



Florida Retirement System

---

## FRS Investment Plan Death Benefit Information

### Required Documentation

The beneficiary will need to provide a certified copy of the Death Certificate, and, if applicable, the documentation listed below, before any benefits can be transferred. Upon receipt of the required documentation\*, benefits will be transferred to the beneficiary and a confirmation of asset transfer and a confirmation of PIN will be sent to the address on record.

Below you will find a list of documents that would need to be provided depending on your relation to the member.

Relationship to Member	Required Documentation
Spouse	<ul style="list-style-type: none"><li>• Certified copy of the Death Certificate; and</li><li>• Copy of Marriage Certificate</li></ul>
Child(ren)	<ul style="list-style-type: none"><li>• Certified copy of the Death Certificate; and</li><li>• Copy of Birth Certificate; and</li><li>• Legal Guardianship documents (if minor children)* ; and</li><li>• Notarized written statement confirming all of the immediate family members that are survived by the deceased.</li></ul>
Parent	<ul style="list-style-type: none"><li>• Certified copy of the Death Certificate; and</li><li>• Copy of Birth Certificate for the member reflecting your name as the parent.</li></ul>
Trust or Estate	<ul style="list-style-type: none"><li>• Certified copy of the Death Certificate; and</li><li>• Estate Identification Number from IRS; and</li><li>• Notarized written statement confirming that the deceased does not have a surviving spouse, child(ren) or parent(s).</li></ul> <p>In the event that a Trust or an Estate is the designated beneficiary on file <b>one</b> the following items will also be required;</p> <ul style="list-style-type: none"><li>• Affidavit from the executor or personal representative; or</li><li>• Copy of the court order naming the executor or personal representative of the estate ; or</li><li>• Copy of the deceased participant's will naming the executor or personal representative</li></ul>

**\*Beneficiaries Who Are Minors:**

According to Florida law, a minor is a child under the age of 18. Section 744.301 F.S. allows for the natural guardian (surviving parent) to handle benefits involved in any instances in which the amount does not exceed \$15,000, without court appointment, authority or bond. If the amount exceeds \$15,000, a Court appointment and Letters of Guardianship will be required prior to payout of any benefit to the minor. You will be required to submit a copy of the minor's birth certificate.

**Please return the required documentation by mail OR Fax to:**

FRS Investment Plan Administrator  
PO Box 785027  
Orlando, FL 32878-5027  
Fax: 1-888-310-5559

If you have any questions, please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711) to be connected to the FRS Investment Plan Administrator. Additional information about the FRS Investment Plan can also be found at MyFRS.com.

**Payment Eligibility**

There may be a waiting period to receive FRS Investment Plan benefits. If the Member **had not yet begun** to receive benefit payments, the earliest you may begin to receive benefit payments is three calendar months after the date of death or three calendar months after the member's date of termination from all FRS covered employment, whichever is earlier. If the Member **had already begun** to receive benefits payments, the **payments are made at least as rapidly as those paid to the Member.**

**Benefit Payment Options**

There are numerous ways in which you may receive your benefit payments depending on the beneficiary category in which you fall. Below are the available payment options for each category of beneficiary. As long as there is a balance in the Plan Account, you may change your payment option by contacting the MyFRS Financial Guidance Line at 1-866-446-9377 (TRS 711) to be connected to the FRS Investment Plan Administrator. Additional information about the FRS Investment Plan can also be found at MyFRS.com. The following is a brief description of each benefit payment option by beneficiary category.

**Spousal beneficiaries** may request the following payments:

1. **Full Distribution:** This option provides that the entire Plan Account balance be paid out as follows:
  - (a) Lump sum cash payout; or,
  - (b) Rollover to an Inherited Traditional IRA, to another 401(a), 401(k) or a 403(b) plan, or to an Individual Retirement Account or Roth IRA (taxable event).

Note: This option may have significant tax implications. Be sure to consult with your tax advisor to determine whether an alternative payout option may be more beneficial to you. Should you take a full distribution you will no longer be a member in the FRS Investment Plan.

