

FRS EMPLOYER Newsletter



First Quarter, January 2022

Monitoring IRS Contribution Limits for Investment Plan Members

Employer and employee contributions to the Investment Plan are limited by Internal Revenue Code (IRC), Section 415. Beginning in January 2022, the Investment Plan Administrator (Alight Solutions) will email notifications to any Retirement Coordinators and/or Payroll Officers that have Investment Plan members who have either reached the 415 contribution limits or do not have the required information to monitor contribution limits. The testing is performed on a semiannual basis to ensure compliance with the IRS limit. This monitoring is an important part of maintaining the FRS's status as a governmental IRC tax-qualified plan.

To properly monitor the contribution limits, Alight Solutions must receive accurate, up-to-date information for Investment Plan members. This information is received from your monthly retirement report submitted to the Division of Retirement. An important way you can help is by ensuring that all attributes of your regular monthly retirement report are updated timely and are accurate, including the 415 Eligible Compensation field and retirement plan code.

For additional information, see the 415 Contribution Limits Q&A, beginning on page 2.

Sample of the email that will be sent in January and July of each calendar year.

Dear Florida Retirement System (FRS) Retirement Coordinator/Agency Payroll Officer:

Based on the information submitted to the Division of Retirement on your agency's monthly retirement reports, the Investment Plan Administrator has performed a review of your employees participating in the Investment Plan, and determined that there are employees who are either missing the 415 Eligible Compensation that is needed to test the 415 federal limits, or may have exceeded the Internal Revenue Code section 415 federal limits for 2021. Members missing the 415 Eligible Compensation are not able to be tested for exceeding the federal limits, and therefore it is possible you may have employees who have exceeded or will exceed the federal limits.

The 415 Eligible Compensation (and other fields) are mandatory on the monthly retirement reports submitted to the FRS for all Investment Plan members. If the plan code or data in the limit monitoring field(s) is missing or invalid, correct limit tests cannot be performed. For calendar year 2021 IRC limits the total contributions to a defined contribution plan(s) is the lesser of \$28,000 or \$64,500 if the member is over age 50, or 100% of eligible 415 compensation.

An email, with the list of impacted members, was sent to you on Month, DD, CCYY.

You have [0] impacted members. The following is a sample of members that are impacted. To receive the full and more detailed list of the impacted members, please contact the Investment Plan Administrator by calling the toll-free MyFRS Employer Assistance Line at 1-866-377-2121, Option 3.

Full Name	BIRTH YEAR	415 Limit - Compensation missing	415 Limit - Exceeded
Smith, John	1990	Yes	N/A
Doe, John	1991	No	Yes
Smith, Jane	1992	Yes	N/A
Doe, Jane	1989	Yes	N/A
Smith, John	1990	Yes	N/A
Doe, John	1991	No	Yes
Smith, Jane	1992	Yes	N/A
Doe, Jane	1989	Yes	N/A

WHAT SHOULD I DO?

It is very important that you review the information being submitted for your FRS Investment Plan members for limit monitoring purposes on the monthly retirement reports and ensure required fields are properly reported. For additional information, review the below pages in the Division of Retirement's FRS Employer Handbook.

- Chapter 3, pages 3-15 through 3-18
- Chapter 4, pages 4-5 through 4-6

Remember that some fields are calendar Year-to-Date. For example, if you are reporting 415 eligible compensation for a member that has \$57,000.00 per year eligible compensation then \$57,000.00 should have been reported on the December 2020 payroll.

Verify the plan code and data is correct on your monthly retirement report submitted to the Division of Retirement. If an Investment Plan member is incorrectly reported with a Pension Plan Retirement plan code, that member will



415 Contribution Limits Q&A

Why did I receive the 415 contribution limit email notification?

It was determined that there are Investment Plan members employed by your agency who have met the 415 contribution limits and/or this information is not being reported correctly to the Division of Retirement. Prior to January 2022, Alight only notified the top 80% of agencies that failed 415 compensation testing. Due to recent updates, Alight will begin notifying all employers that have members who have reached the 415 contribution limits and/or are not reporting information correctly. Although you may be reporting your employees for retirement each month, the 415 Eligible Compensation field information is either invalid (i.e., a negative compensation amount) or missing.

Where on the monthly retirement report should this information be reported?

