



2015 Possible Legislation

- Default change to Investment Plan
- Reemployment

MyFRS Employer Assistance Line 1-866-377-2121







Latest Items

- Spanish Webcast
 - April 21
- Additional reminder letter via email
- MetLife new annuity provider
- Investment Fund Changes
 - Effective July 1, 2014
- Ernst & Young now EY
- MyFRS.com Redesign

MyFRS Employer Assistance Line 1-866-377-2121







Employee Workshops

2015 Schedule of Employee Workshop Webcasts

Date	10:00 a.m. to Noon ET	1:00 to 3:00 p.m. ET
January 12	Using the FRS to Plan for Retirement	Insurance Planning: Protecting Your Loved Ones
January 13	Nearing Retirement in the FRS	Income Tax Planning: Smart Planning for Your Taxes
April 20	Using the FRS to Plan for Retirement	FRS Investment Plan: Understanding Your Benefits
April 21	Nearing Retirement in the FRS	Nearing Retirement in the FRS (SPANISH)
July 21	Using the FRS to Plan for Retirement	Cash and Debt Management: Smart Spending & Saving for Retirement
July 22	Nearing Retirement in the FRS	Education Planning: Funding the Future
October 20	Using the FRS to Plan for Retirement	Investment Planning for Everyone - The Basics
October 21	Nearing Retirement in the FRS	New Employee Retirement Plan Choice

MyFRS Employer Assistance Line 1-866-377-2121







Employer Workshops – Investment Plan

Date	Time	Location
February 11	1 p.m. – 4 p.m. ET	SBA's offices located at 1801 Hermitage Boulevard, Tallahassee, Florida 32308 (a map is included on page 2). Also broadcast on the Internet.
March 10	1 p.m. – 4 p.m. ET	
September 8	1 p.m. – 4 p.m. ET	
October 7	1 p.m. – 4 p.m. ET	

MyFRS Employer Assistance Line 1-866-377-2121







Employer Workshops – Pension Plan


The Division of Retirement will offer four Florida Retirement System (FRS) employer training seminars at the Division of Retirement's offices in Tallahassee. The 2015 seminar dates are Feb. 12, March 12, Sept. 10, and Oct. 8.

8:00 a.m.	Registration
8:30 a.m.	Employer FRS Online
9:00 a.m.	Enrollment
10:00 a.m.	Contributions
11:00 a.m.	Calculations
12:00 p.m.	Lunch on your own
1:30 p.m.	Disability
2:00 p.m.	Survivor Benefits
2:45 p.m.	Retired Payroll
3:15 p.m.	DROP Termination






Two FRS Retirement Plans



FRS
Pension
Plan


OR

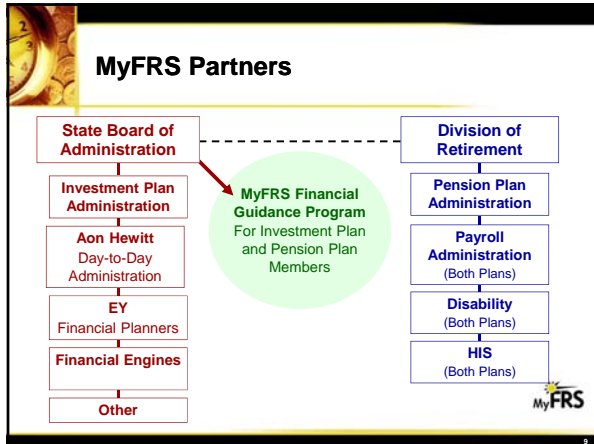


FRS
Investment
Plan

or Hybrid Option

MyFRS Employer Assistance Line 1-866-377-2121





Resources

MyFRS Financial Guidance Line 1-866-446-9377

MyFRS

Resources

- MyFRS Financial Guidance Program
- Employer and Employee
- Multiple formats
 - Print
 - Electronic
 - Telephonic
 - Video

MyFRS Employer Assistance Line 1-866-377-2121

MyFRS

Employer Resources

- MyFRS.com website
 - [Online Employer Catalog](#)
- Quarterly Employer Newsletter
 - [Electronic and hardcopy](#)
 - walter.kelleher@sbafla.com
- MyFRS Employer Assistance Line
 - Ernst & Young
 - Division of Retirement
 - Aon Hewitt