2. **Partial Distribution:** This option provides that a portion of the Plan Account balance paid out as cash to you or a rollover to an Inherited Traditional IRA or Inherited Roth IRA (taxable event). The remaining balance may be paid out through regular periodic installment payments that you select, such as monthly, quarterly, semi-annually or annually. You may also defer payment of the remainder of the Plan Account balance and take occasional partial payments when you need additional funds, subject to the time limitations during which you may receive benefit payments as outlined below.

3. **Periodic Payments:** This option allows you to establish a regular payment schedule of benefits. You may select Fixed or Calculated Installment payments to be made monthly, quarterly, semi-annually or annually.
  - (a) If you select the Fixed Installments option you should be aware of the following:
    - You will specify the fixed payment amount and the frequency over which to receive the account balance;
    - You will receive this installment amount until the account balance is depleted or until you make changes; and
    - If the Plan Account has multiple funds and sources, the periodic withdrawal amount will be prorated among all funds and sources in the Plan Account.
  - (b) If you select the Calculated Installments option, you should be aware of the following:
    - You will specify the frequency and number of payments you would like to receive;
    - The amount of each benefit payment will be calculated by dividing the Plan Account balance on the date of your benefit payment by the remaining number of payments. Therefore, the amount of the benefit payment may change with each payment; and,
    - If the Plan Account has multiple funds and sources, the periodic withdrawal amount will be prorated among all funds and sources in the Plan Account.

The number of years over which the payments are made cannot exceed your life expectancy, which is determined by an actuarial table prepared by the U.S. Department of the Treasury.

4. **Annuity:** This option allows you to receive your benefit to be distributed over your life expectancy or over a period not extending beyond the life expectancy of such beneficiary.
5. **Deferrals until a certain age:** This option allows you to defer receiving your benefits until a later date, but you must begin receiving your benefit payout no later than April 1 in the calendar year after the Member would have attained age 70½. Each of the benefit payment options previously discussed will be available to you should you choose this deferral. However, the amount of your total annual benefit payment must equal or exceed the federal Required Minimum Distribution (RMD). An additional benefit payment will be sent to you in December of any year in which your total periodic payments for that year do not equal or exceed your RMD.

**Non Spousal Individual Beneficiaries and Look Through Trusts\*** may request the following payments:

1. **Full Distribution:** This option provides that the entire Plan Account balance be paid out as follows:
  - a. Lump sum cash payout; or
  - b. Rollover to an Inherited Traditional IRA or Inherited Roth IRA (taxable event).

This option may have significant tax implications. Be sure to consult with your tax advisor to determine whether an alternative payout option may be more beneficial to you. Should you take a full distribution you will no longer be a member in the FRS Investment Plan.

2. **Partial Distribution:** This option provides for a partial payment of the Plan Account balance paid out as cash to you or rollover to an Inherited Traditional IRA or Inherited Roth IRA (taxable event). The remaining balance may be paid out through regular periodic installment payments that you select, such as monthly, quarterly, semi-annually or annually. You may also defer payment of the remainder of the Plan Account balance and take occasional partial payments when you need additional funds, subject to the time limitations during which you may receive benefit payments as outlined below.

3. **Periodic Payments:** This option allows you to establish a regular payment schedule of benefits. You may select Fixed or Calculated Installment payments to be made monthly, quarterly, semi-annually or annually.

If you select the Fixed Installments option, you should be aware of the following:

- You will specify the fixed payment amount and the frequency over which to receive the account balance;
- You will receive this installment amount until the account balance is depleted or until you make changes; and,
- If the Plan Account has multiple funds and sources, the periodic withdrawal amount will be prorated among all funds and sources in the Plan Account.

If you select the Calculated Installments option, you should be aware of the following:

- You will specify the frequency and number of payments you would like to receive;
- The amount of each benefit payment will be calculated by dividing the Plan Account balance on the date of your benefit payment by the remaining number of payments. Therefore, the amount of the benefit payment may change with each payment; and,
- If the Plan Account has multiple funds and sources, the periodic withdrawal amount will be prorated among all funds and sources in the Plan Account.

