



FRS Investment Plan

SUMMARY PLAN DESCRIPTION



July 1, 2013

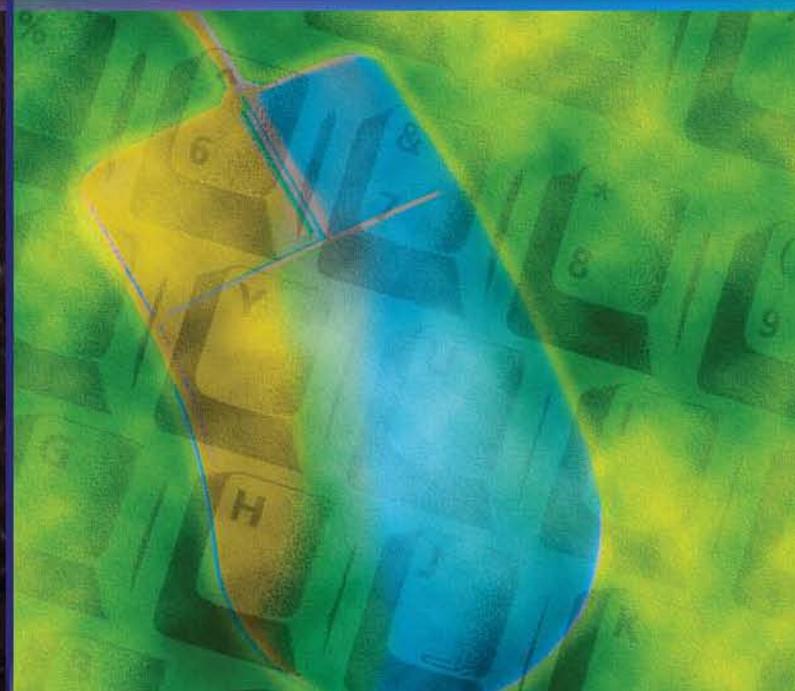


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DISCLAIMER

This summary plan description is a summary written in nontechnical terms of the main provisions of the Florida Retirement System Investment Plan. It is not intended to include every program detail. Complete details can be found in Chapter 121, Florida Statutes, and the rules of the State Board of Administration of Florida (SBA) in Title 19, Florida Administrative Code (F.A.C.). In case of any conflict between this summary plan description and the statutes and rules, the provisions of the statutes and rules will control.

The information provided in this brochure is based on the Florida Retirement System (FRS) laws and rules in existence on July 1, 2013, and is subject to modification based on changes in the law in Chapter 121, Florida Statutes, or the rules as found in Rule Titles 19 and 60 of the F.A.C.

THE FLORIDA LEGISLATURE MAY MAKE CHANGES TO THE FRS AT ANY TIME. The Florida Legislature can increase or decrease the amount that employers contribute to Investment Plan members' accounts or increase or decrease the amount that you contribute to your Investment Plan account.

You should review the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement posted in the "Investment Funds" section at MyFRS.com before you select any investment funds or make an election.

Although participating FRS employers have certain obligations under Section 121.4501(10)(h), Florida Statutes, and Section 19-13.003(2), F.A.C., to regularly communicate the existence of both the FRS Pension Plan and FRS Investment Plan, as well as the plan choice available to employees under the FRS, they are not agents of the SBA or the FRS (per Section 19-13.003(2), F.A.C.). You may obtain information on the FRS from a participating employer; however, the SBA is not responsible for erroneous information provided by representatives of these participating employers.

As a member of the FRS you have an obligation to understand the plan provisions which govern your membership and should comply with these provisions in your actions. You also have an obligation to use the free resources available to you through the FRS to help you manage your retirement account. You should also know that THE FRS MAY REVERSE RETIREMENT PLAN ELECTIONS OR TRANSACTIONS THAT ARE INCONSISTENT WITH FLORIDA STATUTES AT ANY TIME, WITHOUT LIMITATION OR PRIOR NOTICE TO YOU.

INTRODUCTION

Financial security when you retire is an important goal, and one that the FRS can help you achieve. The FRS has two retirement plans from which you can choose to help you meet your retirement goals: the FRS Pension Plan (defined benefit) and the FRS Investment Plan (defined contribution).

Each FRS plan is designed to provide you with a good foundation for financial security when considered along with Social Security, other retirement programs, and your own personal savings (including savings accounts, IRAs, and deferred compensation programs offered through your employer, among other resources).

This document is a description of one of these plans: the FRS Investment Plan.

The FRS also offers free retirement planning support through the MyFRS Financial Guidance Program, which can help all FRS members better prepare for their retirement. Contact information is available at the bottom of each page.

FRS INVESTMENT PLAN

Defined

The FRS Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. This means that employee and employer contributions are made to each member's account under the Plan. These contributions are set by state law based on retirement membership class, as described in this Plan document. The term "defined contribution" for the FRS Investment Plan means that contributions are defined; in the FRS Pension Plan, the benefit is defined. Contributions from you and your employer are deposited in an account established for you under the FRS Investment Plan. Benefits are based on the total value of your account at distribution. This amount is based on contributions, plus earnings on those contributions, less fees and Plan charges.

The Florida Legislature enacted the Florida Retirement System Investment Plan during the 2000 legislative session. Its formal name, as set out in Part II of Chapter 121, Florida Statutes, is the "Florida Retirement System Investment Plan". In order to provide a strong contrast with the existing retirement plan, the defined benefit plan, the State Board of Administration of Florida (SBA), which is responsible for establishing and administering the program, calls the defined benefit program the "FRS Pension Plan" and calls the defined contribution program the "FRS Investment Plan." This document will use the term FRS Investment Plan.

Since the FRS Investment Plan is a governmental plan, the plan documents are the Florida Statutes enacting this plan, which may be found and reviewed through the MyFRS.com website. All Florida Statutes are subject to amendment or deletion during Florida's legislative session(s) each year. Consequently, all statements in this Summary Plan Description are subject to legislative change. Where there are discrepancies between the Florida Statutes and this document, the Florida Statutes control. Similarly, all rules adopted by the SBA to implement this plan must conform to the Florida Statutes. But if the Florida Legislature changes the statute, a rule might no longer conform. In that circumstance, the SBA is required to amend the rule so that it conforms to the statute.

Therefore, the controlling policies and procedures for the FRS Investment Plan are the Florida Statutes and any rules which implement those statutes.

Reference: Sections 121.4501(1), (2)(g), and (8), F.S.
Sections 19-11.001, 13.001, and 13.003, F.A.C.

Plan Information

The SBA, along with its contractual partners and participating FRS employers, and with the assistance of the Division of Retirement within the Florida Department of Management Services, is required by statute to implement and administer the FRS Investment Plan.

- **Official Plan Name:** Florida Retirement System Investment Plan.
- **Common Plan Name:** FRS Investment Plan
- **Type of Plan:** Defined Contribution Retirement Plan qualified under Section 401(a) of the Internal Revenue Code.
- **Federal Employer Identification Number:** 59-6001872
- **Plan Number:** 002

- **Plan Sponsor:** State Board of Administration of Florida (SBA). The SBA is charged with establishing and administering this plan.
- **Plan Trustees:** Executive Director, State Board of Administration of Florida, representing the Governor, the Chief Financial Officer, and the Attorney General as the Trustees of the SBA. The address for the Executive Director is: Executive Director, State Board of Administration of Florida, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308. The address for each of the three Trustees of the Board is: The Capitol, Tallahassee, Florida 32399.
- **Plan Documents are the Florida Statutes and the rules of the State Board of Administration establishing the Plan:** Chapter 121, Parts I, II, and III, Rule Title 19, Florida Administrative Code.
- **Plan Year:** July 1 through June 30.
- **Source of Benefit Payments:** All benefits payable under the Investment Plan shall be paid solely from your individual retirement account within the Florida Retirement System Investment Plan Trust Fund.
- **Agent for Service of Legal Process:** Executive Director, State Board of Administration of Florida, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308.
- **Name of Plan Administrator:** Aon Hewitt, FRS Investment Plan Administrator, P.O. Box 785027, Orlando, Florida 32878-5027; toll-free telephone number: 1-866-446-9377, Option 4 (or Telecommunications Relay Service 711).
- **Date plan effective:** The plan became effective July 1, 2000, although the first members in the plan were effective July 1, 2002.
- **Name of Employer:** Your FRS employing agency.

As a state governmental plan, the *Employee Retirement Income Security Act of 1974 (ERISA)* does not apply except to the extent certain sections of that federal law are incorporated into Florida law. Section 121.4501(15), Florida Statutes, incorporates the federal law concept of fiduciary responsibility on the part of the Trustees of the SBA, codified at 29 U.S.C. 1104(a)(1)(A)-(C), and also incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of ERISA.

Under the concept of fiduciary responsibility, the Trustees of the SBA shall ensure that investment of FRS Investment Plan assets shall be made for the sole interest and exclusive purpose of providing benefits to Plan participants and beneficiaries and defraying reasonable expenses of administering the Plan.

Under the concept of participant control, if you, as a participant, exercise control over your assets in the FRS Investment Plan, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the FRS Investment Plan, no program fiduciary shall be liable for any loss to your account that may result from your exercise of that control.

The SBA has the responsibility to vote proxies on all investment funds in the FRS Investment Plan and has a fiduciary responsibility to ensure proxies are voted in the best interest of fund participants and beneficiaries. For open-end mutual funds and commingled trust funds offered within the FRS Investment Plan, the SBA's voting responsibility is limited to directly voting the fund's proxy, which covers the mutual fund's Board of Trustees and other major fund policies, but does not encompass voting the underlying stock investments of the fund's portfolio. For all other funds offered within the FRS Investment Plan that hold publicly traded equity securities, the SBA is responsible for all proxy voting decisions. For more information, please see the "Corporate Governance" section located on the SBA's Internet site, www.sbafla.com.

Reference: Sections 121.4501(1), (8)(b)2., and (15)(b)-(c), F.S.
Sections 19-11.001, 13.001, 13.002, 13.003, and 13.004, F.A.C.

Amendments or Termination of the Plan

The 2000 Session of the Florida Legislature established the FRS Investment Plan with the intent to continue the Plan indefinitely.

However, because future circumstances cannot be anticipated, the Florida Legislature may change all or any part of the FRS Investment Plan. Changes to the FRS Investment Plan may or may not apply to you.

If the FRS Investment Plan should ever be terminated, you would become 100% vested in your employer contributions, including any attributable earnings, and be entitled to the full value of your FRS Investment Plan account as of the Plan's termination date. You are always 100% vested in your employee contributions plus earnings that you contributed while you were a member of the Investment Plan (does **not** include any employee contributions you may have contributed as a former Pension Plan member who transferred into the Investment Plan).

THE FLORIDA LEGISLATURE MAY MAKE CHANGES TO THE FRS AT ANY TIME. The Florida Legislature can increase or decrease the amount that employers contribute to Investment Plan members' accounts or increase or decrease the amount that you contribute to your Investment Plan account.

If the Florida Legislature makes any significant legislative changes to the FRS Investment Plan, this document will be updated. However, the SBA has no obligation to update this document before changes in statute or rule are effective, or notify you personally of any changes to statute, rules or this document.

Reference: Sections 121.4501(1), (6), (7), and (13), F.S.

Public Records Exemption

The SBA is responsible for maintaining member records relevant to the FRS Investment Plan. The Division of Retirement within the Florida Department of Management Services is responsible for maintaining agency and member records relevant to the FRS Pension Plan and certain records for the FRS Investment Plan.

All FRS Investment Plan member records are filed according to the member's Social Security number. The SBA collects member Social Security numbers because it is imperative for the SBA to have the ability to identify Investment Plan members properly and definitively.

Section 119.07(1), Florida Statutes, and s. 24(a), Article I of the State Constitution, permit the public to review any public record. Due to the sensitive nature of FRS Investment Plan member data, including account balances, asset allocation, etc., a public records exemption exists. Section 121.4501(19), Florida Statutes, prohibits the disclosure of personal identifying information (e.g., name, Social Security number, address, etc.) of FRS Investment Plan members.

Reference: Section 121.4501(19), F.S.
Sections 19-11.010 and 13.001(1)(l), F.A.C.

Rights to a Benefit

Investment Plan - If you are an FRS Investment Plan member, you are immediately vested in your employee contributions plus earnings contributed while you were a member of the Investment Plan (does **not** include any employee contributions you may have contributed as a former Pension Plan member who transferred into the Investment Plan). You will be vested in your employer contributions and earnings on those contributions when you complete one year of service with a participating FRS employer. If you transferred a benefit from the FRS Pension Plan, you must meet the vesting requirements of the Pension Plan for that service. If you terminate FRS-covered employment before completing one year of service, you will not be eligible to receive a benefit from the FRS Investment Plan, other than receipt of your employee contributions. The unvested balance in your account will be placed in a suspense account for up to five years (invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund [T10]). If you return to FRS-covered employment within this 5-year period, the balance in the suspense account, plus accrued earnings, will be returned to your account. If you do not return to FRS-covered employment within the 5-year period, you will forfeit the balance represented by your employer contributions. If you take your employee contributions prior to completion of the 5 years, you will forfeit the balance paid by your employer. If you take a distribution of any amount from the FRS Investment Plan (includes employee and employer contributions), you are considered retired and will not be eligible for certain FRS benefits should you return to FRS-covered employment in the future.

Investment Plan with Transferred Pension Plan Service - If you have transferred a present value amount from the FRS Pension Plan to your FRS Investment Plan account, you will vest in this transferred amount, plus interest and earnings thereon, when you have completed six years of service (eight years of service if you initially enrolled July 1, 2011 or after). If you terminate employment with an FRS-covered employer before completing your vesting period, such transferred amount will be placed in a suspense account for up to five years (invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund [T10]). If you return to FRS-covered employment as an eligible employee within this 5-year period, the amount placed in the suspense account, plus the accrued earnings, will be returned to your account. If you do not return to FRS-covered employment as an eligible employee within the 5-year period, you will forfeit the amount(s) placed in suspense and the service credit associated with these funds.

If you have transferred a present value amount from the FRS Pension Plan to your FRS Investment Plan account and have at least one year of total service credit from the combined FRS Pension Plan and FRS Investment Plan service, but less than the total service needed to vest in the Pension Plan, you are entitled to receive the vested FRS Investment Plan contributions and earnings in your account after your termination of FRS-covered employment. However, if you take a distribution of your vested FRS Investment Plan account balance you will forfeit the present value amount transferred from the FRS Pension Plan. If you take a distribution of any amount from the FRS Investment Plan, you are considered retired and will not be eligible for certain FRS benefits should you return to FRS-covered employment in the future.

Additionally, if you have transferred a present value amount from the FRS Pension Plan to your FRS Investment Plan account, the service may include the purchase of additional service under the FRS Pension Plan (e.g., out-of-state-service) that does not count toward the FRS Pension Plan vesting requirements. In this case you must complete a total of six years of FRS service if you enrolled in the FRS prior to July 1, 2011, or eight years of service if you initially enrolled July 1, 2011 or after to be eligible for your Pension Plan transferred balance.

Hybrid Option - If you elect to enroll in the Hybrid Option you are considered a member of the FRS Investment Plan.

- **Partially Vested** - If you enrolled in the FRS prior to July 1, 2011 and terminate employment with more than five but less than six years of combined FRS Pension Plan and FRS Investment Plan service, you are entitled to receive the vested FRS Investment Plan contributions and earnings in your account but you are not entitled to receive a Pension Plan benefit since you are not vested in this service. If you take a distribution of your vested FRS Investment Plan account balance you are considered retired and will not be eligible for certain FRS benefits should you return to FRS-covered employment in the future. You would never be entitled to a benefit from your Pension Plan service since your classification as a retiree would not permit you to add any additional service to your unvested Pension Plan service if you return to FRS-covered employment in the future.
- **Totally Vested** - If you enrolled in the FRS prior to July 1, 2011 and elected the Hybrid Option and have completed at least six years of combined FRS Pension Plan and FRS Investment Plan service, and have met any other requirements for receipt of benefits from the plans, you may begin receiving your benefits from either plan without affecting your ability to receive benefits from the other. If you initially enrolled in the FRS July 1, 2011 or after and elected the Hybrid Option and have completed at least eight years of combined FRS Pension Plan and FRS Investment Plan service, and have met any other requirements for receipt of benefits from the plans, you may begin receiving your benefits from either plan without affecting your ability to receive benefits from the other.

