



KEEP YOUR DROP IN THE FRS

The FRS allows you to roll over your DROP lump sum into the 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 payment, rollover, and low cost fixed or variable 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 FRS 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 popular investment companies:

Fee Comparison									
Investment Plan Funds versus Other Comparable Company's Funds									
	Conservative Balanced Fund	Moderate Balanced Fund	Aggressive Balanced Fund	Money Market	TIPS	Bond Index	US Stock Index	Foreign Index	Annual Maintenance Fee
FRS Investment Plan	.04%	.06%	.04%	.06%	.02%	.05%	.02%	.02%	\$24
Company A	.57%	.83%	.91%	NA	NA	.18%	.05%	.64%	\$0
Company B	.22%	.22%	.21%	.28%	.25%	.22%	.18%	.34%	\$30
Company C	.65%	.78%	.89%	.44%	.45%	.38%	.10%	.20%	\$0
Company D	.78%	.86%	.95%	.60%	.69%	.30%	.40%	.50%	\$30

Data obtained from company websites on October 27, 2009.

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 kit provided by the Division of Retirement informing you that you can roll over your DROP lump sum into the FRS Investment Plan and the availability to receive free guidance from Ernst & Young financial planners in determining what to do with your DROP payout. If you do decide to roll your DROP into the FRS Investment Plan, you must submit a DROP Selected Payout Method Form (it will be provided to you in the DROP termination kit) and a [DROP Accumulation Direct Rollover Form for Current DROP Members](#). Upon receipt of the rollover form 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 the following [FAQs](#) for further information on DROP rollovers to the FRS 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.