4. **Deferrals up to 5 years:** This option allows you to defer receiving your benefits until a later date, but benefit must be distributed **within 5 years** after the death of the member.
5. **Lifetime Installment or Annuity:** There are two rules that govern this option, depending upon whether payments from the account had begun to be paid to the member before his or her death:
1. If distributions have already begun to the member, but the member dies before his or her entire account has been distributed, the remaining portion of the account must be distributed to a non-spousal beneficiary at least as rapidly as under the method of distribution being used as of the date of the member's death.
  2. If a member dies before the distribution of the member's interest has begun, the entire interest of the member must be distributed within 5 years after the death of the member, **unless** (a) the member's interest will be distributed over the life of the designated non-spousal beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), **and** (b) such distributions begin no later than 1 year after the date of the member's death.

In accordance with Internal Revenue Service (IRS) rules, non-spousal beneficiary accounts cannot be held indefinitely in the FRS Investment Plan. The amount of time a non-spousal beneficiary has before benefits must commence are more restrictive than for a spousal beneficiary. All limits are derived from IRS Code Section 401(a)(9), the minimum required distribution rule.

If there are any questions concerning the requirements and payment options available to non-spousal beneficiaries, please call the MyFRS Financial Guidance Line, toll-free, at 1-866-446-9377, Option 4.

**Non-spousal beneficiaries -- Estate or Non Look-Through Trusts (non person)** may request the following payments:

- **Full Distribution:** This option provides that the entire Plan Account balance be paid to you in one lump sum. Should you take a lump sum payment you will no longer be a member in the FRS Investment Plan.
- **Deferrals up to 5 years:** This option allows you to defer receiving your benefits until a later date, but benefit must be distributed within 5 years after the death of the member.

## **Additional Important Notes**

- As the beneficiary, you can designate another beneficiary of your Investment Plan. However, your beneficiary will be required to take a full distribution of the account. If you are the beneficiary of a beneficiary, you must take a full distribution of your Investment Plan account.
- If a full distribution is not selected, you may continue to transfer existing Plan investments from one investment fund to another while continuing to share in the performance of the fund(s). There are trading restrictions on some of the available funds in the Investment Plan.
- In order to be a member of the Investment Plan, your account must be greater than \$1,000. If your account balance is \$1,000 or less, the account will be automatically paid out.
- If your account balance in the Investment Plan is greater than \$1,000, your account will be assessed a \$6.00 administrative fee quarterly.
- Any beneficiary generally has the option of disclaiming the inherited Investment Plan funds. A disclaimer is a refusal to accept the inherited funds thereby allowing the funds to pass to another individual or entity. A disclaimer sometimes is utilized for personal and/or tax reasons. A qualified disclaimer, which is a written irrevocable and unqualified refusal to accept the funds and must be completed within nine (9) months of the date of death. Because adverse consequences can result if the disclaimer is not properly prepared, you should consult with an attorney for assistance.

## **Health Insurance Subsidy Benefit (HIS)**

If you are the Surviving Spouse, designated as the beneficiary, you may be eligible for the Health Insurance Subsidy (HIS) benefit. It is the Surviving Spouse's responsibility to contact the Division of Retirement to inquire about the HIS benefits. It is important to apply timely for HIS benefits, as the law limits retroactive HIS payments to 6 months of benefits, once the Division of Retirement receives and approves an application. Please contact the Bureau of Retirement Calculations at 866-446-9377, Option 3 for information regarding this benefit.

## **Ability to Change Benefit Payment Options**

You may change your benefit payment schedule at any time subject to any time limitations outlined previously. Benefits can be increased or decreased or occasional partial distributions may be taken in addition to your regular periodic payment at any time you need additional funds. Up to 12 additional partial distributions may be taken each year and each must be at least \$25.

## **There Is Help If You Need It**

Please review this package very carefully and weigh all of your options before selecting your Benefit Distribution Option. If you have any questions, please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711). You will be connected to the FRS Investment Plan Administrator. Also, additional information about the FRS Investment Plan can also be found at MyFRS.com.