

## Required Monitoring of IRS Contribution Limits for Investment Plan Members

In January 2024, the Investment Plan Administrator (Alight Solutions) will send an email notification to Retirement Coordinators and/or Payroll Officers whose Investment Plan member accounts either:

- Have reached the Internal Revenue Code (IRC), Section 415 contribution limits; or
- Have missing, inaccurate, or insufficient information.

IRC Section 415 limits employer and employee contributions to the Investment Plan. The FRS performs testing on a semiannual basis to ensure we are in compliance with these limits. This monitoring is an important part of maintaining the FRS's status as a governmental IRC tax-qualified plan.

A sample of the Section 415 email notification is provided to the right. For additional information, refer to the Frequently Asked Questions on pages 2 and 3.



### Sample Section 415 Email Notification

Dear Florida Retirement System (FRS) Retirement Coordinator/Agency Payroll Officer:

Employer and employee contributions to the Investment Plan are limited by the Internal Revenue Code (IRC), Section 415. This information is monitored by the Investment Plan Administrator for your employees enrolled in the Investment Plan based on the information submitted to the Division of Retirement on your agency's monthly retirement reports. This testing is performed on a semiannual basis to ensure compliance with the IRS limits. This monitoring is an important part of maintaining the FRS status as a governmental IRC tax-qualified plan. To properly monitor the contribution limits for Investment Plan members, accurate information must be received.

A review has been performed of your employees enrolled in the Investment Plan, and we have determined that there are employees who have missing, inaccurate, or insufficient information for the 415 Eligible Compensation that is needed to test the 415 federal limits. We are not able to test for exceeding the federal limits. For calendar year 2023 IRC limits, the total contributions to a defined contribution plan(s) is the lesser of \$66,000 or \$73,500 if the member is over age 50, or 100% eligible 415 compensation. You have 141 impacted members. The following is a sample of members that are impacted. To receive the full and more detailed list of the impacted members, please contact the Investment Plan Administrator by calling the toll-free MyFRS Employer Assistance Line at 1-866-377-2121, Option 3.

The below members were reported with missing or insufficient data:

415 Limit - Compensation Missing	415 Limit - Exceeded	Insufficient Data	Birth Year	Full Name
YES	N/A	YES	1961	DOE, JANE
YES	N/A	YES	1985	DOE, JOHN
YES	N/A	YES	1998	SMITH, JANE
YES	N/A	YES	1959	SMITH, JOHN
YES	N/A	YES	1989	DOE, JANE
YES	N/A	YES	1997	SMITH, JOHN
YES	N/A	YES	1969	DOE, JOHN
YES	N/A	YES	1974	SMITH, JANE
YES	N/A	YES	1992	DOE, JANE

## Frequently Asked Questions About IRC Section 415

### Why did I receive the email notification?

It was determined that there are Investment Plan members employed by your agency who have reached the 415 contribution limits and/or this information is not being reported correctly to the Division of Retirement.

### Where on the monthly retirement report should this information be reported?

The 415 Eligible Compensation field immediately follows the Annualized Salary Amount field on the monthly retirement report.

### What information should be included in this field?

You need to include the total year-to-date 415 eligible compensation the member has received up to the date the retirement report is submitted. This is the total compensation an employee received, not the total employer and employee contributions. This amount will increase each month and is based on calendar year contributions, **not fiscal year**, and will reset with the new calendar year each January. This information should be included for all Investment Plan members, and not just for those listed on the notification email. For example, when you report 415 eligible compensation for a member who has earned \$25,000 in eligible compensation through December 2023, the \$25,000 should be reported on the December 2023 monthly retirement report in the Year-to-Date 415 Eligible Compensation field.

### How do I know if I am reporting 415 information on our monthly retirement report?

Review the monthly report you submit to the Division of Retirement to see if 415 information is included in the 415 Eligible Compensation field. Make sure the retirement plan codes are updated for members and reported correctly to the Division in a timely fashion.

Continues on next page.

### For More Information

For additional information, review these pages in the Division of Retirement's [FRS Pension Plan Employer Handbook](#):

- [Chapter 3](#), pages 3-15 through 3-18
- [Chapter 4](#), pages 4-5 through 4-6

If you have questions about the 415 eligible compensation or 415 contribution limits, contact the Investment Plan Administrator:

FRS Employer Assistance Line  
1-866-377-2121, Option 3





## Frequently Asked Questions About IRC Section 415 — continued

### What other information is needed to perform 415 testing?

No additional information is needed if you are reporting employees correctly on your monthly retirement report, which includes the resubmittal of Loss of Service Errors (LOSE). It is important that your employees are reported with correct salary information and retirement plan codes. If an Investment Plan member is incorrectly reported with a Pension Plan retirement plan code, that member's 415 eligible compensation information will not be sent to ALight and cannot be monitored, regardless of the data entered in the 415 Eligible Compensation field.

