


Department of  
**MANAGEMENT  
SERVICES**  
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# Understanding Your Benefits under the FRS Pension Plan

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## Member Handbook



**FRS TODAY**  
FLORIDA RETIREMENT SYSTEM

PENSION PLAN  
**MEMBER HANDBOOK**  
2019 EDITION



Department of  
**MANAGEMENT  
SERVICES**  
Division of Retirement

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# Retirement Guides

FRSTODAY  
FLORIDA RETIREMENT SYSTEM

PENSION PLAN

Ready. Set. Retire.

2019 EDITION

FRSTODAY  
FLORIDA RETIREMENT SYSTEM

PENSION PLAN

Deferred Retirement Option Program

2019 EDITION

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# www.frs.myflorida.com

- Business Operations
- Workforce Operations
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- Other Programs
- About Us

Search  Search

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Florida Department of Management Services > Workforce Operations > Retirement > Publications

## 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

Retirement

- Members
- Retirees
- Employers
- Optional Retirement Plans
- Local Retirement Plans
- State and Local Political Subdivisions
- Publications

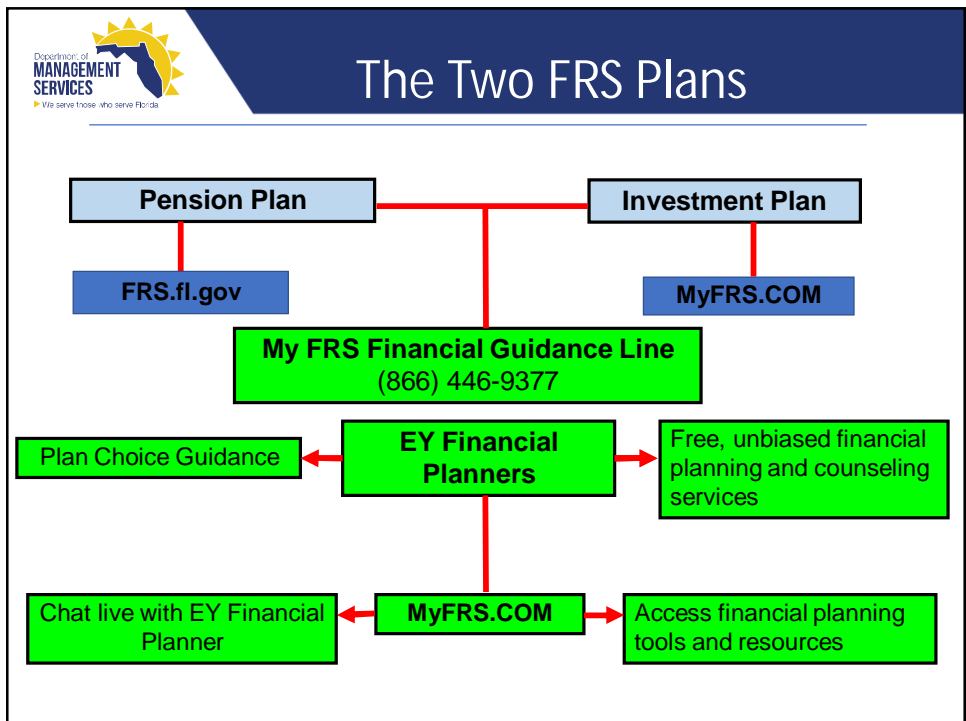
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## FRS History

- 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:
  - Eight year vesting


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## Normal Retirement Date

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

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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
  - If not vested at 55, then the age after 55 when you do vest.
- All other Service Classes –
  - Vested and age 62, or 30 years of service; whichever occurs first.
  - If not vested, the age after 62 when you do vest.

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## Normal Retirement Date

Members enrolled on or after July 1, 2011 – Tier 2

- Special Risk Class Service –
  - Vested and age 60 or 30 years of Special Risk Class Service; whichever occurs first.
  - If not vested at age 60, then age after 60 when you do vest.
- All other Service Classes –
  - Vested and age 65 or 33 years of service; whichever occurs first.
  - If not vested at 65, then age after 65 when you do vest.


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## Normal Retirement Date

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


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## Normal Retirement Date - DROP

- First eligible to enter DROP at Normal Retirement date
- K-12 Instructional Personnel
  - May enter DROP at Normal Retirement or anytime after and participate in DROP for 60 months
- 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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## Who Can Defer DROP Participation Period?