MyFRS Employer Assistance Line 1-866-377-2121




Employer Resources: Employer Toolkit

- The Toolkit includes information about
 - Policies and procedures
 - Member eligibility and requirements,
 - Workshops, and resources concerning the two FRS retirement plans.
- Toolkit Resource CD with the
 - New Hire Video
 - Customizable PowerPoints
 - FAQs
 - [Links to files and information on MyFRS.com.](#)
- FRS Investment Plan Employer Manual






Employer Resources: Investment Plan Employer Manual

- Technical Guide
- Retirement Coordinators
- Payroll Staff
- Others
- Available in Toolkit and online



MyFRS Employer Assistance Line 1-866-377-2121






Employee Resources

- For ALL members
- MyFRS Financial Guidance Line
 - 1-866-446-9377
- MyFRS.com

MyFRS Employer Assistance Line 1-866-377-2121





MyFRS Financial Guidance Line

- Toll-free 1-866-446-9377
 - Monday – Friday, 9 AM – 8 PM ET
- EY financial planners
- Division of Retirement
- Aon Hewitt

FOR ALL MEMBERS
(Regardless of the plan they choose)

MyFRS Employer Assistance Line 1-866-377-2121





Employee Workshops

- EY Workshops
- Division of Retirement Workshops
- More information at MyFRS.com


FOR ALL MEMBERS
(Regardless of the plan they choose)

Call for info!


MyFRS Employer Assistance Line 1-866-377-2121




Roles and Responsibilities



MyFRS Financial Guidance Line 1-866-446-9377







Your Roles and Responsibilities – New Hires

- Use resources during employee orientations
- Point new employees to resources
- Promote active and informed choice
- Follow guidelines in your Toolkit
- Toolkit, Tab 1 and Tab 5

MyFRS Employer Assistance Line 1-866-377-2121






Ongoing Roles and Responsibilities

- Direct employees to correct resources
- Encourage employees to use MyFRS Financial Guidance Line resources
- Answer questions about the 2nd Election

MyFRS Employer Assistance Line 1-866-377-2121



Plan Administration



MyFRS Financial Guidance Line 1-866-446-9377



Plan Administration – Deadlines

- Payroll contributions
 - Due date: 5th business day of month
 - 1% delinquent assessment
- Employer also pays
 - Market losses
 - Administrative fee

MyFRS Employer Assistance Line 1-866-377-2121



Contribution Rates (2014–2015)

Contributions Paid by FRS Employers					
FRS Membership Class	Blended Rate	UAL	Admin/ Education	HIS	Total ER Rate
Regular	3.53%	2.54%	.04%	1.26%	7.37%
Special Risk	11.01%	7.51%	.04%	1.26%	19.82%
Special Risk Admin.	4.18%	36.59%	.04%	1.26%	42.07%
Elected (Judges)	10.10%	21.77%	.04%	1.26%	33.17%
Elected (Leg/Cab/ Defender/Attorney)	6.30%	38.66%	.04%	1.26%	46.26%
Elected (County/Local)	8.36%	33.58%	.04%	1.26%	43.24%
Senior Management	4.80%	15.04%	.04%	1.26%	21.14%

Contribution Rates (2014–2015)

Contributions Paid by Employers and Employees			
FRS Membership Class	Paid by Employer	Paid by Employee	Total Pension Plan Contribution
Regular	7.37%	3.00%	10.37%
Special Risk	19.82%	3.00%	22.82%
Special Risk Admin.	42.07%	3.00%	45.07%
Elected (Judges)	33.17%	3.00%	36.17%
Elected (Leg/Cab/Defender/Attorney)	46.26%	3.00%	49.26%
Elected (County/Local)	43.24%	3.00%	46.24%
Senior Management	21.14%	3.00%	24.14%

Contribution Rates (2014–2015)

Investment Plan Contribution Components			
FRS Membership Class	Paid by Employer	Paid by Employee	Total Investment Plan Contribution
Regular	3.30%	3.00%	6.30%
Special Risk	11.00%	3.00%	14.00%
Special Risk Admin.	4.95%	3.00%	7.95%
Elected (Judges)	10.23%	3.00%	13.23%
Elected (Leg/Cab/Defender/Attorney)	6.38%	3.00%	9.38%
Elected (County/Local)	8.34%	3.00%	11.34%
Senior Management	4.67%	3.00%	7.67%

Contribution Rates (2014–2015)

- Employee question – why paycheck contribution different from actual?
 - Example:

Regular Class	Paid by Employer	Paid by Employee
Blended Rate	7.37%	3.00%
Investment Plan Rate	3.30%	3.00%

