



# Understanding Your Benefits under the FRS Pension Plan

For State Employees Enrolled Prior to July 1, 2011



## Pension Plan Member Handbook





# Retirement Guides



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### Publications

Most of the publications on these pages are available to download and print as Adobe Acrobat files (in PDF format). Please note that these publications are provided under the agreement that you will not alter them either in form or content. Individuals can request a copy and FRS employers can request multiple copies of publications published by the Division of Retirement. You may contact the Division of Retirement with your publications request. Outside the Tallahassee calling area, you may reach the division toll free at 844-377-1888. Otherwise, you may reach the division by phone at 850-907-6500, or you can contact the division by email at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com)

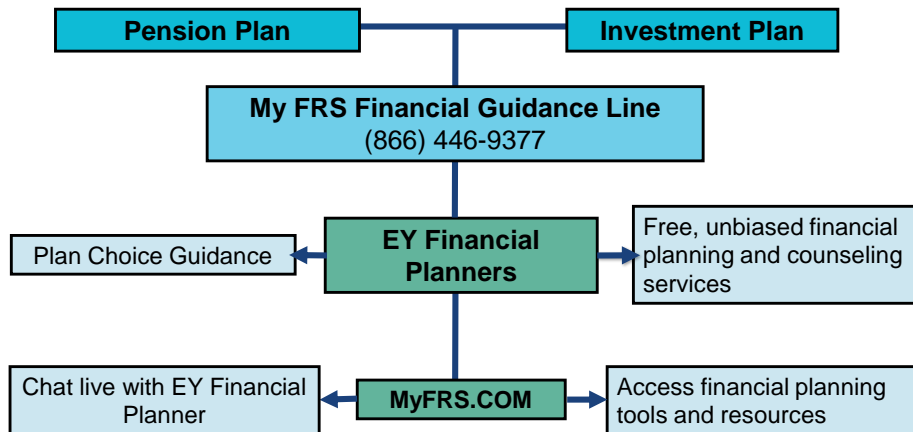
Publications are available in the following categories:

- [Annual Reports](#)
- [Retirement Guides](#)
- [Retirement Newsletters](#)
- [Surveys](#)

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## The Two FRS Plans



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## FRS History

- FRS Created in December 1970
- Employee Non-Contributory
  - (Jan. 1, 1975 – June 30, 2011)
- 3% Employee Contributions effective July 1, 2011
- FRS Investment Plan offered beginning July 1, 2002
  - Initial Plan Choice Period
    - Members employed on July 1, 2002, or initially enrolled prior to Jan. 1, 2018
    - Members initially enrolled on Jan. 1, 2018 and thereafter.
  - One time Second Election

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## Vesting - FRS Pension Plan

- **Members enrolled prior to July 1, 2001:**
  - Seven, eight or 10 year vesting
- **Members enrolled on July 1, 2001 though June 30, 2011:**
  - Six year vesting
- **Members enrolled on or after July 1, 2011 (Tier 2):**
  - Eight year vesting

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## Normal Retirement Date

- First eligible to receive an **unreduced retirement benefit**; and
- Eligible to participate in the **Deferred Retirement Option Program (DROP)**.

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## Normal Retirement Date

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

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## Normal Retirement Date

### Members enrolled prior to July 1, 2011 - Tier 1

- **Special Risk Class Service:**
  - Vested and age 55, or 25 years of Special Risk Class Service whichever occurs first; or
- **All other Service Classes:**
  - Vested and age 62, or 30 years of service whichever occurs first.
- **Dual Membership**
  - Special Risk Class service and other class service

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## The Benefit Calculation Formula

Years of Service	X	% Value per Year	X	Average Final Compensation (AFC)
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**Example:**

30.00	X	1.60%	X	\$30,000
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Option 1 Gross Annual Benefit  
at Normal Retirement = **\$14,400**

Divide by 12 = **\$1,200** Monthly Option 1 Benefit

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## Years Of Service

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

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

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

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## Optional Service Credit

- Refunded Service – Form [FR-9](#)
- Leave of Absence – Form [FR-28](#)
- In-State/Out-of-State Service – Form [FR-30](#) or DD-214
- Military Service as Active Wartime Service – DD-214
- Military Service as Out-of-State Service
- Purchasing Optional Service
  - Personal remittance; or
  - Trustee to Trustee transfer from another eligible tax deferred account; see form [PRO-1](#) and FRS Member Handbook.