The 415 Eligible Compensation field immediately follows the Annualized Salary Amount field on the monthly retirement report.

What information should be included in this field?

The total year-to-date 401(a) plan employee and employer contributions the member has received up to the date the retirement report is submitted. This amount will increase each month and is based on calendar year – **not fiscal year** – contributions and will reset in January with the new calendar year. This information should be included for **all** Investment Plan members.

What other information is needed to perform 415 testing?

No additional information is needed, if you are reporting employees correctly on your monthly retirement report, which includes the resubmittal of fatal errors. It is important that your employees are reported correctly with correct salary information and retirement plan codes. If an Investment Plan member is incorrectly reported with a Pension Plan retirement plan code, that member's 415 Eligible Compensation information will not be sent to Alight and cannot be monitored, regardless of data present in the 415 Eligible Compensation field.

Continues on next page.

Questions About Contribution Limits?

If you have questions about your monthly retirement report, including how to update the 415 Eligible Compensation field, contact the Division of Retirement:

FRS Employer Assistance Line
1-866-377-2121, Option 2

If you have questions about the 415 Eligible Compensation or 415 Contribution Limits, contact the FRS Investment Plan Administrator:

FRS Employer Assistance Line
1-866-377-2121, Option 3



415 Contribution Limits Q&A — continued

How do I know if I am reporting 415 information on our monthly retirement report?

Review your monthly report submitted to the Division of Retirement to see if information is being submitted in the 415 Eligible Compensation field. Also, make sure the retirement plan codes are updated for members timely and are reported correctly to the Division.

Do these limits also apply to any other eligible employer-sponsored plans in which the member participates outside of the FRS?

Yes. If members are making additional contributions to other employer-sponsored defined contribution accounts, such as 457(b), 403(b), 401(a), and 401(k) accounts, the contributions for these plans should also be reported to the Division of Retirement as part of your regular monthly retirement report so that they can be included in the limit tests.

What is considered 415 compensation and what amounts should be included when reporting this compensation?

This is a determination that should be made by your agency. You should consult with your tax advisor in reference to Treasury Regulations and what amounts to include in the calculation.

For Additional Information

Review these pages in the Division of Retirement's **FRS Pension Plan Employer Handbook**:

- **Chapter 3**, pages 3-15 through 3-18
- **Chapter 4**, pages 4-5 through 4-6

FRS Member Satisfaction Survey Coming in January

Your employees who are members of the Investment Plan will receive an email inviting them to complete an important survey about their satisfaction with the services provided by the Investment Plan. Encourage your employees to complete the survey as soon as possible. Their responses will help us pinpoint any areas that need improvement.



Keep Up with Legislation on MyFRS.com

To keep up with all proposed 2022 retirement bills, click "**Legislation**" in the "Alerts & Hot Topics" box on **MyFRS.com**. The Florida Legislative Session will begin on January 11, 2022 and end on March 11, 2022.

Survey: Financial Goals Top List of Wellbeing Priorities

“Not living beyond my means or staying within a budget” narrowly beat out “eating healthy” as the top wellbeing priority, according to the *2021 Employee Wellbeing Mindset Study*, a national survey of more than 2,500 U.S.-based employees from Alight Solutions, the Investment Plan Administrator.

Many survey respondents placed financial goals at or near the top of their list, highlighting the value of the many free services, workshops, and resources available to FRS members in the Pension Plan and the Investment Plan.

Free financial planning



FRS members have free telephone access to qualified financial planners from EY. These planners have received extensive training on FRS benefits, as well as a broad range of financial wellbeing priorities, including budgeting, debt management, estate planning, and more. EY financial planners' only goal is helping FRS members better their financial lives. They have no products to sell, and they charge no fees to members. To speak to an EY financial planner, members can call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711).

Free workshops



The FRS offers more than a dozen free financial planning workshops that target key financial wellbeing topics, including nearing retirement, investment planning, income tax planning, and much more. These sessions are led by knowledgeable EY financial planners, and some are available in Spanish. Employees can see the complete list of available workshops and sign up for live and virtual offerings by visiting MyFRS.com/Workshop.htm.