MyFRS Employer Assistance Line 1-866-377-2121

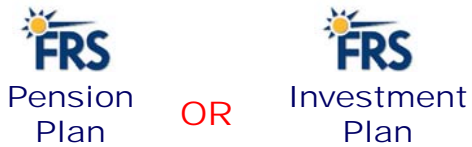
Enrollment Process for New Employees



MyFRS Financial Guidance Line 1-866-446-9377



Two FRS Retirement Plans



or Hybrid Option

MyFRS Employer Assistance Line 1-866-377-2121



New Hires – FRS Membership

- Required for all full-time/part-time regularly established positions
- Other annuity or optional programs
 - **Senior Management Service Class** employees (including Elected Officers' Class employees who choose to join that class)
 - **State University System** faculty and administrative and professional employees
 - **State Community College System** faculty and certain administrators (if their college offers an optional retirement program)

MyFRS Employer Assistance Line 1-866-377-2121

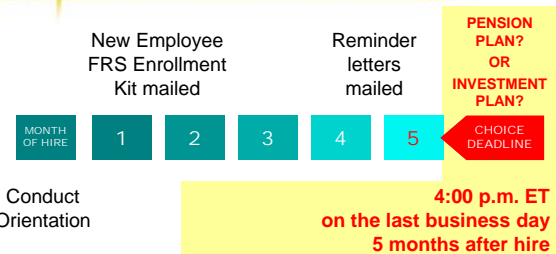


New Hires – Investment Plan Eligibility


- All FRS members except:
 - Deferred Retirement Option Program (DROP)** participants
 - State University System Optional Retirement Program (SUSORP)** members
 - Teachers' Retirement System** members (closed plan)
 - State and County Officers and Employees' Retirement System** members (closed plan)
 - Reemployed Retirees** initially reemployed on or after July 1, 2010

MyFRS Employer Assistance Line 1-866-377-2121 

New Hires – Enrollment Process




The diagram shows a 5-month timeline starting from the 'MONTH OF HIRE'. At month 1, 'New Employee FRS Enrollment Kit mailed'. At month 5, 'Reminder letters mailed'. A red arrow labeled 'CHOICE DEADLINE' points to month 5. A yellow box at the end of the timeline states: '4:00 p.m. ET on the last business day 5 months after hire'. Above this box, it asks 'PENSION PLAN? OR INVESTMENT PLAN?'.


MyFRS Employer Assistance Line 1-866-377-2121 

New Hires – Enrollment Process

- Regular or Special Risk Class employee,
 - Online
 - Call the MyFRS Financial Guidance Line
 - Paper form
- Other Membership Class – paper only
- EZ Enrollment Form
 - Investment Plan default fund - age-appropriate Retirement Date Fund
- General Enrollment Form
 - Investment Plan fund allocation



MyFRS Employer Assistance Line 1-866-377-2121 




New Hires


- Employees who know they want to enroll in the Investment Plan should do so ASAP so dollars are invested timely
- Preserve the 2nd Election

FAST FACTS

- 60,000 new hires/year
- 5,000/month average
- Peak months
 - August = 11,500
 - September = 6,900

MyFRS Employer Assistance Line 1-866-377-2121







Beneficiary Designation

- Make change online,
- Investment Plan members can change by calling Aon Hewitt, or
- Mail a Beneficiary Designation form any time
 - Pension Plan → BEN-001 → Division of Retirement
 - Investment Plan → IPBEN-1 → Aon Hewitt
 - Download copy of form online
 - Or call to request copy of form
 - Enrollment form default designation
 - Florida Statutes
- Talk to a financial planner

MyFRS Employer Assistance Line 1-866-377-2121






Choice Resources for New Hires

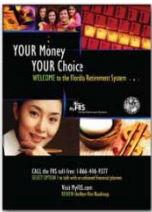
- MyFRS Financial Guidance Line
- MyFRS.com resources
 - New Hire Roadmap, FAQ's, brochures, forms, detailed plan comparisons, Online CHOICE SERVICE, Enrollment
- Printed materials
- New Hire video
- Workshops (if requested by employer)
- Reminder letters

MyFRS Employer Assistance Line 1-866-377-2121




Orientation Brochure

- High-level overview
- Stresses MyFRS Financial Guidance Line
- Distribute in new employee orientation packages
- Order
 - MyFRS.com and select "Employer" page
 - Employer Assistance Line, Option 3



MyFRS Employer Assistance Line 1-866-377-2121



FRS Enrollment Kit

- New Employee FRS Enrollment Kit
 - Options for New Employees
 - Benefit Comparison Statement
 - Wallet cards
 - Video
 - Investment Fund Summary
 - EZ Enrollment form
 - Privacy & Services Agreement




MyFRS Employer Assistance Line 1-866-377-2121




Reminder Letters

- 2 letters
- 1st letter ➔ month 4
- 2nd letter ➔ month 5, 10th day
- EZ form in both
- New hire list on MyFRS.com
- Email reminder ➔ month 3 (begins March)



MyFRS Employer Assistance Line 1-866-377-2121



We are currently taking a 10 minute break. The webcast will resume shortly.



