



KEEP YOUR DROP IN THE FRS

You are eligible to roll over some or all of your DROP lump sum into the Florida Retirement System (FRS) Investment Plan. This option allows you to take advantage of the low cost investment products offered in the Investment Plan. And, when you decide to take a distribution of your money, you have multiple options to choose from, including periodic payments, lump sum payments, rollovers, and fixed guaranteed annuities (like your Pension Plan benefit).

Before you decide to roll your DROP lump sum out of the FRS, you should carefully compare fees to ensure that you are not paying excessive amounts for the same services and investments you can receive for less in the Investment Plan. The following chart compares the investment and administrative fees you would pay for comparable investment funds in the Investment Plan versus the fees charged at other actual investment companies:

| Fee Comparison Investment Plan Funds versus Other Comparable Company's Funds | | | | | | | | |
|---|----------------------------|--------------------------|--------------------------|-----------------|---------------|-------------------|------------------|---------------------------|
| | Target Date Income Fund | Target Date 2030 Fund | Target Date 2050 Fund | Money Market | Bond Index | US Stock Index | Foreign Index | Annual Maintenance Fee |
| FRS Investment Plan | .15% | .10% | .07% | .06% | .05% | .02% | .03% | \$24 |
| Company A | .51% | .52% | .53% | NA | .07% | .04% | .42% | \$0 |
| Company B | .16% | .17% | .18% | .16% | .07% | .05% | .14% | \$20 |
| Company C | .16% | .16% | .16% | .42% | .20% | .10% | .20% | \$0 |
| Company D | .56% | .72% | .75% | .53% | .30% | .30% | .45% | \$30 |
| Average Mutual Fund Fee | .47% | .76% | .77% | .33% | .24% | .29% | .25% | NA |

Data obtained from company websites in December 2015 and Morningstar.

Why should you care what fees are charged? Because it's your money that pays these expenses, not your employer's or anyone else's. The fees and expenses come straight out of your investment income. See [Investment Expenses and Fees](#) for further information.

Three months before your DROP end date, you will receive a [flyer](#) in your DROP termination packet provided by the Division of Retirement informing you that you can roll over your DROP lump sum into the Investment Plan and the availability to receive free guidance from EY financial planners in determining what to do with your DROP payout. If you do decide to roll your DROP into the Investment Plan, you must submit a DROP Selected Payout Method Form (Form DP-PAYT), provided to you in the DROP termination packet, and a [DROP Accumulation Direct Rollover Form for Current DROP Members \(Form IPDROP-AD-1\)](#). Also, submit an [FRS Investment Plan Beneficiary Designation Form \(Form IPBEN-1\)](#) since your beneficiary designation in the Pension Plan does not transfer to the Investment Plan. Upon receipt of the forms and funds, the Investment Plan Administrator will deposit the DROP funds into your account in accordance with your requested investment allocation on the rollover form. See page 2 for a checklist and pages 3-7 for instructions on how to complete each form.

See the online [FAQs](#) for further information on DROP rollovers to the Investment Plan. For general DROP information, see the Division of Retirement's online [DROP page](#).

Call the toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 (TRS 711), to get help comparing your DROP rollover options.

Checklist to Roll DROP into the FRS Investment Plan

| Completed? | Item | Timing? | | | | | | |
|--|--|---|------|----------|--|----------------|--|---------------------------------------|
| <input type="checkbox"/> | Receive your DROP termination packet. | Three months prior to your DROP end date | | | | | | |
| <input type="checkbox"/> | Complete the following forms: <ul style="list-style-type: none"> • DROP Selected Payout Method Form (Form DP-PAYT), included in the DROP termination packet • DROP Accumulation Direct Rollover Form for Current DROP Members (Form IPDROP-AD-1), available online • FRS Investment Plan Beneficiary Designation (Form IPBEN-1), available online | Upon receipt of the DROP termination packet | | | | | | |
| <input type="checkbox"/> | Submit all of the forms to Aon Hewitt, the Investment Plan Administrator (do not send to the Division of Retirement) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Mail:</td> <td style="width: 33%;">Fax:</td> <td style="width: 33%;">Courier:</td> </tr> <tr> <td>FRS Investment Plan Administrator P.O. Box 785027 Orlando, FL 32878-5027</td> <td>1-888-310-5559</td> <td>FRS Investment Plan Administrator 2300 Discovery Drive Orlando, FL 32826</td> </tr> </table> | Mail: | Fax: | Courier: | FRS Investment Plan Administrator P.O. Box 785027 Orlando, FL 32878-5027 | 1-888-310-5559 | FRS Investment Plan Administrator 2300 Discovery Drive Orlando, FL 32826 | Submit the forms as soon as possible. |
| Mail: | Fax: | Courier: | | | | | | |
| FRS Investment Plan Administrator P.O. Box 785027 Orlando, FL 32878-5027 | 1-888-310-5559 | FRS Investment Plan Administrator 2300 Discovery Drive Orlando, FL 32826 | | | | | | |
| <input type="checkbox"/> | Upon receipt of the forms, the Investment Plan Administrator will process the forms and submit copies to the Division of Retirement. | Approximately 1-2 weeks | | | | | | |
| <input type="checkbox"/> | Upon receipt of the forms from the Investment Plan Administrator, the Division of Retirement will process the forms and prepare to have your DROP funds rolled over into your Investment Plan account. | Approximately 1-2 weeks | | | | | | |
| <input type="checkbox"/> | Your DROP funds will be rolled over to your Investment Plan account. | No sooner than the calendar month following your termination date (listed on your FORM DP-PAYT) | | | | | | |
| <input type="checkbox"/> | A confirmation statement will be mailed to you from the Investment Plan Administrator once your Investment Plan account has been funded. | Within one week of your Investment Plan account being funded. | | | | | | |