GuidedChoice Advisor Service



This easy-to-use retirement planning solution provides FRS members a personalized, actionable recommendation on how to adjust their investments to help meet their goals. GuidedChoice is an independent advisory firm whose sole purpose is to give members tailored, unbiased investment advice. To learn more about the Advisor Service, log in to MyFRS.com and click the “ADVISOR” button. If you have any questions, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711).

Top Financial Wellbeing Priorities*










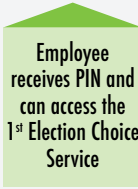



In Alight's *2021 Employee Wellbeing Mindset Study*, many survey respondents put financial goals at or near the top of their list of wellbeing priorities.

81%	Not living beyond my means or staying within a budget
74%	Retirement income (post regular employment income) or wealth accumulation/investments
72%	Building an emergency fund
70%	Reducing current debt
60%	Saving up to make a large purchase or expense (car, vacation, boat, wedding or special event, etc.)
51%	Taking care of my child(ren)'s or other dependents' needs
49%	Finding good/better housing options (affordability, security, location) or buying a house
40%	Education expenses (your own or others)

* Figures represent those citing “high priority” or “moderate priority” on a 4-point scale.

New Hire Communication Road Map — Effective July 1, 2019 — Highlights 1st Election Reminders

The **New Hire Communication Road Map**, available online, shows the materials your employees will receive during their 1st Election period. Employees will continue to receive the reminder emails/letters until they make an active retirement plan election or their election period ends. Explore the road map and click the links to access samples of each communication.

HIRED!	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Employee Orientation	Payroll Submitted	Welcome Brochure	1 st Reminder Email	2 nd Reminder Email	3 rd Reminder Mailing	4 th Reminder Email	5 th Reminder Email	6 th Reminder Mailing	Confirm Letter Welcome Letter
New Hire Video			20 th day of the month 	15 th day of the month 	10 th day of the month 	5 th day of the month 	1 st day of the month 	10 th day of the month 	(Version depends on plan selected or default. Shown are the default to Investment Plan confirmation and welcome letters.) 
New Hire Flyer 			Click on the yellow boxes to see sample communications.						
								7 th Reminder Email Day before choice deadline 	
								Choice Deadline 4:00 p.m. on the last business day of month 8 	

FRS Employer Training Workshops

FRS employer training workshops are an excellent opportunity for you and your staff to receive an overview of the FRS and the various areas, functions, and processes that involve your agency and its employees.

To register:

By phone:

1-866-377-2121, Option 1

Be ready to provide your name, your contact information, the date and time of the workshop, and the number of people from your agency who will be attending.

Online:

- Go to the [workshop calendar](#).
- Locate the employer workshop you want to attend, then click "REGISTER/JOIN."
- Enter your first name, last name, and email address.
- Click "Register."
- You will receive a confirmation email after registration and a reminder email the day prior to the webinar date.

You must register separately for each workshop you wish to attend.

Upcoming Workshops

Pension Plan

8:30 to 11:30 a.m. ET

May 9, 2022

August 3, 2022

November 9, 2022

Investment Plan

1:00 to 4:00 p.m. ET

February 2, 2022

May 9, 2022

August 3, 2022

November 9, 2022

Alert! The Pension Plan employer training workshop scheduled for February 2, 2022 has been cancelled.

Free Financial Planning Workshops for Employees

The following live webinars are free and unlimited for FRS members. To schedule an in-person workshop or live webinar for your FRS employees, please reach out to Angela Ko by email at Angela.Ko@ey.com or by telephone at 201-872-0176.

January 12	Using the FRS to Plan for Retirement	10:00 a.m. to Noon
January 12	Income Tax Planning: Smart Planning for Your Taxes	1:00 to 3:00 p.m.
January 13	Taking Control of Your Finances (90 minutes)	10:00 a.m. to Noon
January 13	New Employee Retirement Plan Choice	1:00 to 3:00 p.m.
April 5	Using the FRS to Plan for Retirement	10:00 a.m. to Noon
April 5	Using the FRS to Plan for Retirement (SPANISH)	1:00 to 3:00 p.m.
April 6	Protecting Yourself and Your Loved Ones	10:00 a.m. to Noon
April 6	Nearing Retirement in the FRS (SPANISH)	1:00 to 3:00 p.m.
July 13	Taking Control of Your Finances (60 minutes)	10:00 a.m. to Noon
July 13	Investment Planning	1:00 to 3:00 p.m.
July 14	Education Planning	10:00 a.m. to Noon
July 14	Understanding the FRS Investment Plan	1:00 to 3:00 p.m.
October 3	Social Security and Your Retirement	10:00 a.m. to Noon
October 3	Understanding Your Benefits under the FRS Pension Plan	1:00 to 3:00 p.m.
October 4	Nearing Retirement in the FRS	10:00 a.m. to Noon
October 4	Group Health Insurance (state employees only)	1:00 to 3:00 p.m.