MyFRS Financial Guidance Line 1-866-446-9377



2nd Election



MyFRS Financial Guidance Line 1-866-446-9377




2nd Election


- One-time opportunity
- Switch plans any time
 - *2nd Election Retirement Plan Enrollment Form*
 - Mail or fax (1-888-310-5559) to Aon Hewitt
 - Online (Pension Plan to Investment Plan only)
- Must be an active employee = earning salary & service credit
- Educational institution employees

MyFRS Employer Assistance Line 1-866-377-2121







2nd Election Flyer



- **Is a 2nd Election Right For You?**
- High-level overview
- Download copy online
- Or order
 - MyFRS.com and select “Employer” page
 - Employer Assistance Line, Option 3

MyFRS Employer Assistance Line 1-866-377-2121







2nd Election – Pension Plan ⇌ Investment Plan

- Pension Plan present value ⇌ Investment Plan
- Hybrid option
 - Freeze Pension Plan
 - Future contributions ⇌ Investment Plan
 - ≥ 5 years if enrolled prior to July 1, 2011
 - ≥ 8 years if enrolled on or after July 1, 2011
- Vesting caution
 - 6 years if enrolled prior to July 1, 2011
 - 8 years if enrolled on or after July 1, 2011

MyFRS Employer Assistance Line 1-866-377-2121






2nd Election – Investment Plan ⇌ Pension Plan

- Buy into the Pension Plan with Investment Plan \$\$
 - Present value
 - Accrued liability or total cost
- Make up difference with personal \$\$
- Calculate estimated costs at MyFRS.com
 - With previous Pension Plan Service

MyFRS Employer Assistance Line 1-866-377-2121



Learning About the Investment Plan Funds

Investment Funds You Can Choose

Investment Funds

MyFRS Employer Assistance Line 1-866-377-2121

MyFRS

Learning About Funds Investment Fund Summary

- Investment Summary Booklet
- Quick Guide
- Updated quarterly

FRS Investment Plan INVESTMENT FUND SUMMARY As of January 2007

FRS

MyFRS

FRS Investment Plan Fund Choices


- Designed to meet the needs of 3 broad types of investors
 - Reluctant
 - Do It For Me
 - Active
 - Do It With Me
 - Very Active
 - Do It Myself

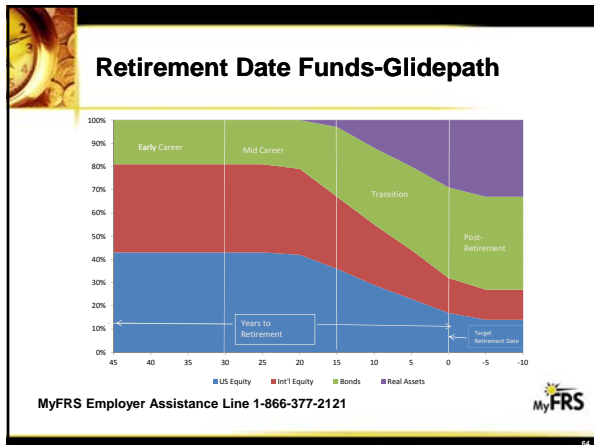
MyFRS Employer Assistance Line 1-866-377-2121

MyFRS

FRS Investment Plan Fund Choices

- Retirement Date Funds
 - 11 Funds
 - Designed for the reluctant investor
 - Select or auto-enroll in the fund closest to expected retirement date
 - All fund selections, allocations and changes are done for them through the progression of time.

MyFRS Employer Assistance Line 1-866-377-2121 



Retirement Date Funds Brochure

MyFRS Employer Assistance Line 1-866-377-2121 

FRS Investment Plan Fund Choices

- Active and Passive Funds
 - 3 broad based passively managed (index) funds
 - 7 actively managed funds
 - Covering entire investment spectrum
 - Designed for the active investor
 - Financial Guidance
 - Includes both single funds and multi-manager funds
 - FRS Funds

MyFRS Employer Assistance Line 1-866-377-2121

Proprietary FRS Funds

- Designed to offer members ability to invest with institutional managers not usually open to individual investors
- Only available to FRS IP members
- All actively managed FRS funds are multi-manager funds designed to bring similar asset class managers, such as large cap equity managers into a single fund giving members lower fees and broader access to the opportunities in each asset class without having to make individual manager selections.

