



Office of Human Resources

# Retirement

# Retirement Options

<i><b>Employee</b></i>	<i><b>Eligible Retirement Plan</b></i>
<b>Faculty</b>	Optional Retirement Program (ORP) FRS Pension FRS Investment

\*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:
  - $\text{AFC} \times \text{Service} \times \text{Percentage Value per year} = \text{yearly pension amount}$





# 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 5<sup>th</sup> 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](http://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 5<sup>th</sup> calendar month following date of hire



## FRS – 2<sup>nd</sup> 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 2<sup>nd</sup> Election
- A finalized 2<sup>nd</sup> Election **cannot be undone**
- Note:
  - Switching to the FRS Pension Plan may require additional out-of-pocket expense



# Enrollment

<b><i>Retirement Plan</i></b>	<b><i>Enrollment Form(s)</i></b>	<b><i>Enrollment Deadline</i></b>
Optional Retirement Program	<a href="#"><u>ORP-ENROLL-1</u></a>	90 days from hire date.
FRS Pension FRS Investment	<a href="#"><u>ORP-ENROLL-1</u></a> and <a href="#"><u>ELE-1-EZ</u></a>	5 months from hire date.

- 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

<b><i>Retirement Plan</i></b>	<b><i>Deduction</i></b>
Tax Sheltered Annuity 403(b)	Pre-Tax
Deferred Compensation 457	Pre-Tax
Roth 403(b)	Post-Tax

\*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:
  - **AXA** – <http://us.axa.com/home.html>
  - **Voya, Lincoln Investment, Reliastar** – [www.gaboragency.com](http://www.gaboragency.com)
  - **Lincoln Financial** – [www.lfg.com](http://www.lfg.com)
  - **BrightHouse** – [www.brighthousefinancial.com/](http://www.brighthousefinancial.com/)
    - Formerly MetLife
  - **TIAA** – [www.tiaa.org/fsu](http://www.tiaa.org/fsu)
  - **VALIC** – [www.valic.com](http://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:
  - AXA – <http://us.axa.com/home.html>
  - 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](mailto:retirement@fsu.edu)
  - [www.hr.fsu.edu](http://www.hr.fsu.edu)

