this notice, even if you are younger than age 59½.

How to Obtain Additional Information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described in this notice are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator, an EY financial planner, or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publications 590-A and 590-B, *Contributions to and Distributions from Individual Retirement Arrangements (IRAs)*, respectively. These publications are available from your local IRS office, on *irs.gov,* or by calling 1-800-TAX-FORMS.

This guide is a summary of the Investment Plan termination options available to FRS-covered employees and is written in non-technical terms. It is not intended to include every program detail. Complete details can be found in Chapter 121, Florida Statutes, the rules of the State Board of Administration of Florida in Title 19, Florida Administrative Code, and in the Investment Plan Summary Plan Description. In case of a conflict between the information in this guide and the statutes and rules, the provisions of the statutes and rules will control.

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MyFRS Florida Retirement System

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