



FRS EMPLOYER Newsletter

YOUR Money YOUR Choice

• October 2014 •

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Are You Using Outdated Forms?

FRS forms, including enrollment forms, were updated to reflect the fund lineup and fee changes in June. FRS forms are routinely updated throughout the year, so be sure you print forms from *MyFRS.com* only when you need them. If you stockpile forms, you could end up with out-of-date forms and wasted paper!

Excessive Fund Trading Policy

How much fund trading is too much? To find out, review the Excessive Fund Trading Policy available in the "Investment Funds" section on *MyFRS.com*.

Summary of Investment Plan Fund Lineup Changes

On June 30, 2014, the Investment Plan's fund lineup changed. Some funds were combined to create new funds, and a slate of Retirement Date Funds replaced the FRS Select Balanced Funds. Any balances in funds that were closed were automatically transferred into new funds. Nearly 125,000 Investment Plan members had balances in the three closed Balanced Funds. Those balances were successfully mapped into the new Retirement Date Funds based on each member's age and membership class as of July 1, 2014. Almost 100,000 of these members now have all of their assets in an age-appropriate Retirement Date Fund. The remaining 25,000 members who used one or more of the Balanced Funds as a portion of their asset allocation now have their allocation in a single, age-appropriate Retirement Date Fund. Before the lineup change, the largest fund by assets and members was the Moderate Balanced Fund. Now, the FRS Large Cap Equity Fund and the Small-Mid Cap Equity Fund have the bulk of assets and members.

Now Is a Good Time to Review Retirement Goals

Most Investment Plan members were affected by these fund lineup changes. Now is a good time for these members to call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, to make sure their current investment funds are appropriate for them and their retirement goals. Members who do not have 100% of their contributions going to a single Retirement Date Fund may want to revisit their allocations to make sure they are on track to meet their retirement income goals and they are comfortable with their risk profile. Members whose balances were transferred into a Retirement Date Fund may want to confirm that the fund corresponds to their desired retirement date. The "Choose a Retirement Date Fund Tool," which is available online under the "Investment Funds" section of *MyFRS.com*, can assist members in customizing their Retirement Date Fund to match their desired retirement date.

Encourage members to review their September 30, 2014 quarterly statements and make note of the funds they are invested in. Members who wish to transfer existing balances and/or future contributions to other fund(s) may do so at any time (subject to the excessive trading policy). Assistance with and information about making transfers is available by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4. Detailed information on the investment funds offered in the Investment Plan is available in the "Investment Funds" section on *MyFRS.com*.

Did You Know?

- The average Investment Plan account balance is **\$56,115**.
- **81,570** members have retired from the Investment Plan. Combined, their rollovers and lump-sum distributions total **\$7.3 billion**.
- There are **644,761** active FRS members. **531,401** are in the Pension Plan and **113,360** are in the Investment Plan.



Ernst & Young Is Now EY

Ernst & Young has rebranded itself as EY. The new name was chosen so it could be used consistently and easily worldwide. We will begin to update our educational materials to reflect the new name.

MetLife Named New Annuity Provider

The State Board of Administration (SBA) is required to issue an Invitation to Negotiate (also known as a request for proposal) whenever a current contract for one of its providers is ending. Because MassMutual (formerly Hartford Life Insurance Company) notified us in October 2013 that it did not plan to renew its contract with the SBA, the SBA issued an Invitation to Negotiate for the annuity provider function. After careful evaluation by the SBA's selection committee and the project's consultant, MetLife was approved by the SBA's Executive Director as the new annuity provider, effective July 1, 2014. Current retirees who already have annuities through MassMutual will not experience any change.

"As the long-time annuity provider for the Federal Thrift Savings Plan, MetLife is very familiar with public defined contribution plans, and we look forward to bringing that expertise to the Florida Retirement System Investment Plan," said Roberta Rafaloff, vice president at MetLife. "Annuities can provide retirees with peace of mind as it's the only product that allows you to have an income you can't outlive."

An annuity is an insurance product that provides a steady income for life during retirement. Investment Plan members have the option to invest all or part of their Investment Plan balance in an annuity upon terminating employment.

To find out more, members can call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, or TRS 711, and receive free, unbiased assistance from an EY (formerly known as Ernst & Young) financial planner. The financial planner can also provide price quotes on various types of annuities and send an enrollment form and package to review. A member who wishes to purchase an annuity must submit the necessary forms to the Investment Plan Administrator for processing.

Alerts & Hot Topics

The "Alerts & Hot Topics" section is your best source for important information and breaking news affecting the Florida Retirement System. Located on the MyFRS.com home page, it contains links to legislation and other items of interest. Check back often for updates.

FRS Member Survey Shows Rise in Customer Service Satisfaction

Investment Plan members were recently surveyed about their satisfaction with Aon Hewitt, the FRS Investment Plan Administrator. The results are as follows:*

- **85.9%** are satisfied with Aon Hewitt's quality of service.
- **73.7%** are satisfied with the usefulness of their online account information on MyFRS.com.
- **84.0%** are satisfied with the ability to conduct online transactions on MyFRS.com.
- **86.4%** are satisfied with accuracy/timeliness of their Investment Plan quarterly statement.