Please note that renewed membership in the FRS is not available for retired members who are initially reemployed in FRS-covered employment on or after July 1, 2010. If you fall into this category and terminated before vesting in your Pension Plan benefit, you would not be able to add any additional service to your unvested FRS Pension Plan service and, therefore, would never be entitled to a benefit for your Pension Plan service.

Reverse Hybrid Option with Surplus in the Investment Plan - If you elected the Hybrid Option or Investment Plan when you selected your FRS retirement plan, and later used your second election to transfer to the FRS Pension Plan and left a surplus in your Investment Plan account, you are considered a member of the Pension Plan (the FRS refers to this as a reverse hybrid). If you have at least one year of total service credit from the combined FRS Pension Plan and FRS Investment Plan service, but less than six years of total service for those enrolled in the FRS prior to July 1, 2011 and 8 years if initially enrolled in the FRS on and after July 1, 2011, you are not entitled to receive a Pension Plan benefit after your termination of FRS-covered employment since you are not vested in this service. Also, you cannot take a distribution of your vested surplus Investment Plan funds because these funds are not payable until you are eligible for and begin receiving your Pension Plan benefits.

If you enrolled in the FRS prior to July 1, 2011 and have completed at least six years of combined FRS Pension Plan and FRS Investment Plan service, or if you initially enrolled in the FRS July 1, 2011 or after, and have completed at least eight years of combined Pension Plan and Investment Plan service, and have met any other requirements for receipt of benefits from the plans, you may begin receiving your benefits from the Pension Plan and, subsequently, a distribution of your vested surplus Investment Plan funds.

Note: If you initially enrolled in the FRS prior to July 1, 2011, you should know that the vesting period for the FRS Pension Plan changed from ten years to six years on July 1, 2001. Depending on your circumstances, you may be required to work more than 6 years to vest in your Pension Plan benefits

(please see “Vesting” for more information). If you initially enrolled on or after July 1, 2011, the vesting period in the FRS Pension Plan is 8 years.

Reference: Sections 121.4501(2)(l) and (6), F.S.
Sections 19-11.006, 11.007, 11.008, and 11.011, F.A.C.

Situations Affecting Your FRS Investment Plan Benefits

The FRS Investment Plan is designed to provide you with income for your retirement. However, some situations could affect your benefits:

- If it is determined by the Investment Plan Administrator or the Division of Retirement that you are not eligible to participate in the Investment Plan.
- If you terminated employment before becoming vested in the FRS Investment Plan, you will not receive any benefits from the plan other than the receipt of your employee contributions plus earnings contributed while you were a member of the Investment Plan (does **not** include any employee contributions you may have contributed as a former Pension Plan member who transferred into the Investment Plan).
- If you transferred your Accumulated Benefit Obligation (Pension Plan benefit present value) from the FRS Pension Plan into the FRS Investment Plan, but you terminated employment before vesting in the FRS Pension Plan, you will not be able to obtain a distribution of your FRS Pension Plan benefits. However, you will be able receive a distribution of:
 - If you have less than 1 year of total service, your employee contributions plus earnings paid after your transfer to the Investment Plan, or
 - If you have more than 1 year of total service, your employee and employer contributions plus earnings paid after your transfer to the Investment Plan.
- If you take a distribution of your vested FRS Investment Plan account, you will forfeit the non-vested amount you transferred from the FRS Pension Plan, plus earnings on that amount.
- If you do not apply for payments from the FRS Investment Plan before stated deadlines, or if you do not provide the information requested by the FRS Investment Plan Administrator (the SBA or one of its contracted partners), your payments may be delayed; or
- If your mailing address on file with the FRS Investment Plan Administrator is incorrect, payments from the FRS Investment Plan may be delayed. Additionally, you may not receive statements of your FRS Investment Plan account balance or other important notices. See “Updating Mailing Addresses or Name Changes” for further information on this subject.
- If you receive an invalid distribution from your FRS Investment Plan account or violate the reemployment after retirement provisions of the Investment Plan, you will be required to repay the amount received to the FRS Investment Plan within 90 days. Failure to do so could lead to your being declared retired from the FRS Investment Plan, or at the option of the State Board of Administration, to administrative or legal action. In lieu of repaying the invalid distribution, you may terminate all employment with FRS covered employers.

Reference: Sections 121.4501(2)(e), (2)(l), (3), (4), and (6), and 121.591(1)(a)5., F.S.
Sections 19-11.001, 11.003, and 11.008, F.A.C.

FRS INVESTMENT PLAN HYBRID OPTION

If you are an FRS Pension Plan member and meet the eligibility criteria below you can elect to participate in the FRS Investment Plan Hybrid Option. If you elect this option, you will freeze your current FRS Pension Plan benefit and direct future contributions into the FRS Investment Plan. You cannot move frozen Pension Plan account funds into your Investment Plan account. At retirement, you will receive benefits from both the Pension Plan and Investment Plan. Retirement is not automatic – you will need to apply for your Pension Plan benefits and request your Investment Plan distribution.

Date Initially Enrolled in FRS	Years Required to Participate in Hybrid Option	Vesting Requirement (includes combined FRS Pension Plan and FRS Investment Plan service)
Prior to July 1, 2011	5 years	6 years
On or after July 1, 2011	8 years	8 years

See “Rights to a Benefit” for additional information.

Because of the complex nature of the Hybrid Option, we encourage you to call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), before electing this option.

Reference: Sections 121.4501(3)(a), F.S.
Sections 19-11.001, 11.006, and 11.007, F.A.C.

MEMBERSHIP

Membership in the FRS is required for all full-time and part-time employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or participating city, special district, charter school, or metropolitan planning organization. Elected officials may elect not to participate in the FRS retirement program. And employees of the Elected Officers' Class (EOC) may elect to participate in the Senior Management Service Class in lieu of the Elected Officers' Class.

Classes of Membership

The FRS has five classes of membership, with members participating in two primary plans (FRS Pension Plan or FRS Investment Plan), in addition to several optional programs available to members in certain positions with specified employers.

The five membership classes are:

- *Regular Class* — This class consists of FRS employees who do not qualify for membership in the Special Risk, Special Risk Administrative Support, Elected Officers', or Senior Management Service Classes.
- *Special Risk Class* — This class consists of employees who meet the criteria set forth in the Florida Statutes and accompanying rules in the Florida Administrative Code to qualify for this class and are employed as law enforcement officers, firefighters (including fire prevention and firefighting training positions, and aerial surveillance pilots for the Department of Agriculture and Consumer Services), correctional officers or community-based correctional probation officers, paramedics or emergency medical technicians, certain professional health care workers employed by the Department of Corrections and Department of Children and Family Services, in positions within correctional and forensic facilities, youth custody officers, or certain forensic employees employed by the Florida Department of Law Enforcement, Division of State Fire Marshall, local government law enforcement agency, or Medical Examiner's office, and a Special Risk member who has suffered a specified qualifying in-line-of-duty injury and returned to work in a non-Special Risk Class position with the same employer.
- *Special Risk Administrative Support Class* — This class consists of special risk employees who are transferred or reassigned to a non-special risk law enforcement, firefighting, correctional, or emergency medical care administrative support position within an FRS special risk employing agency and meet the criteria set forth in the Florida Statutes.
- *Elected Officers' Class (EOC)* — This class consists of employees filling the office of Governor, Lieutenant Governor, Cabinet Officer, Legislator, Supreme Court Justice, district court of appeal judge, circuit judge, county court judge, state attorney, or public defender. Elected county officials in the following offices may also belong to this class: sheriff, tax collector, property appraiser, supervisor of elections, school board member, school board superintendent, clerk of circuit court, and county commissioner. Additionally, cities and special districts have had two opportunities to place their elected officials in the EOC.

- *Senior Management Service Class (SMSC)* — This class consists of employees of the Senior Management Service of state government, community college presidents, appointed school board superintendents, county and city managers, selected managerial staff of the Legislature, the Auditor General and selected managerial staff in the Office of the Auditor General, the Executive Director of the Ethics Commission, the State University System Executive Service and university presidents, selected managerial staff of the State Board of Administration of Florida, assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant attorneys general, judges of compensation claims, capital collateral regional counsels and assistant capital collateral regional counsels, county health department directors and county health department administrators of the Department of Health, and selected managerial staff with the Judicial Branch, as well as elected officials who chose to join the SMSC in lieu of the EOC. Local government agencies may designate additional non-elective managerial positions for SMSC membership.

Reference: Section 121.021(12), F.S.
Sections 19-11.001 and 11.006, F.A.C.

Investment Plan Eligibility Requirements

As an FRS member, you are eligible to participate in the FRS Investment Plan unless you are a participant in one of the following programs:

- Deferred Retirement Option Program (DROP), except that terminated DROP participants may roll over their DROP proceeds into the Investment Plan as described in this document;
- Mandatory State University System Optional Retirement Program (SUSORP) participant. Faculty, including clinical faculty, in a college at a state university that has a faculty practice plan are mandatory participants of the SUSORP;
- Teachers' Retirement System (TRS);
- State and County Officers' and Employees' Retirement System (SCOERS); or
- A retiree of the FRS Pension Plan, FRS Investment Plan, or any state-administered retirement system who is initially reemployed with an FRS-covered employer on or after July 1, 2010.

If you choose to participate in the FRS Investment Plan, you and your employer will contribute a percentage of your gross salary each calendar month (for example, a total of 6.3% of gross salary for Regular Class employees, of which 3% is paid by you; see description of membership classes, above). You direct the investment of your account among the investment funds available through the Plan.

Please understand that these eligibility requirements are established by the Florida Legislature and codified in the Florida Statutes. They are subject to change.

Reference: Sections 121.4501(2)(e), (3), and (4), F.S.
Sections 19-11.006 and 11.007, F.A.C.

Optional Retirement Programs

The following employees may elect to participate in other annuity or optional programs instead of the FRS Investment Plan:

- Senior Management Service Class employees¹ (including Elected Officers' Class employees who choose to join that class);
- State University System faculty, executive service employees, and administrative and professional employees; and
- State Community College System faculty and certain administrators, if their college offers an optional retirement program.

Reference: Sections 121.051(2), 121.055, 121.35, and 1012.875, F.S.

Dual Membership Not Allowed

If an employee works in two or more jobs at the same time that are covered by different FRS membership classes, the employee may be a member of only one class, which will be determined as follows:

- If the jobs are covered by different membership classes, and none of which is the Elected Officers' Class, the member will be in the class in which he or she is employed for more than half the time. When the employment is split equally, the member may choose the class of membership he or she prefers.
- If the jobs are covered by different FRS membership classes, and one of which is the Elected Officers' Class, the member may choose to participate in any one class for which he or she is eligible.

If the member is required or chooses to be a member of the Regular Class, his or her total salaries from all positions will be reported for retirement purposes. When the member is required or chooses to be a member of the Special Risk Class, the Special Risk Administrative Support Class, the Senior Management Service Class, or the Elected Officers' Class, only salary from that position will be reported for retirement purposes.

Reference: Sections 121.4501(2)(e) and (f), (3), and (4), and 121.051(9), F.S.
Sections 19-11.006 and 11.007, F.A.C.

Social Security Coverage

As a member of the FRS, you are automatically covered for Social Security and Medicare, and your FRS benefits will not be offset (reduced) by Social Security benefits you receive. Social Security contributions are automatically deducted from your salary and matched by your employer. Although Social Security coverage is a part of your overall benefit package, we have no control over your Social Security or Medicare benefit payments. If you need information on Social Security or Medicare

¹ Assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant capital collateral regional counsels, and assistant attorneys general are not eligible to elect participation in the Senior Management Service Optional Annuity Program.

benefits and possible limitations on those benefits, you must call or visit your local Social Security office, call their toll-free information number at 800-772-1213, or visit their Web site at www.ssa.gov.

Reference: Section 121.4501(17), F.S.

Portability

One of the special features of membership in the FRS is statewide portability (the ability to continue FRS membership when you change FRS-covered employers). If you terminate employment with one FRS employer without retiring and at any later time go to work with any of the other public employers covered by the FRS, you'll continue to participate in the Investment Plan. You will continue to receive contributions to your account and receive any investment earnings on your account balance.

Employment Status Types

- You are considered a *rehired* employee if: 1) you were formerly employed by an FRS employer in a regularly established position that was covered for FRS purposes, 2) you terminated employment without taking any distribution of benefits, and 3) you later returned to FRS covered employment. Your FRS Investment Plan account balance must have remained in the FRS Investment Plan.

If you return to FRS covered employment, you will return to the FRS Investment Plan, unless you decide to use your one-time second election option to change to the FRS Pension Plan (see "Second Election" for further information).

- You are considered a *retired* employee from the FRS Investment Plan if you terminate FRS covered employment and take a distribution of any kind (lump sum, rollover, annuity, etc.). If you retired and returned to FRS covered employment prior to July 1, 2010, you are considered a "reemployed retiree" or "renewed member" and subject to the laws and rules governing such employees. These laws and rules are enacted by the Florida legislature and implemented by the appropriate agency. They are subject to change.

As a reemployed retiree, you are considered a new employee and are entitled to choose within 5 months following your month of hire which retirement plan you wish to participate in: the FRS Pension Plan or the FRS Investment Plan. However, *as a reemployed retiree, you are not entitled* to participate in the Special Risk Class, the FRS Pension Plan DROP program, nor are you entitled to receive disability benefits from either plan. If these benefits are important to you, you should consider not taking a distribution upon termination from FRS covered employment, unless you are actually retiring and do not plan to return to FRS employment in the future.

Renewed membership in the FRS is not available for reemployed retirees who are initially reemployed on or after July 1, 2010.

- You are considered a *newly hired* employee if you have never been employed by an FRS covered employer in a regularly established position. As a new employee you will have until the end of the fifth month after your month of hire to choose the Investment Plan, if you decide to do so. In the meantime you will be a member of the Pension Plan.

Reference: Sections 121.122, 121.4501(2)(e), (i), and (k), and 121.591, F.S.
Sections 19-11.001, 11.003, and 11.009, F.A.C.

ENROLLING IN THE FRS INVESTMENT PLAN

You will be enrolled automatically in the FRS Pension Plan on your first day of employment and may, within five months following your month of hire, elect to participate in the FRS Investment Plan instead of the FRS Pension Plan (or the FRS Investment Plan Hybrid Option if you have at least 5 years of FRS service if enrolled in the FRS prior to July 1, 2011, or at least 8 years if initially enrolled in the FRS July 1, 2011 and after). Enrollment in the FRS Investment Plan will be retroactive to your date of hire. The FRS Investment Plan effective date will be established as the first of the month following the month in which the enrollment form is received or the online enrollment is processed by the Plan Administrator. From your date of hire until the effective date, employee and employer contributions will be paid into your Investment Plan account at the blended contribution rate. From your effective date forward, contributions will be paid into your Investment Plan account at the FRS Investment Plan contribution rate.

Your enrollment period will end at 4:00 p.m. Eastern Time, on the last business day of the fifth month following your month of hire. If no active enrollment is made during this period you will remain in the FRS Pension Plan.

If you are a new employee and terminate employment during your enrollment period, you must make an FRS Investment Plan election prior to terminating employment or your election will not be considered valid and you will remain in the FRS Pension Plan. If you terminate employment without making an election and later return to FRS-covered employment, you will be given another enrollment period (five months following your month of hire) to elect to participate in the FRS Investment Plan or FRS Hybrid Option. If you elect to participate in the FRS Investment Plan during your new election period, the present value of your previously accrued FRS Pension Plan service will be transferred to the FRS Investment Plan, subject to the FRS Pension Plan's vesting schedule.

Your initial election will be considered your initial choice or first election. If you do not make an active plan election and default into the FRS Pension Plan, this will be considered your initial choice or first election.