MyFRS Employer Assistance Line 1-866-377-2121

Manage your IP account online


MyFRS Employer Assistance Line 1-866-377-2121



FRS Investment Plan Fund Choices


- Self Directed Brokerage
 - Designed for the **Very Active Investor**
 - Not suitable for all members; may be suitable for members who want to select their own investments
 - Members are responsible for own research and security selection.
 - Stocks and multiple mutual funds
 - Minimum \$5,000 balance in Investment Plan
 - Transfers into SDBA > \$1,000
 - More information online


MyFRS Employer Assistance Line 1-866-377-2121 



Fees

- Negotiated to offer very low cost investment options
- Only fees Investment Plan members pay
- Cover investment management costs
- Deducted from assets prior to daily price/unit is calculated
- No revenue sharing with SBA, FRS, or any vendor from investment managers

MyFRS Employer Assistance Line 1-866-377-2121 





Investment Fund Fees

Annual Fees for a \$1,000 Account effective 02-01-15

Investment Fund Categories	Range of FRS IP Fund Fees	Average Mutual Fund Fees*
Money Market Fund	\$0.59	\$4.30
Real Assets Fund	\$4.50	\$7.00-\$30.00
Fixed Income Funds	\$0.50 - \$1.80	\$5.60-\$8.30
U.S. Stocks Funds	\$0.20 - \$6.40	\$8.70- \$13.60
Foreign Stocks Funds	\$0.30 - \$5.00	\$8.70- \$11.20
Target Date Funds	\$0.80 - \$2.00	\$6.70-\$10.00

*Per Morningstar as of 01-01-15


MyFRS Employer Assistance Line 1-866-377-2121 



Excessive Fund Trading Policy

- All Investment Plan members
- Prevents short-term excessive trading
- Excessive trading drives costs/reduces returns

MyFRS Employer Assistance Line 1-866-377-2121



ADVISOR SERVICE



MyFRS Financial Guidance Line 1-866-446-9377





ADVISOR SERVICE

- For **ALL FRS** Members, including DROP Members
- Free guidance on Pension, Investment Plan, Social Security benefits and on non-FRS retirement plans
- Visit MyFRS.com
- Call Financial Guidance Line for assistance

MyFRS Employer Assistance Line 1-866-377-2121



Retirement Income Forecast Using Current Strategy

retirement income

Will you reach your goal?

With your current strategy, you have a **very unlikely** chance of reaching your goal of \$20,000 per year at your planned retirement age of 65 (based on 2014 data).

How we create your forecast:

Retirement income starting at age 65:

Market Performance	Retirement Income (per year)
Poor	\$17,000
Average	Forecast: \$28,400
Excellent	\$44,000

Your retirement income may be \$28,400 per year or less at age 65 if market performance is average. This could be \$27,000 or less if the market performance is poor or \$44,000 or more if market performance is excellent.

Your retirement income goal is \$20,000 per year. There is about a 9% chance that you will exceed your goal. Learn more.

There is a 5% chance that your total portfolio may decline by \$2,200 (8.8%) over the next 12 months.

Can you do better?

[Get advice](#)

Retirement Income Forecast Using Recommendations

retirement income

Retirement forecasts

How much income could you have?

With your new plan detailed above, we estimate your retirement income may be \$50,600 per year if market performance is average, or \$44,400 per year if market performance is poor. Learn more.

All forecasts are in today's dollars and include Social Security and pension, if any.

All amounts shown are estimates and are not guaranteed. See detailed methodology and assumptions used for your forecast.

Market Performance	Retirement Income (per year)
Poor	\$44,400
Average	Forecast: \$50,600
Excellent	\$67,000

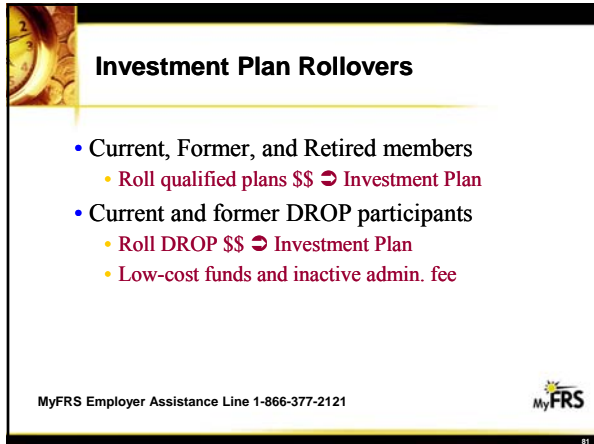
Potential loss in next 12 months is **3.2% in stock** (vs. **1.5% in stock** in current strategy).