ALL TIMES ARE ET

To register:

By phone:

1-866-446-9377, Option 2

Online:

- Go to the [workshop calendar](#).
- Locate the employee workshop you want to attend, then click "REGISTER/JOIN."
- Enter your first name, last name, and email address.
- Click "Register."
- You will receive a confirmation email after registration and a reminder email the day prior to the webinar date.

You must register separately for each workshop you wish to attend.



Upcoming 1st Election Deadlines

Making an active retirement plan choice by the election deadline is the best way for members to ensure they participate in their preferred plan. Members should be encouraged to make an active election even if the default is to their preferred plan.

Deadline dates and times apply to all members, no matter how they submit their retirement plan choice. To confirm a new hire's deadline, call the FRS Employer Assistance Line at 1-866-377-2121, Option 3, or refer to the member's benefit comparison statement.

What Happens If a Member Misses the Deadline?

A member whose retirement plan choice is not received by their 1st Election deadline will be enrolled in the default plan based on their membership class as shown at right.

What About Members with Prior Pension Plan Service?

The plan defaults at right apply to any members who had not submitted a retirement plan choice prior to January 1, 2018 or did not have a plan choice period – even if they were previously enrolled in the FRS. Here's an example:

- **April 1, 1999** – The member initially enrolls in the FRS. (At that time, the Pension Plan was the only retirement program available, so no retirement plan choice was made.)
- **May 2001** – The member terminates employment.
- **February 1, 2021** – The member returns to work. (The enrollment deadline based on the member's month of hire is October 29, 2021 by 4:00 p.m. ET.)
- **October 29, 2021** – No election is received for this member.
- **November 1, 2021** – The member will be enrolled in the default plan based on their membership class. If enrolled in the Investment Plan, the member's prior Pension Plan service will be transferred to the Investment Plan as an opening account balance, which is subject to the Pension Plan's vesting provisions.

Plan Defaults¹

Membership Class	Plan Default
Special Risk Class	Pension Plan
All classes (except Special Risk Class)	Investment Plan

1st Election Deadlines

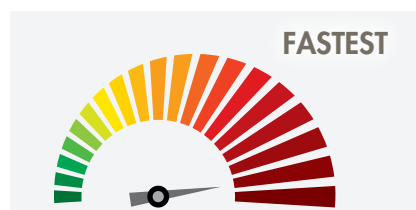
Month of Hire	Enrollment Deadline ²
April 2021	December 30, 2021
May 2021	January 31, 2022
June 2021	February 28, 2022
July 2021	March 31, 2022
August 2021	April 29, 2022
September 2021	May 31, 2022
October 2021	June 30, 2022
November 2021	July 29, 2022
December 2021	August 31, 2022
January 2022	September 30, 2022
February 2022	October 31, 2022
March 2022	November 30, 2022

¹ Applies to members initially enrolled in the FRS on or after January 1, 2018.

² By 4:00 p.m. ET.

ChooseMyFRSplan.com Is the Fastest Way to Submit a Retirement Plan Choice

Here are some additional options from next fastest to slowest:



Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711). *This is a good option if the employee has questions.*

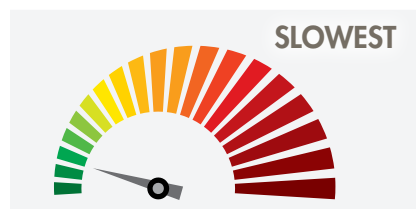


Submit the **online EZ Retirement Plan Enrollment Form**.



