

Key Differences Between the Plans

The chart highlights the basic differences between the two retirement plans.

	FRS Investment Plan	FRS Pension Plan
Designed for	A retirement plan designed for shorter-service and more mobile employees.	A traditional retirement plan designed for longer-service career employees.
Vesting	You qualify for a benefit after 1 year of service. You are always fully vested in your own contributions, as long as you remain in the Investment Plan. ²	You qualify for a benefit after 8 years ¹ of service. You are always fully vested in your own contributions, as long as you remain in the Pension Plan. ²
Contributions	Your FRS-covered employer provides the majority of your FRS retirement plan contribution based on a fixed percentage of your gross salary (total employee and employer rate is 6.3% for Regular Class employees). Regardless of membership class, a mandatory 3% pretax contribution is deducted from your paycheck and deposited into your retirement account.	Your FRS-covered employer provides the majority of your FRS retirement plan contribution based on a fixed percentage of your gross salary as determined by the state legislature. Regardless of membership class, a mandatory 3% pretax contribution is deducted from your paycheck and deposited into the Pension Plan trust fund.
Benefit	Your benefit depends on the amount of money contributed to your account and on its growth over time. You decide how to allocate the money in your account among the available investment funds. Future Plan cost increases could make it necessary for the Florida Legislature to reduce the amount that employers contribute to the Plan, which may result in a lower benefit.	Pays a guaranteed lifetime monthly benefit using a formula based on the service and salary while you are working for an FRS-covered employer. Plan underfunding or future cost increases could make it necessary for the Florida Legislature to reduce benefits.

¹ If you have any Pension Plan service prior to July 1, 2011, you are subject to 6-year vesting. If you join the Pension Plan on or after July 1, 2011 and have no previous Pension Plan service, you are subject to 8-year vesting.

² How your employee contributions are distributed or refunded to you depends on a number of factors, especially if you use your 2nd Election to change retirement plans in the future. You can call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2, for information.