[Portfolio forecast](#) | [Income forecast](#) | [Goal forecast](#)

Investment Plan Features


- Rollovers
- Health Insurance Coverage
- Disability Benefits
- Reemployment
- Death Benefits
- Forfeitures
- Distributions
- Complaint Process
- Health Insurance Subsidy

MyFRS Financial Guidance Line 1-866-446-9377



Investment Plan Rollovers

- Current, Former, and Retired members
 - Roll qualified plans \$\$ ⇨ Investment Plan
- Current and former DROP participants
 - Roll DROP \$\$ ⇨ Investment Plan
 - Low-cost funds and inactive admin. fee

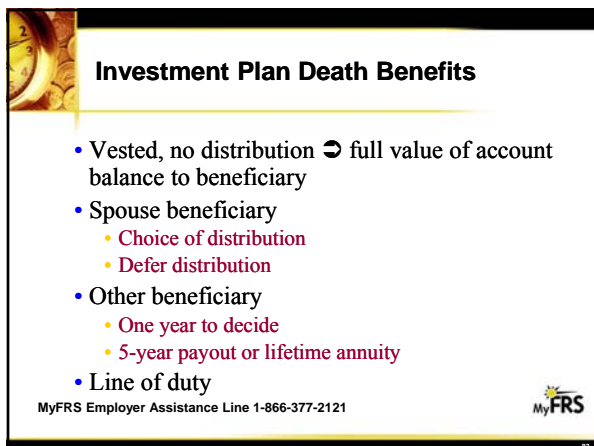
MyFRS Employer Assistance Line 1-866-377-2121 



Investment Plan Disability Benefits


- Must have a total and permanent disability
- Regular Disability
 - 25% minimum, must have 8 years service credit
- ILOD Disability
 - 42% or 65% minimum, eligible from first day
- Division approval
 - Investment Plan \$\$ ⇨ Pension Plan
 - Disability benefits under Pension Plan provisions
- 2nd Election not required
- Recovery ⇨ transfer back to Investment Plan

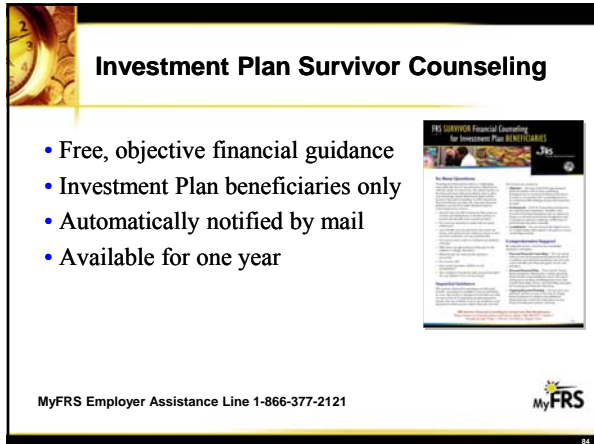
MyFRS Employer Assistance Line 1-866-377-2121 



Investment Plan Death Benefits

- Vested, no distribution ⇨ full value of account balance to beneficiary
- Spouse beneficiary
 - Choice of distribution
 - Defer distribution
- Other beneficiary
 - One year to decide
 - 5-year payout or lifetime annuity
- Line of duty

MyFRS Employer Assistance Line 1-866-377-2121 



Investment Plan Survivor Counseling

- Free, objective financial guidance
- Investment Plan beneficiaries only
- Automatically notified by mail
- Available for one year