Submit the hard copy form available on **MyFRS.com**:

By Fax: 1-888-310-5559



By Mail:
Plan Choice Administrator
P.O. Box 785027
Orlando, FL 32878-5027

EY Is Our Exclusive Financial Planning Partner

The FRS has a contract with EY to provide all FRS members free, unbiased financial planning and counseling services. EY does not sell any investment or insurance products. No other financial planners, financial institutions, or firms are affiliated with or endorsed by the Florida Retirement System, by Alight Financial Solutions, or by Alight Solutions, the Investment Plan Administrator.



Help Keep All Members' Names and Addresses Current

Encourage your inactive and retired FRS members to keep their contact information current so they don't miss any important information from you or the FRS.

Investment Plan Members

Active Employees

Names and addresses are automatically updated on the FRS database when you submit your agency's monthly retirement report.

Inactive or Retired

See the online FAQ **"How can I change my name or mailing address if retired or terminated from the Investment Plan?"**

Pension Plan Members

Active Employees

Names and addresses are automatically updated on the FRS database when you submit your agency's monthly retirement report.

Inactive (Not Currently Employed)

Address Change – Call the DMS, Division of Retirement.

Retired and Receiving a Benefit

Address Change – The retiree can log in to their FRS Online account at frs.fl.gov to update their address. If you have questions, call the DMS, Division of Retirement.

Name Change – The member must **mail or fax** a signed letter to the DMS, Division of Retirement. The letter must be accompanied by a copy of the court order, marriage certificate, or valid driver license reflecting the member's new name.

How to Reach the DMS, Division of Retirement



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



850-410-2010



1-844-377-1888 (toll-free)
or 850-907-6500
(Tallahassee local calling area)



Keep Members' Beneficiaries Current

Encourage your Investment Plan and Pension Plan members to keep their beneficiaries current so their benefits (if any) are passed to their named beneficiaries upon their death.

Investment Plan Members

Investment Plan members have four options for submitting their beneficiary information:

1. **Online FRS Investment Plan Beneficiary Designation form** on **MyFRS.com**. (Accessible without login)
2. Logging in to **MyFRS.com** and clicking Investment Plan > Your Profile > Beneficiaries.
3. Mailing or faxing an **FRS Investment Plan Beneficiary Designation form (IPBEN-1)**, available online, to the Investment Plan Administrator.
4. Calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.

Pension Plan Members

Employers can access two reports on FRS Online that identify active Pension Plan members missing a beneficiary designation. Please review these reports regularly and direct your employees to name a beneficiary through their FRS Online account.

Active or Inactive Employees

The member can view or update their beneficiary designation at any time using their FRS Online account at **frs.fl.gov**.

Retired and Receiving a Benefit

The retiree can view their current beneficiary designation and learn how to change their beneficiary designation at any time using their FRS Online account at **frs.fl.gov**.

Help Keep Your Co-Workers Informed

If you know a co-worker who should receive this newsletter, send an email to walter.kelleher@sbafla.com with the co-worker's name, title, agency name, and email address.



Resources

FRS Employer Assistance Line

1-866-377-2121 (toll-free)

EY and Aight Solutions representatives are available from 8:00 a.m. to 6:00 p.m. ET, Monday through Friday, except holidays.

DMS, Division of Retirement, staff are available from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, except holidays.

MyFRS.com Resources

- **Alerts & Hot Topics** — Keep up with the latest legislation and more
- **Contribution Rates** — See “Retirement and Health Insurance Subsidy (HIS) Contribution Rates”
- **Employer Forms** — Current forms available to print on demand
- **Employer Handbooks** — Technical guides for retirement coordinators, payroll staff, and others who have FRS responsibilities
- **FAQs** — Frequently asked questions and glossary
- **Helpful Links/Websites** — Links to agencies, departments, and other resources
- **Laws and Rules** — Florida Statutes and Administrative Code governing the FRS
- **Order Materials** — Online catalog of printed materials that you can order free of charge
- **Public Records** — State Board of Administration and DMS, Division of Retirement, Public Records Policy
- **Publications** — All available online publications
- **Request for Intervention/Final Orders** — Interventions may include unresolved customer service complaints, and allegations of misconduct or misrepresentation
- **Videos** — New hire, educational, and training videos

Are You Using Outdated FRS Forms?

FRS forms are routinely updated throughout the year. To use up-to-date forms and save paper, go to the **Forms section on MyFRS.com** to download and print the forms as you need them.

