FRS Investment Plan

SUMMARY PLAN DESCRIPTION

July 2026



MyFRS
Florida Retirement System

FRS Investment Plan Summary Plan Description Content

INTRODUCTION **5**

IMPORTANT INFORMATION **6**
- DISCLAIMER 6
- MYFRS.COM PRIVACY, SECURITY, AND TERMS OF USE 6
- RESPONSIBILITY OF FRS MEMBERS 6
  - *The MyFRS Financial Guidance Program* *7*

INVESTMENT PLAN **8**
- DEFINED 8
- PLAN INFORMATION 8
- FIDUCIARY RESPONSIBILITY OF THE SBA 9
- AMENDMENTS OR TERMINATION OF THE PLAN 10
- PUBLIC RECORDS EXEMPTION 10

INVESTMENT PLAN PARTICIPATION **11**
- ELIGIBILITY REQUIREMENTS 11
- MEMBERSHIP 11
- FRS EMPLOYMENT 11
- CLASSES OF MEMBERSHIP 12
- OPTIONAL RETIREMENT PROGRAMS 13
- DUAL MEMBERSHIP IS NOT ALLOWED 13
- PORTABILITY 13
- EMPLOYMENT STATUS TYPES 13
  - *Rehired Employee* *13*
  - *Retiree* *14*
  - *Reemployed Retiree/Renewed Member* *14*
  - *Newly Hired Employee* *14*

ENROLLING IN THE INVESTMENT PLAN **15**
- ENROLLMENT CHOICE PERIOD 15
- INVESTMENT PLAN HYBRID OPTION 15
- HOW TO ENROLL 16
- EFFECTIVE DATE 16
- EMPLOYEE AND EMPLOYER CONTRIBUTIONS 16
- PREVIOUS PENSION PLAN SERVICE 17
- CANCELLING A RETIREMENT PLAN ELECTION 17

CONTRIBUTIONS **18**

BENEFICIARY DESIGNATION **20**
- DESIGNATING YOUR BENEFICIARY 20
- CHANGING A BENEFICIARY 20

VESTING **21**
- RIGHT TO A BENEFIT 21
  - *Terminating FRS-Covered Employment Before Completing One Year of Service* *21*
- YEARS OF CREDITABLE SERVICE 22
  - *Transfers of Previous Pension Plan Service to the Investment Plan* *22*
  - *Hybrid Option* *23*
  - *Surplus in the Investment Plan After Buyback into the Pension Plan* *23*
  - *Retirees of the FRS Investment Plan and Other Optional Plans* *24*
- SITUATIONS AFFECTING YOUR INVESTMENT PLAN BENEFITS 24

NORMAL RETIREMENT **25**

INVESTMENT FUNDS 26
Annual Fee Disclosure Statement 26
Investing Your Account Assets 26
Self-Directed Brokerage Account (SDBA) 26
Changing Investment Funds 27
Excessive Fund Trading Guidelines 27
Examples of Excessive Fund Trading 29
Trading Restrictions of Specific Funds 30

ACCOUNT FEES 31
Annual Fee Disclosure Statement 31
Active Employees 31
Terminated or Retired Employees 31
Former Spouses 31

ROLLOVERS INTO THE INVESTMENT PLAN 32
Rollovers from Qualified Retirement Plans 32
DROP Rollovers 32
Rollovers from Former Investment Plan Members 32
Rollovers Not Permitted for Former Spouses or Beneficiaries 33

2ND ELECTION 34
Investment Plan or Investment Plan Hybrid Option to Pension Plan 34
Buy-In Calculation 35
Deposit of Buy-In Amount 35
Estimating Your Buy-In Amount 35
Investment Plan Account After Your 2nd Election 36
Pension Plan to Investment Plan 36
Present Value Calculation 36
Vesting Caution 36
Pension Plan to Investment Plan Hybrid Option 37
Plan Change Effective Date 37
Cancelling a 2ND Election 38

DISTRIBUTIONS FROM THE INVESTMENT PLAN 39
When You Can Take a Distribution 39
Requesting a Distribution 39
Requesting Your Distribution Early 40
Distribution Options 41
Taxes on Distributions 41
If Your Address Is Outside the United States 42
Required Minimum Distributions 42
RMD Calculation 42
Effect on Retiree Status 43
If You Have an SDBA 43
If You Return to Employment After an RMD 43
Effect on the HIS Benefit 43
De Minimis Distributions 43
Stale Dated/Uncashed Checks 43
Social Security Coverage 44

DISABILITY BENEFITS 45

DEATH BENEFITS 46
Benefits at Time of Death 46
Distribution to Your Beneficiary 46
Tax Withholding 46
In-Line-of-Duty Death Benefits 46

AFTER RETIREMENT **48**

GENERAL INFORMATION **54**
ASSIGNMENT, EXECUTION, OR ATTACHMENT 54
ERRORS AND INCORRECT OR INCOMPLETE DATA 54
EMPLOYMENT RIGHTS IN THE INVESTMENT PLAN 54
UPDATING MAILING ADDRESSES, EMAIL ADDRESSES OR NAME CHANGES 54
Active Member *55*
Terminated/Retired Member *55*

RETIREMENT AND FINANCIAL PLANNING **56**

ASSET GUIDANCE AND RETIREMENT PLAN ELECTION TOOLS **57**

CONTACTING US **58**

GLOSSARY **59**

INDEX **62**

Introduction

Financial security when you retire is an important goal, and one that the Florida Retirement System (FRS) can help you achieve. The FRS has two retirement plans from which you can choose to help you meet your retirement goals: the Pension Plan (defined benefit) and the Investment Plan (defined contribution).

Each FRS plan is designed to provide you with a good foundation for financial security when considered along with Social Security, other retirement programs, and your own personal savings (such as savings accounts, IRAs, and deferred compensation programs offered through your employer, among other resources).

This document is a description of one of these two plans: the Investment Plan. The Pension Plan summary plan description is available from the Division of Retirement.

The FRS also offers free retirement planning support through the MyFRS Financial Guidance Program, which can help all FRS members better prepare for retirement.

Important Information

Disclaimer

This is a summary plan description, written in nontechnical terms, of the main provisions of the FRS Investment Plan (Investment Plan).

This document is not intended to include every program detail. Complete details can be found in Chapter 121, Florida Statutes (F.S.), and in the rules of the State Board of Administration of Florida (SBA) in Chapter 19, Florida Administrative Code (F.A.C.). In case of any conflict between this summary plan description and the statutes or rules, the provisions of the statutes or rules will take precedence. Similarly, all rules adopted by the SBA to implement this plan must conform to the Florida Statutes. However, if the Florida Legislature changes the statute, a rule might no longer conform. In that circumstance, the SBA is required to amend the rule so that it conforms to the statute.

Therefore, the governing policies and procedures for the Investment Plan are the Florida Statutes and any rules that implement those statutes.

THE FLORIDA LEGISLATURE MAY MAKE CHANGES TO THE FRS AT ANY TIME. The information provided in this document is based on the FRS laws and rules in existence on July 1, 2026, and is subject to modification based on changes in the law in Chapter 121, F.S., or the rules as found in Chapters 19 and 60, F.A.C.

You can find additional information about the FRS by visiting MyFRS.com or contacting a participating FRS employer. However, the SBA is not responsible for erroneous information provided by representatives of FRS participating employers.

MyFRS.com Privacy, Security, and Terms of Use

Prior to logging in to MyFRS.com for the first time, and when site updates are made, FRS members are required to acknowledge that they have read and agree to the terms and conditions of the Privacy, Security, and Terms of Use for the MyFRS.com website, linked websites, and for services provided to FRS members. The Privacy, Security, and Terms of Use are located on MyFRS.com in the bottom right corner of the site's footer. Any questions should be directed to the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).

Responsibility of FRS Members

As an FRS member, you have a responsibility to understand and comply with the Investment Plan provisions that govern your membership. **THE FRS MAY REVERSE RETIREMENT PLAN ELECTIONS OR TRANSACTIONS THAT ARE INCONSISTENT WITH FLORIDA STATUTES AT ANY TIME, WITHOUT LIMITATION OR PRIOR NOTICE.**

You have free resources available through the MyFRS Financial Guidance Program, which can help you better prepare for retirement. You should carefully review this document along with the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement before making your plan choice election or selecting any investment funds. Information about the investment funds is available online in the "Investment Funds" section on MyFRS.com. You can also request a printed copy be mailed to you at no cost by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).

The MyFRS Financial Guidance Program

You can receive free, unbiased financial planning and counseling services using different communication channels that are designed to suit individual members' needs. You have available in-depth investment information and support. MyFRS Financial Guidance Program resources available include:

- ✓ Phone: The MyFRS Financial Guidance Line is staffed by EY financial planners who offer you knowledgeable, personalized assistance and are available 8:00 a.m. to 6:00 p.m. ET, Monday through Friday. In addition, you can speak with retirement counselors from the Division of Retirement (Division) within the Florida Department of Management Services, the administrator of the Pension Plan, who are available 8:00 a.m. to 5:00 p.m. ET, Monday through Friday.
- ✓ Online: The MyFRS.com website offers valuable resources, financial data, educational information including retirement and financial planning workshops, and easy access to state-of-the-art services, such as the Advisor Service and Choice Service (for 1st and 2nd Elections). The MyFRS.com (https://www.myfrs.com) is the official website for the MyFRS Financial Guidance Program. Be cautious of fraudulent websites that mimic this official site.
- ✓ Live Chat: Contact an EY Financial Planner via online Chat. Chat is available from 8:00 a.m. to 6:00 p.m. ET, Monday through Friday.

Investment Plan

Defined

The Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. This means that employee and employer contributions made to each member's account are pretax contributions defined by state law based on retirement membership class, as described in this summary plan description. Your employee and employer contributions are deposited in an account established for you under the Investment Plan. The benefit you receive will be the total value of your vested account balance at the time of distribution. This amount is the sum of the contributions, plus earnings, if any, on those contributions, less fees and Plan charges, if any.

The Florida Legislature enacted the Investment Plan during the 2000 legislative session. Its formal name, as set out in Parts I and II of Chapter 121, Florida Statutes, is the "Florida Retirement System Investment Plan" or "Investment Plan." The other available FRS retirement plan is a defined benefit plan and its formal name, as set out in Parts I and II of Chapter 121, Florida Statutes, is the "Florida Retirement System Pension Plan" or "Pension Plan." This document will use the terms Investment Plan and Pension Plan.

Since the Investment Plan is a governmental plan, the plan documents are the Florida Statutes enacting this plan, which may be found and reviewed through the MyFRS.com website.

Reference: Sections 121.4501(1), (2)(g), and (8), F.S.
Sections 19-11.001, 19-13.001, and 19-13.003, F.A.C.

Plan Information

The SBA, along with its contractual service providers, FRS employers, and with the assistance of the Division of Retirement, is required by statute to implement and administer the Investment Plan.

Official Plan Name	Florida Retirement System Investment Plan
Common Plan Name	Investment Plan
Type of Plan	Defined contribution retirement plan, qualified under Section 401(a) of the Internal Revenue Code
Federal Employer Identification Number	59-6001872
Plan Number	002
Plan Sponsor	State Board of Administration of Florida (SBA). The SBA is charged with establishing and administering this Plan.
Plan Trustees	Executive Director, State Board of Administration of Florida, representing the Governor, the Chief Financial Officer, and the Attorney General as the Trustees of the Board. Executive Director State Board of Administration of Florida 1801 Hermitage Blvd., Suite 100 Tallahassee, Florida 32308-7743 Trustees of the Board The Capitol Tallahassee, Florida 32399

Plan Documents	Chapter 121, Florida Statutes (F.S.), and the rules of the State Board of Administration of Florida (SBA) in Chapter 19, Florida Administrative Code (F.A.C.)
Source of Benefit Payments	All benefits payable under the Investment Plan shall be paid solely from the member's individual retirement account within the Florida Retirement System Investment Plan Trust Fund.
Agent for Service of Legal Process	Executive Director State Board of Administration of Florida 1801 Hermitage Blvd., Suite 100 Tallahassee, Florida 32308-7743
Name of Plan Administrator/Recordkeeper (also referred to as Plan Choice Administrator)	Alight Solutions, FRS Investment Plan Administrator P.O. Box 785027 Orlando, Florida 32878-5027 Toll-free telephone number: 1-866-446-9377, Option 4 (Telecommunications Relay Service [TRS] 711)
Plan Effective Date	July 1, 2000, although the first members in the Plan were effective July 1, 2002.
Plan Year	July 1 through June 30
Name of Employer	Your FRS employing agency
MyFRS Financial Guidance Line	1-866-446-9377 (TRS 711) Representatives are available 8:00 a.m. – 6:00 p.m. ET, Monday – Friday (except holidays). **Option 1:** Speak with experienced EY financial planners about making an initial or 2nd Election, or get assistance with your MyFRS.com PIN or with other information available on MyFRS.com. **Option 2:** Speak with experienced EY financial planners about any issue you think is important to your financial future. **Option 3:** Speak with the Division of Retirement about your Pension Plan account (available 8:00 a.m. – 5:00 p.m. ET, Monday – Friday (except holidays). **Option 4:** Speak with the Investment Plan Administrator about your Investment Plan account.
Internet Address	MyFRS.com

Fiduciary Responsibility of the SBA

As a state government plan, the Employee Retirement Income Security Act of 1974 (ERISA) does not apply, except to the extent certain sections of that federal law are incorporated into Florida law. Section 121.4501(15), F.S., incorporates the federal law concept of fiduciary responsibility on the part of the Trustees of the SBA, codified at 29 U.S.C. 1104(a)(1)(A)-(C), and also incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of ERISA.

Under the concept of fiduciary responsibility, the Trustees of the SBA will ensure that investment of Investment Plan assets will be made for the sole interest and exclusive purpose of providing benefits to Plan participants and beneficiaries and defraying reasonable expenses of administering the Plan.

Under the concept of participant control, if you, as a participant, exercise control over your assets in the Investment Plan, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary will be liable for any loss to your account that may result from your exercise of that control.

The SBA has the responsibility to vote proxies on all primary investment funds in the Investment Plan and has a fiduciary responsibility to ensure proxies are voted in the best interest of fund participants and beneficiaries. For open-end mutual funds and commingled trust funds offered within the Investment Plan's primary funds, the SBA's voting responsibility is limited to directly voting the fund's proxy, which covers the mutual fund's Board of Trustees and other major fund policies but does not encompass voting the underlying stock investments of the fund's portfolio. For all other primary funds offered within the Investment Plan that hold publicly traded equity securities, the SBA is responsible for all proxy voting decisions. For more information, please see the "Governance" section located on the SBA's Internet site, www.sbafla.com.

Reference: Sections 121.4501(1), (8)(b)2., and (15), F.S.
Sections 19-11.001, 19-13.001, 19-13.002, 13.003, and 19-13.004, F.A.C.

Amendments or Termination of the Plan

The 2000 Session of the Florida Legislature established the Investment Plan with the intent to continue the Plan indefinitely.

However, because future circumstances cannot be anticipated, the Florida Legislature may change all or any part of the Investment Plan. Changes to the Investment Plan may or may not apply to you.

If the Investment Plan should ever be terminated, you would become 100% vested in your employer contributions, including any attributable earnings, and be entitled to the full value of your Investment Plan account as of the Plan's termination date. You are always 100% vested in your employee contributions, plus earnings (if any).

THE FLORIDA LEGISLATURE MAY MAKE CHANGES TO THE FRS AT ANY TIME. The Florida Legislature can increase or decrease the amount that employers contribute to Investment Plan members' accounts or increase or decrease the amount that you contribute to your Investment Plan account.

If the Florida Legislature makes any significant legislative changes to the Investment Plan, this document will be updated. However, the SBA has no obligation to update this document before changes in statute or rule are effective, or notify you personally of any changes to statute, rules, or this document.

Reference: Sections 121.4501(1), (6), (7), and (13), F.S.

Public Records Exemption

The SBA is responsible for maintaining member records relevant to the Investment Plan. The Division of Retirement is responsible for maintaining agency and member records relevant to the Pension Plan and certain records for the Investment Plan.

All Investment Plan member records are filed according to the member's Social Security number. The SBA utilizes, in its transactions with members, the member Social Security numbers that have been collected and provided by member employers because it is imperative for the SBA to have the ability to identify Investment Plan members properly and definitively.

Section 119.07(1), F.S., and Article I, Section 24(a), of the State Constitution, permit the public to review any public record. Due to the sensitive nature of Investment Plan member data, including account balances, asset

allocation, etc., a public records exemption exists. Section 121.4501(19), F.S., prohibits the disclosure of personal identifying information (e.g., name, Social Security number, address, etc.) of Investment Plan members

Reference Section 121.4501(19), F.S
Sections 19-11.010 and 19-13.001(1)(l), F.A.C.