### Do these limits also apply to any other eligible employer-sponsored plans in which the member participates outside of the FRS?

Yes. If members are making additional contributions to other employer-sponsored defined contribution accounts, such as 457(b), 403(b), 401(a), and 401(k) accounts, the contributions for these plans should also be reported to the Division of Retirement as part of your regular monthly retirement report so that they can be included in the limit tests.

### What is considered 415 compensation and what amounts should be included when reporting this compensation?

This is a determination that should be made by your agency. You should consult with your tax advisor in reference to Treasury Regulations and what amounts to include in the calculation.

### Multi-Factor Authentication Now Required for Account Security



In August 2021, the FRS began offering multi-factor authentication (MFA) on [MyFRS.com](https://myfrs.com) as a security option for current members and requiring MFA for all new registrations, profile resets, and PIN reminder requests. **Beginning January 1, 2024, all accounts on [MyFRS.com](https://myfrs.com) are required to utilize MFA.** By requiring members to log in with a random, six-digit code sent via email or text message, accounts will have an added layer of security.




## Remind Members to Keep Beneficiaries Current

Encourage your Investment Plan and Pension Plan members to keep their beneficiaries up-to-date to ensure their benefits (if any) are passed to their named beneficiaries in the event of the member's death.

### Investment Plan Members

Investment Plan members have four options for submitting their beneficiary information:

1. By using the **Online FRS Investment Plan Beneficiary Designation form** on **MyFRS.com** (accessible without login).
2. By logging in to **MyFRS.com** and clicking "Investment Plan," then choosing the "profile"  icon on the top right of the page, then selecting "Beneficiaries" from the drop-down menu.
3. By mailing or faxing an **FRS Investment Plan Beneficiary Designation form (IPBEN-1)**, available online, to the Investment Plan Administrator.
4. By calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711).

### Pension Plan Members

Employers can access two reports on FRS Online that identify active Pension Plan members who are missing a beneficiary designation. Please review these reports regularly and direct those employees to name a beneficiary through their FRS Online account.

#### Active or Inactive Employees

The member can view or update their beneficiary designation at any time using their FRS Online account at **frs.fl.gov**.

#### Retired and Receiving a Benefit

The retiree can view their current beneficiary designation at any time using their FRS Online account at **frs.fl.gov**.

### Beneficiary Reminders

In order to encourage members to keep their beneficiaries current, the following reminders are being implemented:

1. Each month, a "popup" Investment Plan and Pension Plan beneficiary reminder will be posted on **MyFRS.com**.
2. Welcome Letters that are mailed to Investment Plan members after they have defaulted or actively elected the Investment Plan will now include an Investment Plan beneficiary form to complete and submit.
3. Beginning in 2024, all Investment Plan members who have designated their beneficiary "per Florida law" information will receive a letter and email encouraging them to actively name a beneficiary.





## FRS Member Satisfaction Survey Coming in January

In January, your employees who are members of the Investment Plan will receive an email inviting them to complete an important survey about their satisfaction with the services provided by the Investment Plan. Encourage your employees to complete the survey as soon as possible. Their responses will help us identify areas that need improvement.

## Include New Employee Email Addresses in Your Monthly Retirement Report

When reporting new hires on the monthly retirement report to the Division of Retirement, be sure to include their email addresses. Multiple email reminders are sent to new hires during their 1<sup>st</sup> Election period in addition to the hard-copy reminder letters mailed to their mailing address. Having members' email addresses means we are also able to send targeted correspondence to members.



## How to Keep Up with Florida Legislation

To keep up with all proposed 2024 retirement bills, click "[Legislation](#)" in the "[Recent News Articles](#)" box on [MyFRS.com](#). The 2024 Florida Legislative Session will begin on January 9, 2024 and end on March 8, 2024.

## Survivor Financial Counseling for Beneficiaries

Investment Plan and Pension Plan beneficiaries are eligible for survivor financial counseling services from EY. This service provides beneficiaries with free, unbiased support for the financial issues that can arise when a loved one dies.

A copy of the [Survivor Financial Counseling flyer](#) is automatically mailed to beneficiaries upon notification of an Investment Plan or Pension Plan member's death. Copies of the flyer can be ordered online.

## Sign Up for an FRS Employer Training Workshop

FRS employer training workshops are an excellent opportunity for you and your staff to get an overview of the FRS plans and the various areas, functions, and processes that involve your agency and its employees. View the online [workshop calendar](#) for a list of in-person and Zoom workshops being offered. You'll need to register separately for each workshop you wish to attend.