All employees can use either the enrollment form for their retirement class available online at MyFRS.com, or from your employer.

- If employed in a position covered under the Regular Class, Special Risk Class, or Special Risk Administrative Support Class of membership, you may enroll in one of three ways:
 1. Online at MyFRS.com,
 2. Calling the toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 4, or
 3. Using the ELE-1-EZ Retirement Plan Enrollment Form or ELE-1 General Retirement Plan Enrollment Form available online at MyFRS.com. Regardless of which enrollment method you use, the terms and conditions set out in the ELE-1 General Retirement Plan Enrollment Form will apply.
- If employed in a position covered under the Elected Officers' Class or Senior Management Service Class of membership, you may only enroll by submitting an enrollment form for your retirement class.

Enrollment example: If you are hired on April 15, you are automatically enrolled in the FRS Pension Plan. You will have until the last business day in September to choose the FRS Investment Plan. If you elect to join the FRS Investment Plan on May 3, your retirement plan transfer date (i.e., effective date) to the FRS Investment Plan will be June 1. Your 3% employee contributions and the employer contributions paid to the FRS on your behalf between April 15 and May 31 will be the amounts required under the uniform contribution rate system (blended contribution rate system) specified in Section 121.71, Florida Statutes. Those amounts will be transferred to your FRS Investment Plan account and represent your opening account balance in June. Thereafter, starting with the month of June, employee and employer contributions will be paid into your Investment Plan account at the FRS Investment Plan contribution rate (based on your membership class). However, April 15 will be considered your beginning effective date for vesting purposes and for FRS membership.

Note: Under certain circumstances, you may be able to cancel a retirement plan election. See "Cancelling a Retirement Plan Election" for further information.

Reference: Sections 121.4501(4), 121.71, and 121.72, F.S.
Sections 19-11.006 and 11.011, F.A.C.

Determining Pension Plan Present Value

If you have Pension Plan service and elect to join the Investment Plan, a present value calculation will be done to determine your Accumulated Benefit Obligation (ABO), as follows.

First, the Division of Retirement will calculate your present value using a formula developed by the Pension Plan's actuary, in accordance with Florida law. The FRS actuary annually evaluates whether the Pension Plan is adequately funded. The formula to compute your current benefit is:

Years of Creditable Service	X	Percentage Value (depends on class of FRS membership: 1.6% for Regular Class)	X	Average Final Compensation (average of highest 5 years of salary or 8 years of salary if initially enrolled July 1, 2011 or after)	=	Yearly Benefit at Normal Retirement Date
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Then the Division projects the total yearly benefits collected during retirement over your expected lifetime (including a 3% annual increase in benefits for service earned prior to July 1, 2011). This stream of increasing annual payments is converted to a single lump sum – a "present value" (value in today's dollars) using an actuarial conversion factor. The conversion factor reflects a 7.75% interest rate and mortality tables used in the most recent Pension Plan valuation. Please note that the conversion factor will increase monthly until you reach your normal retirement date and will decrease for each month after the normal retirement date.

Example: Let's say an employee enrolled in the FRS prior to July 1, 2011, is age 31 and has 12 years of Regular Class service. The employee's normal retirement age will be 49 for his/her class of membership (the point when 30 years of service would be reached).

The employee's earnings for the highest five fiscal years are \$31,263, \$32,826, \$34,467, \$36,190, and \$38,000. The employee's Average Final Compensation is the average of these numbers, or \$34,549.

12	X	1.6%	X	\$34,549	=	\$6,633
Years of Creditable Service		Percentage Value		Average Final Compensation		Yearly Benefit at Normal Retirement Date

\$6,633	X	4.0413	=	\$26,806 ²
Yearly Benefit		Conversion Factor (determined by actuary)		Present Value of Current Pension Benefit (Transfer Amount)

Reference: Sections 121.4501(3)(b) and (4)(g), F.S.
Sections 19-11.006, 11.007, and 11.011, F.A.C.

Cancelling a Retirement Plan Election

The SBA will consider, on a case-by-case basis whether an election will be voided, subject to the following requirements:

- If you elected the FRS Investment Plan or FRS Investment Plan Hybrid Option - You must notify the SBA, Aon Hewitt, Ernst & Young, or the Division of Retirement by telephone, email, or written correspondence that you want to cancel your election no later than the last business day of the month following the election month.
- If you actively elected the FRS Pension Plan - You must notify one of the above entities no later than the last business day of the month following the election month. Note: If you default into the FRS Pension Plan (i.e., do not make an active election during your election period) you cannot cancel or rescind this default election.

For example, if you make your election on March 13 you must notify one of the above entities that you want to cancel your election prior to 4:00 p.m. Eastern Time on the last business day of April.

If your request to void the election is made timely and the SBA agrees the election will be voided, you will be required to sign a release and return it to the SBA prior to the election being officially voided.

Reference: Sections 19-11.006(3) and 11.007(4), F.A.C.

² Dollar amounts are rounded to the nearest whole dollar.

CONTRIBUTIONS

Retirement contributions are required to be submitted to the Division of Retirement no later than the fifth business day of each month following the month wages are earned. Effective July 1, 2011, Florida law requires you to make pretax retirement contributions of 3% of your gross salary.³ A portion of your retirement benefits are paid for by your employer. The amount contributed by your employer (called the “blended contribution rate”) is the same whether you participate in the Investment Plan or the Pension Plan and is a percentage of your gross monthly salary, based on your employment class (e.g., Regular Class, Special Risk Class, etc.). The blended rates are as follows:

Blended Contribution Rates

Membership Class	Paid by You	Paid by Your Employer	Total Paid by You and Your Employer
Regular Class	3%	5.72%	8.72%
Special Risk Class	3%	17.83%	20.83%
Special Risk Administrative Support Class	3%	34.73%	37.73%
Elected Officers' Class - (Judges)	3%	27.05%	30.05%
Elected Officers' Class - (Legislature/Cabinet/Public Defender/State Attorney)	3%	31.37%	34.37%
Elected Officers' Class - (County and Local)	3%	31.80%	34.80%
Senior Management Service Class	3%	17.08%	20.08%

The total contribution made to your Investment Plan account is shown in the table below. As you will notice, the total amount contributed to your Investment Plan account is different than the total contribution rate shown in the above table.⁴ For example, if you are a Regular Class member, the total Investment Plan contribution will equal 6.3% (you will contribute 3% and your employer will contribute 3.3%). The 3.3% Investment Plan employer contribution is funded solely by the blended contributions submitted by your employer.

Looking at the table above, for Regular Class members, the 5.72% rate is composed of two items: an unfunded liability rate of 2.19% and a blended normal cost rate of 3.53%. The actuary has determined that this “blended” rate is sufficient to pay the required rates set by the Legislature for Regular Class members in the Pension Plan and the Investment Plan.

³ Employee contributions, as required by s. 121.71(2), Florida Statutes, are treated for tax purposes as employer-paid employee contributions (commonly called an employer pick-up) under Internal Revenue Code section 414(h)(2).

⁴ New hires who elect the Investment Plan within their initial 5 month election period will receive blended contribution rates from their date of hire until their Investment Plan effective date. From the effective date forward, contributions will be paid at the FRS Investment Plan contribution rate.

The Investment Plan contribution rates are as follows:

Investment Plan Contribution Rates

Membership Class	Paid by You	Paid by Your Employer	Total Paid by You and Your Employer
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%

Upon receipt of the blended contributions, the Division balances the payroll and transfers the data and the Investment Plan contributions to the Investment Plan Administrator for Investment Plan members. Payroll information is electronically transmitted to the Investment Plan Administrator daily. The Investment Plan Administrator posts contributions to members' accounts within two business days of receipt of the information. If the contributions are delayed from posting due to acts of God beyond the reasonable control of the Division of Retirement, SBA, or the Investment Plan Administrator, market losses will not be payable as a result of the delay.

The Internal Revenue Service imposes limits on the amount of your salary that may be used for contribution purposes, and the amount of contributions that may be made on your behalf. For the calendar year 2013, the contribution limit is the lesser of \$51,000 or 100% of the salary actually paid to you. This limit includes employer contributions, employee salary reductions, and employee contributions, in aggregate, to 401(a) retirement plans, as well as to other plans such as a 401(k), 403(a), 403(b), and 408(k). Because these limits are high, very few members will be affected. Your employer will be notified if you approach these limits.

In addition to those contributions paid by your employer to fund your retirement benefit, your employer contributes additional amounts to fund your Health Insurance Subsidy benefit (1.20%), disability benefits (will vary depending on employment class), and FRS Investment Plan administration costs and educational program costs for all FRS members (.03%).

Reference: Sections 121.052(7), 121.055(3), 121.4501(1), (5) and (13), 121.71, 121.72, 121.73, 121.74, and 121.76, F.S.

Sections 19-11.001, 11.011, and 13.003, F.A.C.

BENEFICIARY DESIGNATION

As a member of the FRS Investment Plan, your spouse is automatically your primary beneficiary unless you designate someone else after your most recent marriage. You may name as beneficiary any person, organization, trust, or your estate. You may state that beneficiaries share jointly or sequentially, or that any benefits due to your beneficiary be paid through a trust. If you do not name a beneficiary or if your beneficiary has died, any benefits will be paid according to Florida law (Section 121.4501(20), Florida Statutes).

You may change your beneficiary at any time. If your designated beneficiary dies or your marital status changes, it is important for you to submit a new beneficiary designation to be sure your account is distributed as you wish in case of your death.

You may designate a beneficiary at the time of enrollment either online, by telephone, or by completing a beneficiary designation form (Form IPBEN-1). To obtain the form, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711), and request that it be mailed to you. You can also find the form online at MyFRS.com. The completed form must be sent to the Investment Plan Administrator.

Florida law requires that if you do not name your spouse as your primary beneficiary, he/she must sign the beneficiary designation form. See Section 121.4501(20), Florida Statutes. The beneficiary designation form (Form IPBEN-1) requires that your spouse sign acknowledging that he or she is not named as your beneficiary.

Your FRS Quarterly Investment Plan Statement, which is mailed to your home address each quarter, lists your current Investment Plan account beneficiary(ies). Please be sure to review these beneficiary(ies) to ensure they are current.

A beneficiary is eligible to designate a beneficiary. Any account balance or benefit payments payable to the beneficiary of the beneficiary will be paid out immediately upon receipt of the appropriate documentation.

Reference: Section 121.4501(20), F.S.
Sections 19-11.002 and 11.003, F.A.C.

YEARS OF CREDITABLE SERVICE

A member receives one month of service credit for each month in which any salary is reported for work performed. Members may not purchase service credit (e.g., for past service, prior service, certain military service, leaves-of-absence, etc.) to increase their FRS Investment Plan retirement benefit. This includes the upgrade of previous service to another membership class (e.g., Senior Management Service Class, Special Risk Class, or Elected Officers' Class). If an FRS covered employee has additional service credit he/she wishes to use towards his/her retirement, he/she must purchase or upgrade such service under the FRS Pension Plan before he/she becomes a member in the FRS Investment Plan.

There are certain types of service such as military, workers' compensation, and suspension and reinstatement that are paid for by the employer and may be creditable for FRS Investment Plan members if certain requirements are met for that type of service. The military service must be as a leave of absence and must be eligible for purchase under the *Uniformed Services Employment and Reemployment Act* (Chapter 43 of Title 38 of the United States Code).

The FRS Investment Plan complies with the provisions of the *Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008*, which helps protect the rights of military personnel on active duty. Because FRS records do not indicate whether a member serves in the military, it is the responsibility of the member and/or the beneficiary to notify us and provide sufficient documentation to claim any benefits under this Act.

Reference: Sections 121.021(17), 121.4501(3), and (22), F.S.
Section 19-13.002, F.A.C.

VESTING

For the FRS Investment Plan, if you have completed one year of service with an FRS employer, you are vested in (or, you “own”) all contributions and earnings on those contributions. After you have terminated all FRS-covered employment for 3 calendar months, you can take the value of your account with you, regardless of your age. See “Distributions from the FRS Investment Plan” for further information on the distribution requirements.

This is in contrast with the FRS Pension Plan, which is as follows:

- **If you were initially enrolled prior to July 1, 2011**, you need six years of service to vest. Further, normal retirement age for all employees first enrolled in the Pension Plan prior to July 1, 2011 (except Special Risk Class employees) is the earlier of age 62 or attainment of 30 years of service. If you have previous FRS Pension Plan service that you may transfer to the FRS Investment Plan, that service will vest under the FRS Pension Plan’s 6-year vesting schedule.
- **If you were initially enrolled in the FRS Pension Plan on or after July 1, 2011**, you need eight years of service to vest. If you enrolled in the FRS Pension Plan on or after July 1, 2011 normal retirement age for all employees (except Special Risk Class employees) is the earlier of age 65 or attainment of 33 years of service. Any previous Pension Plan service you may transfer to the FRS Investment Plan will vest under the FRS Pension Plan’s 8-year vesting schedule.

For those first enrolled in the FRS prior to July 1, 2011, please note that on July 1, 2001, the vesting period for the FRS Pension Plan changed from ten years to six years. Those members who were actively employed on July 1, 2001, or were first hired on or after that date, are vested when they leave with six years of FRS service. Members who were not actively employed in a covered position with an FRS employer on July 1, 2001, must return to FRS-covered employment for one work year to become eligible for six-year vesting. However, no member will have to work longer than necessary to meet the previous vesting requirement in effect before July 1, 2001. If you are first enrolled in the FRS on or after July 1, 2011 you need eight years of service to vest in the Pension Plan.

You are entitled to a distribution of your employee contributions **so long as you remain in your current retirement plan** (the Investment Plan). If you leave FRS-covered employment before you’re vested in your Investment Plan benefit, you won’t be entitled to any benefit other than the distribution of your employee contributions plus earnings. If you request a distribution of your employee contributions, you will be considered a retiree of the FRS and forfeit all unvested employer contributions and earnings. If you do not request a distribution of your employee contributions, your unvested employer contributions account balance will be placed in a suspense account (invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund [T10]). If you return to work for an FRS employer within five years of your termination date, your account balance plus any earnings will be returned to you and combined with any future service credit and applied toward vesting of your account. If you never return to work for an FRS employer or if you return to FRS work for an FRS employer more than five years after your termination date, you will forfeit your unvested employer funded account balance. If you request a distribution of your employee contributions anytime during the 5-year suspension period, you will forfeit the unvested employer contributions account balance.

If you use your 2nd Election to switch retirement plans, you will be entitled to receive the following benefits:

- **Transfer from the Pension Plan to the Investment Plan** - A Present Value of your Pension Plan benefit will be calculated and transferred to the Investment Plan as your opening account balance. The Present Value calculation is an actuarial determination of your service credit; it is not the total of any employee or employer contributions paid into the Pension Plan.
 - If you terminate employment prior to meeting the Pension Plan vesting requirements (less than 6 or 8 years of total service, depending on your date of hire) you will only be entitled to receive a distribution of:
 - If you have less than 1 year of total service, your employee contributions plus earnings paid after your transfer to the Investment Plan, or
 - If you have more than 1 year of total service, your employee and employer contributions plus earnings paid after your transfer to the Investment Plan.
 - If you terminate employment after meeting the Pension Plan vesting requirements (6 or 8 years or more of total service, depending on your date of hire) you will be entitled to receive a distribution of your opening account balance (the Present Value of your Pension Plan benefit), and the employee and employer contributions plus earnings paid into the Investment Plan after the transfer.

Note: Your Investment Plan quarterly statement and online account will only reflect employee contributions paid into your account after your transfer. The transferred Present Value will show under “DB Plan Transfer.”

- **Transfer from the Investment Plan to the Pension Plan** - You will buy-in to the Pension Plan using the balance in your Investment Plan account (and any additional personal funds, if applicable).
 - If you terminate employment prior to meeting the Pension Plan vesting requirements (less than 6 or 8 years of total service, depending on your date of hire) you will only be entitled to receive a refund of your employee contributions (without interest) paid into the Pension Plan after your transfer.
 - If you terminate employment after becoming vested in the Pension Plan (6 or 8 years or more of total service, depending on your date of hire) you will be entitled to receive:
 - A lifetime monthly benefit from the Pension Plan, or
 - A refund of your employee contributions (without interest) paid into the Pension Plan after the transfer.