MyFRS Employer Assistance Line 1-866-377-2121

MyFRS

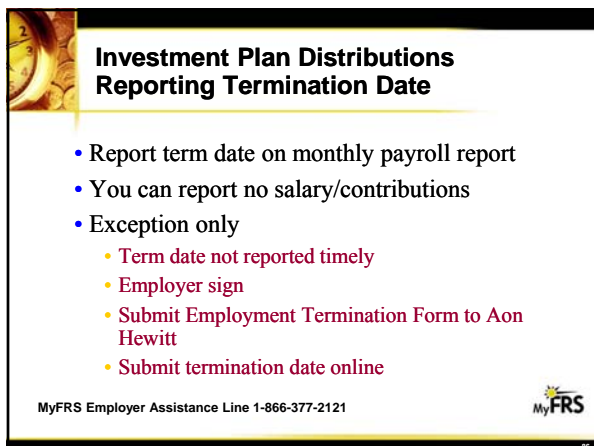


Investment Plan Distributions

- Vested
- Requirements
 - Terminated for 3 calendar months
 - 1 calendar month exception
 - Termination date on file
 - Member requests distribution from Aon Hewitt or online – direct deposit available
- Auto distribution
 - Account balance \$1,000 or less

MyFRS Employer Assistance Line 1-866-377-2121

MyFRS



Investment Plan Distributions Reporting Termination Date

- Report term date on monthly payroll report
- You can report no salary/contributions
- Exception only
 - Term date not reported timely
 - Employer sign
 - Submit Employment Termination Form to Aon Hewitt
 - Submit termination date online

MyFRS Employer Assistance Line 1-866-377-2121

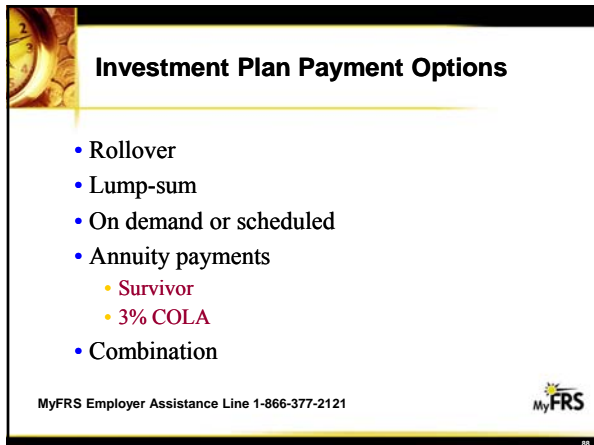
MyFRS



Investment Plan Termination Kit

- Mailed automatically
- Includes:
 - Distribution requirements and payment options
 - De minimis and Required Minimum Distributions
 - Penalties and taxes
 - Health Insurance Subsidy eligibility
 - Reemployment
 - Special Tax Notice
- If terminates & immediately reemployed, Kit mailed
 - Ignore if working
 - Contributions still deposited

MyFRS

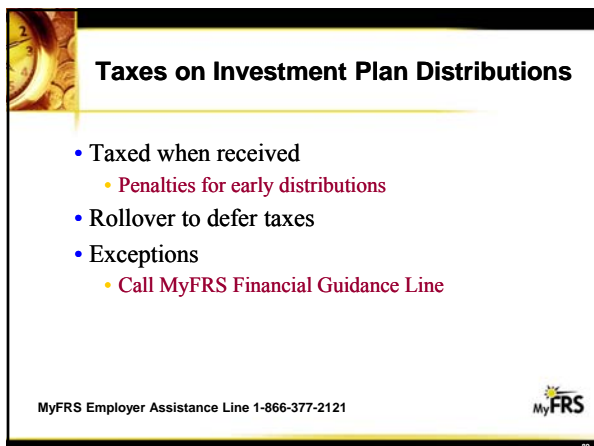


Investment Plan Payment Options

- Rollover
- Lump-sum
- On demand or scheduled
- Annuity payments
 - Survivor
 - 3% COLA
- Combination

MyFRS Employer Assistance Line 1-866-377-2121

MyFRS




Taxes on Investment Plan Distributions

- Taxed when received
 - Penalties for early distributions
- Rollover to defer taxes
- Exceptions
 - Call MyFRS Financial Guidance Line

MyFRS Employer Assistance Line 1-866-377-2121


MyFRS




Health Insurance Subsidy (HIS)

- \$5/year of creditable service
 - \$30 minimum/month
 - \$150 maximum/month
- Eligibility
 - 6 years, if enrolled prior to July 1, 2011
 - 8 years if enrolled on or after July 1, 2011
- Early distribution ⇨ Pension Plan normal retirement
 - Special Risk: Age 55 + 6 years or 25 years, enrolled prior to July 1, 2011; Age 60 + 8 years or 30 years, enrolled on or after July 1, 2011
 - All other classes: Age 62 + 6 years or 30 years, enrolled prior to July 1, 2011; Age 65 + 8 years or 33 years, enrolled on or after July 1, 2011
- Hybrid Option ⇨ Pension Plan benefit
- Surviving spouse