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## Percentage Value Per Year

→ Regular Class Service	→ Senior Management Service Class
Age 62 or 30 years = 1.60%	2.00%
Age 63 or 31 years = 1.63%	→ Special Risk Class
Age 64 or 32 years = 1.65%	Prior to July 1, 1974 – 2.00%
Age 65 or 33 years = 1.68%	On or after July 1, 1974 – 3.00%
→ Elected Officers' Class Service	
Judges and Justices = 3.33%	
All others = 3.00%	



## Average Final Compensation (AFC)

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

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## Benefit Calculation Formula

### Member with all Regular Class Service at Normal Retirement:

Years of Service	X	% Value/Year	X	Average Final Compensation
30	X	1.60%	X	\$25,000.00
= Gross Annual Option 1 Benefit of \$12,000.00				
		Divide by 12		
= Gross Monthly Option 1 Benefit of \$1,000.00				





## Benefit Calculation Formula

**Member with all Special Risk Class Service at Normal Retirement:**

Years of Service	X	% Value/Year	X	Average Final Compensation
25	X	3.00%	X	\$25,000.00
= Gross Annual Option 1 Benefit of \$18,750.00				
Divide by 12				
= Gross Monthly Option 1 Benefit of \$1,562.50				



## Benefit Calculation Formula

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

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



## Average Final Compensation (AFC)

### AFC Calculation of Tier I member retiring effective Jan. 1, 2018

Fiscal Year	Service Credit	Salary Used in AFC	Explanation
2018	.50	\$15,000.00	Annualized (\$15,000.00/.50 service credit) = \$30,000.00 which is in the highest five and therefore \$15,000.00 earned in this .50 of a fiscal year will be used in the AFC .
2017	1.00	\$29,000.00	
2016	1.00	\$28,000.00	
2015	1.00	\$27,000.00	
2014	1.00	\$26,000.00	
2013	.50	\$12,500.00	Fiscal year salary of \$25,000.00 times the percentage needed to make a full five fiscal years of salary = .50 service credit. - \$25,000 X .50 = \$12,500 to be used in the AFC.
<b>Totals</b>	<b>5.00 years</b>	<b>\$137,500.00</b>	<b>(\$137,500.00/5) = AFC = \$27,500.00</b>



## Average Final Compensation (AFC)

### AFC calculation of same member retiring effective Jan. 1, 2019 with annual leave payout

Fiscal Year	Service Credit	Salary in Fiscal Year	Explanation
2019	.50 Annual Leave	<del>\$15,000.00</del> \$6,900.00 <del>\$21,900.00</del>	Annualized (\$21,900.00/.50 service credit) = \$43,800 is in the highest five and therefore \$15,000.00 earned in this .50 of a fiscal year will be used in the AFC .
2018	1.00	\$29,000.00	
2017	1.00	\$28,000.00	
2016	1.00	\$27,000.00	
2015	1.00	\$26,000.00	
2014	.50	\$12,500.00	Fiscal year salary of \$25,000.00 times the percentage needed to make a full five fiscal years of salary = .50 service credit. - \$25,000 X .50 = \$12,500 to be used in AFC.
<b>Totals</b>	<b>5 years</b>	<b>144,400.00</b>	<b>(144,400/5) = AFC of \$28,800.00 AFC with annual leave payout</b>

→ Versus the \$27,500.00 AFC without annual leave payout



## What Is DROP?

- Retiring under the FRS Pension Plan
- Monthly retirement benefits accrue in your DROP account
- Not subject to 3 percent employee contributions
- Delaying termination of employment up to 60 months
- DROP interest – Effective annual interest rate of 1.3%
- Cost-of-Living Adjustment (COLA) – Tier 1 Members Only

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## Normal Retirement Date - DROP

- First eligible at Normal Retirement date
- DROP deferral
  - K-12 Instructional Personnel
  - Elected Officials
  - All other FRS Pension Plan Members
    - Unless eligible to defer your 60-month DROP participation period, would have to enter DROP at normal retirement date to participate for 60 months
- 12 month election window

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## DROP Deferral

### For members enrolled prior to July 1, 2011 – Tier 1:

- **Special Risk Class**
  - 25 years of Special Risk class service prior to age 52, may defer 60-month DROP participation period up until age 52.
- **All other Classes**
  - 30 years of service prior to age 57, may defer 60-month DROP participation period up until age 57.
- Elected Officers