Investment Plan Participation

Eligibility Requirements

Eligibility requirements are established by the Florida Legislature and codified in the Florida Statutes; these requirements are subject to change. As an FRS member, you are eligible to participate in the Investment Plan *unless* you are one of the following:

- ✓ A member of the Deferred Retirement Option Program (DROP), excluding terminated DROP participants who have opted to roll over their DROP proceeds into the Investment Plan as described in this document.
- ✓ A mandatory member of the State University System Optional Retirement Program (SUSORP) who is employed in a faculty position, including clinical faculty, at a college or at a state university that has a faculty practice plan.
- ✓ A member of the Teachers' Retirement System (TRS).
- ✓ A retiree of the Pension Plan who is initially reemployed with an FRS employer on or after July 1, 2010.
- ✓ A retiree of the Investment Plan, the SUSORP, the Senior Management Service Optional Annuity Program (SMSOAP), or the State Community College System Optional Retirement Program (SCCSORP) who is initially reemployed with an FRS employer on or after July 1, 2017, in a position which is covered by the SUSORP or the SCCSORP.

Reference: Sections 121.4501(2)(e), (3), and (4), F.S.
Sections 19-11.006 and 19-11.007, F.A.C.

Membership

Membership in the FRS is mandatory for all full-time and part-time employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or participating city, special district, charter school, or metropolitan planning organization. Certain employees may be eligible to elect to participate in various optional retirement programs instead of the FRS or withdraw from the FRS altogether.

If you participate in the Investment Plan, you and your employer will contribute a percentage of your gross salary each calendar month to your Investment Plan account. For example, 11.3% of gross salary for Regular Class employees is deposited, of which 3% is paid by you and 8.3% is paid by your employer (see description of membership classes below).

FRS Employment

FRS employment encompasses providing any service to any FRS employer through any arrangement (paid or unpaid), including, but not limited to, a regularly established position, OPS, adjunct, election poll work, temporary employment, or working through a third-party that provides service to an FRS employer.

Classes of Membership

The FRS has five classes of membership, with members participating in the two primary plans (Pension Plan or Investment Plan), in addition to several optional programs available to members in certain positions with specified employers. The five membership classes are:

1. *Regular Class* — This class consists of FRS members who are not eligible to participate in any other class of membership (Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class (EOC), or the Senior Management Service Class [SMSC]).

2. *Special Risk Class* — This class consists of employees who meet the criteria set forth in the Florida Statutes and accompanying rules in the Florida Administrative Code to qualify for this class; these employees are employed as:

    a. Law enforcement officers, firefighters (including fire prevention and firefighting training positions, and aerial surveillance pilots for the Department of Agriculture and Consumer Services);
    b. Correctional officers or community-based correctional probation officers, paramedics or emergency medical technicians;
    c. Certain professional health care workers employed by the Department of Corrections and Department of Children and Family Services, in positions within correctional and forensic facilities, or certain forensic employees employed by the Florida Department of Law Enforcement, Division of State Fire Marshall, local government law enforcement agency, or Medical Examiner's office; and
    d. Special Risk members who have suffered a specified qualifying in-line-of-duty injury and returned to work in a non-Special Risk Class position with the same employer.

3. *Special Risk Administrative Support Class* — This class consists of special risk employees who are transferred or reassigned to a non-special risk law enforcement, firefighting, correctional, or emergency medical care administrative support position within an FRS special risk employing agency and meet the criteria set forth in the Florida Statutes. These members earn service towards special risk normal retirement.

4. *Elected Officers' Class (EOC)* — This class consists of employees filling the office of Governor, Lieutenant Governor, Cabinet Officer, Legislator, Supreme Court Justice, District Court of Appeal Judge, Circuit Judge, County Court Judge, State Attorney, or Public Defender. Elected County Officials in the following offices may also belong to this class: sheriff, tax collector, property appraiser, supervisor of elections, school board member, school board superintendent, clerk of circuit court, and county commissioner. In addition, some cities and special districts have placed their elected officials in the EOC. Elected officials may elect not to participate in the FRS. Employees of the EOC may elect to participate in the SMSC in lieu of the EOC.

5. *Senior Management Service Class (SMSC)* — This class consists of employees of the Senior Management Service of state government, community college presidents, appointed school board superintendents, county and city managers, selected managerial staff of the Legislature, the Auditor General and selected managerial staff in the Office of the Auditor General, the Executive Director of the Ethics Commission, the State University System Executive Service and university presidents, selected managerial staff of the State Board of Administration of Florida, assistant state attorneys, assistant public defenders, assistant statewide prosecutors, assistant attorneys general, judges of compensation claims, capital collateral regional counsels and assistant capital collateral regional counsels, county health department directors and county health department administrators of the Department of Health, and selected managerial staff with the Judicial Branch, as well as elected officials who chose to join the SMSC in lieu of the EOC. Local government agencies may designate additional non-elective managerial positions for SMSC membership.

Reference: Section 121.021(12), F.S.
Sections 19-11.001 and 19-11.006, F.A.C.

Optional Retirement Programs

The following employees may elect to participate in other annuity or optional programs instead of the Investment Plan:

- ✓ State University System faculty, executive service employees, and administrative and professional employees; and
- ✓ State Community College System faculty and certain administrators, if the college offers an optional retirement program.

Reference: Sections 121.051(2), 121.055, 121.35, and 1012.875, F.S.

Dual Membership Is Not Allowed

If you are concurrently employed in two or more positions that are both covered by different FRS membership classes, you may be a member of only one class, which will be determined as follows:

- ✓ If the jobs are covered by different membership classes, and none of which is the EOC, you will be in the class in which you are employed for more than half the time. When the employment is split equally, you may choose the class of membership you prefer.
- ✓ If the jobs are covered by different FRS membership classes, and one of which is the EOC, you may choose to participate in any one class for which you are eligible.

If you are required or choose to be a member of the Regular Class, your total salaries from all positions will be reported by all employers for retirement purposes. When you are required or choose to be a member of the Special Risk Class, the Special Risk Administrative Support Class, the SMSC, or the EOC, only salary from that position will be reported for retirement purposes.

Reference: Sections 121.4501(2)(e) and (f), (3), and (4), and 121.051(9), F.S.
Sections 19-11.006 and 19-11.007, F.A.C.

Portability

The FRS provides statewide portability (the ability to continue FRS membership when you change FRS employers). If you terminate employment with one FRS employer without retiring, and at any later time go to work with any of the other public employers participating in the FRS, you will continue to participate in the Investment Plan and continue to receive contributions to your account and any investment earnings.

If you terminate all employment with an FRS employer, you can choose to roll over your Investment Plan balance to your new employer's retirement plan, if the plan is a qualified retirement plan under the Internal Revenue Service (IRS) Code**. If you choose to roll over any Investment Plan funds outside of the FRS, it would be considered a distribution from the Investment Plan, and you would be considered a retiree under the FRS.**

Employment Status Types

Rehired Employee

If you were in the Investment Plan, left employment, and then returned to FRS-covered employment as a rehired employee, you will return to the Investment Plan (unless you decide to use your one-time 2nd Election option to change to the Pension Plan [see "2nd Election" for further information]).

You are considered a rehired employee provided that **all** of the following apply:

- ✓ You were formerly employed by an FRS employer in a regularly established position that was covered for FRS purposes,
- ✓ You terminated employment with an FRS employer,
- ✓ You later returned to FRS-covered employment, and
- ✓ You did not take any distribution of benefits, including employee contributions, from the Investment Plan. (Your Investment Plan account balance must have remained in the Investment Plan for you to be considered a rehired employee.)

Retiree

You are considered a retiree from the Investment Plan if you terminate all employment with FRS agencies **and** take a distribution of any kind (employee contributions, a lump-sum distribution, rollover, annuity, etc.).

Reemployed Retiree/Renewed Member

If you retired from the Investment Plan and returned to FRS-covered employment prior to July 1, 2010, you are considered a reemployed retiree who is a renewed member and subject to the laws and rules governing such employees. These laws and rules are enacted by the Florida Legislature and implemented by the appropriate agency.

If you retired and were reemployed by an FRS employer between July 1, 2010, and June 30, 2017, you are not eligible for renewed membership in the FRS for this period (additional retirement benefits could not be earned during this period).

Effective July 1, 2017, retirees of the Investment Plan, SUSORP, SMSOAP, and SCCSORP are eligible for renewed membership in the Investment Plan, SUSORP, or SCCSORP. You must be employed in an FRS-covered position on or after July 1, 2017, to be a renewed member. As a renewed member of the Investment Plan, you are eligible to enroll in the Regular Class, Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class, or Senior Management Service Class, if the position meets the requirements to enroll in one of these classes.

Newly Hired Employee

You are considered a newly hired employee if you have never been employed by an FRS employer in a regularly established position.

Reference: Sections 121.122, 121.4501(2)(e), (i), and (k), and 121.591, F.S.
Sections 19-11.001, 19-11.003, and 19-11.009, F.A.C.

Enrolling in the Investment Plan

Enrollment Choice Period

As a new employee who has never been enrolled in the FRS, an employee who enrolled and terminated prior to the inception of the FRS Investment Plan, or an employee who was employed but terminated prior to making a retirement plan choice, you have a choice of two FRS retirement plans: the Investment Plan and the Pension Plan.[1]

Your enrollment period will end at 4:00 p.m. ET, on the last business day of the eighth month following your month of hire.[2] For example, if you are hired on April 5, you will have until the last business day in December to elect to enroll in the Pension Plan or the Investment Plan.

If you do not make an active plan election, you will be automatically enrolled as follows[3]:

Membership Class	**Plan Default**
Special Risk Class	Pension Plan
All classes (except Special Risk Class)	Investment Plan

Your initial active or default election will be considered your initial choice or 1st Election.

If you are a new employee, your election must be made while you are actively employed, are earning salary and service credit, and prior to your termination from employment for your election to be considered valid. If you terminate employment prior to the end of your enrollment period without making an election and later return to FRS-covered employment, you will be given another enrollment period to choose your FRS retirement plan. Your new enrollment period would extend through the eight months following your month of reenrollment in the FRS.

Under certain circumstances, you may be able to cancel a retirement plan election. See “Cancelling a Retirement Plan Election” for further information.

Investment Plan Hybrid Option

If you are a Pension Plan member and meet the eligibility criteria below, you can elect to participate in the Investment Plan Hybrid Option. If you elect this option, you will freeze your current Pension Plan benefit and direct future contributions into the Investment Plan. You cannot move frozen Pension Plan account funds into your Investment Plan account. At retirement, you will receive benefits from both the Pension Plan and Investment Plan; however, retirement is not automatic at termination. You will need to apply for your Pension Plan benefits as well as request your Investment Plan distribution.

Date Initially Enrolled in FRS	**Years Required to Participate in Hybrid Option**	**Vesting Requirement (includes combined Pension Plan and Investment Plan service)**
On or after July 1, 2011	8 years	8 years
Prior to July 1, 2011	5 years	6 years

[1] You are also eligible to participate in the Investment Plan Hybrid Option if you have at least eight years of FRS service if initially enrolled in the FRS July 1, 2011, and after, or at least five years of FRS service if enrolled in the FRS prior to July 1, 2011.
[2] Prior to January 1, 2018, the enrollment period ended at 4:00 p.m. ET, on the last business day of the fifth month following month of hire, and if you did not make an active plan election, you were automatically enrolled in the Pension Plan.
[3] Also applies to members who were initially enrolled in the FRS prior to January 1, 2018, terminated employment during their initial election period without making an election, and return to FRS-covered employment on or after January 1, 2018.

See “Right to a Benefit” for additional information.

There are no provisions in the law that will allow you to freeze your Investment Plan account to participate in the Pension Plan. An Investment Plan Hybrid member is considered an Investment Plan member and is not eligible to participate in the DROP.

Because of the complex nature of the Hybrid Option, you are encouraged to call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), before electing this option.

Reference: Sections 121.4501(3)(a), F.S.
Sections 19-11.001, 19-11.006, and 19-11.007, F.A.C.

How to Enroll

If you are employed in a position covered under the Regular Class, Special Risk Class, or Special Risk Administrative Support Class of membership, you may enroll in one of three ways:

1. Using the 1st Election Choice Service on MyFRS.com;
2. Calling the toll-free MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711); or
3. Using the ELE-1-EZ Retirement Plan Enrollment Form (hardcopy), ELE-1 General Retirement Plan Enrollment Form (hardcopy), or ELE-1 General Retirement Plan Enrollment Form (online version) available at MyFRS.com.

Regardless of which enrollment method used, the terms and conditions set out in the *ELE-1 General Retirement Plan Enrollment Form* will apply.

If you are employed in a position covered under the EOC or SMSC, you may be required to enroll by submitting an enrollment form for your retirement class. The enrollment forms are available online at MyFRS.com.

After selecting a plan, you will receive a confirmation statement. It is your responsibility to confirm the election has been received prior to your choice period deadline or termination date, whichever comes first. If you submit an incomplete form, you will be notified, and it will not be processed. You must submit a new, completed form by your choice period deadline for your election to be processed. If a form is signed with a digital signature, it must contain a date or time showing verification of your intent to sign the form.

Online elections require an electronic signature. By completing an enrollment online, you agree that your enrollment may be electronically signed and that your electronic signature is the same as a handwritten signature for the purposes of validity, enforceability, and admissibility. If you prefer, you may print out a hard copy of the form and fax or mail it to the Plan Choice Administrator.

Effective Date

Your Investment Plan effective date will be established as the first of the month following the month in which the enrollment form is received, your online enrollment is processed by the Plan Choice Administrator, or the first day of the month after you default into the plan. Enrollment in the Investment Plan both during the enrollment choice period and after a default election, will be retroactive to your date of hire.

Employee and Employer Contributions

From your date of hire until the effective date, employee and employer contributions will be paid into your Investment Plan account at the uniform blended contribution rate. From your effective date forward, contributions will be paid into your Investment Plan account at the Investment Plan contribution rate in effect at the time the contributions are made.

For example, if you are hired in April and elect to join the Investment Plan on May 3, your retirement plan transfer date (i.e., effective date) to the Investment Plan will be June 1. Your 3% employee contributions and the uniform employer contributions paid to the FRS on your behalf between April and May will be the amounts required under the uniform contribution rate system (blended contribution rate system) specified in Section 121.71, F.S. Those amounts will be transferred to your Investment Plan account and represent your opening account balance in June. Thereafter, starting with the month of June, employee and employer contributions will be paid into your Investment Plan account at the Investment Plan contribution rate (based on your membership class). However, April 1 will be considered your beginning effective date for vesting purposes and for FRS membership.

.

Reference Sections 121.4501(4), 121.71, and 121.72, F.S.
Sections 19-11.006 and 19-11.011, F.A.C.

Previous Pension Plan Service

If you have previous Pension Plan service and elect to join the Investment Plan, a present value calculation will be done to determine your Accumulated Benefit Obligation, as follows.

First, the Division will calculate your present value using a formula developed by the Pension Plan's actuary, in accordance with Florida law. The formula to compute your current benefit is:

Years of Creditable Service	X	Percentage Value (depends on class of FRS membership)	X	Average Final Compensation (average of highest 8 years of salary or 5 years of salary, if initially enrolled prior to July 1, 2011)	=	Yearly Benefit at Normal Retirement Date

Next, the Division projects the total yearly benefits collected during retirement over your expected lifetime (including a 3% annual increase in benefits for service earned prior to July 1, 2011). This stream of increasing annual payments is converted to a single lump sum — a "present value" (value in today's dollars) — using an individually calculated actuarial conversion factor. The conversion factor reflects a 6.70% interest rate and mortality tables used in the most recent Pension Plan valuation. Please note that the conversion factor will increase monthly until you reach your normal retirement date and will decrease for each month after the normal retirement date.

Reference: Sections 121.4501(3)(b) and (4)(f), F.S.
Sections 19-11.006, 19-11.007, and 19-11.011, F.A.C.

Cancelling a Retirement Plan Election

If you actively elected the Pension Plan, the Investment Plan, or the Investment Plan Hybrid Option, the SBA will consider, on a case-by-case basis, whether the election may be cancelled. To request a cancellation, you must notify the SBA, the Investment Plan Administrator, EY, or the Division by telephone, email, or written correspondence that you want to cancel your election. This request must be received no later than the last business day of the month of your effective date. For example, if you make your election on March 13, you must notify one of the above entities of the cancellation prior to 4:00 p.m. ET on the last business day of April. If your request to cancel the election is made timely and the SBA agrees the election can be cancelled, you will be required to sign a release and return it to the SBA before the election can be officially cancelled.

If you did not actively elect one of the available retirement plans, but you were enrolled in the default plan in effect respective to your date of hire (i.e., did not make an active election during your election period), you cannot cancel or rescind the default election.

Reference: Sections 19-11.006(3) and 19-11.007(5), F.A.C.

Contributions

Your retirement benefits are paid for by both you and your employer. Florida law requires you to make pretax retirement contributions of 3% of your gross salary.[4] The contributions by your employer, called the "blended contribution rate," is the same whether you participate in the Investment Plan or the Pension Plan and is a percentage of your gross monthly salary, based on your employment class (e.g., Regular Class, Special Risk Class, etc.). The blended rates are shown below. Retirement contributions are required to be submitted to the Division by the employer no later than the fifth business day of each month following the month wages are earned.