- For members enrolled prior to July 1, 2011 – Tier 1:
  - Special Risk Class – Normal Retirement prior to age 52
  - All other Classes – Normal Retirement prior to age 57
- For members enrolled on or after July 1, 2011 – Tier 2:
  - Special Risk Class – Normal Retirement prior to age 55
  - All other Classes – Normal Retirement prior to age 60
- 12 month election window
- Elected Officers


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## What is DROP?

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

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## Upon Termination of DROP


DROP termination packet

- DP-Term form
- DP- PAYT form

DROP accumulation payout options:

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

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## The Benefit Formula


Years of Service	×	Percentage Value per Year	×	Average Final Compensation
------------------	---	---------------------------	---	----------------------------

= Option 1 gross annual benefit at normal retirement

Divide by 12 = Gross 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

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

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## Accrual Value per Year of Service

### Regular Class Service

Regular Class Service Initially Enrolled prior to July 1, 2011	Regular Class Service Initially Enrolled on or after July 1, 2011
Age 62 or 30 years = 1.60%	Age 65 or 33 years = 1.60%
Age 63 or 31 years = 1.63%	Age 66 or 34 years = 1.63%
Age 64 or 32 years = 1.65%	Age 67 or 35 years = 1.65%
Age 65 or 33 years = 1.68%	Age 68 or 36 years = 1.68%

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## Accrual Value per Year of Service

All other classes regardless of when initially enrolled:

<b>Senior Management Service Class</b>
2.00%
<b>Special Risk Class</b>
Service prior to July 1, 1974 - 2.00 %
Service on or after July 1, 1974 - 3.00%
<b>Elected Officers' Class</b>
Judges and Justices – 3.33%
All others - 3.00%


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## Average Final Compensation (AFC)

- If initially enrolled prior to July 1, 2011 – Tier I:
  - Average of your highest five fiscal years of salary.
    - Fiscal year is July through June
- If initially enrolled on or after July 1, 2011 – Tier 2:
  - Average of your highest eight fiscal years of salary
- Average Final Compensation (AFC) can include:
  - Lump Sum Annual Leave Payout - Up to 500 hours
    - Agency Limitations (Consult your Human Resource Office)
  - Special Comp earned within the last 11 months prior to retirement

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## Average Final Compensation (AFC)

AFC calculation of Tier 1 member who retired effective Jan. 1, 2019  
12 month work period employee

Fiscal Year	Service Credit	Salary in Fiscal Year	Explanation
2019	.50	\$15,000.00	Annualized ( $\$15,000.00 / .50$ service credit) = \$30,000.00 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. - $\$25,000 \times .50 = \$12,500$ to be used in AFC.
Totals	5 years	\$137,500	$(\$137,500 / 5) =$ AFC of \$27,500.00

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## 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	\$15,000.00	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 .
	→ Annual Leave →	\$6,900.00	
		→ \$21,900.00	
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. - $\$25,000 \times .50 = \$12,500$ to be used in AFC.
Totals	5 years →	144,400.00	$(144,400/5) = \text{AFC of } \$28,800.00$ AFC with annual leave payout
→ Versus the \$27,500.00 AFC without annual leave payout			

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## Benefit Formula Calculation

Regular Class Service Member at Normal Retirement- Tier 1:

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				

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## Benefit Formula Calculation

Special Risk Class Service Member at Normal Retirement- Tier 1:

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				

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## Benefit Formula Calculation

Tier 1 Member at Normal Retirement with dual membership:

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

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## Early Retirement

Service Retirement before Normal Retirement Date

Benefit Reduced 5% for each year under Normal Retirement age or prorated share thereof.

- If initially enrolled prior to July 1, 2011, Normal Retirement age 62.
- If initially enrolled on or after July 1, 2011, Normal Retirement age 65.


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## Benefit Payment Options

- Benefit Payment Option 1 and Option 2
  - Beneficiary can be anyone
- Benefit Payment Option 3 or Option 4
  - Beneficiary must be a qualified joint annuitant.
    - Your spouse.
    - Your parent, grandparent, or a person for whom you are the legal guardian, claimed as a 50 percent 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)

Tier 1 members - Member enrolled prior to July 1, 2011

- Three percent COLA – on service earned prior to July 1, 2011
- No COLA on service earned on or after July 1, 2011

COLA calculation at retirement:

$$\frac{\text{Years of service prior to July 1, 2011}}{\text{Total years of service at retirement}} \times 3 \text{ percent} = \text{COLA}$$

$$26/30 \times 3\% = 2.60 \text{ percent}$$

$$26/33.75 \times 3\% = 2.31 \text{ percent}$$

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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

- [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 **recorded** Marriage Certificate if you select benefit payment option 3 or 4 and list your spouse as your joint annuitant

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## Forms – [www.frs.myflorida.com](http://www.frs.myflorida.com)

Search Current Location Only

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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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## Direct Deposit Required

- State Employees: Retirement benefit will be directly deposited to the same account as their pay.
- Non-State employees need to set up the direct deposit of their retirement benefit through their FRS Online account as follows:
  - For Service Retirements – Set up upon receipt of the Acknowledgement of your Service Retirement Application from the division.
  - For DROP participants - Upon receipt of your DROP Termination packet sent three months prior to your DROP termination date.


