

FRS EMPLOYER Newsletter

Third Quarter, July 2021



Florida Legislature Approves Change to FRS Employer Contribution Rates

During the 2021 session, the Florida Legislature passed **Senate Bill 7018**, changing the employer contribution rates for the FRS, effective July 1, 2021. This bill has been signed by the Governor.

What's Changing?

- The uniform normal cost and unfunded actuarial liability contribution rates for the FRS
- Unfunded actuarial liability contribution rates for the FRS that are paid by the employer on the compensation of members in the optional programs: SUSORP, SMSOAP, and SCCSORP

What's Not Changing?

- The required 3% contribution rate paid by employees into any FRS plan
- The administrative and education assessment
- The Health Insurance Subsidy contribution rate
- The total amount paid into members' Investment Plan accounts

Employer contribution rates are the same by membership class for members in both the Investment Plan and the Pension Plan. These contribution rates provide for funding of the normal cost of benefits of both plans and provide for the actuarially determined contributions required for the Pension Plan's unfunded actuarial liability.

The Division of Retirement provided all FRS-participating employers with **Information Release 2021-219** detailing contribution rate information (by reporting plan codes).

To review contribution rates, refer to the tables on the following pages.

Three More Bills You Should Know About

During the 2021 session, the Florida Legislature passed three bills that will have an impact on the Florida Retirement System: **House Bill 35**, **House Bill 873**, and **House Bill 781**. For a quick summary of these bills, refer to the Legislative Roundup on page 4.

To keep up with legislation, visit [MyFRS.com](https://myfrs.com) and click "Legislation" in the "Alerts & Hot Topics" box.

Check Out the Newly Redesigned FRS Online

The Division of Retirement is excited to announce a newly redesigned FRS Online for members. This refresh enhances the look of the website to improve user experience and provides for additional security measures using multifactor authentication. Learn more about this FRS Online upgrade [here](#). Improvements to the employer page are coming soon.



FRS Employer Contribution Rates

Table 1: Uniform Contribution Rates (*new rates effective July 1, 2021*)

	Paid by Employee		Paid by Employer										Total Paid by Employee and Employer	
Membership Class	Retirement		Normal Cost		Unfunded Actuarial Liability		Administrative and Education		Health Insurance Subsidy		Total Paid by Employer			
	Current	New¹	Current	New¹	Current	New¹	Current	New¹	Current	New¹	Current	New¹	Current	New¹
Regular Class	3%	3%	4.84%	4.91%	3.44%	4.19%	0.06%	0.06%	1.66%	1.66%	10.00%	10.82%	13.00%	13.82%
Special Risk Class	3%	3%	15.13%	15.27%	7.60%	8.90%	0.06%	0.06%	1.66%	1.66%	24.45%	25.89%	27.45%	28.89%
Special Risk Administrative Support Class	3%	3%	9.89%	9.73%	24.23%	26.31%	0.06%	0.06%	1.66%	1.66%	35.84%	37.76%	38.84%	40.76%
Elected Officers' Class (Judges)	3%	3%	13.31%	13.38%	24.70%	25.81%	0.06%	0.06%	1.66%	1.66%	39.73%	40.91%	42.73%	43.91%
Elected Officers' Class (Legislature/Cabinet/Public Defender/State Attorney)	3%	3%	8.38%	8.49%	48.81%	53.52%	0.06%	0.06%	1.66%	1.66%	58.91%	63.73%	61.91%	66.73%
Elected Officers' Class (County and Local)	3%	3%	10.07%	10.28%	37.39%	39.42%	0.06%	0.06%	1.66%	1.66%	49.18%	51.42%	52.18%	54.42%
Senior Management Service Class	3%	3%	6.39%	6.49%	19.18%	20.80%	0.06%	0.06%	1.66%	1.66%	27.29%	29.01%	30.29%	32.01%
DROP	0%	0%	7.03%	7.23%	8.29%	9.45%	0%	0%	1.66%	1.66%	16.98%	18.34%	16.98%	18.34%

¹ Rates for local annuity programs are not listed since those rates are established by local authority, per Section 121.055(1)(b)2., Florida Statutes.