Blended Contribution Rate Table

Membership Class	**Paid by Member**	**Paid by Employer[4]**	**Total Paid by Member and Employer**
Regular Class	3%	11.53%	14.53%
Special Risk Class	3%	35.68%	38.68%
Special Risk Administrative Support Class	3%	39.73%	42.73%
Elected Officers' Class (Judges)	3%	43.94%	46.94%
Elected Officers' Class (Legislature/Cabinet/Public Defender/State Attorney)	3%	61.73%	64.73%
Elected Officers' Class (County and Local)	3%	52.94%	55.94%
Senior Management Service Class	3%	30.54%	33.54%

The total amount deposited into your Investment Plan account is different than the total contribution rate shown in the Blended Contribution Rate table above.[5] The amount deposited is the approved contribution rate for the Investment Plan set by the Florida Legislature (see chart below). For example, if you are a Regular Class member, the total contribution to your Investment Plan account equals 11.30% (you will contribute 3.00% and your employer will contribute 8.30%). The 8.30% Investment Plan employer contribution is funded solely by the blended contributions submitted by your employer.

Looking at the Blended Contribution Rate table above, for Regular Class members, the 11.53% rate is composed of two items: an unfunded liability rate of 4.42% and a blended normal cost rate of 7.11%. The actuary has determined that this "blended" rate is sufficient to pay the required rates set by the Legislature for Regular Class members in the Pension Plan and the Investment Plan.

[4] Your employer also contributes additional amounts to fund your Health Insurance Subsidy (HIS) benefit (2.00%), disability benefits and in-line-of-duty death benefits (will vary depending on employment class), and Investment Plan administration costs and educational program costs for all FRS members (.06%).

[5] New hires who elect the Investment Plan within their initial election period will receive blended contribution rates, excluding the Unfunded Actuarial Liability (UAL), from their date of hire until their Investment Plan effective date. From the effective date forward, contributions will be paid at the Investment Plan contribution rate.

The total contribution made to your Investment Plan account is shown in the table below:

Investment Plan Contribution Rate Table

Membership Class	Paid by Member	Paid by Employer	Total Paid by Member and Employer
Regular Class	3%	8.30%	11.30%
Special Risk Class	3%	16.00%	19.00%
Special Risk Administrative Support Class	3%	9.95%	12.95%
Elected Officers' Class - (Judges)	3%	15.23%	18.23%
Elected Officers' Class - (Legislature/Cabinet/Public Defender/State Attorney)	3%	11.38%	14.38%
Elected Officers' Class - (County and Local)	3%	13.34%	16.34%
Senior Management Service Class	3%	9.67%	12.67%

Upon receipt of the blended contributions from your employer, the Division balances the retirement contribution file and transfers the data and the Investment Plan contributions to the Investment Plan Administrator for Investment Plan members. Retirement contribution information is electronically transmitted to the Investment Plan Administrator daily. The Investment Plan Administrator posts contributions to members' accounts within two business days of receipt of the data and contributions. If the contributions are delayed from posting due to acts of God beyond the reasonable control of the Division, the SBA, or the Investment Plan Administrator, market losses will not be payable as a result of the delay.

The Internal Revenue Service imposes limits on the amount of your salary that may be used for contribution purposes, and the amount of contributions that may be made on your behalf. For the calendar year 2025, the contribution limit is the lesser of $72,000 or 100% of the salary actually paid to you. This limit includes employer contributions, employee salary reductions, and employee contributions, in aggregate, to 401(a) retirement plans, as well as to other plans such as a 401(k), 403(a), 403(b), and 408(k). Because these limits are high, very few members will be affected. The federal annual compensation limit for contribution purposes for fiscal year 2026-27 is $538,860 if you were initially enrolled before July 1, 1996, or $360,000 if you were initially enrolled on or after July 1, 1996. Your employer will be notified if you approach these limits.

In addition to those contributions paid by your employer to fund your retirement benefit, your employer contributes additional amounts to fund your HIS benefit (2.00%), disability benefits (will vary depending on employment class), in-line-of-duty death benefits for Investment Plan members, and Investment Plan administration costs and educational program costs for all FRS members (.06%).

Reference: Sections 121.052(7), 121.055(3), 121.4501(1), (5) and (13), 121.71, 121.72, 121.73, 121.74, and 121.76, F.S.
Sections 19-11.001, 19-11.011, and 19-13.003, F.A.C.

Beneficiary Designation

Designating Your Beneficiary

As a member of the Investment Plan, you may name any person, organization, trust, or your estate as your beneficiary unless you are married. If you are married, your spouse is automatically your primary beneficiary unless you designate someone else ***after*** the date of your marriage. **Florida law requires that if you name someone other than your spouse as primary beneficiary, your spouse must acknowledge this designation**. See Section 121.4501(20), F.S. The beneficiary designation form (*Form IPBEN-1*) requires that your spouse sign it for the purpose of acknowledging that someone other than your spouse has been named as primary beneficiary. Failure to provide signed acknowledgement may cause your beneficiary designation to not be honored. If an acknowledgment is not received, notification will be sent indicating no acknowledgement is on file. If your spouse cannot be located, or refuses to sign the acknowledgement, you should contact the MyFRS Financial Guidance Line, Option 4, for additional guidance. You may state that beneficiaries share jointly or sequentially, or that any benefits due to your beneficiary be paid through a trust. Contingent beneficiaries are optional and must be different than your primary beneficiary(ies). If you do not name a beneficiary or if your beneficiary has died, any benefits will be paid according to Florida law (Section 121.4501(20), Florida Statutes), unless you have named a contingent beneficiary.

You may change your beneficiary at any time. If your designated beneficiary dies or your marital status changes in any way , it is important for you to submit a new beneficiary designation to be sure your account is distributed as you wish in case of your death. If more than one person is designated as a primary beneficiary and one of them dies before you, the percentage payable to that beneficiary will be paid equally among the surviving primary beneficiary(ies).

You may designate a beneficiary at the time of enrollment either online, by telephone, or by completing a beneficiary designation form (*Form IPBEN-1*). You can request a form be mailed to you by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711). The form can also be found online at MyFRS.com. The completed form must be sent to the Investment Plan Administrator.

A beneficiary is eligible to designate a beneficiary. Any account balance or benefit payments payable to the beneficiary of the beneficiary will be paid out immediately upon receipt of the appropriate documentation.

Current Investment Plan account beneficiary(ies) are listed on your *FRS Quarterly Investment Plan Statement.* The statement is accessible through MyFRS.com (user ID and password required for login) or is mailed to your address of record each quarter (addresses for active employees are provided by the employer). You should review your statements to ensure your beneficiary(ies) are current.

Online beneficiary designations require an electronic signature. By completing a beneficiary designation online, you agree that your beneficiary designation may be electronically signed and that your electronic signature is the same as a handwritten signature for the purposes of validity, enforceability, and admissibility. If you prefer, you may print out a hard copy of the form and fax or mail it to the Investment Plan Administrator.

Changing a Beneficiary

You may change your beneficiaries at any time. If a designated beneficiary dies or your marital status changes in any way, you should submit a new beneficiary designation to be sure your account is distributed at time of death in accordance with your wishes. If more than one person is designated as your primary beneficiary and one of them dies before you, the percentage payable to that beneficiary will be paid equally among the surviving primary beneficiary(ies).

Reference: Section 121.4501(20), F.S.
Sections 19-11.002 and 19-11.003, F.A.C.

Vesting

These vesting requirements and the normal retirement age, established by the Florida Legislature and codified in the Florida Statutes, are subject to change.

Right to a Benefit

You are always vested in the employee contributions you have contributed (and any earnings from these employee contributions). After completing one year of service with an FRS employer, you are vested in ("own") all employee and employer contributions and earnings on those contributions. If you leave FRS-covered employment with less than one year of service, you are only entitled to receive your employee contributions, plus earnings. If you take a distribution of your employee contributions, you will be considered a retiree.

After you have terminated all employment with all FRS employers for three full calendar months, you can take the value of your account with you, regardless of age. See "Distributions from the Investment Plan" for further information on the distribution requirements.

This is in contrast with the Pension Plan, which is as follows:

- ✓ Members initially enrolled prior to July 1, 2011, need six years of service to vest. Further, normal retirement age for all employees first enrolled in the Pension Plan prior to July 1, 2011 (except Special Risk Class employees) is age 62 or attainment of 30 years of service, whichever comes first. If the member has Pension Plan service earned prior to transferring to the Investment Plan, such service will vest under the Pension Plan's six-year vesting schedule.
    - Note: The vesting period for the Pension Plan changed to six years from 10 years on July 1, 2001. Members who were not actively employed in a covered position with an FRS employer on July 1, 2001, must return to FRS-covered employment and earn one year of service credit to become eligible for six-year vesting. However, no member will have to work longer than necessary to meet the previous vesting requirement in effect before July 1, 2001.
- ✓ Members initially enrolled in the Pension Plan on or after July 1, 2011, need eight years of service to vest. Normal retirement age for all employees enrolled in the Pension Plan on or after July 1, 2011 (except Special Risk Class employees) is age 65 or attainment of 33 years of service, whichever comes first. Any Pension Plan service earned prior to transferring to the Investment Plan will vest under the Pension Plan's eight-year vesting schedule.

Terminating FRS-Covered Employment Before Completing One Year of Service

If you terminate FRS-covered employment before completing one year of service, you will not be eligible to receive a benefit from the Investment Plan, other than your employee contributions and any earnings associated with these contributions. The unvested balance in your account will be placed in a suspense account for up to five years (invested in the FRS Diversified Income Fund [310]). If you return to FRS-covered employment within this five-year period, the balance in the suspense account, plus any accrued earnings, will be returned to your account. If you do not return to FRS-covered employment within the five-year period, you will forfeit the unvested balance and any service credit associated with these funds. If you request a distribution of your employee contributions prior to completion of the five years, you will forfeit the unvested balance and any service credit associated with these funds. If you receive a requested distribution of any amount from the Investment Plan (includes employee and employer contributions), you will be considered retired.

Reference: Sections 121.4501(2)(l) and (6), F.S.
Sections 19-11.001, 19-11.003, 19-11.008, and 19-11.011, F.A.C.

Years of Creditable Service

You receive one month of service credit for each month in which any salary is reported for work performed or while on paid leave. You may **not** purchase service credit (e.g., for past service, prior service, certain military service, leaves of absence, etc.) to increase your Investment Plan retirement benefit. This includes the upgrade of previous service to another membership class (e.g., SMSC, Special Risk Class, or EOC). If you have additional service credit you wish to use toward retirement, you must purchase or upgrade such service under the Pension Plan **before** becoming a member in the Investment Plan.

There are certain types of service, such as military leaves of absence, Workers' Compensation, and suspension and reinstatement, that are paid for by the employer and may be creditable for Investment Plan members if certain requirements are met for that type of service. A military leave of absence must be eligible for purchase under the *Uniformed Services Employment and Reemployment Act* (Chapter 43 of Title 38 of the United States Code).

The Investment Plan complies with the provisions of the *Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008*, which helps protect the rights of military personnel on active duty. Because FRS records do not indicate whether a member serves in the military, it is your or your beneficiary's responsibility to notify the FRS and provide sufficient documentation to claim any benefits under this Act.

Reference: Sections 121.021(17), 121.4501(3), and (22), F.S.
Section 19-13.002, F.A.C.

Transfers of Previous Pension Plan Service to the Investment Plan

If you have transferred a present value amount from the Pension Plan (Accumulated Benefit Obligation or ABO) to your Investment Plan account, you will vest in this transferred amount, plus interest earnings thereon, when you meet the vesting requirements of the Pension Plan. The benefit amount transferred is calculated using a formula that takes into consideration, among other things, your salary and service credit (see "Previous Pension Plan Service" under "Enrolling the Investment Plan"). The calculated amount is not the total of employee and employer contributions paid into the Pension Plan on your behalf.

If you terminate FRS-covered employment before meeting your vesting requirement, this transferred amount will be placed in a suspense account for up to five years (invested in the FRS Diversified Income Fund[310]). If you return to FRS-covered employment as an eligible employee within this five-year period, the amount placed in the suspense account, plus any accrued earnings, will be returned to your account. If you do not return to FRS-covered employment as an eligible employee within the five-year period, you will forfeit the amount(s) placed in suspense and any service credit associated with these funds.

If you transferred a present value amount from the Pension Plan to your Investment Plan account and have at least one year of total FRS service credit, but less than the total service needed to vest in the Pension Plan, you are entitled to receive the vested employee and employer contributions and earnings after your termination from all employment (as defined under "FRS Employment") with an FRS employer. It is important to note that in this case, if you take a distribution of your vested Investment Plan account balance, you will forfeit the unvested present value amount transferred from the Pension Plan and any service credit associated with these funds.
Once you receive a distribution of **any** amount from the Investment Plan, you are considered retired.

Additionally, if you have transferred a present value amount from the Pension Plan to your Investment Plan account, your service may include the purchase of additional service under the Pension Plan (e.g., a leave of absence) that does not count toward the Pension Plan vesting requirements. Any optional service that does not count toward this requirement must be excluded from the calculation of how many years you would need to complete to be vested for any previous Pension Plan service which is included in the present value. Therefore, you must complete a total of eight years of service if you were initially enrolled July 1, 2011, or six years of FRS-

covered service if you were initially enrolled in the FRS prior to July 1, 2011, to be eligible for your Pension Plan transferred balance.

Hybrid Option

If you enroll in the Hybrid Option (see “Investment Plan Hybrid Option”), you are considered a member of the Investment Plan.

Totally Vested

If you were initially enrolled in the FRS prior to July 1, 2011, and elected the Hybrid Option, have completed at least six years of combined Pension Plan and Investment Plan service, and have met any other requirements for receipt of benefits from the plans, then you may begin receiving your benefits from either plan without affecting your ability to receive benefits from the other.

If you were initially enrolled in the FRS on July 1, 2011, or after and elected the Hybrid Option, have completed at least eight years of combined Pension Plan and Investment Plan service, and have met any other requirements for receipt of benefits from the plans, then you may begin receiving your benefits from either plan without affecting your ability to receive benefits from the other.

Partially Vested

If you were initially enrolled in the FRS prior to July 1, 2011 and terminate employment with more than five but less than six years of combined Pension Plan and Investment Plan service, you are entitled to receive the vested Investment Plan contributions and earnings in your account but you are not entitled to receive a Pension Plan benefit since you are not vested in this service. If you receive a requested distribution of your vested Investment Plan account balance, you will be considered retired. You would never be entitled to a benefit from your Pension Plan service (except for a refund of any employee contributions) since your classification as a retiree would not permit you to add any additional service to your unvested Pension Plan service in the event you return to FRS-covered employment in the future.

Surplus in the Investment Plan After Buyback into the Pension Plan

If you use your 2nd Election to transfer to the Pension Plan and have a remaining surplus in your Investment Plan account after buying back into the Pension Plan, you are still considered a member of the Pension Plan. You will not be able to receive this surplus amount until you retire from the Pension Plan and begin receiving your monthly benefit. To be eligible for the Pension Plan benefit, your combined total service credit from the Pension Plan and Investment Plan must total at least six years of combined service (if you were initially enrolled in the FRS prior to July 1, 2011), or eight years (if you were initially enrolled in the FRS on or after July 1, 2011). Once you begin your monthly Pension Plan benefit, you will be eligible to request a distribution of your vested surplus Investment Plan funds. If you do not meet the vesting requirement, as determined by your initial enrollment in the FRS, you will not be entitled to receive a Pension Plan benefit after your termination of FRS-covered employment. Note: You are not considered a Pension Plan retiree if you receive a refund of your employee contributions only or have received a benefit from another FRS program such as the SUSORP, SCCSORP, or SMSOAP.

Vesting Note: If you were initially enrolled in the FRS prior to July 1, 2011, you should know that the vesting requirement for the Pension Plan changed from 10 years to six years on July 1, 2001. Depending on your circumstances, you may be required to work more than six years to vest in your Pension Plan benefits (please see “Vesting” for more information*).* If you were initially enrolled on or after July 1, 2011, the vesting period in the Pension Plan is eight years.

Retirees of the FRS Investment Plan and Other Optional Plans

Effective July 1, 2017, retirees of the Investment Plan, SUSORP, SMSOAP, and SCCSORP are eligible for renewed membership in the Investment Plan, SUSORP, or SCCSORP. You must be employed in an FRS-covered position on or after July 1, 2017, to gain renewed membership. It is important to note this provision does not afford renewed membership retroactively for the period of July 1, 2010, to June 30, 2017, nor does it grant disability benefits for renewed members.

Reference: Sections 121.4501(2)(l) and (6), F.S.
Sections 19-11.006, 19-11.007, 19-11.008, and 19-11.011, F.A.C.

Situations Affecting Your Investment Plan Benefits

The Investment Plan is designed to provide you with income for your retirement. However, some situations could affect your benefits:

- ✓ If it is determined that you are not eligible to participate in the Investment Plan.
- ✓ If you terminated employment before becoming vested in the Investment Plan, you will not receive any benefits from the plan other than your employee contributions, plus earnings.
- ✓ If you transferred the present value of your Pension Plan benefit into the Investment Plan, but terminated employment before vesting in the Pension Plan, you will not be able to obtain a distribution of the present value of your Pension Plan benefit. However, you will be able receive a distribution of:
  - Your employee contributions, plus earnings if you have less than one year of total service, or
  - Your employee and employer contributions, plus earnings if you have more than one year of total service.
- ✓ If you have prior Pension Plan service and take a distribution of your vested employee and employer contributions in your Investment Plan account, you will forfeit the non-vested amount you transferred from the Pension Plan, plus any earnings on that amount.
- ✓ If you do not apply for payments from the Investment Plan before stated deadlines, or if you do not provide the information requested by the Investment Plan Administrator (the SBA or one of its service providers), your payments may be delayed.
- ✓ If your mailing address or email address on file with the Investment Plan Administrator is incorrect, payments from the Investment Plan may be delayed. Additionally, you may not receive your Investment Plan statements or other important notices. See “Updating Mailing Addresses, Email Addresses or Name Changes” for further information.
- ✓ If you receive an invalid distribution from your Investment Plan account or violate the reemployment after retirement provisions of the Investment Plan, you will be required to repay the amount received to the Investment Plan within 90 days. Failure to do so could lead to you being declared retired from the Investment Plan, or at the option of the SBA, to administrative or legal action. In lieu of repaying the invalid distribution, you may be given the option to terminate ***all*** employment of any kind with all FRS employers.