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## The Retiree Packet

- [Form W-4P](#), Withholding Certificate for Pension Payments
  - You can and should do this on your FRS Online Account
- [Form HIS-1](#), Health Insurance Certification for Pension Plan Members
  - Complete and submit after you have terminated employment.


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## Re-employment After Retirement

- Termination requirement - First six calendar months
  - Providing paid or unpaid services (directly or indirectly) to an FRS participating employer during the termination requirement period will void your retirement.
- Reemployment limitations – Seventh – 12<sup>th</sup> calendar months
  - Must suspend/repay and forfeit benefit received for any months you provide paid or unpaid services (directly or indirectly) to an FRS participating employer during the reemployment limitation period.
  - **Exception:** A retired law enforcement officer reemployed as a school resource officer are exempt from reemployment limitations during the seventh – 12th calendar months.

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## Re-employment 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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The screenshot shows the Florida Department of Management Services website. At the top left is the logo with the text "Department of MANAGEMENT SERVICES" and "We serve those who serve Florida". To the right is the URL "www.frs.myflorida.com". Below the header is a navigation menu with categories: Business Operations, Workforce Operations, Agency Administration, Other Programs, and About Us. The main content area is titled "Division of Retirement" and contains information about state retirement systems in Florida, including a glossary and member annual statements (MAS). A sidebar on the left lists various retirement-related topics like Members, Retirees, Employers, and Publications. On the right, there is an "Office Relocation" section and "Helpful Links" including "FRS Online". A "Document reader download link" for Adobe PDF Reader is also present. Red arrows point to various elements: the URL, the "Retirement" sidebar, the "Division of Retirement" title, the "FRS Online" link, and the "Document reader download link".

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The screenshot shows the "FRS Online Log In Page". At the top left is the Department of Management Services logo. The main heading is "FRS Online Log In Page". On the left is a vertical navigation menu with links: FRS Home, Agency Join, Death Notice, F.A.Q., Forms, Contact Us, and Log In. The main content area features the Department of Management Services logo and "Division of Retirement" text. Below this, there are instructions for new users and existing users. There are two input fields: "\* User Name:" and "\* Password:". Below the input fields is a disclaimer: "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." Below the disclaimer is a button labeled "I Acknowledge (Log In)". At the bottom, there are links for "Unable to log in?" and "Forgot your password or your user name?". Red arrows point to the "Division of Retirement" text, the "User Name" and "Password" input fields, the "I Acknowledge (Log In)" button, and the "Forgot your password or your user name?" link.

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## FRS Online – All Members

### My Account Modules

- My Account
- Profile Settings
- Communication Preferences
- My Inbox (5 Unread)

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## FRS Online – Active Members

### Member Services Modules

- Member Services
  - Member Information
    - History Summary
    - Service Summary
    - Beneficiary
    - Member Annual Statement
  - Refund Application
  - Benefit Estimates
    - Current Estimate
    - Create Estimate

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## FRS Online

DROP PARTICIPANTS	RETIREEES
<ul style="list-style-type: none"> <li>→ DROP Services</li> <li>→ DROP Information</li> <li>→ Beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>→ Retiree Services</li> <li>→ Account Information</li> <li>→ Beneficiary</li> <li>→ Address Change</li> <li>→ Direct Deposit Authorization</li> </ul>

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## Contacting the Division

Telephone: Toll free 844-377-1888  
 Local 850-907-6500

Fax: 850-410-2010

Email: [retirement@dms.myflorida.com](mailto:retirement@dms.myflorida.com)

Division website: [www.frs.myflorida.com](http://www.frs.myflorida.com)


To request an estimate:

- Call the division; or
- Use [Audit/Estimate](#) secure link on Members page of website; or
- Mail [FR-9](#) form found on Members page of website.

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# QUESTIONS ?



The logo features the text "Any Questions" in a stylized font. "Any" is in white and "Questions" is in yellow, both set against a blue, cloud-like background. A speech bubble containing a question mark is positioned to the right of the text.