Office of Human Resources

Retirement

For Florida State University Staff
# Retirement Options

<table>
<thead>
<tr>
<th>Employee</th>
<th>Eligible Retirement Plan</th>
</tr>
</thead>
</table>
| USPS     | FRS Pension  
|          | FRS Investment                                               |
| A&P      | FRS Pension  
|          | FRS Investment  
|          | Optional Retirement Program (ORP)                            |
FRS Pension Plan

• Defined benefit plan – guaranteed lifetime monthly benefit
• 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 A&P and USPS receive full service credit
FRS Pension Plan – Special Risk Class

- Only applies to certain law enforcement employees
- For Special Risk Class, the Pension Plan is the default election
- Normal retirement for Special Risk Class:
  - Age 60 and vested, or
  - 30 years of Special Risk service (at any age)
- If you retire early:
  - 5% penalty per year under age 60 (unless you have 30 years)
- Part-time A&P and USPS employees receive full retirement credit
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 and USPS)
  – Percentage value per year:
    ▪ 1.6% if in Regular Class
    ▪ 3.0% if in Special Risk Class

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

• 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 8th month after your month of hire
  - automatically enrolled in the FRS Investment Plan if you fail to make an 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:
  – MyFRS Financial Guidance Line: 1-866-446-9377
  – www.myfrs.com
FRS Investment Plan

• Not eligible for DROP
• Diversified choice of investment funds
• No cost-of-living increase
• Eligible for the Health Insurance Subsidy (HIS)
  – $5 per year of service
  – Maximum of $150
• Normal retirement age is 59 ½
FRS – 2\textsuperscript{nd} Election

• FRS plan members (excluding renewed 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\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 expense
Optional Retirement Program (ORP)

• Available to A&P employees
• Defined contribution plan – similar to a 401(k)
• Employee pre-tax contributions:
  – Mandatory – 3%
  – Voluntary – can contribute up to 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 (per calendar year):
  – $19,000 if under age 50
  – $25,000 if age 50+

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

• Approved Providers
  – Five *investment companies* to choose from:
    - **AIG** (formerly VALIC) – (850) 297-0780
    - **AXA** – (850) 893-9535
    - **MetLife** – (850) 385-0259
    - **TIAA** – (877) 267-4510
    - **Voya** – (850) 894-9611
## Enrollment

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Retirement Plan</th>
<th>Enrollment Form(s)</th>
<th>Enrollment Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;P</td>
<td>Optional Retirement Program</td>
<td>ORP-ENROLL-1</td>
<td>90 days from hire date.</td>
</tr>
<tr>
<td></td>
<td>FRS Pension</td>
<td>ORP-ENROLL-1 and ELE-1-EZ</td>
<td>4:00 pm ET on the last business day of the 8th month after your month of hire.</td>
</tr>
<tr>
<td></td>
<td>FRS Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USPS</td>
<td>FRS Pension</td>
<td>ELE-1-EZ</td>
<td>4:00 pm ET on the last business day of the 8th month after your month of hire.</td>
</tr>
<tr>
<td></td>
<td>FRS Investment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ORP enrollment is not complete until contracts are signed with the ORP provider.
- If you do nothing, you will automatically be enrolled in the FRS Investment Plan.
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

<table>
<thead>
<tr>
<th>Retirement Plan</th>
<th>Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Sheltered Annuity 403(b)</td>
<td>Pre-Tax</td>
</tr>
<tr>
<td>Deferred Compensation 457</td>
<td>Pre-Tax</td>
</tr>
<tr>
<td>Roth 403(b)</td>
<td>After-Tax</td>
</tr>
</tbody>
</table>

*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:
  – $19,000, if under age 50
  – $25,000, if age 50+
• Voluntary ORP contributions count toward limit
• Contributions can be changed at any time
Tax Sheltered Annuity 403(b)

- Choose from seven participating investment companies:
  - AIG (formerly VALIC) – www.valic.com/fsu
  - AXA – us.axa.com/home.html
  - Brighthouse/MetLife – www.metlife.com
  - TIAA – www.tiaa.org/fsu
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
• Subject to yearly contribution limits:
  – $19,000, if under age 50
  – $25,000, if age 50+
  – Separate limit from 403(b)
• See company representatives for tax law/limit information
After Tax – Roth 403(b)

• Choose from five participating investment companies:
  – **AIG** (formerly VALIC) – www.valic.com/fsu
  – **AXA** – us.axa.com/home.html
  – **Voya, Lincoln Investment** –
    www.gaboragency.com/schools/florida-state-university
  – **TIAA** – www.tiaa.org/fsu

• 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
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