KEEP YOUR DROP IN THE FRS

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

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>FRS Investment Plan</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Company D</th>
<th>Average Mutual Fund Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Date Income Fund</td>
<td>.15%</td>
<td>.51%</td>
<td>.16%</td>
<td>.16%</td>
<td>.56%</td>
<td>.47%</td>
</tr>
<tr>
<td>Target Date 2030 Fund</td>
<td>.10%</td>
<td>.52%</td>
<td>.17%</td>
<td>.16%</td>
<td>.72%</td>
<td>.76%</td>
</tr>
<tr>
<td>Target Date 2050 Fund</td>
<td>.07%</td>
<td>.53%</td>
<td>.18%</td>
<td>.16%</td>
<td>.75%</td>
<td>.77%</td>
</tr>
<tr>
<td>Money Market</td>
<td>.06%</td>
<td>NA</td>
<td>.16%</td>
<td>.42%</td>
<td>.53%</td>
<td>.33%</td>
</tr>
<tr>
<td>Bond Index</td>
<td>.05%</td>
<td>.07%</td>
<td>.07%</td>
<td>.20%</td>
<td>.30%</td>
<td>.24%</td>
</tr>
<tr>
<td>US Stock Index</td>
<td>.02%</td>
<td>.04%</td>
<td>.05%</td>
<td>.10%</td>
<td>.30%</td>
<td>.29%</td>
</tr>
<tr>
<td>Foreign Index</td>
<td>.03%</td>
<td>.42%</td>
<td>.14%</td>
<td>.20%</td>
<td>.45%</td>
<td>.25%</td>
</tr>
<tr>
<td>Annual Maintenance Fee</td>
<td>$24</td>
<td>$0</td>
<td>$20</td>
<td>$0</td>
<td>$30</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data obtained from company websites in December 2015 and Morningstar.

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

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

See the online FAQs for further information on DROP rollovers to the Investment Plan. For general DROP information, see the Division of Retirement’s online DROP page.

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

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## Checklist to Roll DROP into the FRS Investment Plan

<table>
<thead>
<tr>
<th>Completed?</th>
<th>Item</th>
<th>Timing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>Receive your DROP termination packet.</td>
<td>Three months prior to your DROP end date</td>
</tr>
<tr>
<td>☐</td>
<td>Complete the following forms:</td>
<td>Upon receipt of the DROP termination packet</td>
</tr>
<tr>
<td></td>
<td>• DROP Selected Payout Method Form (Form DP-PAYT), included in the DROP termination packet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• DROP Accumulation Direct Rollover Form for Current DROP Members (Form IPDROP-AD-1), available online</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• FRS Investment Plan Beneficiary Designation (Form IPBEN-1), available online</td>
<td></td>
</tr>
<tr>
<td>☐</td>
<td>Submit all of the forms to Aon Hewitt, the Investment Plan Administrator (do not send to the Division of Retirement)</td>
<td>Submit the forms as soon as possible.</td>
</tr>
<tr>
<td></td>
<td>Mail: FRS Investment Plan Administrator P.O. Box 785027 Orlando, FL 32878-5027</td>
<td>Fax: 1-888-310-5559</td>
</tr>
<tr>
<td>☐</td>
<td>Upon receipt of the forms, the Investment Plan Administrator will process the forms and submit copies to the Division of Retirement.</td>
<td>Approximately 1-2 weeks</td>
</tr>
<tr>
<td>☐</td>
<td>Upon receipt of the forms from the Investment Plan Administrator, the Division of Retirement will process the forms and prepare to have your DROP funds rolled over into your Investment Plan account.</td>
<td>Approximately 1-2 weeks</td>
</tr>
<tr>
<td>☐</td>
<td>Your DROP funds will be rolled over to your Investment Plan account.</td>
<td>No sooner than the calendar month following your termination date (listed on your FORM DP-PAYT)</td>
</tr>
<tr>
<td>☐</td>
<td>A confirmation statement will be mailed to you from the Investment Plan Administrator once your Investment Plan account has been funded.</td>
<td>Within one week of your Investment Plan account being funded.</td>
</tr>
</tbody>
</table>
This form serves as an affirmation of your selected payout method for your DROP accumulation as provided in § 121.091, Florida Statutes. The payout method may have serious tax implications. Before making your payout election, please read the enclosed Special Tax Notice. You may also want to consult a tax professional regarding tax implications.

**DROP BALANCE PAYMENT METHOD**

If you are subject to a Required Minimum Distribution (RMD), or made after-tax contributions, those amounts will be paid directly to you as a lump sum payment by default. Please contact our office if you would like to roll over after-tax contributions. Upon receiving this completed form, your payment will be processed in the calendar month following your termination date. Your DROP benefit is based on your DROP termination date.