DROP Selected Payout Method (Form DP-PAYT) – Page 2

This is a sample form – do not complete this form.

SAMPLE FORM

DP-PAYT
Rev. 10/12
DROP Term/Refund

**FLORIDA RETIREMENT SYSTEM PENSION PLAN
Deferred Retirement Option Program (DROP)
Selected Payout Method**

PO BOX 9000 Tallahassee, FL 32315-9000
Local Phone: 850-907-6500 Toll Free: 844-377-1888 FAX: 850-410-2010

| | |
|--------------------|-------------------|
| MEMBER NAME: _____ | MEMBER SSN: _____ |
| PAYEE NAME: _____ | PAYEE SSN: _____ |

Information outlined in pink will be pre-filled by the Division of Retirement.

This Section is for ROLLOVERS, and must be filled out by a REPRESENTATIVE of the ELIGIBLE PLAN or IRA
Please select the type of account the rollover will be deposited to (as defined in s. 402(c)(8)(B) of the Internal Revenue Code) and provide the address to where the check should be mailed. **Upon receiving this completed form, a payment will be processed, no sooner than, the calendar month following the member's termination date noted above. Incomplete forms will be returned to the member and will delay the payment process.**

Annuity/Individual Retirement Account (IRA) as described in s. 408(a) and 408(b), Internal Revenue Code

- Traditional** **ROTH** (excluding designated) - Taxation on ROTH rollovers will default to 0% unless otherwise noted above.
- Qualified Plan** - A stock bonus, pension, or profit sharing plan of an employer as described in s. 401(a), 401(k), Internal Revenue Code
- Deferred Compensation Plan** - as described in s. 457(b), Internal Revenue Code
- Annuity** - as described in s. 403(a) or 403(b), Internal Revenue Code

| | | |
|--|-------------------------------------|----------------|
| Payable To: _____ Financial Institution | Account #: _____ (optional) | Phone #: _____ |
| Mail Payment to Address _____ | Representative: _____ Print Name | |
| | Representative: _____ Signature | _____ Date |

Information outlined in green will be completed by the Investment Plan Administrator.

SAMPLE FORM

This is a sample form – do not complete this form.

SAMPLE FORM



**FRS Investment Plan
DROP ACCUMULATION DIRECT ROLLOVER FORM
FOR CURRENT DROP MEMBERS**



IMPORTANT INFORMATION

Complete this **FRS Investment Plan DROP Accumulation Direct Rollover Form for Current DROP Members** if you are planning to terminate employment with the FRS in the near future and want to roll your FRS Deferred Retirement Option Program (DROP) accumulation to the FRS Investment Plan. The FRS Investment Plan only accepts rollovers from financial institutions and will not accept personal checks.

If you need assistance in completing this **DROP Accumulation Direct Deposit Rollover Form for Current Members** or need to discuss the process for rolling your accumulation into the FRS Investment Plan, please call the MyFRS Financial Guidance Line toll-free at **1-866-446-9377, Option 4 (TRS 711)**, and connect to the FRS Investment Plan Administrator.

In order to complete this transaction, you must mail the **FRS DROP Select Payout Method Form (DP-PAYT)** to the Investment Plan Administrator. The **DP-PAYT Form** is required prior to completing this **DROP Accumulation Direct Rollover Form for Current DROP Members**. If you have not completed the **DP-PAYT Form**, contact the Division of Retirement toll-free at 1-866-446-9377, Option 3.