Reference: Sections 121.4501(2)(e), (2)(l), (3), (4), and (6), and 121.591(1)(a)5., F.S.
Sections 19-11.001, 19-11.003, and 19-11.008, F.A.C.

Normal Retirement

Normal retirement for Investment Plan members is the later of either the date you attain normal retirement under the provisions of the Pension Plan or the date you are vested under the Investment Plan. The following chart sets out when you achieve normal retirement depending on your class of membership and first date of hire.

Investment Plan Normal Retirement

Special Risk Class	All Other Membership Classes
Age 55 or older and one or more years of FRS-covered service Age 52 or older and 25 or more years of Special Risk and military service Any age and 25 or more years of Special Risk service	**Hired after July 1, 2011** Age 65 or older and one or more years of FRS-covered service Any age and 33 or more years of FRS-covered service **Hired prior to July 1, 2011** Age 62 or older and one or more years of FRS-covered service Any age and 30 or more years of FRS-covered service

If you have reached the normal retirement requirements of the Investment Plan for your class of membership, you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month.

Reference: Section 121.021(29), F.S.
Section 19-11.003, F.A.C.

Investment Funds

The Investment Plan offers a diversified mix of primary investment funds that span the risk-return spectrum.[6] Before you select any primary investment funds or make an election, you should review each fund's Overview, Performance, Lipper Ratings (if applicable), Fees, Risk, Portfolio, Management, Investment Fund Summary, and the Annual Fee Disclosure Statement (see more information below). These documents contain descriptions of the available primary investment funds (including investment objective, fund management, investment risk, performance, expenses, etc.) to help you make informed investment decisions. Additional detailed information on each of the investment funds is available upon request. You can also visit MyFRS.com to access the online Advisor Service tool, which can provide specific investment guidance. If you do not have access to the Internet, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), and have a professional, unbiased financial planner explain the available options or walk you through the online services.

Annual Fee Disclosure Statement

The *Annual Fee Disclosure Statement* for the Investment Plan provides information concerning the Investment Plan's structure, administrative and individual expenses, and investment funds, including performance, benchmarks, fees, and expenses. This Statement is designed to set forth relevant information in simple terms to help you make better investment decisions. The Statement is available online in the "Investment Funds" section on MyFRS.com, or you can request that a printed copy be mailed at no cost to you by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).

Investing Your Account Assets

As an Investment Plan member, you have the right to decide how to invest your account assets. If you do not provide instructions on how to allocate your funds, your assets will be 100% invested in, and continue to be invested in, the Plan's default investment fund option, which is an age-appropriate Retirement Date Fund.

Retirement Date Funds (also known as target date funds) make investing for your retirement simple: Diversification, asset allocation, and account rebalancing are all done for you. Each Retirement Date Fund is a diversified portfolio of other Plan investment funds and uses an asset allocation concept called "target date funds." The mix of funds in each Retirement Date Fund is based on the amount of time you have before retirement, and the fund's mix gradually changes as your retirement gets nearer. This gradual change follows a careful investment strategy called a "glide path." Each Retirement Date Fund's glide path was developed for the FRS by a global investment consulting firm and a fiduciary to the FRS. The more time you have until retirement, the more your Retirement Date Fund will be focused on growth. As your retirement approaches, your fund will become more conservative, shifting its focus toward protecting the retirement nest egg you have built. Be sure to review the *Default Investment Fund Notice* available in the "Privacy, Security, and Terms of Use" section on MyFRS.com (located in the bottom right corner of the site's footer). If you have any questions, please call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).

Self-Directed Brokerage Account (SDBA)

In addition to the primary investment funds, you have access to a Self-Directed Brokerage Account (SDBA) (participation requirements apply). The SDBA allows Investment Plan members to invest in thousands of different investments in addition to the Investment Plan's primary investment funds. **The SDBA is for experienced investors who want the flexibility to invest in a variety of options beyond those available in**

[6] Note that there can be risk in holding a large portion of your account balance in a single fund (unless that fund is a reasonably diversified fund, such as a Retirement Date Fund). For further information on diversifying your account, please call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), or visit MyFRS.com. Additional information on investing and diversification can be found on the U.S. Department of Labor's website at https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/pension-protection-act/investing-and-diversification.

the Investment Plan's primary investment funds. It is not suitable for all members. You assume the full risk and responsibility for the investments you select, so you will need to choose your investments prudently and monitor them carefully and frequently. Before you open an SDBA you should review the SDBA brochure, enrollment form, Access Guide, Fees & Commissions Schedule, List of No Transaction Fee Funds, List of Available Fund Families, and Federated Government Obligations Fund Prospectus available online in the "Investment Funds" section at MyFRS.com.

Here are some other important factors to consider about the SDBA:

- ✓ None of the investments in the SDBA have been reviewed for suitability by the FRS. You are solely responsible for determining the appropriateness of any investments in the SDBA.
- ✓ You agree to fully indemnify and hold harmless your employer, the FRS, the SBA, as well as any and all service providers to the FRS against any claims, damages, or other possible causes of actions resulting from your use of the SDBA.
- ✓ You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of the Florida Statutes 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 assets in your Investment Plan account (which includes the SDBA), 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.

Reference: Sections 121.4501(8)(b)2., (9), (14), and (15), F.S.
Section 19-13.004(3), F.A.C.

Changing Investment Funds

Generally, you can change your investment fund allocations at any time either online or by calling the Investment Plan Administrator at no cost. However, some funds restrict your ability to move your money under certain circumstances in compliance with an excessive fund trading policy (see below). If you do not have access to MyFRS.com, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711), and request a representative's help in making the changes, and to obtain a copy of the Excessive Fund Trading Guidelines (also available on MyFRS.com by clicking on "Investment Funds").

Changes to the investments in your account will take effect at the close of business on the day your request was made, provided that the request was completed by 4:00 p.m. ET. If your request is completed after 4:00 p.m. ET, or on a non-business day, your change will take effect at the close of business on the next business day that the financial markets are open.

Changes to the investment of future contributions to your account take effect with the next monthly retirement report submitted by your agency to the Division.

You can request information about any of the investment funds by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711) or online at MyFRS.com.

Reference: Section 121.4501(9), F.S.
Section 19-11.004, F.A.C.

Excessive Fund Trading Guidelines

The SBA has developed guidelines to help protect all Investment Plan members by preventing any short-term excessive fund trading within the Investment Plan's primary funds. Excessive fund trading, in which members move money in and out of the Investment Plan primary funds on a frequent basis to try to capture short-term gains, can have a negative impact on the funds involved. This type of behavior can escalate a fund's trading costs which increase costs to all fund shareholders. It can also complicate a fund's portfolio management and reduce the fund's investment returns.

All Investment Plan members are subject to these guidelines, including current members, previous members, members who have rolled over Deferred Retirement Option Program (DROP) funds into the Investment Plan from the Pension Plan, surviving beneficiaries, and other alternate payees. These guidelines apply to the transfers of monies between funds and does not affect any transaction that is initiated for purposes of depositing employer or employee retirement contributions, rollover of eligible funds into the plan from an outside retirement plan, processing a distribution, or any administrative transaction such as processing a Qualified Domestic Relations Order (QDRO), or mapping assets from terminated funds. These types of activities are considered "exempt transactions." These guidelines do not apply to the trading of funds within the Self-Directed Brokerage Account (SDBA).[7]

Foreign and global investment funds are subject to a minimum holding period of seven-calendar days following any non-exempt transfers into such funds. For example: if you transfer $5,000 into one of the foreign or global funds on November 4, you will not be able to transfer the $5,000 out of that fund until November 12, except for a distribution out of the plan. Foreign and global funds include:

- ✓ FRS Foreign Stock Index Fund (200)
- ✓ FRS Foreign Stock Fund (220)
- ✓ FRS Global Stock Fund (210)

All investment funds (except for money market funds, stable value funds, and funds within the SDBA) are subject to the following guidelines to mitigate excessive fund trading:

- ✓ Members that engage in one or more Market Timing Trades (as defined in the definitions section below) in authorized funds and who have not previously received a warning letter, will receive a warning letter sent by
- ✓ U.S. mail. The warning letter will notify the member that Market Timing Trades have been identified in his/her account and any additional violations will result in a direction letter.
- ✓ Members that engage in one or more Market Timing Trades in authorized funds and who have previously received a warning letter will be sent a direction letter by courier (i.e. UPS, FedEx, etc.). The SBA will require non-automated trade instructions for at least one full calendar month following the date of the direction letter for all trades involving the Investment Plan primary funds. Subsequent violations will require members to conduct trades using the approved paper trading form, which is required to be mailed certified/return-receipt to the SBA for all trades involving the Investment Plan primary funds. Automated trade instructions include the Internet and requests made over the telephone through the Plan Administrator's call center. However, any automated (online) trading in, out, and SDBA is still available.
- ✓ Automatic account rebalancing will be canceled for any member who receives a warning or direction letter. The member will be allowed to choose to have his or her account automatically rebalanced once they have no trading restrictions.

The following definitions apply:

- ✓ Member - a participant who has an account established in the Investment Plan as a result of:
  - Current or previous employment with an FRS employer;
  - A rollover of DROP accumulation from the Pension Plan;
  - Being designated as an alternate payee due to a qualified domestic relations order ("QDRO"); or
  - Being a designated beneficiary when a member is deceased.
- ✓ Exempt transaction - any transaction that is initiated for purposes of depositing employer or employee payroll contributions; a rollover of eligible funds into the plan from an outside retirement plan; processing a distribution or any administrator initiated transaction (e.g., processing a QDRO, mapping assets from

[7] The funds within the SDBA may have excessive trading rules that are applicable; however, these are separate and apart from the Investment Plan's Excessive Trading Guidelines and the SBA has no control over these rules since these are outside of the approved FRS investment funds.

terminated funds, etc.). Exempt transactions are not included in any calculations for the purposes of these guidelines.

- ✓ Market Timing Trade - a member-directed series of trades that meet both of the following two criteria:
  - The series of transactions are Roundtrip Trades.
    - The series of transactions are, in aggregate, $75,000 or more within 30 calendar days (e.g., a purchase of fund shares for $50,000 and a sale of $35,000 of the same fund's shares the next day would be an aggregate trade amount of $85,000).
- ✓ Roundtrip Trade - one or more transfers into an investment fund AND one or more transfers out of the same investment fund in either order (i.e., in/out or out/in) within a 30-calendar day period[8], regardless of any multiple transfers from or to other different investment funds during the Roundtrip Trade. A roundtrip trade includes a trade from an Investment Plan primary fund to the SDBA, a trade from the SDBA to an Investment Plan primary fund, and any automatic rebalancing of primary funds within the account.
- ✓ Excessive Fund Trading - two or more occurrences of Market Timing Trades by a member over time.
- ✓ Investment Plan primary funds – investment funds offered under the Investment Plan. Does not include additional investment opportunities available under the SDBA.
- ✓ Self-Directed Brokerage Account (SDBA) – An account that allows a member access to additional investment opportunities that are not available in Investment Plan primary funds.

Examples of Excessive Fund Trading

The following are examples only. This is not an exhaustive list of all possible transactions. Members avoiding these examples will not necessarily avoid the impact of excessive fund trading since other transactions may meet the definitions of Market Timing Trades or Excessive Trading.

a. If Member A transfers $50,000 out of Fund A and into Fund B on Monday and then transfers $20,000 out of Fund B on Tuesday, the transaction is a Roundtrip Trade but is not a Market Timing Trade because the aggregate amount of $75,000 has not been met.

b. If Member A transfers $50,000 out of Fund A and into Fund B on Monday and then transfers $55,000 out of Fund B on the following Monday, the transaction is a Roundtrip Trade and a Market Timing Trade because the aggregate amount of all trades in and out of Fund B has exceeded $75,000 ($50,000 + $55,000 = $105,000) within a 30 calendar day period.

c. If Member A transfers $5,000 out of Fund A and into Fund B on November 1 and then transfers $25,000 out of Fund A and into Fund B on November 3 and then transfers $10,000 out of Fund A and into Fund B on November 5 and then transfers $40,000 out of Fund B and into Fund A on November 15, the entire series of transactions constitutes a Roundtrip Trade and is a Market Timing Trade because the aggregate amount of all trades into and out of Funds A and B each exceeded $75,000 within a 30 calendar day period.

d. If Member A transfers $5,000 out of Fund A and puts $2,500 into Fund B and $2,500 into Fund C on December 1 and then transfers $25,000 out of Fund A and puts $20,000 into Fund B and $5,000 into Fund C on December 5, and then transfers $10,000 out of Fund A and puts $10,000 into Fund C on December 6 and then transfers $23,000 out of Fund B into Fund A and $20,000 out of Fund C into Fund A on December 16, the entire series of transactions constitutes a Roundtrip Trade and is a Market Timing Trade because the aggregate amount of all trades into and out of Fund A exceeded $75,000 within a 30 calendar day period. It is irrelevant that money has come out of one fund and been transferred into two funds because the money has been returned to the original fund.

e. Member A transfers $50,000 out of Fund A and into a foreign stock fund, which already contains $100,000, on October 1, so that on October 1, the foreign stock fund contains $150,000. Member A cannot transfer the
$50,000 out of the foreign stock fund until October 9.

f. A member has $250,000 in his Investment Plan account and is the subject of a QDRO. The member's spouse becomes entitled to half of the member's Investment Plan account. On December 5, the member's

[8] Roundtrip and Market Timing Trades are calculated using a rolling 30-calendar-day time period. For example, if a trade occurs on May 15, the 30-calendar-day period extends from May 16 through June 14.

spouse rolls over their entire balance into an IRA. This is neither a Roundtrip Trade nor a Market Timing Trade because the transfer is an exempt transaction, as described above.

g. A member transfers $32,000 into Fund A on August 5 and then transfers $32,000 out of Fund A on August 11 and then transfers $31,000 into Fund A on August 17. The entire series of trades are Roundtrip Trades and is a Market Timing Trade because the aggregate amount of all trades exceeded $75,000 within a 30 calendar day period.

h. If Member A transfers $50,000 out of Fund A and into the SDBA on January 2, and then transfers $35,000 from the SDBA into Fund A on January 25, the transaction is a Roundtrip Trade and a Market Timing Trade because the aggregate amount of all trades into and out of Fund A exceeded $75,000 within a 30 calendar day period.

i. If Member A transfers $40,000 out of Fund B and into the SDBA on February 15, and then transfers $55,000 from Fund C into Fund B on March 3, the transaction is a Roundtrip Trade and a Market Timing Trade because the aggregate amount of all trades into and out of Fund B exceeded $75,000 within a 30 calendar day period.

Trading Restrictions of Specific Funds

The Securities and Exchange Commission (SEC) under Rule 22c-2 of the *Investment Company Act of 1940* permits all open-end mutual funds either to impose trading restrictions or levy monetary penalties on members conducting market timing transactions. The Investment Plan has been granted exemptions from the mutual fund companies within the Investment Plan.

Information from the Investment Plan Administrator's member recordkeeping database will be used to identify Market Timing Trades, specific fund trading restrictions, and track the mandatory seven-calendar-day holding period requirements for certain funds.

Review these guidelines carefully before making any Investment Plan transactions. For more information you can call the MyFRS Financial Guidance Line and speak with an experienced EY financial planner for the timing of specific trades.

Reference: Section 121.4501(9), F.S.
Sections 19-11.001 and 19-11.004, F.A.C.

Account Fees

Charges and fees assessed against Investment Plan accounts may change at any time without prior notice to members or FRS employers. Fees and expenses are only one of several factors that you should consider when making investment decisions.

Annual Fee Disclosure Statement

Plan's structure, administrative and individual expenses, and investment funds, including performance, benchmarks, fees, and expenses. This Statement is designed to set forth relevant information in simple terms to help you make better investment decisions. The Statement is available online in the "Investment Funds" section on MyFRS.com, or you can request a printed copy be mailed at no cost to you by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).

Active Employees

If you are an active employee of an FRS employer, you will pay investment management fees on the fund(s) you have chosen as set by the investment managers of the fund(s). Florida law also allows the imposition of fees for administration and education services, but these are not currently charged to active-employee members.

Terminated or Retired Employees

If you have terminated or retired from FRS employment (including former DROP participants who have rolled funds into the Investment Plan), but have retained your account in the Investment Plan, or you are employed with an FRS employer in a position not covered for FRS, you will continue to pay the investment management fees on your Investment Plan funds. Additionally, there is an administrative maintenance fee of $6 per quarter for all account balances over $1,000. This amount will be automatically deducted from your account each quarter.