*Scored a 5 or higher on a scale of 1 to 6 (low to high).

Aon Hewitt has seen increased satisfaction with its services and will continue to strive to provide the best customer service to all FRS members.



Schedule an FRS Retirement Planning Workshop

To help your employees plan for their financial future, you can schedule an FRS retirement planning workshop conducted by experienced financial planners from EY (formerly known as Ernst & Young).

These workshops are **free** to FRS members and give you and your employees in-depth information on topics such as retirement, estate and insurance planning, spending and debt management, investment planning, and more.

For more information, a workshop calendar, and detailed descriptions of each workshop, visit MyFRS.com and click the workshop button in the top portion of the screen.

To schedule a workshop date for your employees, call the MyFRS Employer Assistance Line at 1-866-377-2121, Option 1.

Attend an FRS Employer Training Workshop in 2014

There is only one workshop date left in 2014! Additional information about the workshops can be found at MyFRS.com within the “Employers” section of the website.

- To register for Investment Plan training, call the toll-free FRS Employer Assistance Line (1-866-377-2121, Option 1) and ask for Marc Mancuso, Chad Stivers, or Scott Jennings.
- To register for Pension Plan training, call Pegah Bowman in the Division of Retirement’s Bureau of Retirement Calculations (toll-free at 1-888-738-2252 or 850-778-4463 in the Tallahassee area).

Investment Plan 2014 Dates

Location: SBA

Wednesday, October 8

Pension Plan 2014 Dates

Location: Division of Retirement

Thursday, October 9

2014 Employee Workshop Webcasts

Below is the schedule for the remaining 2014 FRS financial planning workshop webcasts for FRS-covered employees. Interested employees can register by calling 1-866-446-9377, Option 2.

2014 Dates 10:00 a.m. to Noon ET

October 21	Using the FRS to Plan for Retirement
October 22	Nearing Retirement in the FRS

1:00 to 3:00 p.m. ET

Investment Planning for Everyone – The Details
New Employee Retirement Plan Choice

Members’ Social Security Numbers

All Investment Plan members are notified of the following in every quarterly Investment Plan newsletter:

“FRS Investment Plan member records are filed according to the member’s Social Security number. The State Board of Administration of Florida (SBA) collects member Social Security numbers because it is imperative for the SBA to have the ability to identify Investment Plan members properly and definitively.”

Because all FRS member records are filed by Social Security number, be sure to enter your employees’ Social Security numbers accurately on the monthly retirement payroll report. The number entered must be identical to the number on the employee’s Social Security ID card. Incorrect numbers can delay election processing and affect the accuracy of service credit and salary history.

2nd Election Reminder

To make a valid 2nd Election, a member must be actively working for an FRS-covered employer and earning salary and service at the time the 2nd Election Retirement Plan Enrollment Form is received by Aon Hewitt or the online election is confirmed. For example, if a member's last day of work for an FRS-covered employer is July 1st (whether the termination is voluntary or involuntary), the election form must be received by Aon Hewitt, or the online election must be confirmed, prior to 4:00 p.m. ET on July 1st.

It is not sufficient for a terminated member to return to his or her office to complete a 2nd Election form in person. Such elections will be considered invalid and will be reversed. **To make a valid election, the member must be earning salary and service, and the election must be made prior to termination.**

Important New Hire Enrollment Deadlines

Investment Plan enrollment forms must be received by 4:00 p.m. ET on the last business day of an employee's enrollment deadline month. (See deadlines below.) Enrollment forms must be sent directly to Aon Hewitt, the FRS Plan Choice Administrator, in either of the following ways:

- **By mail:** P.O. Box 785027, Orlando, FL 32878-5027
- **By fax:** 1-888-310-5559

The 4:00 p.m. deadline is also applicable to Regular and Special Risk Class members who make their elections electronically on *MyFRS.com* or by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711). You should confirm a member's deadline by reviewing the date on their Benefit Comparison Statement or by calling the MyFRS Employer Assistance Line at 1-866-377-2121, Option 3.

Enrollment Deadlines

If Hired in This Month ...	Retirement Plan Choice Deadline Is 4:00 p.m. ET on ...
April 2014	September 30, 2014
May 2014	October 31, 2014
June 2014	November 26, 2014
July 2014	December 31, 2014
August 2014	January 30, 2015
September 2014	February 27, 2015
October 2014	March 31, 2015
November 2014	April 30, 2015
December 2014	May 29, 2015
January 2015	June 30, 2015
February 2015	July 31, 2015
March 2015	August 31, 2015

Employer Resources

- *MyFRS.com* website
- Toll-free FRS Employer Assistance Line at 1-866-377-2121
 - EY (formerly known as Ernst & Young) and Aon Hewitt representatives are available from 9:00 a.m. to 8:00 p.m. ET, Monday through Friday, except holidays.
 - Division of Retirement staff are available from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, except holidays.