A **lump sum** election means the FRS will mail your DROP payment directly to you at the address on file, minus the required federal withholding taxes. The tax amount below is subtracted from the gross DROP balance to determine the net lump sum payment.

**Check the direct rollover box. Do not check 10% or 20%**.

**Note:** If you do not want to rollover the total amount listed in the Gross DROP rollover field, cross out the amount listed and put the amount you want rolled over. If you want to do a rollover to two separate locations, make a copy of this form and complete a form for each rollover location.

**By signing this form, I attest to having read the Special Tax Notice and authorize the FRS to release my DROP payments accordingly.**

**PAYEE’S SIGNATURE**

(must be signed in the presence of a Notary)

Notary:
State of __________, County of __________. The above named person has sworn to and subscribed before me this ___ day of __________, ___ and is personally known ___ or produced ___ as identification.

Signature of Notary Public

Print or Stamp Notary Public’s Commission Name and Number

Rule 60S-11.004, F.A.C.
**SAMPLE FORM**

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

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

<table>
<thead>
<tr>
<th>MEMBER NAME:</th>
<th>MEMBER SSN:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYEE NAME:</td>
<td>PAYEE SSN:</td>
</tr>
</tbody>
</table>

This section is for ROLLOVERS, and must be filled out by a REPRESENTATIVE of the Eligible Plan or IRA.

Please select the type of account the rollover will be deposited to (as defined in s. 402(c)(8)(B) of the Internal Revenue Code) and provide the address to where the check should be mailed. Upon receiving this completed form, a payment will be processed, no sooner than the calendar month following the member’s termination date noted above. Incomplete forms will be returned to the member and will delay the payment process.

- **Annuity/Individual Retirement Account (IRA)** as described in s. 408(a) and 408(b), Internal Revenue Code
- **Traditional**
- **ROTH (excluding designated)** - Taxation on ROTH rollovers will default to 0% unless otherwise noted above.
- **Qualified Plan** - A stock bonus, pension, or profit sharing plan of an employer as described in s. 401(a), 401(k), Internal Revenue Code
- **Deferred Compensation Plan** - as described in s. 457(b), Internal Revenue Code
- **Annuity** - as described in s. 403(a) or 403(b), Internal Revenue Code

Payable To: ___________________________  Account #: ___________________________
Phone #: ___________________________

Mail Payment to Address

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Representative:</th>
<th>Print Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Signature</td>
</tr>
</tbody>
</table>

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

Information outlined in green will be completed by the Investment Plan Administrator.
SAMPLE FORM
FRS Investment Plan
DROP ACCUMULATION DIRECT ROLLOVER FORM
FOR CURRENT DROP MEMBERS

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

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

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

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

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

SAMPLE FORM

Complete all of this section.

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

SAMPLE FORM
SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

SAMPLE FORM

Complete all of this section and submit the form to the Investment Plan Administrator.
FRS INVESTMENT PLAN BENEFICIARY DESIGNATION (FORM IP-BEN)

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

Complete all of this section.

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

Sign and submit the form to the Investment Plan Administrator.

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

---

FRS INVESTMENT PLAN BENEFICIARY DESIGNATION FORM

Please PRINT clearly, using blue or black ink.

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>First Name</th>
<th>M/L</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Complete all of this section.

You may designate one or more individuals as your beneficiary to receive your estate, if any, in the FRS Investment Plan in the event of your death. You may designate any person, organization or trust, or your estate. Contingent beneficiaries are optional — they will inherit your FRS Investment Plan Account if all primary beneficiaries are deceased. Enter all required information for each beneficiary. If you need to add more than 2 primary or contingent beneficiaries, make a copy of this page and attach it to this form. You may change your beneficiary at any time by logging on to MyFRS.com or by completing a new Beneficiary Designation form. NOTE: If you are participating in the FRS Hybrid Option, your beneficiary named below for the Investment Plan will not affect your selected beneficiary in the Pension Plan. Additionally, Section 112.365(3)(e)2., F.S., provides that only a spouse who is named as the primary designated beneficiary is eligible to receive the Health Insurance Subsidy (HIS) under the Investment Plan. You reserve the right to change this designation with the understanding that this designation, and any change thereof, will be effective only upon receipt by the FRS Investment Plan Administrator.

Complete all of this section.

Marital Status: Check One Box

☐ Single
☐ Married

Spouse Name: __________________________

SSN: __________

Address: ______________________________

Please PRINT clearly, using blue or black ink.