Former Spouses

If you are a surviving beneficiary or the former spouse of an Investment Plan member and you have your own account because of a court-ordered QDRO, you will pay the same investment management fees, and any administrative fees, as terminated or retired members.

The procedures for determining whether a domestic relations order is a QDRO are available at no charge by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711). (See "General Information" for more information.)

Reference: Sections 121.4501(6)(a), (9), and (11), 121.74, and 121.77, F.S.

Rollovers into the Investment Plan

Rollovers from Qualified Retirement Plans

- ✓ Investment Plan members are permitted to roll over into the Investment Plan eligible retirement monies that are received from:
- ✓ A qualified Traditional IRA at another custodian,
- ✓ An eligible retirement plan (401 defined contribution or 401 defined benefit),
- ✓ SEP-IRA,
- ✓ 457(b),
- ✓ 403(b) pre-tax, or
- ✓ Federal Employee's Thrift Savings Plan.

After-tax monies rolled over from an eligible plan should be indicated on your distribution statement from the previous plan. The distribution statement should include the distribution date and the eligible rollover amount, including a separate accounting of any after-tax monies included in the rollover amount.

If you are uncertain as to whether your former retirement plan is eligible to be rolled over, call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711), and one of the customer care representatives will help you make the determination.

Once you roll over eligible retirement monies into the Investment Plan, you cannot receive any distributions of these funds (or your Investment Plan account balance) until you have terminated all employment with all FRS employers for three full calendar months. You may be eligible to receive a one-time distribution of up to 10% of your Investment Plan account balance one calendar month following the month of your termination if you meet the normal retirement requirements for the Investment Plan.

DROP Rollovers

DROP participants (including former DROP participants), may roll over all or a portion of their DROP accumulation into the Investment Plan after they have terminated DROP. This option allows Pension Plan members to keep some or all of their DROP balance in the FRS and take advantage of the investment products, low fees, and distribution options of the Investment Plan.

The rollover amount must be more than $1,000. Additionally, the DROP participant will pay the investment management fees for the investment fund(s) chosen, plus an administrative maintenance fee of $6 per quarter, which will be automatically deducted from the Investment Plan account each quarter. DROP participants who use this option are subject to the benefits and provisions of the Investment Plan as outlined in this summary plan description.

Terminated DROP participants who roll their DROP accumulation into the Investment Plan have immediate distribution access to their DROP proceeds whether they are retired or return to FRS employment.

Rollovers from Former Investment Plan Members

If you take a distribution of your entire Investment Plan account balance as a retiree, you may roll eligible funds from other qualified retirement plans back into the Investment Plan. The rollover amount must be more than $1,000. Additionally, you will pay the investment management fees for the fund(s) in which you choose to invest, plus there is an administrative maintenance fee of $6 per quarter, which will be automatically deducted from your account each quarter. Retirees who use this option are subject to the benefits and provisions of the Investment

Plan as outlined in this summary plan description. Rolling funds back into the Investment Plan will not subject the retiree to the reemployment after retirement provisions.

Retirees who use this option will have immediate access to their rollover funds regardless of whether they return to FRS employment in the future, subject to any applicable Internal Revenue Code provisions.

Rollovers Not Permitted for Former Spouses or Beneficiaries

If you are the former spouse or former beneficiary of an Investment Plan member whose account in the Investment Plan was established by the terms of a QDRO or by the Investment Plan Beneficiary Designation Form, rollovers are not permitted into the account once you have removed all the originating funds from the account. In addition, the spouse, former spouse, or other beneficiary of a Pension Plan member is not permitted to roll over a DROP accumulation into the account established by the terms of a QDRO or due to a beneficiary designation.

Reference: Sections 121.4501(5)(e) and (21), F.S.
Sections 19-11.001 and 19-11.012, F.A.C.

2nd Election

As outlined in Section 121.4501(4)(f), Florida Statutes, FRS members have a one-time option, called a 2nd Election, to change retirement plans while actively employed in an FRS-covered position. The 2nd Election is available to employees after their initial retirement plan enrollment period ends or during the month of their retirement plan effective date if they make an active initial election prior to the enrollment period ending date.

If you were an existing employee during the initial implementation of the Investment Plan and chose to remain in the Pension Plan, or you are a newly hired employee who chose the Pension Plan during your choice period, you have a one-time option to change to the Investment Plan at any point while working for an FRS employer in an FRS-covered position. If you are changing from the Pension Plan to the Investment Plan, you can make your 2nd Election online by logging in to MyFRS.com or by completing the 2nd Election form available on MyFRS.com (online or hardcopy).

If you elected to participate in the Investment Plan during your initial retirement plan choice period, or you did not make an election by your choice period deadline and defaulted membership into the Investment Plan, you will have a one-time opportunity to change to the Pension Plan at any point while working for an FRS employer. If you are changing from the Investment Plan to the Pension Plan, you can make your 2nd Election by completing the 2nd Election form available on MyFRS.com (online or hardcopy). You should be aware that there may be a cost associated with this election if you do not have enough funds in your Investment Plan account to cover the cost of the "buy-in" amount for transfer to the Pension Plan (see below).

To use your 2nd Election, you must be actively employed, and earning salary and service credit, when your 2nd Election is received by the Plan Choice Administrator. If you are on an unpaid leave of absence, are an employee of an educational institution on summer break, or have terminated your FRS-covered employment, you are not eligible to use your 2nd Election. If you are leaving FRS-covered employment, your 2nd Election must be received prior to your termination date and/or the last day you receive service credit. It is your responsibility to ensure that the 2nd Election is received by the Plan Choice Administrator no later than 4:00 p.m. ET on the last business day you are earning salary and service credit. 2nd Elections received after 4:00 p.m. ET are processed the next business day. If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed.

For those who work for an educational institution (school board, community college, university, etc.) on a work contract less than 12 months and are on a summer break, you must return to work after the summer break or receive regular wages to make a valid election.

Investment Plan or Investment Plan Hybrid Option to Pension Plan

If you decide to change to the Pension Plan, you must buy into the Pension Plan with the money in your Investment Plan account. If you do not have sufficient funds in your Investment Plan account, you must make up the difference from your other financial resources. You may be able to roll over funds from another eligible retirement plan to pay the difference (call the MyFRS Financial Guidance Line for further information).

If you have a surplus remaining in your Investment Plan account after completing the 2nd Election, you will continue to have access to the account to manage the assets. This account will be available for distribution once you retire and begin receiving your Pension Plan benefit (see "Surplus in the Investment Plan After Buyback into the Pension Plan" for more information). The surplus in your Investment Plan account can also be rolled into the Pension Plan to purchase service credit or upgrade service in the Pension Plan.

Buy-In Calculation

The calculation used to determine the buy-in amount is an actuarial calculation; it is not the total of your employee or employer contributions paid into the Investment Plan, nor is it equal to your total Investment Plan account balance. The buy-in amount differs depending on whether you had previous Pension Plan service at the time you changed from the Pension Plan to the Investment Plan during your initial enrollment period. The buy-in amount will be determined as follows:

If you had previous Pension Plan service: The Division is responsible for calculating a Return Accumulated Benefit Obligation (ABO), using a formula developed by the Pension Plan's actuary, in accordance with Florida law. The ABO is a present value calculation that assumes that all your FRS creditable service up to that point has been earned in the Pension Plan. The formula to compute the ABO is:

Years of Creditable Service	X	Percentage Value (depends on class of FRS membership)	X	Average Final Compensation (average of highest five years of salary or eight years if initially enrolled July 1, 2011, or after)	=	Yearly Benefit at Normal Retirement Date

The total yearly benefits calculated during retirement are projected over your expected lifetime (including a 3% annual increase in benefits for service prior to July 1, 2011). This stream of increasing annual payments is converted to a single lump sum — a "present value" (value in today's dollars) using an actuarial conversion factor. The conversion factor reflects a 6.70% interest rate and mortality tables used in the most recent valuation of the Pension Plan. Please note that the conversion factor will increase monthly until you reach your normal retirement date and will decrease for each month after the normal retirement date.

If the buy-in amount is greater than your current Investment Plan account balance, you must pay the difference from other financial resources to complete your enrollment in the Pension Plan.

If you had no previous Pension Plan service and joined the Investment Plan as a new employee: You must pay the Actuarial Accrued Liability (AAL) or total cost of the accumulated Pension Plan benefit. Determining the AAL is a complex calculation that involves many variables such as current age, current service, life expectancy, projections of service and salary, projections of the probabilities of the various ways you may leave active membership (regular retirement, disability, termination, etc.), and the timing of the expected payments, including the time value of money. This estimated cost is subject to change based on changes to the factors used in the FRS actuarial valuation completed each year.

Deposit of Buy-In Amount

Upon transferring to the Pension Plan, your total buy-in amount will be deposited in the FRS Pension Plan Trust Fund. This buy-in amount is not classified as employee or employer contributions (your records will indicate zero employee and employer contributions). You will begin to accrue employee and employer contributions again after the transfer to the Pension Plan. See the "Vesting Caution" below which states that if you terminate employment and are not vested in the Pension Plan you will only be entitled to receive a refund of your employee contributions (without interest).

Estimating Your Buy-In Amount

If you had previous Pension Plan service, the 2nd Election choice tool on MyFRS.com can help you estimate your buy-in amount. Or, you can call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711). The Division will calculate the **estimated** buy-in amount you may owe, which you may request before making the election to join the Pension Plan. This amount changes (i.e., typically increases) at the beginning of each month to reflect your new age and service, as well as any salary changes. Once you have the buy-in amount

calculated by the Division, you must submit a *2nd Election Retirement Plan Enrollment Form (Form ELE-2)* to lock in the buy-in amount as of the month calculated by the Division. If you do not submit the *2nd Election*

Retirement Plan Enrollment Form (Form ELE-2) prior to the end of that month, a new buy-in amount must be calculated by the Division based on the new buy-in month. You may acquire the form by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711), or it can be obtained by visiting MyFRS.com (online or hard copy).

Investment Plan Account After Your 2nd Election

After you make your election, your Investment Plan account will be liquidated and any and all funds will be applied to your buy-in amount due. The Division is responsible for calculating the **final** buy-in cost once all employer retirement contributions for periods prior to your transfer date have posted to your retirement account. This may necessitate an increase or decrease in the estimated amount you owe for the buy-in. If you owe less than your Investment Plan account balance, you will retain the balance remaining in your Investment Plan account, which is not accessible until you retire and begin receiving benefits from the Pension Plan. If you owe more, you will receive correspondence with an invoice from the Division with the balance due to finalize the 2nd Election. If this amount is paid in full, it will finalize your 2nd Election and the amount paid is non-refundable and will not be reflected in your employee contribution balance in the Pension Plan. If you do not remit the invoiced amount within 60 days of the date of the correspondence received from the Division, your 2nd Election will be cancelled, and the liquidated amount will be returned to your Investment Plan account and reinvested as previously allocated and at current market value. The FRS is not responsible for market gains or losses to your account during the liquidation process. In this event, you will retain your 2nd Election option.

You have the ability to move your Investment Plan account balance into conservative investment options within the Investment Plan in order to potentially reduce the volatility of your account balance prior to liquidation and movement to the Pension Plan. Conservative investment options are not guaranteed and can result in investment gains or losses.

CAUTION: Please be aware that the out-of-pocket cost to “buy-in” to the Pension Plan may be a significant amount and you may not have sufficient funds in your Investment Plan account to cover the total cost. If you are a new hire and elect the Investment Plan initially with the strategy of using your 2nd Election at a later date to switch to the Pension Plan, either once you attain sufficient FRS service to vest in the Pension Plan or upon realizing that you want to work a full career with the FRS, understand that your Investment Plan account balance may not cover the cost of transferring membership and may impact your ability to afford to make this election. It is very important that you carefully consider your retirement plan choice when making your 1st Election.

Pension Plan to Investment Plan

If you join the Pension Plan and wish to change to the Investment Plan at a later date, there will be no cost for the change. The present value of your actuarially calculated Pension Plan benefit will be transferred to the Investment Plan as your opening account balance.

Present Value Calculation

The present value calculation is an actuarial determination of your accrued Pension Plan benefit, and it is not the total of your employee or employer contributions paid into the Pension Plan. Upon transferring to the Investment Plan, your present value will be deposited in your Investment Plan account. See the “Vesting Caution” below.

Vesting Caution

The service included in the present value transferred from the Pension Plan to the Investment Plan requires six or

eight years of total service to vest, depending on your date of hire.

If you terminate employment prior to meeting the Pension Plan vesting requirements (less than six or eight years of total service, depending on your date of hire), you will only be entitled to receive a distribution of:

- ✓ Your employee contributions if you have less than one year of total service, or
- ✓ Your employee and employer contributions plus earnings paid on any vested service if you have more than one year of total service.
- ✓ If you terminate employment after meeting the Pension Plan vesting requirements (six or eight years or more of total service, depending on your date of hire), you will be entitled to receive a distribution of your entire account balance, i.e. your opening account balance (the present value of your Pension Plan benefit), and the employee and employer contributions.

If you request a distribution of your vested employee or employer contributions, you will be considered a retiree of the FRS and forfeit all unvested employer contributions and earnings. If you do not request a distribution of your vested employee or employer contributions and do not return to FRS-covered employment within five years, your unvested employer contributions will be forfeited.

Pension Plan to Investment Plan Hybrid Option

If you join the Pension Plan and wish to switch to the Investment Plan Hybrid Option at a later date, there will be no cost for the change. If you enrolled in the FRS prior to July 1, 2011, you must have at least five years of service to elect the Hybrid Option. If you initially enrolled in the FRS on or after July 1, 2011, you must have at least eight years of service to elect the Hybrid Option. You will freeze your current Pension Plan benefit and direct future contributions into the Investment Plan. You cannot move frozen Pension Plan account funds into your Investment Plan account.

Plan Change Effective Date

If you wish to use your 2nd Election, note that the plan change is effective the first day of the month following the receipt and processing of your *2nd Election Retirement Plan Enrollment Form (Form ELE-2)*, hardcopy or online submission.

You must be actively employed, earning salary and service credit when your 2nd Election is received by the Plan Choice Administrator. If you are on an unpaid leave of absence, are an employee of an educational institution on a work contract that is less than 12 months and are on summer break, or have terminated your FRS-covered employment, you are not eligible to use your 2nd Election. Your 2nd Election must be received by the Plan Choice Administrator prior to your termination. It is your responsibility to ensure that the 2nd Election is received by the Plan Choice Administrator no later than 4:00 p.m. ET on the last business day you are earning salary and earning service credit. 2nd Elections received after 4:00 p.m. ET are processed the next business day. If received after termination of your FRS-covered employment, your election will be considered invalid, and your plan change will be cancelled. For example, if you submit your *2nd Election Retirement Plan Enrollment Form* in December and it is received and processed by the Plan Choice Administrator on December 15, your plan change will be effective on January 1. You may terminate employment any time after December 15. However, if you terminate employment on December 14 or any date prior to the receipt and processing of the enrollment form, it will be rejected or reversed, and you will remain in your original retirement plan.

Note that lump-sum annual leave or sick leave payments made after you terminate your employment do not meet the employment requirements. Additionally, if you are on an unpaid leave of absence or working in a position that is not eligible for FRS, you are not eligible to make a 2nd Election.

Online elections require an electronic signature. By completing an enrollment online, you agree that your enrollment may be electronically signed and that your electronic signature is the same as a handwritten signature for the purposes of validity, enforceability, and admissibility. If you prefer, you may print out a hard copy of the form and submit it.

Cancelling a 2nd Election

Under certain circumstances, you may be able to cancel a retirement plan election. See “Cancelling a Retirement Plan Election” for further information.

Reference: Section 121.4501(4)(f), F.S.
Sections 19-11.001, 19-11.007, and 19-13.002, F.A.C.

Distributions from the Investment Plan

When You Can Take a Distribution

The Investment Plan is a retirement plan. You will not be permitted to make withdrawals from the Plan while you are still employed in **any** capacity by an FRS employer or knowingly expect to return to employment with an FRS employer in the near future. See "FRS Employment" for more information.

After you have terminated **all** employment (see "FRS Employment") with an FRS employer for three full calendar months (following your month of termination), you can request a distribution from your Investment Plan account. If you have reached the normal retirement requirements of the Investment Plan for your class of membership (see "Normal Retirement"), you may take a one-time distribution of up to 10% of your account balance after being terminated for one calendar month (following your month of termination). If you are enrolled in the Hybrid Option, you must meet these requirements to request a distribution from your Investment Plan account.

Not Achieved Normal Retirement (Example): If you terminate employment on January 15 and have not met the normal retirement requirements, you must be off all payrolls of any FRS employers during the months of February, March, and April. You would be eligible to request a distribution on May 1 or later. You can contact the Investment Plan Administrator to request a distribution from your account or process a distribution by logging in to MyFRS.com.

Achieved Normal Retirement (Example): If you terminate employment on January 15 and have met the normal retirement requirements, you must be off all payrolls of any FRS employers for the month of February, at which time you are eligible to receive a one-time distribution of up to 10% of your account balance on March 1 and the remaining balance on May 1 or later.

