Retirement
Retirement Options

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*Enrollment in one of these plan options is mandatory for all faculty members.*
Optional Retirement Program (ORP)

• Defined contribution plan – similar to a 401(k)
• Employee pre-tax contributions:
  – Mandatory – 3%
  – Voluntary – can contribute an additional 5.14%
• University contributions:
  – 5.14% of gross salary
• No vesting period
• Deadline to enroll:
  – 90 days from date of hire – strictly enforced
Optional Retirement Program (ORP)

• Start or stop voluntary contributions at any time

• IRS employee contribution maximums (per calendar year):
  – $18,000, if under age 50
  – $24,000, if age 50+

• Contact investment company representatives for tax law/limit information
Optional Retirement Program (ORP)

• Approved Providers
  – Five investment companies to choose from:
    ▪ **AXA** – (850) 893-9535
    ▪ **Brighthouse** – (800) 638-5433
      • Formerly MetLife
    ▪ **TIAA** – (877) 267-4510
    ▪ **VALIC** – (850) 297-0780
    ▪ **Voya** – (850) 894-9611
FRS Pension Plan

• Defined benefit plan – monthly pension retirement payment
• Employee pre-tax contributions:
  – Mandatory – 3%
• 8 years of service to vest (does not need to be continuous)
• Retirement eligibility:
  – Age 65 or 33 years of service (at any age)
  – Vested
• Early retirement: 5% penalty per year under age 65
• Part-time faculty receive full service credit
• OPS/Adjunct teaching does not count toward retirement eligibility
FRS Pension Plan – DROP

• Deferred Retirement Option Program (DROP)

• Begin accumulating retirement benefits without terminating employment – up to 60 months

• Eligible once requirements for normal retirement are met

• Eligibility to join expires 1 year after normal retirement requirements are met
  – Exception: employees who have 33 years of service before age 57 can defer participation
FRS Pension Plan

• Annual retirement benefit is based on:
  – Average Final Compensation (AFC)
    ▪ 8 highest fiscal years’ earnings during FRS career
  – Years of “creditable” service (A&P, Faculty, and USPS)
  – Percentage value per year: 1.6%

• Benefit formula:
  – AFC x Service x Percentage Value per year = yearly pension amount
FRS Pension Plan

• Monthly retirement benefit
• Disability retirement (8 years eligible service required)
• Survivor benefits
• Health Insurance Subsidy (HIS)
  – $5 per year of service
  – Maximum of $150 to monthly benefit
• Annual Cost of Living Adjustment (COLA)
  – Based on current law
• Deadline to enroll:
  – end of the 5th calendar month following date of hire
  – automatically enrolled if you fail to make any election
FRS Investment Plan

• Defined contribution plan – similar to a 401(k)
• Employee pre-tax contributions
  – Mandatory – 3%
• University contributions
  – 3.3% (combined total of 6.3%)
• 1 year of service to vest
• Normal retirement age is 59 ½
• For more information:
  – My FRS Financial Guidance Line: 1-866-446-9377
  – www.myfrs.com
FRS Investment Plan

• Not eligible for DROP
• No Cost of Living Adjustment (COLA) increase
• Eligible for Health Insurance Subsidy (HIS)
  – $5 per year of service
  – Maximum of $150 to monthly benefit
• Deadline to enroll:
  – End of the 5th calendar month following date of hire
FRS – 2nd Election

• All FRS plan members have one opportunity to switch from:
  – FRS Pension Plan to FRS Investment Plan OR
  – FRS Investment Plan to FRS Pension Plan

• ORP members are not eligible to use the 2nd Election

• A finalized 2nd Election cannot be undone

• Note:
  – Switching to the FRS Pension Plan may require additional out-of-pocket expense
Enrollment

<table>
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<th>Retirement Plan</th>
<th>Enrollment Form(s)</th>
<th>Enrollment Deadline</th>
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<td>ORP-ENROLL-1</td>
<td>90 days from hire date.</td>
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<tr>
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<td>ORP-ENROLL-1 and ELE-1-EZ</td>
<td>5 months from hire date.</td>
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<tr>
<td>FRS Investment</td>
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</table>

- ORP enrollment is not complete until contracts are signed with the ORP provider
- 90-day deadline to enroll in ORP & 5-month deadline to enroll in FRS Pension or FRS Investment
- If you do nothing, you will automatically be enrolled in FRS Pension Plan after 5 months
Reemployment Restrictions

• You are considered a retiree of the State of Florida if you receive, withdraw, roll over or transfer any employer-funded Pension, Investment, or ORP benefit, regardless of your age.

• If a retiree is rehired:
  – Minimum of 6 full calendar month waiting period
  – Financially liable for repayment, if in violation
  – 1 full year after “retirement” – no further restrictions

• Rehired retirees of the FRS Pension Plan/DROP are not eligible for renewed membership in any State of Florida retirement plan.
Voluntary Retirement Plans

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<tr>
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*Enrollment in one of these plan options is entirely optional.
Tax Sheltered Annuity 403(b)

• Reduce taxable income
• Minimum $10 bi-weekly
• Subject to yearly contribution limits:
  – $18,000, if under age 50
  – $24,000, if age 50+
• Voluntary ORP contributions count toward limit
• Contributions can be changed at any time
Tax Sheltered Annuity 403(b)

• Choose from eight participating investment companies:
  – Voya, Lincoln Investment, Reliastar – www.gaboragency.com
  – Brighthouse – www.brighthousefinancial.com/
    ▪ Formerly MetLife
  – TIAA – www.tiaa.org/fsu
  – VALIC – www.valic.com
Deferred Compensation - 457

• Administered by the State of Florida
• For a list of companies, or to enroll, contact:
  – Bureau of Deferred Compensation
  – (850) 413-3162 or [www.myfloridadeferredcomp.com](http://www.myfloridadeferredcomp.com)
• Subject to yearly contribution limits:
  – $18,000, if under age 50
  – $24,000, if age 50+
  – Separate limit from 403(b)
• See [company representatives](#) for law/limit information
Post Tax – Roth 403(b)

- Choose from five participating investment companies:
  - Voya, Lincoln Investment – [www.gaboragency.com](http://www.gaboragency.com)
  - TIAA – [www.tiaa.org/fsu](http://www.tiaa.org/fsu)
  - VALIC – [www.valic.com](http://www.valic.com)
- Voluntary employee contributions made on an **after-tax** basis
- Roth 403(b) contributions are subject to the same yearly contribution limits as traditional (pre-tax) 403(b) accounts
Thank You

- Human Resources – Benefits
  - University Center A, Suite 6200
  - (850) 644-4015
  - Retirement: retirement@fsu.edu
  - www.hr.fsu.edu