MyFRS Employer Assistance Line 1-866-377-2121






Health Insurance Coverage

- Investment Plan
 - Insured prior to retirement
 - Continue same coverage
 - Employer by employer
- Pension Plan
 - Normal or early retirement


MyFRS Employer Assistance Line 1-866-377-2121






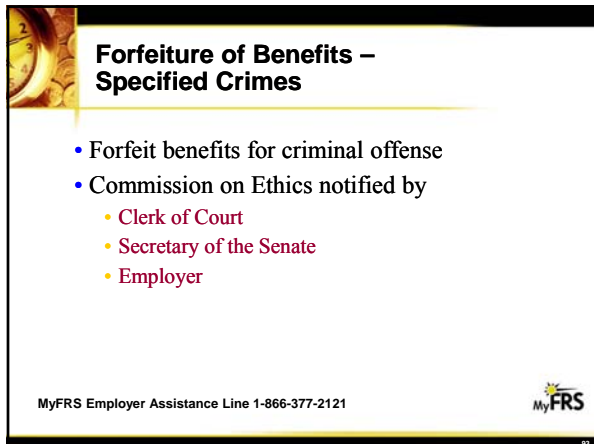
Re-employment Limitations

- Non-FRS employer
 - No effect on benefit
- FRS employer
 - Terminate 6 calendar months
 - 12 month wait
 - Or suspend benefits
 - Exceptions may apply
 - After 7/1/10, no FRS membership




MyFRS Employer Assistance Line 1-866-377-2121



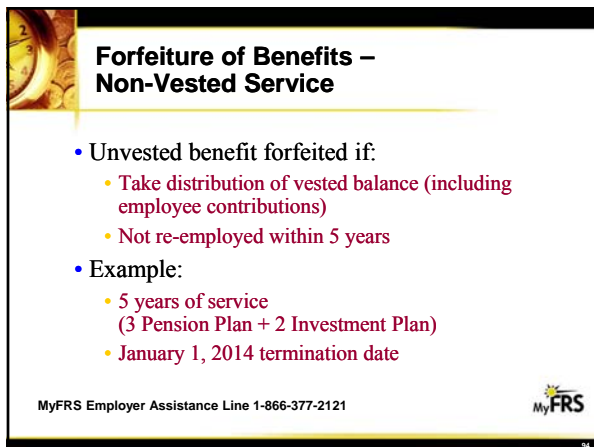


Forfeiture of Benefits – Specified Crimes

- Forfeit benefits for criminal offense
- Commission on Ethics notified by
 - Clerk of Court
 - Secretary of the Senate
 - Employer


MyFRS Employer Assistance Line 1-866-377-2121 

33

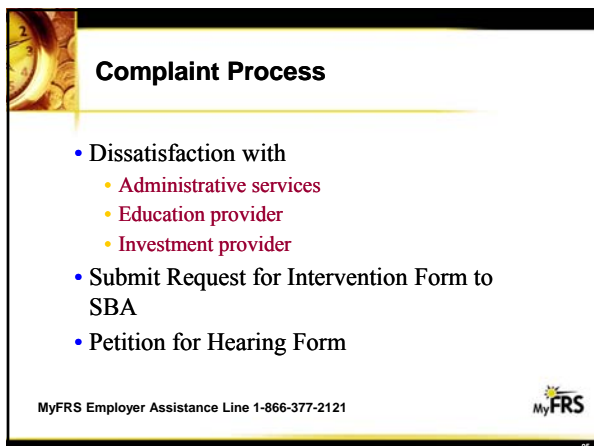


Forfeiture of Benefits – Non-Vested Service

- Unvested benefit forfeited if:
 - Take distribution of vested balance (including employee contributions)
 - Not re-employed within 5 years
- Example:
 - 5 years of service (3 Pension Plan + 2 Investment Plan)
 - January 1, 2014 termination date


MyFRS Employer Assistance Line 1-866-377-2121 

34




Complaint Process

- Dissatisfaction with
 - Administrative services
 - Education provider
 - Investment provider
- Submit Request for Intervention Form to SBA
- Petition for Hearing Form


MyFRS Employer Assistance Line 1-866-377-2121 

35

Questions and Answers



MyFRS Employer Assistance Line 1-866-377-2121



Employer Training Workshop
FRS Investment Plan



MyFRS
Florida Retirement System

YOUR Money
YOUR Choice