Rolling your DROP accumulation into the FRS Investment Plan is a completely separate transaction from receiving your monthly FRS Pension Plan benefits. Terminated DROP participants who roll their DROP accumulation into the FRS Investment Plan have immediate distribution access to their DROP proceeds whether they are retired or return to FRS-covered employment.

REQUIRED DOCUMENTATION / INFORMATION

Please complete and return this form to the Investment Plan Administrator at the address provided on page 2 of this form. The information on this form is required to set up your account. If you have any questions, please call the Investment Plan Administrator toll-free at **1-866-446-9377, Option 4 (TRS 711)**.

Please Print:

| | | | | | | |
|---|--|-----------------------|------|------------|----------|----|
| Social Security Number ____ / ____ / ____ | | Last Name | | First Name | | MI |
| Work Telephone (if applicable) () | | Home Telephone () | | EMAIL: | | |
| Street Address | | | City | State | Zip Code | |
| Date of Birth: ____ / ____ / ____ <small>mm dd yyyy</small> | | | | | | |

Complete all of this section.

INVESTMENT OPTIONS

By using this **DROP Accumulation Direct Rollover Form**, you are initially choosing to have your DROP accumulation invested in one or more of the following two investment options (must total 100%):

| | |
|-------|---|
| ____% | FRS Money Market Fund - This fund seeks to provide high current income, liquidity and capital preservation. The fund is an index fund and primarily invests in high quality, liquid, short-term instruments. (\$0.61) |
| ____% | FRS Retirement Income Fund – This fund seeks to provide current income and some capital appreciation as well as potential protection against future inflation. (\$1.50) |
| ____% | Total Amount (must total 100%) |

Choose the percent you want to invest in each fund. Be sure the total equals 100%.

Note: The description above shows the first year annual fees (in **bold italics**) that would be paid out of your account balance based on a \$1,000 investment in that fund. The fees on this form may have changed since the form was printed. To see the latest fee and fund information, go online to MyFRS.com. **If you fail to select any investment options on this form, you are affirmatively electing to have your DROP accumulation deposited in the FRS Retirement Income Fund.** You may change your investment fund selection(s) after your account is funded. There are currently a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices.

SAMPLE FORM

This is a sample form – do not complete this form.

SAMPLE FORM

BENEFICIARY DESIGNATION

You have the right to designate a beneficiary to receive any benefits due at your death. Until you provide the Investment Plan Administrator with your *Beneficiary Designation Form*, your benefits will be payable in accordance with Florida law, pursuant to Section 121.4501(20), F.S. Any beneficiary change will be effective only upon receipt of your *Beneficiary Designation Form* (IPBEN-1) for the FRS Investment Plan, which can be obtained from the Plan Administrator by calling the MyFRS Financial Guidance Line at 1-866-446-9377 or at MyFRS.com under "Forms." **Note:** The beneficiary you designate for your Investment Plan account may be different from the beneficiary you have named to receive your Pension Plan benefits.

AUTHORIZED / CERTIFICATION - IMPORTANT INFORMATION

You understand you can find a description of your rights and responsibilities under the Investment Plan in the Summary Plan Description and Florida Statutes, available through the MyFRS Financial Guidance Line, Option 2, or at MyFRS.com.

You are authorizing your DROP benefit be invested as set out in Section 2 above and you understand other investment funds are available to you. You understand you can change the fund allocations at any time after your DROP accumulation has been deposited by accessing MyFRS.com or by calling the toll-free MyFRS Financial Guidance Line.

You acknowledge you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You understand information on investment funds will be provided in electronic format, unless you request hard copies. You understand the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7-calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on other funds in the event you trade excessively.

You understand investment management fees will be deducted from your Investment Plan account. You also understand these fees may change in the future and funds may be added or terminated. You understand if any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your rollover into other investment funds prior to termination, otherwise, your accumulation in the terminated fund(s) will be automatically moved into a replacement fund designated at that time. You understand you are subject to a mandatory payout of your account if your balance is \$1,000 or less, and an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that as a terminated DROP participant rolling your DROP accumulation into the Investment Plan you will have immediate distribution access to your DROP proceeds whether you are retired or return to FRS-covered employment.

You understand Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the accumulation in your Investment Plan account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

Certification and Signature

You certify the following statements are true and correct:

- 1) Your DROP accumulation is eligible for rollover into the FRS Investment Plan;
- 2) You certify you are eligible to direct your DROP accumulation to the FRS Investment Plan; and
- 3) You were an FRS DROP participant.