If you do not take a distribution of your Investment Plan benefit, the Pension Plan benefit you transferred into the Investment Plan will be placed in a suspense account (invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund [T10]). If you never return to work for an FRS employer or if you return to FRS work for an FRS employer more than five years after your termination date, you will forfeit your unvested Pension Plan benefit and the associated service credit.

In the FRS Investment Plan, you can take all of the contributions and earnings in your account after vesting once you terminate employment with all FRS employers for 3 calendar months. You can roll the balance over to another employer’s retirement plan (if permitted by that plan), roll the balance over to an IRA (Individual Retirement Account) or leave the value of your account in the FRS Investment Plan until a later date when you may take a distribution. (See “Distributions from the FRS Investment Plan” for more information.)

Your retirement benefit will depend upon your account balance and the type of payout you choose (e.g., quarterly withdrawals of 1% of the account value, monthly withdrawals, lifetime annuity, lifetime annuity with annual 3% increases, etc.). Payout distribution options are discussed later.

These vesting requirements and the normal retirement age are established by the Florida Legislature and codified in the Florida Statutes. They are subject to change.

Reference: Sections 121.4501(2)(l) and (6), F.S.
Sections 19-11.001, 11.003, 11.008, and 11.011, F.A.C.

NORMAL RETIREMENT

“Normal retirement” for FRS Investment Plan members is the later of either the date you attain normal retirement under the provisions of the Pension Plan or the date you are vested under the Investment Plan. The following chart spells out when you achieve normal retirement depending on your class of membership and first date of hire:

Investment Plan Normal Retirement

	All Classes of Membership (except Special Risk)			Special Risk			
Hired prior to July 1, 2011	Age 62 or older and 1 or more years of Investment Plan service	Age 62 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 30 or more years of service	Age 55 or older and 1 or more years of Investment Plan service	Age 55 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 52 or older and 25 or more years of Special Risk and military service	Any age and 25 or more years of Special Risk service
Hired after July 1, 2011	Age 65 or older and 1 or more years of Investment Plan service	Age 65 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 33 or more years of service	Age 60 or older and 1 or more years of Investment Plan service	Age 60 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 57 or older and 30 or more years of Special Risk and military service	Any age and 30 or more years of Special Risk service

If you have reached the normal retirement requirements of the FRS Investment Plan for your class of membership, you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month.

Reference: Section 121.021(29), F.S.
Section 19-11.003, F.A.C.

INVESTMENT FUNDS

The FRS Investment Plan offers a diversified mix of investment funds that span the risk-return spectrum.⁵ You should review each fund's Overview, Performance, Lipper Ratings (if applicable), Fees, Risk, Portfolio, Management, Investment Fund Summary, and the Annual Fee Disclosure Statement posted in the "Investment Funds" section at MyFRS.com before you select any investment funds or make an election. These documents contain descriptions of the available investment funds (including investment objective, fund management, investment risk, performance, expenses, etc.) to help you make informed investment decisions (additional detailed information on each of the investment funds is available upon request). You can also visit this site to access the Financial Engines Personal Online Advisor[®] service, which can provide specific investment guidance. If you do not have access to the Internet, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), and have a professional financial planner explain the available options or walk you through the online services.

Reference: Sections 121.4501(9), (14), and (15), F.S.
Section 19-13.004(3), F.A.C.

Changing Investment Funds

You can generally change your investment allocation at any time either online or by telephoning the FRS Investment Plan Administrator. Generally, these changes can be made at no cost. However, some funds restrict your ability to move your money under certain circumstances under an excessive fund trading policy (see below). If you do not have access to the Internet website at MyFRS.com, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711), and request a representative's help in making the changes, and to obtain a copy of the Excessive Fund Trading Policy (also available on MyFRS.com by clicking on "Investment Funds" in the top tool bar).

Changes to the investment of your existing account balance will generally take effect at the close of business on the day your request was made, provided that the request was completed by 4 p.m. Eastern time. If your request is completed after 4 p.m. Eastern time or on a non-business day, your change will generally take effect on the next business day that the financial markets are open.

Changes to the investment of future contributions to your account generally take effect with the next monthly payroll.

You can request information about any of the investment funds by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711) or online at MyFRS.com.

Reference: Section 121.4501(9), F.S.
Section 19-11.004, F.A.C.

⁵ Note that there can be risk in holding a large portion of your account balance in a single fund (unless that fund is a reasonably diversified fund, such as a balanced fund). For further information on diversifying your account, please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711), or visit MyFRS.com. Additional information on investing and diversification can be found on the U.S. Department of Labor's website at www.dol.gov/ebsa/investing.html.

Excessive Fund Trading Policy

The SBA has developed a policy to help protect all Investment Plan members by preventing any short-term excessive fund trading within the FRS Investment Plan. Excessive fund trading, in which members move money in and out of funds on a frequent basis to try to capture short-term gains, can have a negative impact on the funds involved. It can drive up a fund's trading costs which increase costs to all fund shareholders. It can also complicate a fund's portfolio management and reduce the fund's investment returns.

Anyone with an account in the FRS Investment Plan is subject to the Policy, including current employees, previous employees, members who have rolled over DROP funds into the Investment Plan, surviving beneficiaries, and other alternate payees. The Policy applies to transfers of monies between funds and does not affect any transaction that is initiated for purposes of depositing employer or employee payroll contributions, processing a distribution, or any Administrator-initiated transaction (e.g., processing a QDRO, mapping assets from terminated funds, etc.). The latter three activities are termed "exempt transactions."

Foreign and global investment funds are subject to a minimum holding period of 7-calendar days following any non-exempt transfers into such funds. For example: if you transfer \$5,000 into one of the foreign or global funds on November 4, you will not be able to transfer the \$5,000 out of that fund until November 12, except for a distribution out of the plan.

All investment funds (except money market funds) are subject to the following controls in order to mitigate excessive fund trading:

- Members engaging in one or more Market Timing Trades (as defined below) in authorized funds will receive a warning letter sent by U.S. mail. The warning letter will notify the member that Market Timing trades have been identified in his/her account and any additional violations will result in a direction letter.
- Members engaging in one or more Market Timing Trades and who have previously received a warning letter will be sent a direction letter by courier. The SBA may require non-automated trade instructions for at least one full calendar month following the date of the direction letter. Subsequent violations may require members to conduct trades via paper trading forms mailed certified/return-receipt to the SBA. Automated trade instructions include the Internet.
- Automatic account rebalancing will be canceled for any member who receives a warning or direction letter. The member will be allowed to choose to have their account automatically rebalanced once they have no trading restrictions.

The following definitions apply:

Market Timing Trade - is a member-directed series of trades that meet both of the following two criteria:

- The series of transactions are Roundtrip Trades.
- The series of transactions are, in aggregate, \$75,000 or more within 30 calendar days (e.g., a purchase of fund shares for \$50,000 and a sale of \$35,000 of the same fund's shares the next day would be an aggregate trade amount of \$85,000).

Roundtrip Trade – is one or more transfers into an investment fund AND one or more transfers out of the same investment fund in either order (i.e., in/out or out/in) within a 30 calendar day period⁶, regardless of any multiple transfers from or to other different investment funds during the Roundtrip Trade.

Excessive Fund Trading - involves two or more occurrences of Market Timing Trades by a member over time.

The specific funds subject to the foreign and global restrictions are listed in Chart A. You can get your questions answered by calling the toll-free MyFRS Financial Guidance Line and connecting to a financial planner.

Examples: The following are examples only. They are not an exhaustive list of all possible transactions. Members avoiding these examples will not necessarily avoid the impact of the excessive fund trading policy since other transactions may meet the definitions of Market Timing Trades or Excessive Trading.

- a. If Member A transfers \$50,000 out of Fund A and into Fund B on Monday and then transfers \$20,000 out of Fund B on Tuesday, the transaction is a Roundtrip Trade but is not a Market Timing Trade because the aggregate amount of \$75,000 has not been met.
- b. If Member A transfers \$50,000 out of Fund A and into Fund B on Monday and then transfers \$55,000 out of Fund B on the following Monday, the transaction is a Roundtrip Trade and a Market Timing Trade because the aggregate amount of all trades in and out of Fund B has exceeded \$75,000 ($\$50,000 + \$55,000 = \$105,000$) within a 30 day period.
- c. If Member A transfers \$5,000 out of Fund A and into Fund B on November 1 and then transfers \$25,000 out of Fund A and into Fund B on November 3 and then transfers \$10,000 out of Fund A and into Fund B on November 5 and then transfers \$40,000 out of Fund B and into Fund A on November 15, the entire series of transactions constitutes a Roundtrip Trade and is a Market Timing Trade because the aggregate amount of all trades into and out of Funds A and B each exceeded \$75,000 within a 30 day period.
- d. If Member A transfers \$5,000 out of Fund A and puts \$2,500 into Fund B and \$2,500 into Fund C on December 1 and then transfers \$25,000 out of Fund A and puts \$20,000 into Fund B and \$5,000 into Fund C on December 5, and then transfers \$10,000 out of Fund A and puts \$10,000 into Fund C on December 6 and then transfers \$23,000 out of Fund B into Fund A and \$20,000 out of Fund C into Fund A on December 16, the entire series of transactions constitutes a Roundtrip Trade and is a Market Timing Trade because the aggregate amount of all trades into and out of Fund A exceeded \$75,000 within a 30 day period. It is irrelevant that money has come out of one fund and been transferred into two funds because the money has been returned to the original fund.
- e. Member A transfers \$50,000 out of Fund A and into a foreign stock fund, which already contains \$100,000, on October 1, so that on October 1, the foreign stock fund contains \$150,000. The Member cannot transfer the \$50,000 out of the foreign stock fund until October 9.
- f. A member has \$250,000 in his FRS Investment Plan account and is the subject of a QDRO with the result that the member's spouse becomes entitled to half of the member's FRS Investment Plan account. A total of \$125,000 is transferred from the member's account to a newly-established account for the member's spouse and the funds are put into a foreign stock fund on December 1. On December 5, the member's spouse rolls over the entire \$125,000 into an IRA. This is neither a Roundtrip Trade nor a Market Timing Trade because the transfer is an exempt transaction.

⁶ Roundtrip and Market Timing Trades are calculated using a rolling 30-calendar day time period. For example, if a trade occurs on May 15, the 30-calendar day period extends from May 16 through June 14.

- g. A member transfers \$32,000 into Fund A on August 5 and then transfers \$32,000 out of Fund A on August 11 and then transfers \$31,000 into Fund A on August 17. The entire series of trades are Roundtrip trades and the trades are also a Market Timing Trade because the aggregate amount of all trades exceeded \$75,000 within a 30 day period.

Trading Restrictions of Specific Funds

Effective October 16, 2007, the Securities and Exchange Commission (SEC) under Rule 22c-2 of the *Investment Company Act of 1940* is permitting all open-end mutual funds either to impose trading restrictions or levy monetary penalties on members' conducting market timing transactions. As a result, Investment Plan members with assets in specified mutual funds (listed in Chart B below) may be impacted.

If requested, the FRS Investment Plan Administrator will be required to provide the mutual fund companies listed in Chart B access to information on Investment Plan members' trading activity to enforce their trading restrictions. Any monetary penalties imposed by the fund will be withdrawn from the member's Investment Plan account. The penalty will be deducted first from any balance in the affected fund, and secondly in a pro-rata share from the balances in any other funds in the member's Investment Plan account.

In an attempt to prevent Investment Plan members from having to pay any monetary penalties or being blocked from making additional purchases, the Investment Plan trading system will use "best efforts" to block restricted trades in the affected mutual funds. If a restricted trade is not blocked, the member will be responsible for paying any monetary penalties and/or be subject to trading restrictions. It is the responsibility of the member to comply with the trading restrictions in Chart B.

The trading restrictions in Chart B do not apply to Investment Plan funds that are classified as institutional funds or to mutual funds for which the FRS has received exemptions from the fund companies. The FRS Investment Plan has been granted exemptions for the following mutual funds:

- American Funds EuroPacific Growth Fund (F20)
- Pioneer Fund (S20)
- American Funds New Perspective Fund (F40)

The restrictions in Chart B are in addition to all the other trading restrictions outlined in this section, as noted in Chart A.

Information from the FRS Investment Plan Administrator's member recordkeeping database shall be used to identify Market Timing Trades, specific fund trading restrictions, and track the mandatory 7-calendar day holding period requirements for certain funds.

Review these policies carefully before making any Investment Plan transactions. You can review a copy of the current FRS Investment Plan Excessive Fund Trading Policy online at MyFRS.com.

CHART A • FRS INVESTMENT PLAN EXCESSIVE FUND TRADING POLICY

Fund Name	Restriction	Penalty
FRS Select Foreign Stock Index (F10) American Funds EuroPacific Growth (F20) American Funds New Perspective (F40)	Prohibits selling out of the fund within 7-calendar days of purchasing into the fund.	NA – The Investment Plan trading system automatically blocks these trades from occurring.
All Investment Plan funds [except the FRS Select Yield Plus Money Market Active Fund (M10)]	Prohibits multiple round-trips* in and out of any investment fund totaling \$75,000 or more within a 30-day period.	Restrictions may be imposed on a member's ability to make future fund transfers.

*The FRS Investment Plan defines a roundtrip trade as one or more transfers into an investment fund AND one or more transfers out of the same investment fund in either order (i.e., in/out or out/in) within a 30 calendar day period, regardless of any multiple transfers from or to other different investment funds during the Roundtrip Trade.

CHART B • SPECIFIC FUND TRADING RESTRICTIONS

Fund Name	Restriction	Penalty
American Beacon Small-Cap Value Fund (S99)	Prohibits purchasing into the fund within 90 days of transferring or reallocating out of the fund.	Blocked from making additional purchases for 90 days.
Fidelity Growth Company (S80)	Prohibits purchasing into the fund within 60 days of transferring or reallocating out of the fund.	Blocked from making additional purchases for 60 days.
T. Rowe Price Small-Cap Stock (S97)	Prohibits purchasing into the fund within 30 days of transferring or reallocating out of the fund.	Blocked from making additional purchases for 30 days.

Reference: Section 121.4501(9), F.S.
Sections 19-11.001 and 11.004, F.A.C.

ACCOUNT FEES

If you are an active employee of an FRS-covered employer, you will pay investment management fees on the fund(s) you have chosen as imposed by the investment managers of the fund(s). Florida law also allows the imposition of fees for administration and education services, but these are not currently charged to active-employee members.

If you have terminated or retired from FRS employment (including former DROP participants who have rolled funds into the Investment Plan) but have retained your account in the FRS Investment Plan, you will continue to pay the investment management fees on your FRS Investment Plan funds. Additionally, there is an administrative maintenance fee of \$6 per quarter for all account balances over \$1,000. This amount will be automatically deducted from your account each quarter.

If you are a divorced spouse of an FRS Investment Plan member and you have your own account because of a court-ordered Qualified Domestic Relations Order, you will pay the same investment management fees, and any administrative fees, as terminated or retired members. Surviving beneficiaries are also subject to these fees.

Note that the procedures regarding determining whether a domestic relations order is a qualified domestic relations order are available at no charge by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).

Charges and fees assessed against Investment Plan accounts may change at any time without prior notice to members or FRS employers. Fees and expenses are only one of several factors that you should consider when making investment decisions.

Reference: Sections 121.4501(6)(a), (9), and (11), 121.74, and 121.77, F.S.

ROLLOVERS TO THE INVESTMENT PLAN

Rollovers from Qualified Retirement Plans

FRS Investment Plan members are permitted to roll over into the FRS Investment Plan eligible retirement monies that are received from:

- a qualified Traditional IRA at another custodian,
- an eligible retirement plan (401 defined contribution or 401 defined benefit),
- SEP-IRA,
- 457(b),
- 403(b) pre-tax, or
- Federal Employee's Thrift Savings Plan.