This normal retirement requirement also pertains to FRS members who have previously retired from the FRS, and returned to FRS-covered employment in another career earning a second retirement benefit from the FRS. To receive the 10% distribution from your "second-career" service you must meet the normal retirement requirements of the Investment Plan using only the service earned during your "second-career."

Reference: Sections 121.021(29), 121.4501(7), and 121.591, F.S.
Sections 19-11.001 and 19-11.003, F.A.C.

Requesting a Distribution

If you leave FRS-covered employment, you can leave your account invested in the Investment Plan until you decide to take a distribution from the Plan. Your benefit under the Investment Plan consists of the value of your account. If you are vested in your account, your benefit is payable to you, or to your designated beneficiary or your estate upon your death. **Once you request a distribution of any type (including a rollover) from your Investment Plan account, you are considered retired from the FRS. Your retirement is considered final when your distribution is either cashed or deposited.** To request a distribution, call the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (you will need to provide the Investment Plan Administrator your PIN[9]), or log in at MyFRS.com using your previously established user ID and password to access your Investment Plan account and the distribution options available to you. You do not need to complete any paper forms to request a distribution.

To receive guidance regarding implications of taking a distribution, contact the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711). If you do not plan to call the MyFRS Financial Guidance Line, you may want to consult a professional tax advisor before making a distribution request, since tax consequences

[9]If you have forgotten your PIN, you may request a PIN reminder on MyFRS.com or by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711).

can be severe when you make certain distribution choices. See “Taxes on Distributions” for further information on this subject.

Provided the request for a distribution is completed by 4:00 p.m. ET, the distribution will be based on your total account balance at the close of business on the day the request is made. If the distribution is requested after 4:00 p.m. ET or on a non-business day, the distribution amount will be based on your account balance at the close of business on the next business day the financial markets are open. Once a distribution is taken from your Investment Plan account, no additional interest is earned on those funds. If you fail to cash or deposit the distribution check within 180 days, it will be considered stale dated; a replacement check must be requested and will be for the same amount as the stale dated distribution check.

Installment payments or lump-sum distributions from your Investment Plan account can be either a check mailed to your address on file with the Investment Plan Administrator or deposited directly into your personal banking account. Your banking ACH deposit information can be set up at any time by either calling the Investment Plan Administrator or online by logging in to MyFRS.com and going to Investment Plan > Personal Information > Financial Institutions. If for some reason the funds cannot be deposited using the ACH information provided, a check will be issued and mailed to the address on file. **It is important to note that, for security purposes, if you make any updates to your profile information (address, banking information, etc.), you cannot request a distribution from your account for ten (10) days after the update(s) is made.**

Distributions will be taken on a pro-rata basis from each of the investment funds in your Investment Plan account, or, if you have an adequate balance in the FRS Stable Value Fund (350), you can request the distribution be paid solely from that fund.

Distributions can only be made from your primary Investment Plan account and **cannot** be made directly from your SDBA, if applicable. If you have an SDBA, and if there is insufficient money in your Investment Plan primary investment funds to process the distribution request, funds will need to be liquidated from your SDBA and transferred to your primary account prior to processing a distribution. Review the SDBA Access Guide for additional information.

CAUTION: Your eligibility to continue your current health insurance coverage with your employer may be affected if you take a distribution from your Investment Plan account. Before taking any distribution from your Investment Plan account, be sure to contact your employer’s personnel office to verify your eligibility to continue this very important coverage.

Reference: Sections 110.123(2)(g), 112.0801(2), 121.4501(7), and 121.591, F.S.
Sections 19-11.001 and 19-11.003, F.A.C.

Requesting Your Distribution Early

You can submit a request for a distribution from your Investment Plan account up to 1½ months prior to the date you are eligible to take the distribution. These “pended” distribution requests will help you avoid long wait times that sometimes occur on the first business day of each month. The request can be made no earlier than the 15th calendar day of the month. Here’s an example:

Date Terminated	Eligible for Distribution	Eligible to Request a Pended Distribution
April 20	First business day of August	June 15

These requests can be made online or by calling the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711). You will need to provide the Investment Plan Administrator your PIN (if you call) and your employer will need to have submitted your termination date. You can make changes to your pending distribution until 4:00 p.m. ET on the date you are eligible for the distribution. Pended distributions are processed on the first business day of the date you are eligible for the distribution.

If you return to employment with an FRS employer during the pending distribution period, you must notify the Investment Plan Administrator to cancel your distribution. If your employment status changes on the FRS database from "Terminated" to "Active" during this period, the pending distribution will be canceled.

Distribution Options

Available distribution options include:

- ✓ Partial or full lump-sum distribution.
- ✓ Partial or full lump-sum direct rollover distribution to an IRA, Roth IRA, 401(k), 403(b), 457, or other qualified retirement plan that accepts rollover contributions. A rollover is a tax-free transfer from one eligible retirement plan to another. A non-spouse beneficiary may complete a direct rollover distribution to an inherited/beneficiary IRA.
- ✓ A split distribution. This is part direct rollover and part payable to you.
- ✓ Periodic distributions from your account balance.
- ✓ Installment distributions, paid monthly, quarterly, or annually, based on a percent of your account balance, or a specific dollar amount.
- ✓ A monthly lifetime immediate or deferred income payment guaranteed by an insurance firm under contract with the SBA. You can provide for joint benefits or survivor benefits as well as survivor benefit and cost-of-living adjustments. A deferred income payment is designed to provide income later in retirement and to protect against the possibility of outliving retirement assets in later years.

The Investment Plan is a retirement plan and does not permit distributions by members due to hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, the purchase of a principal residence, payments necessary to prevent eviction or foreclosure on a member's principal residence, or for any other reason prior to retirement.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001, 11.002, 11.003, and 13.004(3), F.A.C.

Taxes on Distributions

If you choose to receive payment of your distribution as a single lump sum, the taxable portion (including both employee and employer contributions) will be subject to federal taxes in the year the distribution is made.

If you elect to roll over all or part of your distribution to another qualified plan or individual IRA, the portion rolled over will not be subject to the mandatory 20% federal income tax withholding. Any amounts eligible for rollover but paid directly to you will have a mandatory 20% federal income tax withheld from the distribution (exceptions apply).

If you are under age 59½ when you receive a distribution, there will be an additional 10% federal tax penalty on the taxable portion of your distribution. The 10% tax penalty may not apply if you meet one of the exceptions permitted under the Internal Revenue Code such as death, total and permanent disability, separation from service in the year you turn age 55 or older, or distribution according to a QDRO. The penalty also does not apply to distributions made as part of a series of substantially equal, periodic payments (at least annual) throughout your life or life expectancy or the joint lives or joint life expectancies of you and your beneficiary if the payment begins after your separation from service.

Any amounts eligible for rollover but paid directly to you will also be subject to state withholding tax, depending on the following at the time of your distribution:

- ✓ Your tax residence is within a state that requires state income tax to be withheld;
- ✓ Federal income tax is withheld from your distribution; and

- ✓ The distribution amount is in excess of the state's exclusion amount (if applicable).

The Investment Plan Administrator will indicate whether state withholding will be deducted from your distribution.

If Your Address Is Outside the United States

If your address is outside the United States, there may be an impact on the withholding applied to the payment(s) you may receive from the Investment Plan. Federal law requires the Investment Plan Administrator to withhold 30% of your taxable income if you have a non-U.S. address, unless you submit additional documentation that supports a lower withholding rate. This additional documentation may include:

- ✓ If you're a U.S. citizen and want U.S. withholding applied to your payment, you must complete a Form W-9.
- ✓ If you're not a U.S. citizen, you may complete a Form W-8BEN if your country of residence qualifies for a reduced tax treaty rate. Some countries have a 30% withholding rate, so providing the Form W-8BEN would not change your withholding. Other countries may have a withholding rate less than 30%, so providing the form would reduce the withholding applied to your payments. The treaty rates and Forms W-9 and W-8BEN can be found on the Internal Revenue Service (IRS) website at www.irs.gov. (See IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, for more information.) To receive the reduced withholding rate, if applicable, your form must be submitted and approved prior to your payment request. Please call the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711), for additional information.

Reference: Sections 121.4501(7) and 121.591, F.S.
Section 19-11.003, F.A.C.

Required Minimum Distributions

You are not required to take your benefits when you terminate employment but can defer receiving benefits until a later date. In the calendar year you reach age 73 or terminate employment, whichever is later, the Investment Plan Administrator will notify you that you must start withdrawing a minimum amount as required by federal law. This is referred to as a Required Minimum Distribution (RMD) and will be calculated by the Investment Plan Administrator. You have the option of deferring your first RMD payment until April 1 of the following year if you call the Investment Plan Administrator and request the deferral by November 30. Ongoing, provided you are still terminated from **all** employment with an FRS employer, a notice will be mailed to you in January of each year an RMD is required.

For example: You are no longer employed in any capacity under the FRS and reach age 73 on August 20, 2026. You must receive the RMD for 2026 from your retirement account by December 31, 2026, unless you request a deferral of this first RMD payment until April 1, 2027. In January 2027 you will receive a notice that an RMD is required for 2027, provided you are still terminated from all employment with an FRS employer. If eligible, you will receive the RMD for 2027 by December 31, 2027.

If it is later determined that you received an RMD that you were not eligible for, the Investment Plan may request the RMD be returned to your Investment Plan account.

RMD Calculation

The RMD calculation, which changes yearly, is based on your current age and your account balance at the end of the previous year. Any distributions you receive during the year will be applied to your RMD amount. If by December you have not satisfied your RMD requirement, an additional benefit payment will be sent to you in December of any year in which your total distributions for that year do not equal your RMD requirement. All termination information is provided by your previous FRS employer. If it is later determined that you should have received an RMD and did not due to a termination date not being updated, the Plan Administrator will process any missing RMDs based on the termination date received.

Effect on Retiree Status

If you are paid a federally mandated RMD from the Investment Plan, you will not be considered a retiree nor will you lose any unvested service credit. If you receive an RMD and return to FRS-covered employment in the future, you will be placed back in the Investment Plan and earn additional service credit. However, if you receive benefit payments over and above the required RMD, you will be considered a retiree and will forfeit any unvested account balance and associated service credit.

If You Have an SDBA

If you have an SDBA and your Investment Plan account is subject to an RMD and you have insufficient money in your Investment Plan primary investment funds, the Investment Plan Administrator will automatically transfer funds from the SDBA back to the primary investment funds to process this distribution.

If You Return to Employment After an RMD

If you receive notice that an RMD is required and later return to employment with an FRS-covered employer after receiving the RMD notice, you will be paid the RMD for the year. Future RMDs will not be calculated and paid until you again terminate employment.

Effect on the HIS Benefit

You are **not** eligible for the Health Insurance Subsidy (HIS) benefit if you are not retired and only received an RMD. To be eligible for the HIS benefit you must be retired. To be considered retired you would have to request a distribution greater than the required RMD amount.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001, 19-11.002, 19-11.003(8), F.A.C.

De Minimis Distributions

A de minimis distribution is an automatic distribution made when an inactive member's vested account balance is $1,000 or less. The de minimis amount is set by the SBA by Rule for Investment Plan member accounts. No distribution will be made, however, until you have been terminated from all employment with FRS employers for at least six full calendar months. A de minimis distribution will be either a complete lump-sum liquidation of your account, subject to the provisions of the Internal Revenue Code, or if you provide affirmative instructions, a lump-sum direct rollover distribution paid directly to a custodian of an eligible retirement plan or individual IRA. If you receive a de minimis distribution, you are not considered a retiree based on the payment. If you return to FRS-covered employment, you are not considered a reemployed retiree and are not subject to any limitations applicable to such employees. If you receive a de minimis distribution and return to FRS-covered employment in the future, you will be placed back in the Investment Plan and earn additional service credit. You are not eligible for the HIS benefit if you receive a de minimis distribution since you are not considered retired.

Reference: Sections 121.4501(7) and 121.591, F.S.
Sections 19-11.001 and 19-11.003(7), F.A.C.

Stale Dated/Uncashed Checks

Once you have taken a distribution from your Investment Plan account, the check for the amount of the distribution is payable for 180 days. If the check is not cashed or deposited within 180 days it becomes a stale dated check, is canceled and placed in a suspense account. If the check amount is $10.00 or more, the Investment Plan Administrator will endeavor to find the payee for up to 10 years using various methods. If the payee is not found during the 10-year period, the amount of the check is forfeited and used to pay Investment Plan expenses. Once a benefit check is issued, no additional interest earnings will be credited to the payee.

Reference Sections 121.4501(7) and 121.591, F.S.
Section 19-11.003, F.A.C.

Social Security Coverage

As a member of the FRS, you are automatically covered for Social Security and Medicare, and your FRS benefits will not be offset (reduced) by Social Security benefits you receive. Social Security contributions are automatically deducted from your salary and matched by your employer. Although Social Security coverage is a part of your overall benefit package, we have no control over your Social Security or Medicare benefit payments. If you need information on Social Security or Medicare benefits and possible limitations on those benefits, you must call or visit your local Social Security office, call their toll-free information number at 800-772-1213, or visit their website at www.ssa.gov.

Reference: Section 121.4501(17), F.S.

Disability Benefits

To qualify for disability retirement benefits, you must be totally and permanently disabled, and your injury or illness must have occurred before you terminated employment. If you are a retiree with renewed membership in the Investment Plan, you are not eligible for disability benefits. To apply for disability benefits, complete and submit to the Division the Investment Plan disability forms located on MyFRS.com in the “Forms” section under “Disability Forms for Investment Plan Members.”

As a member of the Investment Plan, if you become disabled and are approved by the Division to receive benefits from the FRS, your Investment Plan account balance (excluding any rollover funds in your account) will be transferred to the Pension Plan Trust Fund and you will receive disability benefits under the provisions of the Pension Plan. You are not required to use your one-time 2nd Election to change to the Pension Plan. Disability benefits are not reduced for early retirement. If you should die while receiving disability benefits, your beneficiary may receive a continuing monthly benefit if you selected a retirement option which provides this. If you recover from your disability, you will be transferred back to the Investment Plan along with any remaining account balance, plus earnings, that you have not drawn in disability retirement benefits.

As an alternative to receiving disability benefits from the Pension Plan, you may elect to continue your participation in the Investment Plan and take a distribution of your account balance, provided you satisfy distribution requirements, under any of the methods provided in the Plan.

Two types of disability benefits are payable under the FRS:

1. Regular Disability Benefits: To qualify for regular disability retirement, you must complete at least eight years of creditable service. If approved by the Division of Retirement, your annual benefit calculated under option 1 will be at least 25% of your average final compensation. If your actual earned benefit, based on your years of service, would be higher than the 25% minimum disability benefit, the higher amount will be paid.
2. In-Line-of-Duty Disability Benefits: You are covered for in-line-of-duty disability beginning on your first day of FRS-covered employment. Your in-line-of-duty disability must be caused by injury or illness that happens in the actual performance of duties as required by your job. The minimum annual benefit paid under option 1 for this type of disability is 42% (65% for Special Risk) of your average final compensation. If your actual earned benefit, based on your years of service, would be higher than the 42% (65% for Special Risk), the higher benefit amount will be paid.

Certain FRS members, as outlined in ss. 112.18, 112.181, and 112.1815, Florida Statutes, may be entitled to a presumption that they were disabled in-the-line-of-duty, if certain conditions are met.

Reference: Sections 112.18, 112.181, 112.1815, 112.1816, 121.091(4), 121.4501(16), and 121.591(2), F.S.
Sections 19-11.014 and 19-13.002, F.A.C.

Death Benefits

Benefits at Time of Death

If you die at any time before vesting, your beneficiary is entitled to receive the employee contributions plus earnings you contributed.
If you die at any time after becoming vested but before you have retired and taken a distribution, your beneficiary is entitled to receive the full value of your vested account balance.

If you die after you retire (have received a distribution), your beneficiary is entitled to benefits based on the distribution option you selected. If you elected a lifetime annuity with a joint and survivor option, then your joint annuitant will continue to receive the specified portion of your benefit for the remainder of his or her lifetime. If you elected a lump-sum payout, no additional survivor payments are available. If you elected to take a partial distribution from your account, your beneficiary will be entitled to receive the remaining account balance.

Distribution to Your Beneficiary

If your spouse is your beneficiary, your spouse may receive your account balance under any of the options available to you as a member of the Investment Plan.

If your beneficiary is not your spouse, your beneficiary must decide within one year how he or she wishes to take a distribution from your account. The account must be paid out within five years, unless your beneficiary takes a distribution over his or her lifetime (lifetime annuity). Another option for your beneficiary is to roll the balance over to an inherited/beneficiary IRA, which is an account that is opened when an individual inherits an IRA or employer-sponsored retirement plan after the original owner passes away.

If your beneficiary is a minor (under age 18), Section 744.301, F.S., allows for the natural guardian (surviving parent) to handle the benefits of the minor child where that amount does not exceed $15,000, without court appointment, authority, or bond. In the event that the minor is a beneficiary of an account balance which is greater than $15,000, a court order must be provided which names a guardian for the minor(s) and the Investment Plan Administrator will take directions only from the named guardian. In all cases where a minor child or children are the beneficiary(ies) of the member, a copy of the birth certificate of all minor children will be required prior to any distribution, regardless of the amount.

