

Key Differences Between the Plans

This chart highlights the basic differences between the plans.

	FRS Pension Plan	FRS Investment Plan
Designed for	A traditional retirement plan designed for longer-service employees.	A retirement plan designed for a more mobile workforce.
Vesting	Members qualify for a benefit after 6 years of service.	Members qualify for a benefit after 1 year of service.
Contributions	FRS employers contribute an amount determined by the state legislature. Members cannot make contributions to this plan.	FRS employers contribute an amount determined by the state legislature to the member's account (currently 9% for Regular Class employees). Members cannot make contributions to this plan.
Benefit	Pays a guaranteed lifetime monthly benefit using a formula based on the service and salary while the member is working for an FRS employer.	Member's benefit depends on the amount of money contributed to their account and its growth over time. The member decides how to allocate the money in their account among the available investment funds.