After-tax monies rolled over from an eligible plan should be indicated on your distribution statement from the previous plan. The distribution statement should include the distribution date and the eligible rollover amount, including a separate accounting of any after-tax monies included in the rollover amount. If you are uncertain as to whether your former retirement plan is eligible to be rolled over, call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4, and one of the customer service representatives will help you make the determination.

Note: Once you roll over eligible retirement monies into the FRS Investment Plan, you cannot receive any distributions of these funds (or your Investment Plan account balance) until you terminate employment for 3 calendar months. You may be eligible to receive a one-time distribution of up to 10% of your Investment Plan account balance one calendar month following the month of your termination if you meet the normal retirement requirements for the FRS Investment Plan.

DROP Rollovers

Current and former DROP participants of the FRS Pension Plan may roll over their DROP accumulation into the FRS Investment Plan as one of the allowed vehicles for distribution. This option allows these FRS members to keep some or all of their DROP account balance in the FRS and take advantage of the investment products and distribution options of the Investment Plan. The minimum rollover amount must be more than \$1,000. Additionally, the DROP participant will pay the investment management fees for the fund(s) in which he chooses to invest, plus an administrative maintenance fee of \$6 per quarter, which will be automatically deducted from the DROP participant's Investment Plan account each quarter. DROP participants who use this option are subject to the benefits and provisions of the Investment Plan as outlined in this summary plan description.

Note: Terminated DROP participants who roll their DROP accumulation into the FRS Investment Plan have immediate distribution access to their DROP proceeds whether they are retired or return to FRS-covered employment.

Rollovers from Former Investment Plan Members

Former FRS Investment Plan members (retirees) who terminated FRS employment and took a complete distribution from their Investment Plan account may roll eligible funds from other qualified retirement plans back into the FRS Investment Plan. The minimum rollover amount must be more than \$1,000. Additionally, the retiree will pay the investment management fees for the fund(s) in which he chooses to invest, plus there is an administrative maintenance fee of \$6 per quarter, which will be automatically deducted from the retiree's account each quarter. Retirees who use this option are subject to the benefits and provisions of the Investment Plan as outlined in this summary plan

description. Rolling funds back into the Investment Plan will not subject the retiree to the reemployment after retirement provisions.

Note: Retirees who use this option will have immediate access to their rollover funds regardless of whether they return to FRS-covered employment in the future, subject to any applicable Internal Revenue Codes.

Rollovers Not Permitted for Former Spouses or Beneficiaries

Rollovers are not permitted for the former spouse or former beneficiary of an Investment Plan member who had an account in the Investment Plan (and removed all of the funds from the account), established by terms of a Qualified Domestic Relations Order or by the Investment Plan Beneficiary Designation Form. In addition, the former spouse or beneficiary of a Pension Plan member is not permitted to rollover a DROP accumulation.

Reference: Sections 121.4501(5)(e) and (21), F.S.
Sections 19-11.001 and 11.012, F.A.C.

SECOND ELECTION

FRS members have a one-time option, called a “second election”, to change their retirement plan while actively employed by an FRS-covered employer. This second election is codified in Section 121.4501(4)(g), Florida Statutes. It is available to new employees after their initial retirement plan Enrollment Period ends or during the month of their retirement plan effective date if they make an active election sooner. To use your second election you must be actively employed earning salary and service credit when your second election is received by the FRS Plan Choice Administrator. If you are on an unpaid leave of absence, or have terminated your FRS-covered employment, you are not eligible to use your second election. If you are leaving FRS-covered employment, your second election must be received prior to your termination date. **It is your responsibility to ensure that the second election is received by the FRS Plan Choice Administrator no later than 4:00 p.m. Eastern time on the last business day you are earning salary and earning service credit.** If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed.

If you work for an educational institution (school board, community college, university, etc.) on a work contract which is fewer than 12 months, you may not make a valid second election to transfer from the Pension Plan to the Investment Plan (or vice versa) if you are not employed in specific months during the summer.

If you were an existing employee during the initial implementation of the Investment Plan and chose to remain in the FRS Pension Plan or if you are a newly hired employee who chose to remain in the FRS Pension Plan, you have a one-time option to change to the FRS Investment Plan. If you are changing from the Pension Plan to the Investment Plan you can make your second election online by logging into MyFRS.com.

If you elected to participate in the FRS Investment Plan during your initial retirement plan choice period, you will have a one-time opportunity to change to the FRS Pension Plan at any point while working for an FRS employer.

Investment Plan or Investment Plan Hybrid Option to Pension Plan

If you decide to change to the FRS Pension Plan, you must “buy” into the FRS Pension Plan with the money in your FRS Investment Plan account. If you don’t have sufficient funds in your FRS Investment Plan account, you can still get back into the FRS Pension Plan, but you must make up the difference from your other financial resources. You may be able to rollover funds from another eligible retirement plan to pay the difference (call the MyFRS Financial Guidance Line for further information). If you have a surplus remaining in your FRS Investment Plan account after the “buy-in”, you will continue to have access to the account to manage the assets. This account will be available for distribution once you retire and begin receiving your FRS Pension Plan benefit. The surplus in your Investment Plan account can also be rolled to the Pension Plan to purchase service credit or upgrade service in the Pension Plan.

CAUTION: Please be aware that the out-of-pocket cost to “buy-in” to the Pension Plan may be a significant amount and you may not have sufficient funds in your FRS Investment Plan account to cover the total cost. If you are a new hire and elect the Investment Plan initially with the strategy of using your second election at a later date to switch to the Pension Plan, either once you attain sufficient FRS service to vest in the FRS Pension Plan or upon realizing that you want to work a full career with the FRS, understand that you may not be able to afford to make this election. That is why it is so important that you select the right retirement plan initially when using your first election.

The FRS will calculate your buy-in cost, based on whether you had previous FRS Pension Plan service before joining the Investment Plan, as follows:

- **If you had previous FRS Pension Plan service** and you switched from the FRS Pension Plan to the FRS Investment Plan during your initial enrollment period, you can switch back to the FRS Pension Plan by paying the buy-in amount. This amount, which is called a Return Accumulated Benefit Obligation (ABO), is a present value calculation that assumes that all of your FRS creditable service up to that point has been earned in the FRS Pension Plan. If you elect this option and your FRS Investment Plan account balance is greater than the required buy-in amount, you will keep the difference in your FRS Investment Plan account. If your FRS Investment Plan account balance is less than the required buy-in amount, you will have to make up the difference from your other financial resources.
- **If you had no previous FRS Pension Plan service and joined the FRS Investment Plan as a new employee**, you can switch to the FRS Pension Plan by paying the Actuarial Accrued Liability (AAL) or total cost of the accumulated FRS Pension Plan benefit. If you elect this option and your FRS Investment Plan account is greater than the required AAL, you will retain the difference in your FRS Investment Plan account, but will be a member of the FRS Pension Plan. If your FRS Investment Plan account is less than the required AAL, you must make up the difference from your other financial resources.

Note: The buyback cost is an actuarial calculation; it is not the total of any employee or employer contributions paid into the FRS Investment Plan.

If you had previous FRS Pension Plan service, the Second Choice Service on MyFRS.com can help you estimate your buy-in amount. Or, you can call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711). The Division of Retirement will calculate the estimated buy-in amount you may owe, which you may request before making the election to join the Pension Plan. This amount changes (i.e., typically increases) at the beginning of each month to reflect your new age and service. Once you have the buy-in amount calculated by the Division of Retirement, you must submit a *2nd Election Retirement Plan Enrollment Form* to lock in the buy-in amount as of the month calculated by the Division of Retirement. If you do not submit the *2nd Election Retirement Plan Enrollment Form* prior to the end of that month, a new buy-in amount must be calculated by the Division of Retirement based on the new buy-in month. You may obtain the form by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711), or you can obtain the form online at MyFRS.com. After you make your election, the Division of Retirement will calculate the final buy-in cost once all employer payrolls for periods prior to your transfer date have posted. This may necessitate an increase or decrease in the estimated amount you owe for the buy-in. If you owe less, you will receive a credit to your Investment Plan account. If you owe more, you will receive an invoice from the Division. If you do not remit the buy-in payment within 60 days of the date of the invoice, your second election will be voided. You will retain your second election option. The amount of Investment Plan assets that were liquidated will be returned to your Investment Plan account and reinvested at current market value. The FRS is not responsible for market gains or losses to your account during the liquidation process.

Note that you have the ability to move your FRS Investment Plan account balance into conservative investment options within the FRS Investment Plan in order to potentially reduce the volatility of your account balance prior to liquidation and movement to the FRS Pension Plan.

Vesting Caution: If you terminate employment **prior** to meeting the Pension Plan vesting requirements (less than 6 or 8 years of total service, depending on your date of hire) you will only be

entitled to receive a refund of your employee contributions (without interest) paid into the Pension Plan after your transfer.

If you terminate employment **after** becoming vested in the Pension Plan (6 or 8 years or more of total service, depending on your date of hire) you will be entitled to receive:

- a lifetime monthly benefit from the Pension Plan, or
- a refund of your employee contributions (without interest) paid into the Pension Plan after the transfer

Pension Plan to Investment Plan

If you join the FRS Pension Plan and wish to switch to the FRS Investment Plan at a later date, there will be no cost for the change. Your Accumulated Benefit Obligation (ABO) in the FRS Pension Plan will be transferred to the Investment Plan as your opening account balance. The ABO calculation is an actuarial determination of your service credit; it is not the total of any employee or employer contributions paid into the FRS Pension Plan.

Vesting Caution: The ABO service transferred from the FRS Pension Plan to the FRS Investment Plan requires 6 or 8 years of total service to vest, depending on your date of hire.

If you terminate employment **prior** to meeting the Pension Plan vesting requirements (less than 6 or 8 years of total service, depending on your date of hire) you will only be entitled to receive a distribution of:

- If you have less than 1 year of total service, your employee contributions plus earnings paid after your transfer to the Investment Plan, or
- If you have more than 1 year of total service, your employee and employer contributions plus earnings paid after your transfer to the Investment Plan.

If you terminate employment **after** meeting the Pension Plan vesting requirements (6 or 8 years or more of total service, depending on your date of hire) you will be entitled to receive a distribution of your opening account balance (the Present Value of your Pension Plan benefit), and the employee and employer contributions plus earnings paid into the Investment Plan after the transfer.

If you request a distribution of your vested employee or employer contributions, you will be considered a retiree of the FRS and forfeit all unvested employer contributions and earnings. If you do not request a distribution of your vested employee or employer contributions, your unvested employer contributions will be forfeited if you do not return to FRS-covered employment within 5 years.

Pension Plan to Investment Plan Hybrid Option.

If you join the FRS Pension Plan and wish to switch to the FRS Investment Plan Hybrid Option at a later date, there will be no cost for the change. If you enrolled in the FRS prior to July 1, 2011, you must have at least 5 years of service to elect the Hybrid Option. If you initially enrolled in the FRS on or after July 1, 2011 you must have at least 8 years of service to elect the Hybrid Option. You will freeze your current FRS Pension Plan benefit and direct future contributions into the FRS Investment Plan. You cannot move frozen Pension Plan account funds into your Investment Plan account.

Plan Change Effective Date

If you wish to use your Second Election, note that the plan change is effective the first day of the month following the receipt and processing of your 2nd *Election Retirement Plan Enrollment Form* or online election by the FRS Plan Choice Administrator. You must be actively employed earning salary and service credit when your second election is received by the FRS Plan Choice Administrator. If you are on an unpaid leave of absence, or have terminated your FRS-covered employment, you are not

eligible to use your Second Election. Your second election must be received by the Plan Choice Administrator prior to your termination. **It is your responsibility to ensure that the second election is received by the FRS Plan Choice Administrator no later than 4:00 p.m. Eastern time on the last business day you are earning salary and earning service credit.** If received after your termination it will be considered late and your plan change will be rejected. For example, if you submit your 2nd Election Retirement Plan Enrollment Form in December and it is received and processed by the Plan Choice Administrator on December 15, your plan change will be effective on January 1. You may terminate employment any time after December 15. However, if you terminate employment on December 5 prior to the receipt and processing of the Enrollment Form, it will be rejected or reversed and you will remain in your original retirement plan.

Note: Lump sum leave payments made after you terminate your employment do not meet the employment requirements. For example, if your 2nd Election Retirement Plan Enrollment Form is received and processed by the Plan Choice Administrator on December 15, you cannot terminate employment December 5, and utilize lump sum leave payments made to you in December or January to meet the requirements described above. Additionally, if you are on an unpaid leave of absence, you are not eligible to make a second election. For example, if you are on an unpaid leave of absence on May 15 and you submit your 2nd Election Retirement Plan Enrollment Form, your election will be rejected, since you are not considered an active employee. You must return to active employment earning salary and retirement service credit before being eligible to use your second election.

Note: Under certain circumstances, you may be able to cancel a retirement plan election. See "Cancelling a Retirement Plan Election" for further information.

Reference: Sections 121.4501(4)(g) and (6), F.S.
Sections 19-11.001, 11.007, and 13.002, F.A.C.

Buy-in Calculation - FRS Investment Plan to FRS Pension Plan

As indicated above, the calculation used to determine the buy-in amount differs depending on whether or not you had previous FRS Pension Plan service at the time you changed from the FRS Pension Plan to the FRS Investment Plan during your initial enrollment period. The buy-in amount will be determined as follows:

- **If you had previous FRS Pension Plan service** - The Division of Retirement will calculate a Return Accumulated Benefit Obligation (ABO), using a formula developed by the Pension Plan's actuary, in accordance with Florida law. The ABO is a present value calculation that assumes that all of your FRS creditable service up to that point has been earned in the FRS Pension Plan. The formula to compute the ABO is:

Years of Creditable Service	X	Percentage Value (depends on class of FRS membership: 1.6% for Regular Class)	X	Average Final Compensation (average of highest 5 years of salary or 8 years if initially enrolled July 1, 2011 or after)	=	Yearly Benefit at Normal Retirement Date
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The total yearly benefits collected during retirement are projected over your expected lifetime (including a 3% annual increase in benefits for service prior to July 1, 2011). This stream of increasing annual payments is converted to a single lump sum – a "present value" (value in today's dollars) using an actuarial conversion factor. The conversion factor reflects a 7.75%

interest rate and mortality tables used in the most recent valuation of the Pension Plan. Please note that the conversion factor will increase monthly until you reach your normal retirement date and will decrease for each month after the normal retirement date.

Example: Let's say an employee enrolled in the FRS prior to July 1, 2011, is age 53 and has 9.33 years of Regular Class service (3.50 years in the FRS Pension Plan and 5.83 years in the FRS Investment Plan). The employee's normal retirement age will be 62 for his/her class of membership.

The employee's earnings for the highest five fiscal years are \$24,932, \$25,338, \$27,195, \$27,950, and \$28,246. So the employee's Average Final Compensation is the average of these numbers, or \$26,732.

9.33	X	1.6%	X	\$26,732	=	\$3,991
Years of		Percentage		Average Final		Yearly Benefit at Normal
Creditable		Value		Compensation		Retirement Date
Service						

\$3,991	X	6.5849	=	\$26,281 ⁷
Yearly		Conversion Factor		Return Accumulated Benefit
Benefit		(determined by		Obligation (Buy-in Amount)
		actuary)		

Because the buy-in amount of \$26,281 is greater than the employee's current FRS Investment Plan account balance of \$25,386, the employee must pay the \$895 difference from other financial resources in order to get back in the FRS Pension Plan.

- **If you had no previous FRS Pension Plan service and joined the FRS Investment Plan as a new employee** – You must pay the Actuarial Accrued Liability (AAL) or total cost of the accumulated FRS Pension Plan benefit. Determining the AAL is very complex and involves many variables such as current age, current service, life expectancy, projections of service and salary, projections of the probabilities of the various ways you may leave active membership (regular retirement, disability, termination, etc.) and the timing of the expected payments, including the time value of money. Because factors used are based on the actuarial valuation completed each year on the FRS, this estimated cost is subject to change based on changes to the previously mentioned factors.

