

## Florida Legislature Approves Change to FRS Employer Contribution Rates

During the 2024 session, the Florida Legislature passed **House Bill 151**, changing the Florida Retirement System's (FRS's) employer contribution rates, effective July 1, 2024, pending approval by the Governor.

### What's Changing?

- The uniform normal cost and unfunded actuarial liability contribution rates **for some membership classes** of the FRS.
- The unfunded actuarial liability contribution rates for the FRS that are paid by the employer on the compensation of members in the State University System Optional Retirement Program (SUSORP) and State Community College System Optional Retirement Program (SCCSORP).

### What's Not Changing?

- The required 3% contribution rate paid by employees into any FRS-administered or other state-administered plan.
- The unfunded actuarial liability contribution rates for the FRS that are paid by the employer on the compensation of members in the Senior Management Service Optional Annuity Program (SMSOAP).
- The administrative and education assessment.
- The Health Insurance Subsidy contribution rate.
- The total amount paid into members' Investment Plan accounts.



## Florida Legislature – continued

The uniform employer contribution rates are the same for Investment Plan and Pension Plan members regardless of membership class. Employer contributions provide funding for the normal cost of benefits for both plans as well as the employers' required contributions for the Pension Plan's unfunded actuarial liability.

The Division of Retirement will soon provide all FRS employers with an Information Release with contribution rate information by reporting plan codes.

To review the new contribution rates, refer to the tables on the following pages.

**House Bill 151** – In addition to changing FRS employer contribution rates, this bill also makes the following changes, effective July 1, 2024:

- **Reemployment** – Amends the reemployment after retirement provisions, by allowing retirees to be reemployed with an FRS employer and receive both compensation and retirement benefits after meeting the termination requirements (6 calendar months after date of termination) in **Section 121.021(39), Florida Statutes**. This change eliminates the “suspension of benefits” period currently applied during 7 to 12 calendar months after the date of termination.
- **FRS Preservation of Benefits Plan** – The FRS Preservation of Benefits Plan will be closed to new members effective July 1, 2026. The Preservation of Benefits Plan currently allows Pension Plan members to receive a benefit that is in excess of the annual benefit limit established by the Internal Revenue Service (IRS). Effective July 1, 2024, the limitation on an annual benefit under a defined benefit plan is \$275,000.

To keep up with legislation, visit [MyFRS.com](https://www.myfrs.com) and click “**Legislation**” in the “Recent News Articles” section.





## New Contribution Rates Effective July 1, 2024

Table 1: Uniform Contribution Rates (changes were only made to some membership classes)

Membership Class	Paid by Employee		Paid by Employer										Total Paid by Employee and Employer	
	Retirement		Normal Cost		Unfunded Actuarial Liability		Administrative and Education		Health Insurance Subsidy		Total Paid by Employer		Total Paid by Employee and Employer	
	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New	Current	New
Regular Class	3%	3%	6.73%	6.73%	4.78%	4.84%	0.06%	0.06%	2.00%	2.00%	13.57%	13.63%	16.57%	16.63%
Special Risk Class	3%	3%	18.66%	18.66%	11.95%	12.07%	0.06%	0.06%	2.00%	2.00%	32.67%	32.79%	35.67%	35.79%
Special Risk Administrative Support Class	3%	3%	11.54%	11.54%	26.22%	26.22%	0.06%	0.06%	2.00%	2.00%	39.82%	39.82%	42.82%	42.82%
Elected Officers' Class (Judges)	3%	3%	14.90%	14.90%	27.93%	28.49%	0.06%	0.06%	2.00%	2.00%	44.89%	45.45%	47.89%	48.45%
Elected Officers' Class (Legislature/Cabinet/Public Defender/State Attorney)	3%	3%	10.45%	10.70%	50.21%	50.21%	0.06%	0.06%	2.00%	2.00%	62.72%	62.97%	65.72%	65.97%
Elected Officers' Class (County and Local)	3%	3%	12.39%	12.39%	44.23%	44.23%	0.06%	0.06%	2.00%	2.00%	58.68%	58.68%	61.68%	61.68%
Senior Management Service Class	3%	3%	8.56%	8.56%	23.90%	23.90%	0.06%	0.06%	2.00%	2.00%	34.52%	34.52%	37.52%	37.52%
DROP	0%	0%	8.49%	8.49%	10.64%	10.64%	0%	0%	2.00%	2.00%	21.13%	21.13%	21.13%	21.13%

## New Contribution Rates – continued

Table 2: Optional Program Contribution Rates (changes were only made to SUSORP and SCCSORP)