You authorize the deposit of your DROP accumulation into the FRS Investment Plan as detailed in Section 2. You further authorize the Investment Plan Administrator to process this request on your behalf. You have read and understand all information in the instructions and hereby provide the applicable DROP certification.

| | |
|---|---------------------------------|
| Signature _____ | Daytime Telephone Number _____ |
| Social Sec. No: ____ / ____ / ____ Date: _____ | E-mail Address (optional) _____ |

Submit all documentation to:

By Regular US Postal Service:
FRS Investment Plan Administrator
P.O. Box 785027
Orlando, FL 32878-5027

OR By Fax
1-888-310-5559
FRS Investment Plan
Administrator

OR By overnight courier:
FRS Investment Plan Administrator
2300 Discovery Drive
Orlando, FL 32826

A confirmation statement will be mailed to your address of record once your completed form and check are received and processed. Please allow 2 to 3 weeks to receive it.

Carefully review your form and be sure you've signed and dated it. Please keep a copy for your records.

Complete all of this section and submit the form to the Investment Plan Administrator.

FRS INVESTMENT PLAN BENEFICIARY DESIGNATION (FORM IP-BEN)

This is a sample form – do **not** complete this form.



Investment Plan

SAMPLE FORM

FRS INVESTMENT PLAN BENEFICIARY DESIGNATION



Please PRINT clearly, using blue or black ink.

| | | | |
|-------------------------------|-----------------------|-----------------------|---------|
| Social Security Number / / | Last Name | First Name | MI |
| Birth Date / / | Work Telephone () | Home Telephone () | E-Mail: |

Complete all of this section.

You may designate one or more individuals as your beneficiary to receive your assets, if any, in the FRS Investment Plan in the event of your death. You may designate any person, organization or trust, or your estate. **Contingent beneficiaries are optional — they will inherit your FRS Investment Plan Account if all primary beneficiaries are deceased.** Enter all required information for each beneficiary. If you need to add more than 3 primary or contingent beneficiaries, make a copy of this page and attach it to this form. You may change your beneficiary at any time by logging on to MyFRS.com or by completing a new Beneficiary Designation form. **NOTE:** If you are participating in the FRS Hybrid Option, your beneficiary named below for the Investment Plan will not affect your selected beneficiary in the Pension Plan. Additionally, Section 112.363(3)(e)2, F.S., provides that only a spouse who is named as the primary designated beneficiary is eligible to receive the Health Insurance Subsidy (HIS) under the Investment Plan. You reserve the right to change this designation with the understanding that this designation, and any change thereof, will be effective only upon receipt by the FRS Investment Plan Administrator.

Complete all of this section. Naming a contingent beneficiary(ies) is optional.

Marital Status: Check One Box Please PRINT clearly, using blue or black ink

Single

Married Spouse Name: _____ SSN: _____/_____/_____

Address: _____

A. Primary Beneficiaries (NOTE: All primary beneficiary percentages must be in whole percents and must total 100%.)

| Name of Primary Beneficiary | Date of Birth (MM/DD/YYYY) | Relationship | Gender (M/F) | SSN | Percent Payable |
|-----------------------------|-------------------------------|--------------|-----------------|----------------|-----------------|
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| Total = 100 | | | | | % |

B. Contingent Beneficiaries (NOTE: All contingent beneficiary percentages must be in whole percents and must total 100%.)

| Name of Contingent Beneficiary | Date of Birth (MM/DD/YYYY) | Relationship | Gender (M/F) | SSN | Percent Payable |
|--------------------------------|-------------------------------|--------------|-----------------|----------------|-----------------|
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| _____ | ____/____/____ | _____ | _____ | ____/____/____ | _____% |
| Total = 100 | | | | | % |

I understand that the execution of this form and receipt thereof by the Investment Plan Administrator will revoke all prior designations I may have made.

I understand that if I am married and have named someone other than my spouse as my primary beneficiary, my spouse needs to sign this designation in the box below.

Sign and submit the form to the Investment Plan Administrator.

Signature of Member _____ Date _____

Employing Agency Name: _____

IF YOU HAVE NAMED SOMEONE OTHER THAN YOUR SPOUSE AS YOUR PRIMARY BENEFICIARY, YOUR SPOUSE IS REQUIRED TO SIGN BELOW:

Signature of Spouse _____ Date _____

Your spouse must sign here if you have named someone besides your spouse as your primary beneficiary.

Mail your completed form to: FRS Investment Plan Administrator, PO Box 785027, Orlando, FL 32878-5027
OR Fax your completed form to: 1-888-310-5559 Attention FRS Investment Plan Administrator.
DO NOT MAIL HARD COPY OF THE FORM IF FAXING.

IPBEN-1 Rev. 01-15

10-11.002 F.A.C.

SAMPLE FORM