### Upcoming Workshops

#### Pension Plan

8:30 to 11:30 a.m. ET

February 12, 2024

May 1, 2024

August 1, 2024

November 6, 2024

#### Investment Plan

1:00 to 4:00 p.m. ET

February 12, 2024

May 1, 2024

August 1, 2024

November 6, 2024



### To register:

#### By phone:

1-866-377-2121, Option 1

Be ready to provide your name, your contact information, the date and time of the workshop you want to attend, and the number of people from your agency who will be attending.

#### Online:

- Go to the [workshop calendar](#).
- Locate the employer workshop you want to attend (in-person or via Zoom), then register.
- You will receive a confirmation email after registration. Zoom registrants will receive a reminder email the day before the webinar.

## Free Financial Planning Workshops for Employees

The following 2024 live webinars are free and unlimited for FRS members. To schedule an in-person workshop or live webinar for your FRS employees, please reach out to Angela Ko by email at [Angela.Ko@ey.com](mailto:Angela.Ko@ey.com) or by telephone at 201-872-0176.

January 22	Using the FRS to Plan for Your Retirement	10:00 a.m. to noon
January 22	Income Tax Planning: Smart Planning for Your Taxes	1:00 to 3:00 p.m.
January 23	Using the FRS to Plan for Your Retirement (SPANISH) <b>Zoom only</b>	10:00 a.m. to noon
January 23	Nearing Retirement in the FRS (SPANISH) <b>Zoom only</b>	1:00 to 3:00 p.m.
April 1	Using the FRS to Plan for Your Retirement	10:00 a.m. to noon
April 1	Taking Control of Your Finances (90 minutes)	1:00 to 3:00 p.m.
April 2	Protecting Yourself and Your Loved Ones	10:00 a.m. to noon
April 2	New Employee Retirement Plan Choice	1:00 to 3:00 p.m.
July 1	Taking Control of Your Finances (60 minutes)	10:00 a.m. to noon
July 1	Investment Planning	1:00 to 3:00 p.m.
July 2	Education Planning	10:00 a.m. to noon
July 2	Understanding the FRS Investment Plan	1:00 to 3:00 p.m.
October 2	Social Security and Your Retirement	10:00 a.m. to noon
October 2	Understanding Your Benefits under the FRS Pension Plan	1:00 to 3:00 p.m.
October 3	Nearing Retirement in the FRS	10:00 a.m. to noon
October 3	Group Health Insurance (state employees only)	1:00 to 3:00 p.m.

ALL TIMES ARE ET

\* Online only.

### To register:

#### By phone:

1-866-446-9377, Option 2

#### Online:

- Go to the [workshop calendar](#).
- Locate the employee workshop you want to attend (in-person or via Zoom), then register.
- You will receive a confirmation email after registration. Zoom registrants will receive a reminder email the day before the webinar.

Employees must register separately for each workshop they wish to attend.





## Upcoming 1<sup>st</sup> Election Deadlines

Making an active retirement plan choice by the election deadline is the best way for members to ensure they participate in their preferred plan. Members should be encouraged to make an active election even if their preferred plan is the default. **Receiving a new hire kit and election reminder means the member is in their retirement plan choice period and must make an active election or they will be defaulted into the Investment Plan (or Pension Plan, if they are in the Special Risk Class).**

Deadline dates and times apply to all members, no matter how they submit their retirement plan choice. To confirm a new hire's deadline, call the FRS Employer Assistance Line at 1-866-377-2121, Option 3, or refer to the member's benefit comparison statement.

### What Happens If a Member Misses the Deadline?

A member whose retirement plan choice is not received by their 1<sup>st</sup> Election deadline will be enrolled in the default plan based on their membership class, as shown at right.

### What About Members with Prior Pension Plan Service?

The plan defaults shown at right apply to any members who did not submit a retirement plan choice prior to January 1, 2018 or did not have a plan choice period – even if they were previously enrolled in the FRS. Here's an example:

- **April 1, 1999** – The member initially enrolls in the FRS. (At that time, the Pension Plan was the only retirement program available, so no retirement plan choice was made.)
- **May 2001** – The member terminates employment.
- **February 1, 2024** – The member returns to work. (The enrollment deadline based on the member's month of hire is October 31, 2024, by 4:00 p.m. ET.)
- **October 31, 2024** – No election is received for this member.
- **November 1, 2024** – The member will be enrolled in the default plan based on their membership class. If enrolled in the Investment Plan, the member's prior Pension Plan service will be transferred to the Investment Plan as an opening account balance, which is subject to the Pension Plan's vesting provisions.