FRS Employer Contribution Rates, continued

Table 2: Optional Program Contribution Rates (*new rates effective July 1, 2021*)

	Paid by Employee		Paid by Employer						Total Paid by Employee and Employer	
Optional Programs ¹	Contribution		Contribution		Administrative Cost		FRS Unfunded Actuarial Liability			
	Current	New	Current	New	Current	New	Current	New	Current	New
State University System Optional Retirement Program	3%	3%	5.14%	5.14%	0.01%	0.01%	3.44%	4.19%	11.59%	12.34%
Senior Management Service Optional Annuity Program	3%	3%	6.27%	6.27%	0%	0%	19.18%	20.80%	28.45%	30.07%
State Community College System Optional Retirement Program	3%	3%	5.15%	5.15%	0% ²	0% ²	3.44%	4.19%	11.59%	12.34%

¹ Rates for local annuity programs are not listed since those rates are established by local authority, per Section 121.055(1)(b)2., Florida Statutes.

² Administrative cost is determined by each state college offering this program.

Table 3: Investment Plan Contribution Rates (*no changes were made to these rates*)

Membership Class	Paid by Employee	Paid by Employer ¹	Total to Employee Account
Regular Class	3%	3.30%	6.30%
Special Risk Class	3%	11.00%	14.00%
Special Risk Administrative Support Class	3%	4.95%	7.95%
Elected Officers' Class (Judges)	3%	10.23%	13.23%
Elected Officers' Class (Legislature/Cabinet/Public Defender/State Attorney)	3%	6.38%	9.38%
Elected Officers' Class (County and Local)	3%	8.34%	11.34%
Senior Management Service Class	3%	4.67%	7.67%

¹ Paid by employers via the uniform contribution rates specified in Table 1. Built into the uniform contribution rates is a contribution that funds guaranteed monthly benefits for Investment Plan members who are totally and permanently disabled from all employment.

Legislative Roundup

House Bill 35 (Chapter 2021-017, Laws of Florida) — This bill allows legal notices to be posted on a newspaper's website as an option to solely being published in a newspaper. For retirement purposes, this will impact notices given regarding positions to be included in the Senior Management Service Class (SMSC) and revocation of FRS participation by municipalities and independent special districts. This bill has been signed by the Governor and is effective January 1, 2022.

House Bill 873 — This bill adds certain military positions to the SMSC, including the Department of Military Affairs' Inspector General and Executive Officer. It also renames the Director of Military Personnel to the Director of Human Resources and the Director of Administration to the Director of Legislative Affairs. This bill is effective July 1, 2021.

House Bill 781 — This bill allows members whose information is exempt from public records requests to request to have their names removed from the tax collector or property appraiser public listing subject to certain conditions. The bill also includes new request requirements from members or employers on behalf of members to extend personnel information exemptions from public records requests to records held by a non-employer custodian. For retirement purposes, as a non-employer custodian of employer personnel information, future requests to extend the exemption of employer personnel information must be notarized, include the statutory basis for the exemption request, and confirm the member's eligibility for exempt status. This bill is effective July 1, 2021.

To keep up with legislation, visit [MyFRS.com](https://myfrs.com) and click "Legislation" in the "Alerts & Hot Topics" box.

FRS Resources Are Unbiased

All resources used by the MyFRS Financial Guidance Program, including publications, website, workshops, and EY and Alight call centers, are unbiased and do not favor one retirement plan over the other. Both retirement plans are good and our role is to provide new hires and existing members with the information they need to choose the correct plan for themselves. We strictly follow the education directive provided in [s.121.4501\(10\)\(b\)](#), Florida Statutes, which states: "The education component must provide system members with impartial and balanced information about plan choices."

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.

Members Grant SDBA Access at Their Own Risk!

Investment Plan members should be very cautious about providing access to their self-directed brokerage account (SDBA) to any investment advisor or other outside party. This access could include SDBA trading authorization, the member's PIN, and/or their MyFRS.com user ID and password. Such agreements are permissible, but they are made directly between the member and the investment advisor.