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## Upon Termination of DROP

### DROP termination packet

- DP-Term form
- DP-PAYT form

### DROP accumulation paid in one of three ways:

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

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## Early Retirement

### Service Retirement before Normal Retirement Date

- Benefit reduced by 5% or prorated share thereof for each year below normal retirement age
  - All Classes, except Special Risk – Reduced from age 62.
  - Special Risk Class – Reduced from age 55.
- Example:
  - Regular Class Member, Tier 1: Normal Retirement age is 62, but member begins receiving benefit at age 60. The benefit is reduced by 10% (5% x 2 years from age 62).
  - Member will receive 90% of normal retirement benefit.

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## Option Selection

- Option 1    Lifetime monthly benefit to you.
- Option 2    Lifetime monthly benefit to you. Ten year guarantee to beneficiary.
- Option 3    Lifetime monthly benefit to you. Same benefit continues to your joint annuitant.
- Option 4    Lifetime monthly benefit to you. Benefit to survivor is reduced upon death of you or joint annuitant (2/3 of the benefit).

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## Benefit Payment Options

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

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## Cost Of Living Adjustment (COLA)

### **Retirees receive a COLA in their July benefit each year**

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

### **COLA calculated at retirement:**

Years of service through June 2011  
Total years of service at retirement

Example:  $23/30 \times 3\% = 2.30\%$   
 $23/35 \times 3\% = 1.97\%$

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## Application For Retirement

- Applications accepted up to six months prior to effective retirement or DROP entry date.
- Service Retirement – [Form FR-11](#)
- DROP
  - DROP Retirement Application – [Form DP-11](#)
  - Notice of Election to Participate in DROP and Resignation of Employment – [Form DP-ELE](#)

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## Other Items Required To Complete Application

- [Form FRS-11o](#) - Option Selection Form
- [Form SA-1](#) - Spousal Acknowledgement Form
- Birth Date Verification – member and for joint annuitant if you selected Option 3 or 4 (See [BVR-1 Form](#))
- Copy of **registered** Marriage Certificate if you select benefit payment option 3 or 4 and list your spouse as your joint annuitant

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# Forms – FRS.MyFlorida.com

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**Retirement**

- Members
- Retirees

## Members

The [FRS Online](#) link takes you to a secure website where you can access your personal retirement account information and can calculate informal benefit estimates based on assumed retirement ages.

The [Forms](#) page provides access to forms available to members. You may fill out most of these forms online.

## Forms

This page provides a complete list of the forms available to members. For your convenience, we have grouped forms together in the following retirement packets.

Retirement Packets	
<a href="#">DROP Retirement Forms Packet</a> (X)	Packet containing all the forms needed to apply for DROP Retirement including the DP-11, the DP-ELE, the FRS-11o and the SA-1
<a href="#">Service Retirement Forms Packet</a> (X)	Packet containing all the forms needed to apply for Service Retirement including the FR-11, the FRS-11o and the SA-1

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# The Retiree Packet

- [Form W-4P](#), Withholding Certificate for Pension Payments (or complete online)
- [Form DFS-A1-26R](#), Direct Deposit Authorization (or complete online)
- [Form HIS-1](#), Health Insurance Certification for Pension Plan Members – Complete after you have terminated employment.

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## Reemployment After Retirement

- **Termination requirement** - First 6 calendar months
  - Service for an FRS participating employer during the termination requirement period will void your retirement
- **Reemployment limitations** – 7<sup>th</sup> – 12<sup>th</sup> calendar months
  - Must suspend/repay and forfeit benefit received for any of the months you perform service for an FRS participating employer during the reemployment limitation period
  - **Exception:** Effective March 9, 2018, a retired law enforcement officer reemployed as a school resource officer during the reemployment limitation is exempt from reemployment limitations during the seventh – 12<sup>th</sup> calendar months.

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## Reemployment After Retirement

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

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# Forfeiture Of Benefits

- If you commit a specified offense prior to retirement or while participating in DROP and you are either:
  - Convicted by a court of competent jurisdiction; or
  - Terminated from employment as a result of admitting to the commission of a specified offense.
- Section 121.091(5) or 112.3173, Florida Statutes
- Member Handbook

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### Division of Retirement

This website contains information about state retirement systems in Florida, including the FRS - the fourth largest public system in the nation. You can view and print our [glossary](#) (PDF) which provides definitions to help you understand retirement terms used throughout this website.