### Plan Defaults<sup>1</sup>

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

### 1<sup>st</sup> Election Deadlines

Month of Hire	Enrollment Deadline <sup>2</sup>
April 2023	December 29, 2023
May 2023	January 31, 2024
June 2023	February 29, 2024
July 2023	March 29, 2024
August 2023	April 30, 2024
September 2023	May 31, 2024
October 2023	June 28, 2024
November 2023	July 31, 2024
December 2023	August 30, 2024
January 2024	September 30, 2024
February 2024	October 31, 2024
March 2024	November 27, 2024

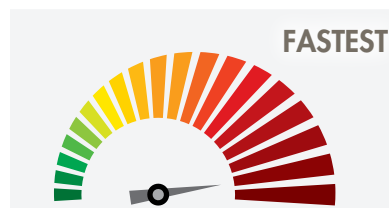
<sup>1</sup> Applies to members initially enrolled in the FRS on or after January 1, 2018.

<sup>2</sup> By 4:00 p.m. ET.



## ChooseMyFRSplan.com Is the Fastest Way to Submit a Retirement Plan Choice

Here are some additional options from next fastest to slowest:



Call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4.  
*This is a good option if the employee has questions.*

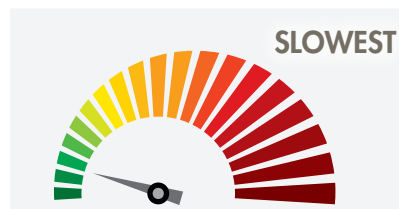


Submit the [online EZ Retirement Plan Enrollment Form](#).



Submit the hard copy form available on [MyFRS.com](#):

By Fax: 1-888-310-5559



By Mail:  
Plan Choice Administrator  
P.O. Box 785027  
Orlando, FL 32878-5027

### Help Keep Your Co-Workers Informed

If you know a co-worker who should receive this newsletter, send an email to [walter.kelleher@sbafla.com](mailto:walter.kelleher@sbafla.com) with the co-worker's name, title, agency name, and email address.



## Help Keep Members' Contact Information Current

Encourage your active, inactive and retired FRS members to keep their contact information current so they don't miss any important information from you or the FRS.

### Investment Plan Members

#### Active Employees

Names and addresses are automatically updated on the FRS database when you submit your agency's monthly retirement report.

#### Inactive or Retired

See the online FAQ **"How can I change my name or mailing address if retired or terminated from the Investment Plan?"**

### Pension Plan Members

#### Active Employees

Names and addresses are automatically updated on the FRS database when you submit your agency's monthly retirement report.

#### Inactive (Not Currently Employed)

**Address Change** – Call the DMS, Division of Retirement.

#### Retired and Receiving a Benefit

**Address Change** – The retiree can log in to their FRS Online account at [frs.fl.gov](https://frs.fl.gov) to update their address. If you have questions, call the DMS, Division of Retirement.

**Name Change** – The member must **mail or fax** a signed letter to the DMS, Division of Retirement. The letter must be accompanied by a copy of the court order, marriage certificate, or valid driver's license reflecting the member's new name.

### How to Reach the DMS, Division of Retirement



Department of Management  
Services, Division of Retirement  
P.O. Box 9000  
Tallahassee, FL 32315-9000



850-410-2010 (fax)



1-844-377-1888 (toll-free)  
or 850-907-6500



## Resources

### FRS Employer Assistance Line

1-866-377-2121 (toll-free)

EY and Aight Solutions representatives are available from 8:00 a.m. to 6:00 p.m. ET, Monday through Friday, except holidays.

DMS, Division of Retirement, staff are available from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, except holidays.

### MyFRS.com Resources

- [Recent News Articles](#) — Keep up with the latest legislation and more
- [Contribution Rates](#) — See “Retirement and Health Insurance Subsidy (HIS) Contribution Rates”
- [Employer Forms](#) and [General Forms](#) — Current forms available to print on demand
- [Employer Handbooks](#) — Technical guides for retirement coordinators, payroll staff, and others who have FRS responsibilities
- [FAQs](#) — Frequently asked questions and glossary
- [Helpful Links/Websites](#) — Links to agencies, departments, and other resources
- [Laws and Rules](#) — Florida Statutes and Administrative Code governing the FRS
- [Order Materials](#) — Online catalog of printed materials that you can order free of charge
- [Public Records](#) — State Board of Administration and DMS, Division of Retirement, Public Records Policy
- [Publications](#) — All available online publications
- [Request for Intervention/Final Orders](#) — Interventions may include unresolved customer service complaints, and allegations of misconduct or misrepresentation
- [Videos](#) — New hire, educational, and training videos

### Are You Using Outdated FRS Forms?

FRS forms are routinely updated throughout the year. To use up-to-date forms and save paper, go to the [Forms section on MyFRS.com](#) to download and print the forms as you need them.