CAUTION: Please be aware that the out-of-pocket cost to “buy-in” to the Pension Plan may be a significant amount and you may not have sufficient funds in your FRS Investment Plan account to cover the total cost. If you are a new hire and elect the Investment Plan initially with the strategy of using your second election at a later date to switch to the Pension Plan, either once you attain sufficient FRS service to vest in the FRS Pension Plan or upon realizing that you want to work a full career with the FRS, understand that you may not be able to afford to make this election. That is why it is so important that you select the right retirement plan initially when using your first election.

Reference: Section 121.4501(4)(g), F.S.
Sections 19-11.001, 11.007, and 13.002, F.A.C.

⁷ Dollar amounts are rounded to the nearest whole dollar.

DISTRIBUTIONS FROM THE FRS INVESTMENT PLAN

Requirements

Since the FRS Investment Plan is a retirement plan, you will not be permitted to make withdrawals from the Plan while you are still employed by an FRS employer, or knowingly expect to return to employment with an FRS employer in the near term. After you have terminated all employment⁸ with an FRS participating employer for **three calendar months** (following your month of termination), you can request a distribution of your account. If you have reached the normal retirement requirements of the FRS Investment Plan for your class of membership⁹, you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month (following your month of termination).

Not Achieved Normal Retirement (Example): If you terminate employment on January 15 and have not met the normal retirement requirements, you must be off FRS-covered payrolls during the months of February, March, and April. Then, on May 1 or later, you can contact the FRS Investment Plan Administrator to request a distribution from your account.

Achieved Normal Retirement (Example): If you terminate employment on January 15 and have met the normal retirement requirements, you are eligible to receive a one-time distribution of up to 10% of your account balance on March 1 and the remaining balance on May 1 or later.

This normal retirement requirement also pertains to FRS members who have previously retired from the FRS, and returned to FRS-covered employment in another career earning a second retirement benefit from the FRS. To receive the 10% distribution from your “second-career” service you must meet the normal retirement requirements of the Investment Plan using only the service earned during your “second-career”.

⁸ Includes work in a temporary, part-time, OPS or regularly established position, regardless of whether it is an FRS-covered or non-covered position.

⁹ “Normal retirement” for FRS Investment Plan members is the later of either the date the member attains normal retirement under the provisions of the Pension Plan or the date the member is vested under the Investment Plan. The following chart spells out when a member achieves normal retirement depending on their class of membership and first date of hire:

Investment Plan Normal Retirement

	All Classes of Membership (except Special Risk)			Special Risk			
Hired prior to July 1, 2011	Age 62 or older and 1 or more years of Investment Plan service	Age 62 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 30 or more years of service	Age 55 or older and 1 or more years of Investment Plan service	Age 55 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 52 or older and 25 or more years of Special Risk and military service	Any age and 25 or more years of Special Risk service
Hired after July 1, 2011	Age 65 or older and 1 or more years of Investment Plan service	Age 65 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 33 or more years of service	Age 60 or older and 1 or more years of Investment Plan service	Age 60 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 57 or older and 30 or more years of Special Risk and military service	Any age and 30 or more years of Special Risk service

If you leave FRS employment, you can leave your account invested in the FRS Investment Plan until you decide to take a distribution from the Plan. Your benefit under the FRS Investment Plan consists of the value of your account. If you are vested in your account, your benefit is payable to you, or to your designated beneficiary or your estate upon your death.

If you start receiving distributions (except for a rollover) from your account, taxes will be required to be paid. Consult your tax advisor or call the MyFRS Financial Guidance Line and speak to one of the financial planners before you make a decision about taking a distribution. See “Taxes on Distributions” for further information on this subject.

Reference: Sections 121.021(29), 121.4501(7), and 121.591, F.S.
Sections 19-11.001 and 11.003, F.A.C.

Requesting a Distribution

You must call the Investment Plan Administrator or log in to MyFRS.com to request a distribution and to designate the type of distribution you wish to take. In addition, you must call the Investment Plan Administrator or log in to MyFRS.com to request a rollover of your account balance to another eligible retirement plan. To get guidance to properly carry out your wishes, contact the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711). Before a distribution is made to you, further information regarding plan distributions will be provided to you. Since tax consequences may be severe if you make certain distribution choices, you may want to consult a professional tax adviser before making your distribution election if you do not plan to call the MyFRS Financial Guidance Line.

Distributions will be based on your account balance at the close of business on the day the request is made, provided the request is completed by 4 p.m. Eastern time. If the distribution is requested after 4 p.m. Eastern time or on a non-business day, the distribution amount will be based on your account balance at the close of business on the next business day the financial markets are open.

CAUTION: Your eligibility to continue your current health insurance coverage with your employer may be affected if you take a distribution from your Investment Plan account. Before taking any distribution from your Investment Plan account, be sure to contact your employer's personnel office to verify your eligibility to continue this very important coverage.

Reference: Sections 110.123(2)(g), 112.0801(2), 121.4501(7), and 121.591, F.S.
Sections 19-11.001 and 11.003, F.A.C.

Distribution Options

You can use some or all of your account to buy monthly lifetime annuity payments guaranteed by an insurance firm (currently The Hartford Life Insurance Company) contracted with the SBA. Using this annuity option, you can provide for joint benefits or survivor benefits. These payments may include survivor benefit options and a 3% annual benefit increase option; or:

You may receive payment as:

- Partial or full lump-sum distribution.
- Partial or full lump-sum direct rollover distribution to an IRA, Roth IRA, 401(k), 403(b), 457, or other qualified retirement plan that accepts rollover contributions. A rollover is a tax-free

transfer from one eligible retirement plan to another. A non-spouse beneficiary may complete a direct rollover distribution to an inherited/beneficiary IRA.

- A split distribution—part direct rollover and part payable to you.
- Periodic distributions from your account balance.

The FRS Investment Plan is a retirement plan and does not permit distributions by members due to hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, the purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an member's principal residence, or for any other reason prior to retirement.

Once you request a distribution of any type (including a rollover) from your FRS Investment Plan account, you are considered retired from the FRS. Your retirement is considered final when your distribution is either cashed or deposited.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001, 11.002, 11.003, and 13.004(3), F.A.C.

Taxes on Distributions

If you choose to receive payment of your distribution as a single lump sum, the taxable portion (including both employee and employer contributions) will be subject to federal taxes in the year the distribution is made.

If you elect to roll over all or part of your distribution, the portion rolled over will not be taxed until you take it out of the eligible plan. Any amounts eligible for rollover but paid directly to you will have a mandatory 20% federal income tax withheld from the distribution (exceptions apply). Any amount directly rolled over to another employer's plan or to an IRA will not be subject to the mandatory 20% federal income tax withholding.

If you are under age 59½ when you receive a distribution there will be an additional 10% federal tax penalty on the taxable portion of your distribution. The 10% tax penalty may not apply if you meet one of the exceptions permitted under the Internal Revenue Code such as death, total and permanent disability, separation from service in the year you turn age 55 or older, or distribution according to a Qualified Domestic Relations Order (QDRO). The penalty also does not apply to distributions made as part of a series of substantially equal, periodic payments (at least annual) throughout your life or life expectancy or the joint lives or joint life expectancies of you and your beneficiary if the payment begins after your separation from service.

Any amounts eligible for rollover but paid directly to you will also be subject to state withholding tax, depending on the following at the time of your distribution:

- Your tax residence is within a state that requires state income tax to be withheld;
- Federal income tax is withheld from your distribution; and
- The distribution amount is in excess of the state's exclusion amount (if applicable).

The Investment Plan Administrator will indicate whether state withholding will be deducted from your distribution.

Reference: Sections 121.4501(7) and 121.591, F.S.
Section 19-11.003, F.A.C.

Required Minimum Distributions

You are not required to take your benefits when you terminate employment but can defer receiving benefits until a later date. In the calendar year you reach age 70½ or terminate employment (whichever is later), the Investment Plan Administrator will notify you that you must start withdrawing a minimum amount as required by federal law. This is referred to as a Required Minimum Distribution (RMD). You have the option of deferring your first RMD payment until April 1st of the following year if you call the Investment Plan Administrator, and request the deferral by November 30. Ongoing, a notice will be mailed to you in January of each year an RMD is required, provided you are still terminated from employment with an FRS participating employer.

For example: You are no longer employed under the FRS and reach age 70½ on August 20, 2013. You must receive the RMD for 2013 from your retirement account by December 31, 2013, unless you request a deferral of this first RMD payment until April 1, 2014. In January 2014 you will receive a notice that an RMD is required for 2014, provided you are still terminated from employment with an FRS participating employer. If eligible, you will receive the RMD for 2014 by December 31, 2014.

The RMD calculation, which changes yearly, is based on your current age and your account balance at the end of the previous year. Any distributions you receive during the year will be applied to your RMD amount. If by December you have not satisfied your RMD requirement, an additional benefit payment will be sent to you in December of any year in which your total distributions for that year do not equal your RMD requirement.

If you are paid a federally mandated RMD from the FRS Investment Plan, you will not be considered a retiree nor will you lose any unvested service credit. If you receive an RMD and return to FRS-covered employment in the future, you will be placed back in the FRS Investment Plan and earn additional service credit. However, if you receive benefit payments over and above the required RMD, you will be considered a retiree and will forfeit any unvested account balance and associated service credit. If you return to FRS-covered employment in the future, you will not be eligible to enroll in the FRS as a reemployed retiree.

If you receive notice that an RMD is required and later return to employment with an FRS-covered employer after receiving the RMD notice, you will be paid the RMD for the year. Future RMDs will not be calculated and paid until you again terminate employment.

If it is later determined that you received an RMD that you were not eligible for, the FRS Investment Plan may request the RMD be returned to your Investment Plan account.

You are not eligible for the Health Insurance Subsidy if you receive an RMD. To be eligible for the HIS, you would have to request a distribution above any required RMD amount.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001, 11.002, 11.003(8), F.A.C.

De Minimis Distributions

If your vested account balance after termination is a de minimis amount as determined by the SBA, it will be subject to an automatic distribution. **A de minimis amount has been set for accounts with vested balances of \$1,000 or less.** No distribution will be made, however, until you have been terminated from all employment with FRS-covered employers for at least six calendar months. A de minimis distribution will be either a complete lump-sum liquidation of your account, subject to the

provisions of the Internal Revenue Code, or if you provide affirmative instructions, a lump-sum direct rollover distribution paid directly to the custodian of an eligible retirement plan on your behalf. If you receive a de minimis distribution, you will not be considered a reemployed retiree and will not be subject to the limitations applicable to such employees. If you receive a de minimis distribution and return to FRS-covered employment in the future, you will be placed back in the FRS Investment Plan and earn additional service credit. You are not eligible for the Health Insurance Subsidy if you receive a de minimis distribution.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001 and 11.003(7), F.A.C.

Uncashed Checks

Once you have taken a distribution from your Investment Plan account, the check for the amount of the distribution is payable for 180 days. If the check is not cashed or deposited within 180 days it becomes a stale-dated check and is canceled and placed in a suspense account. The Investment Plan Administrator will endeavor to find the payee for up to 10 years using various methods. If the payee is not found during the 10-year period, the amount of the check is forfeited and used to pay plan expenses of the Investment Plan. Once the check is distributed, no interest earnings will be credited to the member or payee. All interest earnings on stale dated checks are deposited in the Investment Plan and used to pay administrative expenses of the Investment Plan.

Reference: Sections 121.4501(7) and 121.591, F.S.
Section 19-11.003, F.A.C.

DISABILITY BENEFITS

To qualify for disability retirement benefits, you must be totally and permanently disabled, and your injury or illness must have occurred before you terminated employment. If you are a retiree with renewed membership in the FRS Investment Plan, you are not eligible for disability benefits.

As a member of the FRS Investment Plan, if you become disabled and are approved by the Division of Retirement to receive benefits from the FRS, your FRS Investment Plan account balance (excluding any rollover and prior career funds in your account) will be transferred to the FRS Pension Plan Trust Fund and you will receive disability benefits under the provisions of the FRS Pension Plan. You are not required to use your one-time second election to change to the FRS Pension Plan. Disability benefits are not reduced for early retirement. If you should die while receiving disability benefits, your beneficiary may receive a continuing monthly benefit if you selected a retirement option which provides this. If you recover from your disability, you will be transferred back to the FRS Investment Plan along with any remaining account balance, plus earnings, you have not drawn in retirement benefits.

As an alternative to receiving disability benefits from the FRS Pension Plan, you may elect to continue your participation in the FRS Investment Plan and take a distribution of your account balance under any of the methods provided in the Plan.

Two types of disability benefits are payable under the FRS:

- **Regular Disability Benefits** - To qualify for regular disability retirement, you must complete at least 8 years of creditable service. If approved by the Division of Retirement, your option 1 annual benefit will be at least 25 percent of your average final compensation. If your actual earned benefit, based on your years of service, would be higher than the 25 percent minimum disability benefit, the higher amount will be paid.
- **In-Line-of-Duty Disability Benefits** - You are covered for in-line-of-duty disability beginning on your first day of covered FRS employment. Your in-line-of-duty disability must be caused by injury or illness that happens in the actual performance of duties as required by your job. The minimum yearly benefit paid under option 1 for this type of disability is 42 percent (65 percent for Special Risk) of your average final compensation. If your actual earned benefit, based on your years of service, would be higher than the 42 percent (65 percent for Special Risk), the higher benefit amount will be paid.

Certain FRS members may be entitled to a presumption that they were disabled in-the-line-of-duty:

- Firefighters, law enforcement officers and correctional officers disabled due to heart disease, hypertension or tuberculosis.
- Firefighters, paramedics, emergency medical technicians, law enforcement officers and correctional officers disabled due to hepatitis, meningococcal meningitis, or tuberculosis.

Reference: Sections 121.091(4), 121.4501(16), and 121.591(2), F.S.
Section 19-13.002, F.A.C.

DEATH BENEFITS

If you die at any time **before** vesting, your beneficiary is entitled to receive the employee contributions plus earnings you contributed while you were a member of the Investment Plan. This does **not** include any employee contributions you may have contributed as a former Pension Plan member who transferred into the Investment Plan.

If you die at any time after becoming vested but before you've retired and taken a distribution, your beneficiary is entitled to receive the full value of your vested account balance.

If your spouse is your beneficiary, your spouse may receive your account balance under any of the options available to you as a member of the Investment Plan.

If your beneficiary is not your spouse, your beneficiary must decide within one year how to take a distribution from your account. The account must be paid out within 5 years, unless your beneficiary takes a distribution over their lifetime (lifetime annuity). Another option for your beneficiary is to roll the balance over to an inherited/beneficiary IRA.

Under the FRS Investment Plan there are no separate death benefits if you die in the line of duty as provided in the Pension Plan.

Any required withholding tax will be remitted to the Internal Revenue Service (IRS) at the time of the distribution to your beneficiary. Your beneficiary may receive a distribution under the same options as provided for members, or defer receipt until some future date as permitted by IRS Rules. If deferring, the beneficiary should call the MyFRS Financial Guidance Line to determine the limits of the deferral.

If you die after you retire (take a distribution), your beneficiary is entitled to benefits based on the distribution option you selected. If you elected a lifetime annuity with a joint and survivor option, then your joint annuitant will continue to receive the specified portion of your benefit for the remainder of his or her lifetime. If you elected a lump sum payout, no additional survivor payments are available. If you elected to take a partial distribution from your account, your beneficiary will be entitled to receive the remaining account balance.

Your beneficiary is entitled to free FRS Survivor Financial Counseling upon your death. This service is designed to provide your beneficiary with access to Ernst & Young financial planning professionals who are sensitive to your beneficiary's circumstances and unique financial concerns. This service is provided free for up to one year following your death.

If your beneficiary is a minor (under age 18), Section 744.301, F.S., allows for the natural guardian (surviving parent) to handle the benefits of the minor child where that amount does not exceed \$15,000, without court appointment, authority or bond. In the event that the minor is a beneficiary of an account balance which is greater than \$15,000, a court order must be provided which names a guardian for the minor(s) and the Plan Administrator will take directions only from the named guardian. In all cases where a minor child or children are the beneficiary(ies) of the member, a copy of the birth certificate of all minor children will be required prior to any payout, regardless of the amount.