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

<table>
<thead>
<tr>
<th>Name of Primary Beneficiary</th>
<th>Date of Birth</th>
<th>Relationship</th>
<th>Gender</th>
<th>SSN</th>
<th>Percent Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = 100 %

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

<table>
<thead>
<tr>
<th>Name of Contingent Beneficiary</th>
<th>Date of Birth</th>
<th>Relationship</th>
<th>Gender</th>
<th>SSN</th>
<th>Percent Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = 100 %

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

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

Signature of Member: __________________________

Employing Agency Name: ________________________

Date: __________________________

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

Signature of Spouse: __________________________

Date: __________________________

Mail your completed form to: FRS Investment Plan Administrator, PO Box 75527, Orlando, FL 32877-5527

OR Fax your completed form to: 1-888-310-5559 Attention FRS Investment Plan Administrator.

DO NOT MAIL HARD COPY OF THE FORM IF FAXING.

16-11.802 F.A.C.

FRENCH:

FRS PLAN CHARGEMENT D’EVEIL DES BENEFICIARIES (FORM IP-BEN)

Ceci est un formulaire d’essai — n’en pas remplir.

Remplissez tous ces espaces.

Vous pouvez désigner une ou plusieurs personnes comme bénéficiaire de votre patrimoine, s’il en est, au décès de votre décédé. Vous pouvez désigner toute personne, organisation ou entité, ou votre patrimoine. Les bénéficiaires contingents sont optionnels — ils hériteront de votre FRS Plan d’Investissement si tous les bénéficiaires principaux sont décédés. Inscrire toutes les informations requises pour chaque bénéficiaire. Si vous devez ajouter plus de 2 bénéficiaires principaux ou contingents, faites une copie de cette page et inscrivez-la à ce formulaire. Vous pouvez changer votre bénéficiaire à tout moment en vous connectant à MyFRS.com ou en remettant un nouveau formulaire de désignation de bénéficiaire. NOTE : Si vous participez au Plan d’Investissement FRS Hybride, le bénéficiaire désigné ci-dessous pour le Plan d’Investissement n’affectera pas le bénéficiaire sélectionné pour le Plan de Retraite. De plus,Section 112.365(3)(e)2., F.S., précise que seules les personnes mariées qui sont désignées comme bénéficiaires principaux sont éligibles à recevoir le Subvention de l’Assurance-Maladie (HIS) sous le Plan d’Investissement. Vous pouvez changer cette désignation à tout moment en comprenant que cette désignation, et tout changement qui en découle, sera effectif seulement après réception par l’Administrateur de Plan d’Investissement FRS.

Remplissez tous ces espaces.

État civil : Cochez une case

☐ Single
☐ Married

Nom du conjoint : __________________________

SSN : __________

Adresse : ______________________________

Veuillez imprimer clairement, en bleu ou en noir.

A. Bénéficiaires principaux (NOTE : Tous les pourcentages des bénéficiaires principaux doivent être en nombres entiers et totaller 100%)

<table>
<thead>
<tr>
<th>Nom du bénéficiaire</th>
<th>Date de naissance</th>
<th>Relation</th>
<th>Sexe</th>
<th>SSN</th>
<th>Pourcentage payable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = 100 %

B. Bénéficiaires contingents (NOTE : Tous les pourcentages des bénéficiaires contingents doivent être en nombres entiers et totaller 100%)

<table>
<thead>
<tr>
<th>Nom du bénéficiaire</th>
<th>Date de naissance</th>
<th>Relation</th>
<th>Sexe</th>
<th>SSN</th>
<th>Pourcentage payable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total = 100 %

Je comprends que l’exécution de ce formulaire et la réception par l’Administrateur du Plan d’Investissement FRS reviendront à annuler toutes les désignations précédentes que je pourrais avoir faites.

Je comprends que si je suis marié et que j’ai désigné une personne autre que mon conjoint en tant que bénéficiaire principal, mon conjoint doit signer cette désignation dans le champ ci-dessous.

Signature de l’intéressé : __________________________

Nom de l’employeur : ________________________

Date : __________________________

SI VOUS AVEZ DESIGNÉ UN BÉNÉFICIAIRE D’AUTRE QUE VOTRE CONJOINT EN TANT QUE BÉNÉFICIAIRE PRINCIPAL, VOTRE CONJOINT AURA RECUS CI DESSOUS À SIGNE LE FORMULAIRE.

Signature du conjoint : __________________________

Date : __________________________

Envoi du formulaire à : Administrateur du Plan d’Investissement FRS, BOîte Postale 75527, Orlando, FL 32877-5527

OU envoi du formulaire par fax au : 1-888-310-5559 Attention FRS Plan d’Investissement Administrateur.

N’ENVOYEZ PAS DE COPIE DU FORMULAIRE SI VOUS L’ENVOYEZ PAR FAX.

16-11.802 F.A.C.