Your beneficiary is entitled to free FRS Survivor Financial Counseling upon your death. This service is designed to provide your beneficiary with access to EY financial planning professionals who are sensitive to your beneficiary's circumstances and unique financial concerns. This service is provided free for up to one year.

Tax Withholding

Any required withholding tax will be remitted to the IRS at the time of the distribution from the Investment Plan to your beneficiary. Your beneficiary may receive a distribution under the same options as provided for members, or defer receipt until some future date as permitted by IRS Rules. If deferring, the beneficiary should call the MyFRS Financial Guidance Line to determine the limits of the deferral.

In-Line-of-Duty Death Benefits

All active Investment Plan members are covered from their first day of employment for death benefits if their death occurs in the line of duty (ILOD) on or after July 1, 2002. An ILOD death arises out of and in the actual performance of duty required by a member's employment during regularly scheduled working hours or irregular working hours, as required by the employer. The Division, who is responsible for determining eligibility for ILOD

benefits, will require sufficient documentation to determine whether a death meets these criteria. If you are approved by the Division to receive ILOD benefits, your Investment Plan account balance will be transferred to the Pension Plan Trust Fund and your spouse or children will receive ILOD death benefits from the survivor benefit account of the FRS Trust Fund.

Certain members, as outlined in ss. 112.18, 112.181, and 112.1816, Florida Statutes. may be entitled to a presumption that their death from specified diseases occurred in the line of duty if certain conditions are met.

The ILOD death benefit is a lifetime monthly benefit equal to 100% of the member's monthly salary at the time of death, excluding overtime and lump-sum payments. If a spouse survives the member, the spouse is automatically eligible for the monthly ILOD death benefit regardless of the member's beneficiary designation.
The ILOD death benefit is payable for the lifetime of the spouse. Upon the death of the spouse, the monthly benefit would continue on behalf of any unmarried children of the member under the age of 18 until the 18th birthday of the member's youngest child. The payments may be extended until the 25th birthday if the child is unmarried and enrolled as a full-time student.

If no spouse survives the member or the spouse chooses to waive the right to the spousal benefit, the ILOD death benefit is payable on behalf of any of the member's unmarried children who are under the age of 18 until the 18th birthday of the member's youngest child. The payments may be extended until the 25th birthday if the child is unmarried and enrolled as a full-time student.

If the Investment Plan member's death occurs on or after July 1, 2017, the member's Investment Plan account balance will be transferred to the Pension Plan and the monthly benefit will be paid from the survivor benefit account of the FRS Trust Fund.

If the Investment Plan member's death occurred between July 1, 2002, and June 30, 2017, the benefit is effective July 1, 2017, for applications received prior to July 1, 2017; for applications received after July 1, 2017, the benefit is effective the first day of the month following the month in which the application was received. If the surviving spouse or children received an Investment Plan distribution, the monthly benefit will be actuarially reduced to account for the benefit already received.

Reference: Sections 112.18, 112.181, 112.1816, 121.4501(20), 121.591(3) and (4), and 121.5912, F.S.
Sections 19-11.002, 19-11.003, and 19-11.014, F.A.C.

After Retirement

Health Insurance Subsidy (HIS) Benefit

The HIS benefit is a monthly supplementary benefit paid to help offset the cost of your health insurance premiums during retirement. The HIS is not health insurance. The HIS benefit is only available after you have retired (received a distribution other than a de minimis or a Required Minimum Distribution).

The HIS requirements and amounts are enacted by the Florida Legislature and are not a guaranteed benefit; these are subject to change and an annual appropriation.

Eligibility

To be eligible to receive the HIS under the Investment Plan, you must be retired, meet the vesting and normal retirement age or service requirements[10] of the Pension Plan for your class of membership, and provide proper documentation certifying that you have health insurance coverage. You are not eligible for the HIS if you receive an RMD or a de minimis distribution.

If you leave FRS-covered employment and take a benefit distribution prior to meeting the normal retirement requirements of the Pension Plan, you must wait until you reach normal retirement age to be eligible to begin receiving your HIS benefit. If you elect the Investment Plan Hybrid Option, you will be eligible to receive your HIS payment once you begin receiving your Pension Plan benefit.

Once you meet the requirements, it is your (or your surviving spouse's) responsibility to obtain certification of health insurance coverage and to apply for the HIS using the required forms.

Benefit

Effective July 1, 2023, the HIS benefit, which is paid monthly, is $7.50 for each year of creditable service, with a minimum HIS of $45 per month and a maximum HIS of $225 per month. HIS payments are retroactive up to a maximum of six months.

When you die, your spouse will be entitled to receive your HIS benefit (if named as your designated beneficiary). It is not available to any other beneficiary.

If You Have Questions

Contact the Division of Retirement if you have any questions or need to discuss your eligibility to receive the HIS. Call toll-free at 1-866-446-9377, Option 3 (TRS 711), or write to the Division of Retirement, Bureau of Retirement Calculations, PO Box 9000, Tallahassee, FL 32315-9000. The forms required to apply for the HIS are available on MyFRS.com or by calling the Division of Retirement.

Reference: Sections 112.363 and 121.4501(18), F.S.
Section 19-13.002, F.A.C.

[10]"Normal retirement date" for Pension Plan members who enrolled prior to July 1, 2011, is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 62 and six years of creditable service or 30 years of creditable service regardless of age, and for Special Risk members at either age 55 with six years of Special Risk service or 25 years of Special Risk service regardless of age. "Normal retirement date" for Pension Plan members who initially enrolled on or after July 1, 2011, is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 65 and eight years of creditable service or 33 years of creditable service regardless of age, and for Special Risk members at either age 55 with eight years of Special Risk service or 25 years of Special Risk service regardless of age.

Insurance Coverage After Retirement

After you retire from the Investment Plan, you may be eligible to continue participating in your employer's group health insurance plan. To be considered retired under the Investment Plan for insurance purposes, you must meet one of the following requirements:

- ✓ Meet the age and service requirements to qualify for normal retirement[11] of the Pension Plan as set forth in s. 121.021(29), F.S.; or
- ✓ Attain age 59½ (as specified by s. 72(t)(2)(A)(i) of the Internal Revenue Code) with six years of creditable service or if initially enrolled on or after July 1, 2011, eight years of creditable service.

If you do not take a distribution and decide to defer your retirement, you will not be considered retired and may not be entitled to continue your employer-sponsored health insurance coverage. It may be possible for you to enroll in your employer-sponsored health insurance in the future if your employer conducts a special retiree open enrollment period or the health insurance plan allows coverage at deferred retirement.

Each employer must decide how to provide health coverage for retirees within the broad guidelines of the law. This is an employer-by-employer decision. It is your responsibility to check with your employer for further details.

Your eligibility to continue your current health insurance coverage with your employer may be affected if you take a distribution from your Investment Plan account. Before taking any distribution from your Investment Plan account, be sure to contact your employer's personnel office to verify your eligibility to continue this very important coverage.

Reference: Sections 110.123 and 112.0801, F.S.

Reemployment After Retirement

An Investment Plan member who terminates employment with an FRS employer and receives any distribution from his or her Investment Plan account (including a rollover) is considered a retiree. Disability retirees may not be employed by any public or private employer and continue to receive monthly retirement benefits. Other retirees may be reemployed by a private employer or by any public employer **not** participating in the FRS without affecting their retirement benefits.

First Six Calendar Months

You may not return to employment with any FRS employer (as defined under "FRS Employment"), until you have been retired for six full calendar months following the month in which you took your first distribution. This six-calendar-month timeframe does not include the month you took your distribution. If you are reemployed by an FRS employer in any capacity within the first six-calendar-month period after taking a distribution (retiring), your retirement will be considered invalid. You, and possibly your employer, will be required to repay any benefits received and your FRS membership will then be reinstated. An alternative to repaying these benefits is for you to terminate employment for the additional period necessary to satisfy the six-calendar-month termination requirement.

You are exempt from these termination requirements if employed during the first 6 calendar months in an FRS employer-provided volunteer program that provides civic, charitable, and humanitarian services.

[11] "Normal retirement date" for Pension Plan members who enrolled prior to July 1, 2011 is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 62 and six years of creditable service or 30 years of creditable service regardless of age, and for Special Risk members at either age 55 with six years of Special Risk service or 25 years of Special Risk service regardless of age. "Normal retirement date" for Pension Plan members who initially enrolled on or after July 1, 2011 is attained for Regular Class, Elected Officers' Class, and Senior Management Service Class members at either age 65 and eight years of creditable service or 33 years of creditable service regardless of age, and for Special Risk members at either age 55 with eight years of Special Risk service or 25 years of Special Risk service regardless of age.

After 6 Calendar Months

Once the first 6 calendar months have passed since your retirement, you can receive further Investment Plan distributions, even if you are reemployed (in any capacity) by an FRS employer.

The following tables provide information on when you may return to FRS-covered employment after retiring from the Investment Plan.

If you are an Investment Plan retiree and return to work "(as defined under "FRS Employment") with an FRS employer:

Within 6 Calendar Months[12]	You (and possibly your employer) will be required to repay the distribution you received. To avoid repayment, wait a full 6-calendar months from the month you took your distribution or rollover to return. If you've already been rehired, terminate your employment and return after satisfying the 6-calendar-month period.	You must notify the Investment Plan Administrator of your employment during this period by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711).
After 6 Calendar Months	You will not be required to repay any prior distributions, and you may continue receiving distributions from the Investment Plan without interruption.	

To know when you will reach the 6-month-calendar period, view or download the comprehensive reemployment tables by visiting MyFRS.com. On the home page, click Retirees > Reemployment After Retirement > Reemployment Tables.

[12] You may be exempt from these reemployment requirements if you elect to volunteer during the first 6 calendar months in an FRS employer-provided volunteer program that provides civic, charitable, and humanitarian services.

Investment Plan
Termination and Reemployment Limitations
Renewed membership is allowed for reemployed service on or after July 1, 2017

Distribution Month (Retired)	Termination Requirement		Reemployment	
July 2026	Distribution Month plus 6 Months	July 2026-January 31, 2027	Month 7 & After - No Reemployment Restrictions	February 1, 2027
August 2026		August 2026-February 28, 2027		March 1, 2027
September 2026		September 2026-March 31, 2027		April 1, 2027
October 2026		October 2026-April 30, 2027		May 1, 2027
November 2026		November 2026-May 31, 2027		June 1, 2027
December 2026		December 2026-June 30, 2027		July 1, 2027
January 2027		January 2027-July 31, 2027		August 1, 2027
February 2027		February 2027-August 31, 2027		September 1, 2027
March 2027		March 2027-September 30, 2027		October 1, 2027
April 2027		April 2027-October 31, 2027		November 1, 2027
May 2027		May 2027-November 30, 2027		December 1, 2027
June 2027		June 2027-December 31, 2027		January 1, 2028

Renewed Membership

Effective July 1, 2017, retirees of the Investment Plan, SUSORP, SMSOAP, and SCCSORP are eligible for renewed membership in the Investment Plan, SUSORP, or SCCSORP. You must be employed in an FRS-covered position on or after July 1, 2017, to gain renewed membership. It is important to note this provision does not afford renewed membership retroactively for the period of July 1, 2010, to June 30, 2017, nor does it grant disability benefits for renewed members. Renewed members are not eligible for the Pension Plan and will not have an initial retirement plan choice provided to them nor a 2nd Election to change to the Pension Plan. Different termination requirements, reemployment limitations, and membership class eligibility apply if you retired prior to July 1, 2010. If you have any questions, contact the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 (TRS 711), and speak with a financial planner.

Reference: Sections 121.021(39), 121.091(9), 121.122, and 121.4501(2)(e), F.S.
Sections 19-11.003 and 19-11.009, F.A.C.

Forfeiting Retirement Benefits Due to a Criminal Offense

If you commit a crime specified by Florida Statutes as requiring forfeiture of benefits and are found guilty, or enter a plea of guilty or nolo contendere, or your employment was terminated because of an admission to committing, aiding, or abetting a specified crime, then your retirement rights and benefits are forfeited (except for any portion of your Investment Plan account attributable to employee contributions). The forfeiture of benefits provision applies if a job-related felony offense as outlined below is committed:

- ✓ Committing, aiding, or abetting an embezzlement of public funds or any grand theft from the employer;
- ✓ Committing bribery in connection with employment;
- ✓ Committing any other felony specified in Chapter 838, F.S. (bribery and misuse of public office), except ss.
- ✓ 838.15 and 838.16, F.S. (commercial bribes);
- ✓ Committing any felony with intent to defraud the public or the employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for the participant or another person through the use of his or her position;
- ✓ Committing an impeachable offense (applies to elected officials only); or
- ✓ Convicted of committing any felony as defined in s. 800.04, Florida Statutes, against a victim younger than 16, or any felony defined in Chapter 794, F.S., against a victim younger than 18.
- ✓ Your benefits will also be forfeited if the following occurs:

- ✓ A court of competent jurisdiction finds that you violated any state law against strikes by public employees; or
- ✓ Your beneficiary is found to have intentionally killed you or procured your death (he or she forfeits all rights to your retirement benefits). Any benefits payable would be paid as if the beneficiary died before you.

The Clerk of the Court, the Secretary of the Senate, or the employer, as appropriate, must notify the Commission on Ethics if you are found guilty of (or otherwise responsible for), impeached, or terminated prior to retirement due to any of the above offenses. The Commission on Ethics will notify the Florida Retirement System, as applicable.

See s. 112.3173, Florida Statutes, and s. 8, Article II of the State Constitution, for additional information.

Reference: Sections 112.3173 and 121.091(5), F.S.
Sections 19-11.002 and 19-11.008, F.A.C.

Complaint Procedures

Section 121.4501(8)(g), F.S, requires the SBA to "receive and resolve member complaints against the program, the third-party administrator, or any program vendor or provider."

If you have a complaint against a provider such as an administrative, education, or investment provider, the complaint procedures establish a sequence of events, which must be followed to allow for a proper understanding of the complaint and to allow for a complete investigation of the complaint. The complaint procedures also include the opportunity for a hearing pursuant to Chapter 120, F.S., which is Florida's Administrative Procedure Act. The complaint procedures also state the opportunity to appeal the outcome of the hearing.

These complaint procedures must also be used if the SBA or another entity makes a decision, which will reduce, suspend, or terminate your retirement benefits.

The Investment Plan Administrator and other FRS providers are required to retain all participant records for at least five years for use in resolving member complaints. The SBA, Investment Plan Administrator, or other providers will not be required to produce documentation or audio recordings for member complaints that occurred five or more years before the complaint was submitted. It will be incumbent upon the participant filing the complaint to show that the FRS did not provide the services or information in dispute as directed by law or the participant.

The complaint procedures are available at no charge as a separate document. To get a copy, the form is available online at MyFRS.com under "Forms" or you can call the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711).

Complaint forms require an electronic signature. By completing an online complaint form, you agree that this form may be electronically signed and that your electronic signature is the same as a handwritten signature for the purposes of validity, enforceability, and admissibility. If you prefer, you may print out a hard copy of the form and submit it. The form is located in the "Forms" section on MyFRS.com.

The procedures and outcome of previous hearings are also available online at MyFRS.com.

Reference: Sections 121.4501(8)(g) and (9)(g)3., F.S.
Section 19-11.005, F.A.C.

General Information

Assignment, Execution, or Attachment

The benefits payable to you under the Investment Plan, and any contributions accumulated under the Plan, are not subject to assignment, execution, attachment, or any legal process, except for a QDRO issued by a court of competent jurisdiction, income deduction orders as provided in Section 61.1301, Florida Statutes, and federal income tax levies. Note that federal income tax levies will only be honored if you are eligible for a distribution.

If you divorce or legally separate, the Investment Plan may be required to follow the provisions of a QDRO that assigns part or all of your Investment Plan account to a former spouse or for the support of your dependents.

The Investment Plan Administrator determines whether a court order is a QDRO. You can obtain QDRO information from the Investment Plan Administrator by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 4 (TRS 711). Model language is available to assist in the drafting of a QDRO that meets the requirements of federal law and the Plan's provisions. This language is available on MyFRS.com in the "Forms" and "Publications" sections.

The Investment Plan Administrator will send you a notice if the Plan receives a court order that could affect your Investment Plan account.

Reference: Section 121.591(5), F.S.
Sections 19-11.001 and 19-11.003(6), F.A.C.

Errors and Incorrect or Incomplete Data

Errors may sometimes occur in determining benefits provided by the Investment Plan. This could be due to incorrect or incomplete data or for other reasons. If such an error is discovered, the Investment Plan Administrator and your employer reserve the right to correct it at any time, including after you terminate employment or take a distribution of your account balance. If you receive an overpayment as a result of an error, you will be notified of the amount and will be required to repay it either to the FRS or your employer, as applicable. If you have an underpayment, you will receive an additional payment from the Investment Plan Administrator.

Reference: Sections 121.591(1)(a)5. and 121.78(3), F.S.
Sections 19-11.001 and 19-11.011, F.A.C.

Employment Rights in the Investment Plan

Participation in the Investment Plan or any contributions to the Investment Plan on your behalf, or any other part of Investment Plan operation or administration, does not give you the right to continued employment with any FRS employer.

Reference: Section 121.051(5), F.S.

Updating Mailing Addresses, Email Addresses or Name Changes

The process to update your mailing address or change your name in the FRS records varies depending on whether you are an active or terminated/retired member, as follows.