Reference: Sections 121.4501(20) and 121.591(3), F.S.
Sections 19-11.002 and 11.003, F.A.C.

AFTER RETIREMENT

Health Insurance Subsidy (HIS)

The HIS is a supplementary benefit paid to help pay the cost of your health insurance premiums during retirement. The HIS is only available after you have retired (received any distribution). To be eligible to receive the HIS under the FRS Investment Plan, you must be retired, meet the vesting and normal retirement age or service requirements¹⁰ of the FRS Pension Plan for your class of membership, and provide proper documentation certifying that you have health insurance coverage.

If you leave FRS-covered employment and take a benefit distribution prior to meeting the normal retirement requirements of the Pension Plan, you must wait until you reach normal retirement age to be eligible to begin receiving your HIS benefit. If you elect the FRS Investment Plan Hybrid Option, you will be eligible to receive your HIS payment once you begin receiving your FRS Pension Plan benefit.

The HIS subsidy, which is paid monthly, is \$5 for each year of creditable service, with a minimum HIS of \$30 per month and a maximum HIS of \$150 per month.

If you die, your spouse, if any, at the time of death will be entitled to receive your HIS benefit. It is not available to any other beneficiary.

You are not eligible for the HIS if you receive a Required Minimum Distribution or a de minimis distribution.

The HIS requirements and amounts are enacted by the Florida Legislature and are not a guaranteed benefit and are subject to change and an annual appropriation.

Reference: Sections 112.363 and 121.4501(18), F.S.
Section 19-13.002, F.A.C.

Insurance Coverage After Retirement

After you retire from the FRS Investment Plan, you may continue participating in your employer's group health insurance plan. To be considered retired under the Investment Plan for insurance purposes, you must meet one of the following requirements:

- Meet the age and service requirements to qualify for normal retirement¹⁰ as set forth in s. 121.021(29), Florida Statutes; or

¹⁰ "Normal retirement date" for FRS Pension Plan members who enrolled prior to July 1, 2011 is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 62 and 6 years of creditable service or 30 years of creditable service regardless of age, and for Special Risk members at either age 55 with 6 years of special risk service or 25 years of special risk service regardless of age. "Normal retirement date" for FRS Pension Plan members who initially enrolled on or after July 1, 2011 is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 65 and 8 years of creditable service or 33 years of creditable service regardless of age, and for Special Risk members at either age 60 with 8 years of special risk service or 30 years of special risk service regardless of age.

- Attain age 59½ (as specified by s. 72(t)(2)(A)(i) of the Internal Revenue Code) with 6 years of creditable service or if initially enrolled on or after July 1, 2011, 8 years of creditable service.

If you do not take a distribution and decide to defer your retirement, you will not be considered retired and may not be entitled to continue your employer-sponsored health insurance coverage. It may be possible for you to enroll in your employer-sponsored health insurance in the future if your employer conducts a special retiree open enrollment period or the health insurance plan allows coverage at deferred retirement.

Each employer must decide how to provide health coverage for retirees within the broad guidelines of the law. This is an employer-by-employer decision. Please check with your employer for further details.

CAUTION: Your eligibility to continue your current health insurance coverage with your employer may be affected if you take a distribution from your Investment Plan account. Before taking any distribution from your Investment Plan account, be sure to contact your employer's personnel office to verify your eligibility to continue this very important coverage.

Reference: Sections 110.123 and 112.0801, F.S.

Reemployment After Retirement

An Investment Plan member who terminates FRS-covered employment and receives any distribution from his or her Investment Plan account (including a rollover) is considered a retiree. Disability retirees may not be employed by any public or private employer and continue to receive monthly retirement benefits. Other retirees may be reemployed by a private employer or by any non-FRS public employer without affecting their retirement benefits. Retirees may not be reemployed with an FRS-participating employer in any capacity (FRS-covered or non-covered, including temporary, part-time, OPS and regularly established positions) for the first 12 calendar months after taking a distribution without suspending their retirement benefits. Suspension of benefits, in this case, refers to the retiree's inability to take additional distributions from their Investment Plan account balance until certain requirements have been met. If an FRS Investment Plan member is reemployed with an FRS employer prior to taking a distribution of his/her benefits, he or she will not be considered to have retired.

You may not return to employment with an FRS-covered employer until you have been retired for 6 calendar months (i.e., 6 calendar months following the month in which a distribution was taken). If you are reemployed by an FRS participating employer within the first 6 calendar month period after taking a distribution (retiring), your retirement will be voided. You and your employer will be required to repay any benefits received and your FRS membership will then be reinstated. An alternative to repaying these benefits is for you to terminate employment for an additional period to satisfy the 6 month termination requirement.

If you've been retired for 6 calendar months, and you return to employment with an FRS-covered employer during the 7-12 calendar months after retirement, no additional Investment Plan distributions are permitted until you either terminate employment or complete a total of 12 calendar months of retirement. There are no reemployment exceptions.

After One Year

Once one year has passed since retirement, you can receive further Investment Plan distributions, even if you are reemployed by an FRS employer.

Renewed Membership

Renewed membership in the FRS is not available for retired members who are initially reemployed on or after July 1, 2010.

Different termination requirements and reemployment limitations apply if you retired prior to July 1, 2010.

If you have any questions, contact the Financial Guidance Line at 1-866-446-9377, option 2, and speak with a financial planner.

Reference: Sections 121.021(39), 121.091(9), 121.122, and 121.4501(2)(e), F.S.
Sections 19-11.003 and 11.009, F.A.C.

The following tables provide information on when you may return to FRS-covered employment after retiring from the Investment Plan:

If you are an FRS retiree and return to work¹ with an FRS participating employer ...		
<i>Within 6 Calendar Months</i>	You (and possibly your employer) will be required to repay the distribution you received. To avoid repayment, wait a full 6 calendar months from the month you took your distribution or rollover to return. If you've already been rehired, terminate your employment and return after satisfying the 6-calendar-month period.	You must notify the Investment Plan Administrator of your employment during this period by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.
<i>During Calendar Months 7 to 12</i>	Any distributions you are receiving from the Investment Plan will stop until 12 calendar months have elapsed since you became an FRS retiree or you terminate employment with all FRS participating employers.	
<i>After 12 Calendar Months</i>	You will not be required to repay any prior distributions, and you may continue receiving distributions from the Investment Plan without interruption.	

¹ This includes work in a temporary, part-time, OPS, or regularly established position, regardless of whether it is an FRS-covered or non-covered position.

INVESTMENT PLAN

Termination and Reemployment

Renewed membership is not allowed.

Distribution Month (Retired)	Termination Requirement	Reemployment
January 2012	January 2012-July 31, 2012	August 1, 2012-January 31, 2013
February 2012	February 2012-August 31, 2012	September 1, 2012-February 28, 2013
March 2012	March 2012-September 30, 2012	October 1, 2012-March 31, 2013
April 2012	April 2012-October 31, 2012	November 1, 2012-April 30, 2013
May 2012	May 2012-November 30, 2012	December 1, 2012-May 31, 2013
June 2012	June 2012-December 31, 2012	January 1, 2013-June 30, 2013
July 2012	July 2012-January 31, 2013	February 1, 2013-July 31, 2013
August 2012	August 2012-February 28, 2013	March 1, 2013-August 31, 2013
September 2012	September 2012-March 31, 2013	April 1, 2013-September 30, 2013
October 2012	October 2012-April 30, 2013	May 1, 2013-October 31, 2013
November 2012	November 2012-May 31, 2013	June 1, 2013-November 30, 2013
December 2012	December 2012-June 30, 2013	July 1, 2013-December 31, 2013
January 2013	January 2013-July 31, 2013	August 1, 2013-January 31, 2014
February 2013	February 2013-August 31, 2013	September 1, 2013-February 28, 2014
March 2013	March 2013-September 30, 2013	October 1, 2013-March 31, 2014
April 2013	April 2013-October 31, 2013	November 1, 2013-April 30, 2014
May 2013	May 2013-November 30, 2013	December 1, 2013-May 31, 2014
June 2013	June 2013-December 31, 2013	January 1, 2014-June 30, 2014
July 2013	July 2013-January 31, 2014	February 1, 2014-July 31, 2014
August 2013	August 2013-February 28, 2014	March 1, 2014-August 31, 2014
September 2013	September 2013-March 31, 2014	April 1, 2014-September 30, 2014
October 2013	October 2013-April 30, 2014	May 1, 2014-October 31, 2014
November 2013	November 2013-May 31, 2014	June 1, 2014-November 30, 2014
December 2013	December 2013-June 30, 2014	July 1, 2014-December 31, 2014
January 2014	January 2014-July 31, 2014	August 1, 2014-January 31, 2015
February 2014	February 2014-August 31, 2014	September 1, 2014-February 28, 2015
March 2014	March 2014-September 30, 2014	October 1, 2014-March 31, 2015
April 2014	April 2014-October 31, 2014	November 1, 2014-April 30, 2015
May 2014	May 2014-November 30, 2014	December 1, 2014-May 31, 2015
June 2014	June 2014-December 31, 2014	January 1, 2015-June 30, 2015
July 2014	July 2014-January 31, 2015	February 1, 2015-July 31, 2015
August 2014	August 2014-February 28, 2015	March 1, 2015-August 31, 2015
September 2014	September 2014-March 31, 2015	April 1, 2015-September 30, 2015
October 2014	October 2014-April 30, 2015	May 1, 2015-October 31, 2015
November 2014	November 2014-May 31, 2015	June 1, 2015-November 30, 2015
December 2014	December 2014-June 30, 2015	July 1, 2015-December 31, 2015
January 2015	January 2015-July 31, 2015	August 1, 2015-January 31, 2016
February 2015	February 2015-August 31, 2015	September 1, 2015-February 29, 2016
March 2015	March 2015-September 30, 2015	October 1, 2015-March 31, 2016
April 2015	April 2015-October 31, 2015	November 1, 2015-April 30, 2016
May 2015	May 2015-November 30, 2015	December 1, 2015-May 31, 2016
June 2015	June 2015-December 31, 2015	January 1, 2016-June 30, 2016

Distribution Month plus 6 Months

No exceptions – months 7-12 must suspend distributions

Revision date: February 22, 2013

FORFEITING RETIREMENT BENEFITS

If, prior to retirement, you commit a crime specified by Florida Statutes as requiring forfeiture of benefits and are found guilty, or enter a plea of guilty or nolo contendere, or your employment was terminated because of an admission to committing, aiding, or abetting a specified crime, retirement rights and benefits are forfeited (except for any portion of your Investment Plan account attributable to a refund of employee retirement contributions or deposits). The forfeiture of benefits provision applies if a job-related felony offense as outlined below is committed:

- Committing, aiding or abetting an embezzlement of public funds or any grand theft from the employer;
- Committing bribery in connection with employment;
- Committing any other felony specified in Chapter 838, Florida Statutes, (bribery and misuse of public office), except ss. 838.15 and 838.16, Florida Statutes, (commercial bribes);
- Committing any felony with intent to defraud the public or the employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for the participant or another person through the use of his or her position; or
- Committing an impeachable offense (applies to elected officials only).
- Convicted of committing any felony as defined in s. 800.04, Florida Statutes, against a victim younger than 16, or any felony defined in Chapter 794, Florida Statutes, against a victim younger than 18.

See s. 112.3173, Florida Statutes, and s. 8, Article II of the State Constitution, for additional information. In addition to the crimes stated above, if a court of competent jurisdiction finds that you violated any state law against strikes by public employees, your benefits are forfeited.

If your beneficiary is found to have intentionally killed you or procured your death, he or she forfeits all rights to retirement benefits. Any benefits payable would be paid as if the beneficiary died before the member.

The Clerk of the Court, the Secretary of the Senate or the employer, as appropriate, must notify the Commission on Ethics if you are found guilty of (or otherwise responsible for), impeached, or terminated prior to retirement due to any of the above offenses. The Commission on Ethics will notify the Division of Retirement. Your benefits will be suspended subject to a hearing held by an administrative law judge of the Division of Administrative Hearings. The judge's decision may be appealed to the applicable District Court of Appeal.

Reference: Sections 112.3173 and 121.091(5), F.S.
Sections 19-11.002 and 11.008, F.A.C.

COMPLAINT PROCEDURES

Section 121.4501(8)(g), Florida Statutes, requires the SBA to “receive and resolve member complaints against the program, the third-party administrator, or any program vendor or provider.”

If you have a complaint against a provider such as an administrative, education or investment provider, the complaint procedures establish a sequence of events, which must be followed to allow for a proper understanding of the complaint and to allow for a complete investigation of the complaint. The complaint procedures also include the opportunity for a hearing pursuant to Chapter 120, Florida Statutes, which is Florida’s Administrative Procedure Act. Further, the complaint procedures state the opportunity to appeal the outcome of the hearing.

These complaint procedures must also be used if the SBA or another entity makes a decision, which will reduce, suspend, or terminate your retirement benefits.

The Investment Plan Administrator is required to retain all participant records for at least 5 years for use in resolving member complaints. The SBA, Investment Plan Administrator, or other providers will not be required to produce documentation or audio recordings for member complaints that occurred 5 or more years before the complaint was submitted. It will be incumbent upon the participant filing the complaint to show that the FRS did not provide the services or information in dispute as directed by law or the participant.

The complaint procedures are available at no charge as a separate document. To get a copy, call the FRS Investment Plan Administrator, toll-free, at 1-866-446-9377, Option 4 (TRS 711). The procedures are also available online at MyFRS.com.

Reference: Sections 121.4501(8)(g) and (9)(g)3., F.S.
Section 19-11.005, F.A.C.

GENERAL INFORMATION

Assignment, Execution, or Attachment

The benefits payable to you under the FRS Investment Plan, and any contributions accumulated under the Plan, are not subject to assignment, execution, attachment, or any legal process, except for a Qualified Domestic Relations Order (QDRO) issued by a court of competent jurisdiction, income deduction orders as provided in s. 61.1301, Florida Statutes, and federal income tax levies. Note that federal income tax levies will only be honored if you are eligible for a distribution.

If you divorce or legally separate, the FRS Investment Plan may be required to follow the provisions of a QDRO that assigns part or all of your FRS Investment Plan account to a former spouse or for the support of your dependents.

The FRS Investment Plan Administrator determines whether a court order is a QDRO. You can obtain QDRO information from the FRS Investment Plan Administrator by calling the Financial Guidance Line at 1-866-446-9377, Option 4. Model language is available to assist in the drafting of a QDRO that meets the requirements of federal law and the Plan's provisions. This language is available on MyFRS.com in the "Forms" and "Publications" sections.

The FRS Investment Plan Administrator will send you a notice if the Plan receives a court order that could affect your FRS Investment Plan account.

Reference: Section 121.591(4), F.S.
Sections 19-11.001 and 11.003(6), F.A.C.

Errors and Incorrect or Incomplete Data

Errors may sometimes occur in determining benefits provided by the FRS Investment Plan. This could be due to incorrect or incomplete data or for other reasons. If such an error is discovered, the FRS Investment Plan Administrator and your employer reserve the right to correct it at any time, including after you terminate employment or take a distribution of your account balance. If you receive an overpayment as a result of an error, you will be notified of the amount and will be required to repay it either to the FRS or your employer, as applicable. If you have an underpayment you will receive an additional payment from the FRS Investment Plan Administrator.

Reference: Sections 121.591(1)(a)5. and 121.78(3), F.S.
Sections 19-11.001 and 11.011, F.A.C.

Employment Rights in the FRS Investment Plan

Participation in the FRS Investment Plan or any contributions to the FRS Investment Plan on your behalf, or any other part of FRS Investment Plan operation or administration does not give you the right to continued employment with any FRS employer.

Reference: Section 121.051(5), F.S.

Updating Mailing Addresses or Name Changes

The process to update your mailing address or change your name in the FRS records varies depending on whether you are an active or terminated/retired member, as follows:

Active Member - If you are an active FRS member, your member-specific demographic information is provided to the Division of Retirement by your FRS employer each month through a monthly payroll file. This file includes the name and mailing address for all active FRS members. To change your name or address you should report the new name or address to your FRS employer and ask them to change it on the next payroll.