Optional Programs <sup>1</sup>	Paid by Employee		Paid by Employer						Total Paid by Employee and Employer	
	Contribution		Contribution		Administrative Cost		FRS Unfunded Actuarial Liability		Total Paid by Employee and Employer	
	Current	New	Current	New	Current	New	Current	New	Current	New
State University System Optional Retirement Program	3%	3%	5.14%	5.14%	0.01%	0.01%	4.78%	4.84%	12.93%	12.99%
Senior Management Service Optional Annuity Program	3%	3%	6.27%	6.27%	0%	0%	23.90%	23.90%	33.17%	33.17%
State Community College System Optional Retirement Program	3%	3%	5.15%	5.15%	0% <sup>2</sup>	0% <sup>2</sup>	4.78%	4.84%	12.93%	12.99%

<sup>1</sup> Rates for local annuity programs are not listed since those rates are established by local authority.

<sup>2</sup> Administrative cost is determined by each state college offering this program.

Table 3: Investment Plan Contribution Rates (no changes were made to these rates)

Membership Class	Paid by Employee	Paid by Employer <sup>1</sup>	Total to Employee Account
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%

<sup>1</sup> Paid by employers via the uniform contribution rates specified in Table 1. Built into the uniform contribution rates is a contribution that funds guaranteed monthly benefits for Investment Plan members who are totally and permanently disabled from all employment.

## Frequently Asked Questions

Below are some questions the FRS has recently received from employers:

**I just received communication that an incorrect retirement plan was reported for an employee on the monthly retirement report. How can I verify an employee's retirement election information is correct?**

If you have access to Employer Services via FRS Online, you can select "Reports" under the "Personnel" link and review "Elections" for employees under the following categories:

- New Elections
- Election Details by Date
- Election Details by SSN

Each category has an explanation of the information provided. It is recommended that you set a reminder to check this report each month before you submit the monthly retirement report to the Division of Retirement to see if there are any changes that need to be made to an employee's retirement plan code.

**Is there a specific date by which an Investment Plan member's contributions will be available in their Investment Plan account?**

The monthly retirement report is due to the Division of Retirement by the fifth business day of each month. Once the report has been balanced and posted by the Division, the contributions will be transmitted to the employee's Investment Plan account. The contributions should display in the employee's account no later than the 15<sup>th</sup> of each month.

If you have questions you'd like answered in upcoming newsletters, submit them to [allison.olson@sbafla.com](mailto:allison.olson@sbafla.com).





## 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	Investment Plan
8:30 to 11:30 a.m. ET	1:00 to 4:00 p.m. ET
May 1, 2024	May 1, 2024
August 1, 2024	August 1, 2024
November 6, 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.

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

### 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).** If a member has questions about why they are receiving a new hire kit or reminder information, or has questions about the FRS, refer them to the MyFRS Financial Guidance Line at 1-866-446-9377, Option 1.

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>
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
April 2024	December 31, 2024
May 2024	January 31, 2025
June 2024	February 28, 2025

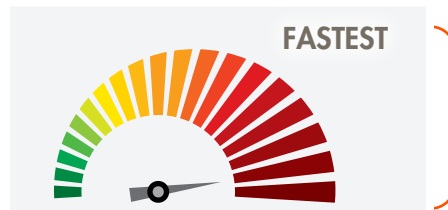
<sup>1</sup> Applies to members initially enrolled in the FRS on or after January 1, 2018.

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

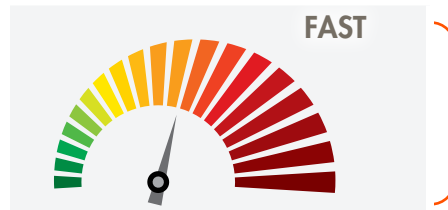


## ChooseMyFRSplan.com Is the Fastest Way to Submit a Retirement Plan Choice

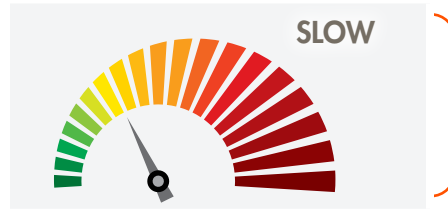
Here are some additional options from next fastest to slowest:



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 employer newsletter, send an email to [allison.olson@sbafla.com](mailto:allison.olson@sbafla.com) with the co-worker's name, title, agency name, and email address.



## Help Keep Members' Names and Addresses 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 Alight 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.