Active Member

If you are an active FRS member, your member-specific demographic information is provided to the Division by your FRS employer each month through a monthly retirement contribution report. This report includes the name and mailing address for all active FRS members. To change your name or address you should notify your employer of the new name or address and have the employer make the change on the next retirement contribution report.

You can update your email address online in the "My Profile" section on MyFRS.com (log in to MyFRS.com then hover over your name in the top right corner then select "My Profile") or by calling the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711). If you choose to call and speak with a representative to make the update, you will need your PIN in order to make the update. A confirmation will be mailed within two business days to your current address on file or will be available on MyFRS.com if you have selected electronic delivery.

It is important to note that, for security purposes, if you make any updates to your profile information (address, banking information, etc.), you cannot request a distribution from your account for ten (10) days after the update(s) is made.

Terminated/Retired Member

Once you terminate your FRS employment or retire you will continue to receive information from the Investment Plan as long as you have money in your Investment Plan account.

To change your name, you need to either request a name change form from Alight Solutions (1-866-446-9377, Option 4), or send a letter to Alight Solutions, the Investment Plan Administrator, by mail (Investment Plan, P.O. Box 785027, Orlando, FL 32878-5027) or by fax (1-888-310-5559). The letter should include your old name, new name, last 4 digits of your Social Security number, and a copy of the court order, marriage certificate, or driver's license reflecting your new name. If the form/letter is in good order, the Investment Plan Administrator will update the information on the recordkeeping system. If you choose to call and speak with a representative to make the update, you will need your PIN in order to make the update.

For address changes only, you can either make the address change online by logging in to MyFRS.com or by calling the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711). For your security, a confirmation statement will be mailed within two business days to both your current address on file and the new address provided.

If you are receiving the Health Insurance Subsidy benefit and need to change your address for this benefit, complete and submit *Form ADDCH-1, Address Change Request*, available on the Division of Retirement's website at frs.myflorida.com.

You can update your email address online in the "My Profile" section on MyFRS.com (log in to MyFRS.com then hover over your name in the top right corner then select "My Profile") or by calling the Investment Plan Administrator toll-free at 1-866-446-9377, Option 4 (TRS 711). If you choose to call and speak with a representative to make the update, you will need your PIN in order to make the update. A confirmation will be mailed within two business days to your current address on file or will be available on MyFRS.com if you have selected electronic delivery.

It is important to note that, for security purposes, if you make any updates to your profile information (address, banking information, etc.), you cannot request a distribution from your account for ten (10) days after the update(s) is made.

Reference: Sections 19-13.002 and 19-13.004, F.A.C.

Retirement and Financial Planning

Retirement and financial planning services via the MyFRS Financial Guidance Line.[13] are available at no cost for all members of the Investment Plan who have a balance in their account, active Pension Plan members, and active DROP members, including DROP members who have rolled funds into the Investment Plan. The services are provided through a contract with EY. The EY financial planners can help you develop a full financial plan using not only your FRS benefits, but any other sources of income, including IRAs, or a 457, 403(b), or a 401(k) plan. These long-term planning services are available after you make an FRS retirement plan choice.

Additionally, your beneficiary is entitled to free FRS Survivor Financial Counseling upon your death. This service is designed to provide your beneficiary with access to EY financial planning professionals who are sensitive to your beneficiary's circumstances and unique financial concerns. This service is provided free for up to one year.

EY financial planners do not sell any investment or insurance products. They are there to serve as your personal retirement and financial advocate and are available to answer any retirement and financial questions you have.

Reference: Section 121.4501(10), F.S.
Sections 19-11.001, 19-13.004(3), (4), and (5), F.A.C.

[13] The online Advisor Service is free for active members of the Investment Plan and Pension Plan. Pension Plan retirees who want to utilize the tool will be charged a fee.

Asset Guidance and Retirement Plan Election Tools

When you use either the online asset guidance (Advisor Service) or retirement plan election (Choice Service) tools, you will have the opportunity to review recommendations for the allocation of investment funds. It is important for you to understand that the tools are frameworks to be used in your own retirement planning; they are not a substitute for your own informed judgment or decisions. Moreover, they provide only some of the resources that could possibly assist you in making your decisions and may not reflect all your individual needs and circumstances. You may accept, reject, or modify the recommendations provided by the tools and you may consult with other advisors or professionals (at your expense), as you see fit in consideration of your personal circumstances.

Before applying any asset allocation presented to you in the tools, you should consider your other assets, income, and investments (including, for example, equity in a home, IRA investments, savings accounts, and interest in other retirement plans) as well as your FRS investments and benefits.

Please note that since past performance is not always an accurate predictor of the future, and reliance on historical and current data necessarily involves certain inherent limitations, you must understand that future performance estimates are only a tool to be used in evaluating your portfolio and not a substitute for your informed judgment.

Reference: Sections 19-11.001 and 19-13.004(2), F.A.C.

Contacting Us

FRS Internet Site: The MyFRS.com website is your online source of information for managing and accessing your Investment Plan account.

MyFRS Financial Guidance Line:

Toll-free 1-866-446-9377 (or Telecommunications Relay Service 711) Representatives are available Monday

through Friday, except holidays:

EY (Options 1 & 2) and **Alight Solutions representatives (Option 4)**
8 a.m. to 6 p.m. ET (7 a.m. to 5 p.m. Central time).

Division of Retirement (Option 3)
8 a.m. to 5 p.m. ET.

EY: EY financial planners are experienced and unbiased and they do not sell any investment or insurance products. They can provide guidance on the plan choice process; help with the online asset guidance or retirement plan election tools, the one-time 2nd Election, and retirement and investment planning.

Division of Retirement: The Division of Retirement is the administrator of the Pension Plan and can answer detailed questions about the Pension Plan, 2nd Election buy-back costs, and Pension Plan QDROs.

Alight Solutions: Alight Solutions is the Investment Plan Administrator and can assist in providing account statements and fund performance reports, move money between investment options within your account, arrange for benefit payments, file your election forms, request forms and brochures, and answer questions regarding Investment Plan QDROs and the SDBA.

Reference: Section 121.4501(11), F.S.
Sections 19-13.002 and 19-13.004, F.A.C.

Glossary

The following terms are defined as used in connection with the FRS and in this summary plan description. In an effort to make these provisions easy to understand, nontechnical language has been used as much as possible. Questions of interpretation will be governed by Chapter 121, F.S. and any applicable rules of the Florida Administrative Code.

Accumulated Benefit Obligation, or ABO: The present value of a member's retirement benefit in the Pension Plan. The present value is calculated by the Division of Retirement.

Administrator, Investment Plan Administrator, or Plan Choice Administrator: Alight Solutions, who was hired by the State Board of Administration of Florida to provide administrative services to the Investment Plan, including processing enrollment forms.

Beneficiary: The joint annuitant or any other person, organization, estate, or trust fund you designate to receive a retirement benefit that may be payable when you die.

Benefit: Any payment — lump-sum or periodic — to you, a retiree, or a beneficiary, based partially or entirely on employee and employer contributions.

Calendar month: One of the 12 divisions of a year as determined by the Gregorian calendar (January, April, etc.).

Contributions: The percentage of your gross monthly salary that you and your employer contribute to the Investment Plan on your behalf.

Creditable service: A member receives one month of service credit for each month in which any salary is paid for work performed in an FRS-covered position.

Date of participation in the FRS: The date you become enrolled in the FRS and are a plan member.

Defined contribution plan: A type of retirement plan as defined under Section 401(a) of the Internal Revenue Code, which defines the amount of contributions which are made for an employee and is generally related to an employee's salary.

Division: Division of Retirement within the Florida Department of Management Services.

Electronic delivery: A method of delivering documents electronically including, but not limited to, prospectuses, quarterly account statements, account transaction confirmation statements, privacy notices, fee disclosures, and other documents. A participant acknowledges the consent to electronic delivery of documents through the MyFRS.com website or when enrolling in the Investment Plan. Any time one of these documents is made available, an email notice will be sent to the email address provided. Receipt of documents through MyFRS.com will continue until cancelation is received.

Electronic signature: A signature that is used in lieu of a handwritten signature. By submitting an electronic signature, a member acknowledges that the electronic signature is the same as a handwritten signature for the purposes of validity, enforceability, and admissibility.

Eligible employee: An officer or employee, who is eligible for membership in the Florida Retirement System, including renewed membership, in accordance with requirements established by the Florida Legislature and codified in the Florida Statutes.

Eligible rollovers: A direct plan transfer from an eligible retirement plan to the Investment Plan.

Employer: Any agency, branch, department, institution, university, institution of higher education, or board of the state, or any county agency, branch, department, district school board, or special district of the state, or any city of the state that participates in the Florida Retirement System for the benefit of certain employees, or a charter school or charter technical career center that participates as provided in s. 121.051(2)(d), F.S.

Fiscal year: A 12-month period beginning July 1 and ending on June 30.

Florida Retirement System Investment Plan: Formal name of the Investment Plan. Available beginning in 2002, the Investment Plan is a defined contribution plan alternative to the Pension Plan.

Health Insurance Subsidy or HIS benefit: A supplementary benefit paid to help pay the cost of your health insurance premiums.

Local agency employer: The board of county commissioners or other legislative governing body of a county, including that of a consolidated or metropolitan government; a clerk of the circuit court, sheriff, property appraiser, tax collector, or supervisor of elections, provided such officer is elected or has been appointed to fill a vacancy in an elective office; a community college board of trustees or district school board; or the governing body of any city or special district of the state which participates in the system for the benefit of certain employees.

Normal retirement: "Normal retirement" for Investment Plan members is the later of either the date you attain normal retirement under the provisions of the Pension Plan or the date you are vested under the Investment Plan.

Officer or employee: Any person receiving salary payments for work performed in a regularly established position and, if employed by a city or special district, employed in a covered position.

Plan year: The period beginning July 1 and ending on the following June 30, both dates inclusive, for all state-administered retirement systems.

Present value: Accumulated Benefit Obligation or ABO of a member's Pension Plan retirement benefit. The present value is calculated by the Division of Retirement.

Reemployment: Employment after retirement; it is generally used in reference to employment with FRS employers.

Retiree: A former member of the Investment Plan who has terminated employment and has taken a distribution (including rollovers) of benefits from the plan, except for a distribution of a de minimis account balance or a federally mandated Required Minimum Distribution.

Retirement: The point at which you are vested in the Investment Plan, have terminated all employment with an FRS employer, and have taken a distribution (including rollovers) from the Plan. Your retirement will be cancelled if you are reemployed by any FRS employer during the first three calendar months (one calendar month if you have met the normal retirement requirements of the Pension Plan) after termination of employment prior to taking a distribution from your Investment Plan account balance, OR if you are reemployed by an FRS employer within six calendar months of the month you receive your distribution.

Salary: Regular payment of compensation by an FRS employer to an employee for work performed, including certain overtime payments. Bonus payments and salary supplements made to teachers who have a valid National Board for Professional Teaching Standards certificate, pursuant to s. 1012.72, F.S., are not considered compensation. By law, certain fees and other amounts are not considered "compensation" under the FRS. See Section 121.021(22), F.S., and Section 60S-6.001(15), F.A.C., for details.

Self-Directed Brokerage Account (SDBA): Account that allows a member access to additional investment opportunities that are not available in the Investment Plan's primary funds.

Special district: An independent special district as defined in Section 189.012, F.S.

State agency: Any agency, branch, department, institution, university, institution of higher education, or board of the state that participates in the Florida Retirement System.

State Board, or board, or the SBA: The State Board of Administration of Florida.

Termination: When you end all employment with all FRS employers. A leave of absence without pay due to a disability may constitute termination if you make application for and are approved for disability retirement. Disability retirees will cancel their retirement if any employer gainfully reemploys them at any time following their termination date.

Vest, Vested or Vesting: Having or achieving the guarantee of a benefit under the Investment Plan.

Year of service or work year: The period of time you are required to work to receive a full year of creditable service.

Index

$
$6 per quarter, 31

1
10% distribution, 25, 39

2
20 percent tax, 41

4
401(a), 8

404(c), 10

5
59½, 41

A
account fees, 31

Accumulated Benefit Obligation, 17, 59

Acts of God, 19

Actuarial Accrued Liability, 35

administration, 8

administrative fee, 31

Administrator, 59

Alight Solutions, 58

Annual Fee Disclosure Statement, 26, 31

annuity payments, 41

Asset Guidance and Retirement Plan Election Tools, 57

asset guidance tool, 58

assign benefits, 54

B
beneficiary, 59

  designation, 20

benefit, 59

benefit rights, 21

C
calendar month, 39, 59

cancel retirement election, 17

classes of membership, 12

complaint procedures, 53

contact information, 58

contribution limit, 19

contributions, 59

  administration/educational, 19
  blended rate, 16, 17
  disability, 19
  employee, 36, 46
  employer, 36
  full rate, 16, 17
  Health Insurance Subsidy, 19

creditable service, 59

  military, 22
  purchase, 22
  suspension and reinstatement, 22
  workers' compensation, 22

D
data errors, 54

date of participation, 59

de minimis distribution, 43

death benefits

  in-line-of duty, 46

default election, 15

default investment fund, 26

Default Investment Fund Notice, 26

Deferred Retirement Option Program, 11

defined contribution plan, 8, 59

disability benefits, 45

distribution, 39
de minimis, 43
early, 40
hardships, loans, emergencies, 41
payment options, 41
pended, 40
required minimum distributions, 42
requirements, 39
taxes, 41
Division, 59
Division of Retirement, 58
dual membership, 13
E
educational institution, 34
effective date, 16
Elected Officers' Class, 12
election
cancelling, 17
default election, 15
first election, 15
second election, 34
electronic delivery, 59
electronic signature, 59
eligibility requirements, 11
eligible employee, 59
employee, 60
employee contributions, 18, 36, 46
Employee Retirement Income Security Act, 9
employer, 60
employer contributions, 8, 18, 36
employment rights, 54
employment status, 13
enrollment period, 15
erroneous information, 6
Excessive Fund Trading Guidelines, 27
EY, 56
F
fee disclosure, 6, 31
fiduciary responsibility, 9
financial planning, 56
first election, 15
fiscal year, 60
Florida Legislature, 6, 10
forfeiting retirement benefits, 52
forfeiture due to crime, 52
G
glossary, 59
governmental plan, 8, 9
group health insurance plan, 49
H
health insurance coverage, 40, 49
Health Insurance Subsidy, 48, 60
Heroes Earnings Assistance and Relief Tax (HEART) Act, 22
Hybrid Option, 15
I
income deduction orders, 54
income tax levies, 54
Insurance coverage, 49
invalid distribution, 24
investment funds, 26
change, 27
investment management fees, 31
Investment Plan, 60
Investment Plan Administrator, 59

L
local agency employer, 60

lump sum leave payments, 37

M
mailing address, 54

Medicare

coverage, 44

membership requirements, 11

MyFRS Financial Guidance Line, 56, 58

MyFRS.com, 58

N
name change, 54

newly hired employee, 14

normal retirement, 25, 39, 60

O
officer, 60

optional retirement programs, 13

P
participant control, 9

plan

amendments, 10
information, 8
termination, 10
year, 60

plan changes, 6, 10

Plan Choice Administrator, 59

portability, 13

present value calculation, 17, 60

primary investment funds, 26

Privacy, Security, & Terms of Use, 6

proxy, 10

public records exemption, 10

Q
Qualified Domestic Relations Order (QDRO), 31, 54

R
reemployed, 49

reemployed retiree, 14

reemployment, 60

reemployment after retirement, 49

Regular Class, 12

regularly established position, 11

rehired employee, 13

renewed member, 14

renewed membership, 51

required minimum distributions, 42

retiree, 60

retirement, 60

retirement contributions, 18

Retirement Date Fund, 26

retirement plan election tool, 58

Return Accumulated Benefit Obligation, 35

reverse elections, 6

rollovers, 32

DROP, 32
eligible, 59
former Investment Plan members, 32
former spouses or beneficiaries, 33
qualified plans, 32

S
salary, 60

second choice tool, 35

second election, 34

Self-Directed Brokerage Account, 26, 40, 60

Senior Management Service Class, 12

Social Security

coverage, 44

number, 10
special district, 61

Special Risk Administrative Support Class, 12

Special Risk Class, 12

stale dated check, 43

state agency, 61

State Board of Administration of Florida, 61

State University System Optional Retirement Program, 13

summary plan description, 6

surplus, 34

Surplus in the Investment Plan after Buyback into the Pension Plan, 23, 34

Survivor Financial Counseling, 46, 56

T
taxes, 41

Teachers' Retirement System, 11

terminated, 39

termination, 61

U
uncashed checks, 43

Uniformed Services Employment and Reemployment Act, 22

V
vesting, 61

voting, 10

W
work year, 61



This publication is a summary of the retirement plan options available to new FRS-covered employees and is written in non-technical terms. It is not intended to include every program detail. Complete details can be found in the respective Summary Plan Descriptions; Chapter 121, Florida Statutes; and the rules of the State Board of Administration of Florida in Title 19, Florida Administrative Code. In case of a conflict between the information in this publication and the statutes and rules, the provisions of the statutes and rules will control.

©2026 MyFRS Florida Retirement System — all rights reserved.

• July 2026 •

MyFRS
Florida Retirement System