Terminated/Retired Member - Once you terminate your FRS-covered employment or retire you will continue to receive information from the Investment Plan as long as you have money in your Investment Plan account. The process to change your name or address is as follows:

- To change your name, you need to either request a name change form from Aon Hewitt (1-866-446-9377, Option 4), or send a letter to Aon Hewitt, the Investment Plan Administrator, by mail (FRS Investment Plan, P.O. Box 785027, Orlando, FL 32878-5027) or by fax (1-888-310-5559). The letter should include your old name, new name, last 4 digits of your Social Security number, and a copy of the court order, marriage certificate, or driver's license reflecting your new name. If the form/letter is in good order, the Investment Plan Administrator will update the information on the recordkeeping system.
- For address changes only, you can either make the address change online by logging into MyFRS.com or by calling the Investment Plan Administrator, at 1-866-446-9377, Option 4 (TRS 711). For your security, a confirmation statement will be mailed within two business days to both your current address on file and the new address provided.
- If you are receiving the Health Insurance Subsidy and need to change your address for this benefit, complete and submit Form ADDCH-1, Address Change Request, available on the Division of Retirement's website at frs.myflorida.com.

Reference: Sections 19-13.002 and 13.004, F.A.C.

RETIREMENT AND FINANCIAL PLANNING

Retirement and financial planning services are available at no cost to all FRS Investment Plan and FRS Pension Plan members through the MyFRS Financial Guidance Line. The services are provided through a contract with Ernst & Young. The Ernst & Young planners can help you develop a full financial plan using not only your FRS benefits, but any other sources of income, including IRA's, or a 457, 403(b), or a 401(k) plan. These long term planning services are available after you make an FRS retirement plan choice.

Ernst & Young financial planners do not sell any investment or insurance products. They are there to serve as your personal retirement and financial advocate; available to answer any retirement and financial questions you have.

Reference: Section 121.4501(10), F.S.
Sections 19-11.001, 13.004(3), (4), and (5), F.A.C.

FINANCIAL GUIDANCE AND ADVICE POLICY

When you use either the online CHOICE SERVICE or the ADVISOR[®] SERVICE from Financial Engines you will have the opportunity to review recommendations for the allocation of investment funds. Financial Engines is authorized to provide these SERVICES to FRS members under contract with the State Board of Administration of Florida (SBA). Financial Engines will discharge each of its duties under the SBA contract and exercise each of its powers with due care, skill, prudence and diligence under the circumstances that a prudent expert, acting in a like capacity and familiar with such matters, would use in the conduct of any enterprise of like character and with like aims. Financial Engines discharges its duties under the SBA contract solely in the interest of FRS members and their beneficiaries, shall not directly or indirectly receive any benefit from recommendations made under the SBA contract, and shall disclose to the SBA any investment or economic interest of Financial Engines that may be enhanced by the recommendations it makes under the SBA contract. With respect to investment advisory services provided to you by Financial Engines, Financial Engines will also be bound by fiduciary duties imposed by federal and state securities laws.

It is important for you to understand that the SERVICES are frameworks to be used in your own retirement planning; they are not a substitute for your own informed judgment or decisions. Moreover, they provide only some of the resources that could possibly assist you in making your decisions and may not reflect all of your individual needs and circumstances. You may accept, reject or modify the recommendations provided by the CHOICE and ADVISOR SERVICES, and you may consult with other advisors or professionals (at your expense) as you see fit regarding your personal circumstances.

Before applying any asset allocation presented to you in the SERVICES, you should consider your other assets, income and investments (including, for example, equity in a home, IRA investments, savings accounts and interest in other retirement plans) as well as your FRS investments and benefits. As provided in Rule 19-13.004(4)(d), Florida Administrative Code, the use of the terms “recommended” or “advice”, or forms thereof of these terms, do not constitute the rendering of advice in the absence of a mutual agreement between the member and the plan that the advice will serve as a primary basis for the member’s investment decisions with respect to the member’s account assets. Such mutual agreement is not offered under the FRS.

Please note that since past performance is not always an accurate predictor of the future, and reliance on historical and current data necessarily involves certain inherent limitations, you must understand that future performance estimates are only a tool to be used in evaluating your portfolio and not a substitute for your informed judgment.

Reference: Sections 19-11.001 and 13.004(4), F.A.C.

CONTACTING US

- *FRS Internet Site:* The **MyFRS.com** web site is your online source of information for managing your FRS Investment Plan account.
- *MyFRS Financial Guidance Line:* Toll-free 1-866-446-9377 (or Telecommunications Relay Service 711)
 - Ernst & Young (Options 1 & 2) and Aon Hewitt representatives (Option 4) are available from 9 a.m. to 8 p.m. Eastern time (8 a.m. to 7 p.m. Central time).
 - Division of Retirement (Option 3) staff is available from 8 a.m. to 5 p.m. Eastern time.
 - Representatives are available Monday through Friday, except holidays.

By calling this number, you can contact the following:

- (1) An Ernst & Young financial planner. These planners are experienced and unbiased and they do not sell any investment or insurance products. They can provide guidance on the plan choice process, help with the CHOICE SERVICE and ADVISOR SERVICE, the one-time Second Election, and retirement and investment planning.
- (2) The Division of Retirement — the administrator of the FRS Pension Plan — can answer detailed questions about the FRS Pension Plan, second election buy back costs, and FRS Pension Plan QDRO's.
- (3) Aon Hewitt, the Investment Plan Administrator. You can call Aon Hewitt to request account statements and fund performance reports, move money between investment options within your account, arrange for benefit payments, file your election forms, request forms and brochures, and answer questions regarding FRS Investment Plan QDRO's.

Reference: Section 121.4501(11), F.S.
Sections 19-13.002 and 13.004, F.A.C.

GLOSSARY

The following terms are defined as used in connection with the FRS and in this brochure. In an effort to make these provisions easy to understand, nontechnical language has been used as much as possible. Questions of interpretation will be governed by Chapter 121, Florida Statutes, and any applicable rules of the Florida Administrative Code.

Accumulated Benefit Obligation, or ABO: The present value of a member's retirement benefit in the FRS Pension Plan. The present value is calculated by the Division of Retirement.

Administrator, Investment Plan Administrator, or Plan Choice Administrator: Aon Hewitt, who was hired by the State Board of Administration of Florida to provide administrative services to the FRS Investment Plan, including processing enrollment forms.

Beneficiary: The joint annuitant or any other person, organization, estate, or trust fund you designate to receive a retirement benefit that may be payable when you die.

Benefit: Any payment—lump sum or periodic—to you, a retiree, or a beneficiary, based partially or entirely on employee and employer contributions.

Calendar month: One of the 12 divisions of a year as determined by the Gregorian calendar (e.g., January, April, etc.). In order to request a distribution from the FRS Investment Plan, you must terminate employment with all FRS participating employers for three calendar months (following your month of termination). If you have reached the normal retirement requirements of the FRS Investment Plan for your class of membership you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month (following your month of termination).

- **Not Achieved Normal Retirement (Example):** If you terminate employment on January 15 and have not met the normal retirement requirements, you must be off FRS-covered payrolls during the months of February, March, and April. Then, on May 1 or later, you can contact the FRS Investment Plan Administrator to request a distribution from your account.
- **Achieved Normal Retirement (Example):** If you terminate employment on January 15 and have met the normal retirement requirements, you are eligible to receive a one-time distribution of up to 10% of your account balance on March 1 and the remaining balance on May 1 or later.

Contributions: The percentage of your gross monthly salary that you and your employer contribute to the FRS Investment Plan on your behalf.

Creditable service: A member receives one month of service credit for each month in which any salary is paid for work performed.

Date of participation: The date you become a plan member.

Defined contribution plan: A type of retirement plan as defined under Section 401(a) of the Internal Revenue Code, which defines the amount of contributions which are made for an employee and that amount is generally related to an employee's salary.

Division: Division of Retirement within the Florida Department of Management Services.

Eligible employee: An officer or employee, who is a member of or is eligible for membership in the Florida Retirement System, including renewed membership; participates in or is eligible to participate in the Senior Management Service Optional Annuity Program or the State Community College Optional Retirement Program; or terminated Deferred Retirement Option Program (DROP) participants, or is eligible to participate in (but does not participate in) the State University System Optional Retirement Program. An eligible employee does not include active DROP participants, mandatory participants in the State University System Optional Retirement Program, participants in the Teachers' Retirement System (TRS), participants in the State and County Officers' and Employees' Retirement System (SCOERS), or a retiree of the FRS Pension Plan, FRS Investment Plan, or any state-administered retirement system who is initially reemployed with an FRS-covered employer on or after July 1, 2010.

Eligible rollovers: A direct plan transfer from an eligible retirement plan to the FRS Investment Plan. Terminated FRS DROP participants can roll over their DROP proceeds into the FRS Investment Plan. Also, former FRS Investment Plan members (retirees) who terminated FRS employment and took a complete distribution from their Investment Plan account may roll eligible funds from other qualified retirement plans back into the FRS Investment Plan. Rollovers from DROP participants and former Investment Plan members can be accessed for distribution by the participant even if the participant has returned to FRS-covered employment.

Employer: Any agency, branch, department, institution, university, institution of higher education, or board of the state, or any county agency, branch, department, district school board, or special district of the state, or any city of the state that participates in the Florida Retirement System for the benefit of certain of its employees, or a charter school or charter technical career center that participates as provided in s. 121.051(2)(d), F.S.

Fiscal year: A 12-month period beginning July 1 and ending on June 30.

Florida Retirement System Investment Plan: Formal name of the FRS Investment Plan or Investment Plan. Available beginning in 2002, the FRS Investment Plan is an optional defined contribution plan alternative to the FRS Pension Plan. If you were actively employed when the FRS Investment Plan became effective, you had a 90-day education period followed by a 90-day period in which to choose participation in the Investment Plan. If you are first employed on, or you return to covered employment after the applicable June 1, September 1, or December 1, 2002 election dates, you have a 6-month period to elect participation in the PEORP. If you don't make a selection, you will remain in the defined benefit plan (FRS Pension Plan). Current participants in the Deferred Retirement Option Program (DROP); faculty, including clinical faculty, in a college at a state university that has a faculty practice plan who are mandatory members of the State University System Optional Retirement Program; and participants in the Teachers Retirement System or State and County Officers and Employees Retirement System are not eligible to participate in the FRS Investment Plan.

Health Insurance Subsidy, or HIS: A supplementary benefit paid to help pay the cost of your health insurance premiums. The HIS amount you receive is based on your length of service. The subsidy is \$5 for each year of creditable service (with a minimum HIS of \$30 per month and a maximum HIS of \$150 per month). If first enrolled in the FRS prior to July 1, 2011, to be eligible to receive the HIS under the FRS Investment Plan, you must have at least 6 years of FRS service, be retired (received any distribution), meet the normal retirement age or service requirements of the FRS Pension Plan for your class of membership, and provide proper documentation certifying that you have health insurance coverage. If first enrolled in the FRS on or after July 1, 2011, to be eligible to receive the HIS under the FRS Investment Plan, you must have at least 8 years of FRS service, be retired (received any distribution), meet the normal retirement age or service requirements of the FRS Pension Plan for your

class of membership, and provide proper documentation certifying that you have health insurance coverage. You must apply for the HIS with the Division of Retirement. If you die, your spouse at the time of death is entitled to the HIS benefit.

Local agency employer: The board of county commissioners or other legislative governing body of a county, including that of a consolidated or metropolitan government; a clerk of the circuit court, sheriff, property appraiser, tax collector, or supervisor of elections, provided such officer is elected or has been appointed to fill a vacancy in an elective office; a community college board of trustees or district school board; or the governing body of any city or special district of the state which participates in the system for the benefit of certain of its employees.

Normal retirement: “Normal retirement” for FRS Investment Plan members is the later of either the date you attain normal retirement under the provisions of the Pension Plan or the date you are vested under the Investment Plan. The following chart spells out when you achieve normal retirement depending on your class of membership and first date of hire:

Investment Plan Normal Retirement

	All Classes of Membership (except Special Risk)			Special Risk			
Hired prior to July 1, 2011	Age 62 or older and 1 or more years of Investment Plan service	Age 62 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 30 or more years of service	Age 55 or older and 1 or more years of Investment Plan service	Age 55 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 52 or older and 25 or more years of Special Risk and military service	Any age and 25 or more years of Special Risk service
Hired after July 1, 2011	Age 65 or older and 1 or more years of Investment Plan service	Age 65 or older and 1 or more years of combined Pension Plan and Investment Plan service	Any age and 33 or more years of service	Age 60 or older and 1 or more years of Investment Plan service	Age 60 or older and 1 or more years of combined Pension Plan and Investment Plan service	Age 57 or older and 30 or more years of Special Risk and military service	Any age and 30 or more years of Special Risk service

If you have reached the normal retirement requirements of the FRS Investment Plan for your class of membership, you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month.

Officer or employee: Any person receiving salary payments for work performed in a regularly established position and, if employed by a city or special district, employed in a covered position.

Plan year: The period of time beginning July 1 and ending on the following June 30, both dates inclusive, for all State-administered retirement systems.

Reemployment: This term means employment after retirement and is generally limited to employment with employers participating in the FRS.

Retiree: Under the FRS Investment Plan, this term means a former member of the FRS Investment Plan who has terminated employment and has taken a distribution of benefits from the plan, except for a mandatory distribution of a de minimis account balance or a federally mandated Required Minimum Distribution.

Retirement: Under the FRS Investment Plan, this term means the point at which you are vested, have terminated all FRS-covered employment, and have taken a distribution from the Plan.

Salary: Regular payment of compensation by an FRS employer to an employee for work performed, including certain overtime payments. Bonus payments and salary supplements made to teachers who have a valid National Board for Professional Teaching Standards certificate, pursuant to s. 1012.72, Florida Statutes, are not considered compensation. [By law, certain fees and other amounts are not considered “compensation” under the FRS. See s. 121.021(22), Florida Statutes, or see subsection (15) of Rule 60S-6.001, F.A.C., for details.]

Special district: An independent special district as defined in s. 189.403(3), Florida Statutes.

State agency: Any agency, branch, department, institution, university, institution of higher education, or board of the state that participates in the Florida Retirement System.

State board, or board, or the SBA: The State Board of Administration of Florida.

Termination: This refers to the termination of employment, which occurs when you end all employment with all FRS employers. To receive a distribution from the FRS Investment Plan, you must terminate all FRS-covered employment for three calendar months (If you have reached the normal retirement requirements of the FRS Investment Plan for your class of membership, you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month). Your retirement will be cancelled if you are reemployed by any FRS employer during the first three calendar months (one calendar month if you have met the normal retirement requirements of the FRS Pension Plan) after termination of employment prior to taking a distribution from your Investment Plan account balance. You are also required to be terminated from all employment with an FRS employer for six calendar months following the month you received your distribution. Your retirement will be cancelled if you are reemployed by an FRS employer within six calendar months of the month you receive your distribution. A leave of absence is considered a continuation of the employee-employer relationship, except that a leave of absence without pay due to a disability may constitute termination if you make application for and are approved for disability retirement. Disability retirees will cancel their retirement if any employer gainfully reemploys them at any time following their termination date.

Vest, Vested or Vesting: These terms refer to the guarantee of a benefit under the FRS Investment Plan after you work one year for an FRS employer and earn creditable service in a regularly established position with an FRS employer participating in the FRS Investment Plan. You will be vested in the FRS Investment Plan after you complete one year of service.

Year of service or work year: The period of time you are required to work to receive a full year of creditable service.

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This publication is a summary of the retirement options available to FRS-covered employees written in non-technical terms. It is not intended to include every program detail. Complete details can be found in the respective Summary Plan Descriptions; Chapter 121, Florida Statutes; and the rules of the State Board of Administration of Florida in Title 19, Florida Administrative Code. In case of a conflict between the information in this publication and the statutes and rules, the provisions of the statutes and rules will control.