You may also want to visit the [MyFRS](#) website, which is a cooperative website of the Department of Management Services and the State Board of Administration. It is part of the MyFRS Financial Guidance Program and offers online planning models and choice tools to help employees eligible for membership in the FRS to choose between the FRS Pension Plan and the FRS Investment Plan. The website also provides access to resources available under both plans.

**Member Annual Statements (MAS)**

Beginning January 2016, members will receive their MAS in the month you were born. The Division of Retirement will email you when your 2016 MAS is available. You can access your historical MAS from your [FRS Online](#) account.

[Click to access your MAS](#)

The MAS is only available to active pension plan participants and active hybrid plan participants.

**Helpful Links**

[FRS Online](#)

FRS Online is a secure website administered by the Department of Management Services, Division of Retirement. This website provides:

- Pre-retirement information to active Pension Plan members.
- Post-retirement information to retired Pension Plan members.
- Post-retirement information for members receiving the Retiree Health Insurance Subsidy (HIS) benefit.
- Post-retirement information for other monthly benefits administered by the Division of Retirement including the Florida National Guard Supplemental Retirement Program.

**MyFRS**

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**FRS Online Log In Page**

Department of MANAGEMENT SERVICES

Division of Retirement

New user? [Click here](#) to create a User Profile and log in.

Not a new user? If you have already created a User Profile, please log in below.

\* User Name:

\* Password:

Data in this website is property of the State of Florida, Department of Management Services. All activity on this website is subject to being intercepted, recorded, read, copied and disclosed by, and to, authorized personnel for official purposes including criminal investigations. Access or use of this website by any person, whether authorized or unauthorized, constitutes consent to these terms.

\* Required Fields

Unable to log in? [Forgot your password or your user name?](#)

Notice

**REMINDER:** Remember to update your FRS Online account if your e-mail address changes. If you use a work e-mail address, be sure to change your e-mail address when you retire or change employers.

After logging in to your account use the *Profile Settings* page of your account to change your e-mail address. The *Profile Settings* link is in the navigation bar on the left side of the screen. You will receive an e-mail that will contain an **email verification code** that you must enter on FRS Online to verify that the email address you provided is valid.

Use the *Communication Preferences* page of your account to establish or update your delivery preference for correspondence and documents from the Division of Retirement.

The FRS Financial Guidance Program provides free, unbiased financial advice to FRS members. Call toll free 886-446-9377 and select prompt 2 to speak with a financial planner about your financial planning needs.

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## FRS Online – All Members

**My Account**

- Profile Settings
- Communication Preferences
- My Inbox

- **Profile Settings** – Update your password, email address and security questions.
- **Communication Preferences** – Electronic or paper.
- **My Inbox** – Where you may view communication from the division.

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## FRS Online – Active Members

<b>Member Services</b>	←
<b>Member Information</b>	
History Summary	←
Service Summary	←
Beneficiary	←
Member Annual Statement	
Refund Application	
<b>Benefit Estimates</b>	
Current Estimate	←
Create Estimate	←

- **History Summary** – Details of each year of service credit.
- **Service Summary** - Summary of years of service credit.
- **Beneficiary** – View or update beneficiary.
- **Member Annual Statement (MAS)** – View, print or download.
- **Current Estimate**
- **Create Estimate**



## FRS Online – DROP participants

<b>DROP Services</b>	
DROP Information	←
Beneficiary	←

**DROP Information** – Provides your DROP account details and your DROP accrual monthly for your DROP participation period.

**Beneficiary** – View your beneficiary designation; change your beneficiary designation if you selected Option 1 or 2. To change your beneficiary under Option 3 or 4, contact the Division.



# FRS Online - Retiree Services

## Retiree Services

Account Information ←

Beneficiary ←

Address Change ←

Direct Deposit Authorization ←

### Account Information

- View your current or prior monthly benefit payment stubs/statements and 1099R Tax Form.
- View/change your Federal Tax withholding.
- Print a Pension Income Verification Letter.

### Beneficiary

- View your beneficiary.
- May change if you selected Option 1 or 2
- Contact division to change your beneficiary under Option 3 or 4 (limited to two changes).

**Address Change** – To update your address.

**Direct Deposit** – Update your direct deposit information.



# Calculating Estimates Online

Retirement Criteria
Help ?