If a member does grant someone access to their SDBA, they are encouraged to:

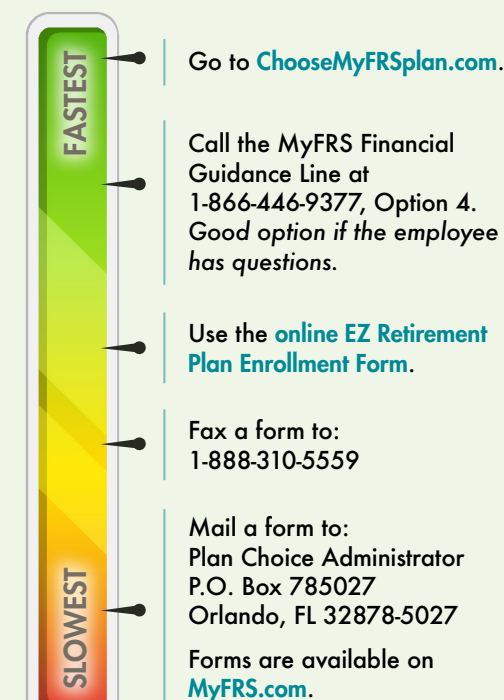
- Monitor their Investment Plan account closely
- Review any trades made on their behalf
- Ensure no unauthorized distributions are made
- Be aware of any fees charged by their outside investment advisor

If a member has any questions, have them call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).

Annual Fee Disclosure Statement Notice

The **Annual Fee Disclosure Statement** for the Investment Plan provides information concerning the Investment Plan's structure, administrative and individual expenses, and investment funds, including performance, benchmarks, fees, and expenses. This statement is designed to set forth relevant information in simple terms to help Investment Plan members make better investment decisions. The statement is available online (will be updated for 2021 in mid-July), or members can request a printed copy, mailed at no cost to them, by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4.

Ways to Submit a Retirement Plan Choice



FRS Employer Training Workshops

FRS employer training workshops are presented by representatives from the DMS, Division of Retirement, and the State Board of Administration. They are an excellent opportunity for you and your staff to receive an overview of the FRS plans 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 you want to attend, and the number of people from your agency who will be attending.

Online:

- Locate the Webinar Link or Meeting ID from the [workshop calendar](#).
- Click on the Webinar Link and you will be directed to the Webinar Registration on Zoom.
 - If registering with Meeting ID:
 - Go to [Zoom.com](#).
 - Click “Join a Meeting.”
 - Enter the Meeting ID and click “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

August 3, 2021

November 9, 2021

Investment Plan

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

August 3, 2021

November 9, 2021



In-Person Employee Workshops Are Back

The temporary suspension of in-person workshops due to the COVID-19 pandemic has been lifted. Because conditions have improved, we will start scheduling workshops at employer locations beginning July 1. Hosting in-person workshops is solely up to each employer. Live webinars will still be offered as an alternative.

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.

July 12	Taking Control of Your Finances (60 minutes)	10:00 a.m. to Noon
July 12	Investment Planning	1:00 to 3:00 p.m.
July 13	Education Planning	10:00 a.m. to Noon
July 13	Understanding the FRS Investment Plan	1:00 to 3:00 p.m.
October 6	Social Security and Your Retirement	10:00 a.m. to Noon
October 6	Protecting Yourself and Your Loved Ones	1:00 to 3:00 p.m.
October 7	Nearing Retirement in the FRS	10:00 a.m. to Noon
October 7	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:

- Locate the Webinar Link or Meeting ID from the [workshop calendar](#).
- Click on the Webinar Link and you will be directed to the Webinar Registration on Zoom.
 - If registering with Meeting ID:
 - Go to [Zoom.com](https://zoom.us).
 - Click “Join a Meeting.”
 - Enter the Meeting ID and click “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.

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 plan default 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 – 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, 2020** – The member returns to work. (The enrollment deadline based on the member's month of hire is October 30, 2020.)
- **October 30, 2020** – No election is received for this member.
- **November 1, 2020** – 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

Special Risk Class	➤ Pension Plan
Special Risk Class	➤ Pension Plan
All classes (except Special Risk Class)	➤ Investment Plan

1st Election Deadlines

Month of Hire	Enrollment Deadline ²
October 2020	June 30, 2021
November 2020	July 30, 2021
December 2020	August 31, 2021
January 2021	September 30, 2021
February 2021	October 29, 2021
March 2021	November 30, 2021
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

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

² By 4:00 p.m. ET.

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 payroll 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 payroll report.

Inactive (Not Currently Employed)

Address Change – The member must call the DMS, Division of Retirement; or scan, mail, or fax a signed and dated letter to the Division of Retirement.

Retired and Receiving a Benefit

Address Change – The member can log in to their FRS Online account; call the DMS, Division of Retirement; or send a signed letter or **Form ADDCH-1** to the Division of Retirement by mail or fax.

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 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)



Resources

FRS Employer Assistance Line

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

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

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 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 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.



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.