Retirement
## Retirement Options

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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 contribution:
  - 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 calendar year maximums:
  ✓ $18,000, if under age 50
  ✓ $24,000, if age 50+

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

Five investment companies to choose from:

- AXA – (850) 893-9535
- MetLife – (800) 763-2838
- 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:
  ✓ 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
Florida State University
Online New Employee Orientation
Office of Human Resources

FRS Pension Plan - DROP
Deferred Retirement Option Program

• Begin accumulating retirement benefits without terminating employment - up to 60 months
• Starts once requirements for normal retirement are met
• Eligibility to join expires one year after normal retirement requirements are met

✔ Exception: Employees who have 33 years of service prior to age 57 can defer participation
FRS Pension Plan

Annual retirement benefit is based on:

- Average Final Compensation (AFC)
  - Eight highest fiscal years’ earnings during FRS career
- Years of “creditable” service (A&P & USPS)
- Percentage value per year: 1.6%

Benefit formula: AFC x Service x Percentage value per year
FRS Pension Plan

- Monthly retirement benefit
- Disability retirement
- 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
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Office of Human Resources

FRS Investment Plan

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

- Not eligible for DROP
- No cost-of-living increase
- Eligible for the Health Insurance Subsidy (HIS)
  - $5 per year of service
  - Maximum of $150
- Normal retirement age is 59½

Deadline to enroll: end of the 5th calendar month following date of hire
FRS – 2\textsuperscript{nd} Election

All FRS plan members have one opportunity to switch from:

- FRS Pension Plan → FRS Investment Plan
- FRS Investment Plan → FRS Pension Plan

ORP members are not eligible to use the 2\textsuperscript{nd} Election

A finalized 2\textsuperscript{nd} Election cannot be undone

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

<table>
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<th>Enrollment Form(s)</th>
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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.
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Online New Employee Orientation
Office of Human Resources

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 age.

- If a retiree is being 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 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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<tr>
<td>Roth 403(b)</td>
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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 nine participating investment companies:

- TIAA – http://www.tiaa.org/fsu
- VALIC – http://www.valic.com

Additional contact information:
http://hr.fsu.edu/?page=benefits/retirement/retirement_tax_shelter_annuity_companies
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 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 tax law/limit information
Post Tax – Roth 403(b)

- Choose from four participating investment companies:
  - TIAA – [http://www.tiaa.org/fsu](http://www.tiaa.org/fsu)
- Additional contact information: [http://hr.fsu.edu/?page=benefits/retirement/retirement_roth_403b_companies](http://hr.fsu.edu/?page=benefits/retirement/retirement_roth_403b_companies)
- 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
✓ http://www.hr.fsu.edu