Select your retirement date:

Retirement Age:  ←

Retirement Effective Date:  (mm/yyyy)

Termination Date:  (mm/dd/yyyy)

Note: The termination date is only needed if you have already terminated or DO NOT intend to work with an FRS employer until your retirement age/date.

Determine how your average final compensation (AFC) is estimated:

AFC through last fiscal year:

Prior fiscal year salary:  ←

Annual percent increase to AFC or salary above:  ▾

AFC you wish to use for this estimate:


Estimate to include a continuing benefit to your spouse/joint annuitant:

Spouse/Joint Annuitant Name:  ←

Spouse/Joint Annuitant Birth Date:  (mm/dd/yyyy) ←

Estimate Results					Help ?
Plan	Description	Service Type	Service Credit	Value Percent	Accrued Percentage
HA	FRS-REGULAR CLASS	FRCST	11.60	1.60	18.56
HA	FRS-REGULAR CLASS	PAYRL	13.97	1.60	22.35
<b>Total</b>			<b>25.57</b>		<b>40.91</b>
<b>Retirement Date:</b>		3/1/2027			
<b>Retirement Age:</b>		62 years 0 months			
<b>Joint Annuitant Retirement Age:</b>		64 years 11 months			
<b>Average Final Compensation (AFC):</b>		55,074.98			
<b>Accrued Percentage:</b>		40.91			
<b>Normal Annual Benefit:</b>		22,531.17			
Option	Factor	Monthly Benefit	Survivor Benefit		
1	1.00000	1,877.60			
2	0.9765	1,833.48			
3	0.8889	1,669.00	1,669.00		
4	0.9822	1,844.18	1,229.45		

The annual Cost of Living Adjustment for this estimate would be 1.17%. Please see the Ready,Set,Retire. brochure, on [this website](#) for further information.

Based on the above estimate, you may be eligible to participate in DROP. For more information [click here.](#) 

**Note:** This statement and calculations of your estimated retirement benefit are based on unverified data and are only approximations of the amount you would receive upon retiring. Future changes in salary and other factors will affect the amount shown. If you are considering retirement in the next six months, please contact the [Division of Retirement](#) for an estimate.

Deferred Retirement Option Program(DROP) Estimated Benefit Accrual Calculation						Hel
DROP Begin Date:	DROP End Date:	Months in DROP:	Accrual Interest Rate:	COLA Percentage:		
03/2027	02/2032	60	1.30%	1.17%		
	Option 1	Option 2	Option 3	Option 4		
Fiscal Year: 2027						
Benefit	1,877.60	1,833.48	1,669.00	1,844.18		
03/2027	1,877.60	1,833.48	1,669.00	1,844.18		
04/2027	3,757.22	3,668.93	3,339.80	3,690.35		
05/2027	5,638.87	5,506.37	5,012.39	5,538.50		
06/2027	7,522.54	7,345.78	6,686.79	7,388.64		
Fiscal Year: 2028						
Benefit	1,884.92	1,840.63	1,675.51	1,851.37		
07/2027	9,415.56	9,194.32	8,369.50	9,247.97		
08/2027	11,310.62	11,044.85	10,054.03	11,109.30		
09/2027	13,207.72	12,897.37	11,740.36	12,972.64		
10/2027	15,106.87	14,751.89	13,428.52	14,837.98		
11/2027	17,008.06	16,608.41	15,118.49	16,705.33		
12/2027	18,911.29	18,466.93	16,810.28	18,574.69		
01/2028	20,816.58	20,327.44	18,503.89	20,446.06		
02/2028	22,723.92	22,189.96	20,199.33	22,319.45		
03/2028	24,633.31	24,054.49	21,896.60	24,194.86		
04/2028	26,544.76	25,921.03	23,595.69	26,072.28		
05/2028	28,458.26	27,789.57	25,296.61	27,951.73		
06/2028	30,373.83	29,660.13	26,999.36	29,833.20		
Fiscal Year: 2029						



## Contacting the Division of Retirement

- Toll Free (844) 377-1888
- Local (850) 907-6500
- Fax (850) 410-2010
- Email [Retirement@dms.myflorida.com](mailto:Retirement@dms.myflorida.com)
- Website [www.FRS.MyFlorida.com](http://www.FRS.MyFlorida.com)



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## Questions and Answers



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