

Retirement Plan Enrollment Frequently Asked Questions (FAQ)

WHAT PLAN AM I ELIGIBLE TO PARTICIPATE IN?

Support staff employees are eligible to participate in the Florida Retirement System (FRS) pension or FRS investment plan. Faculty and administrative employees are eligible to participate in the FRS pension, FRS investment or the Optional Retirement Plan (ORP).

WHAT ARE THE VESTING REQUIREMENTS IN EACH PLAN?

FRS Pension Plan: Eight years.

FRS Investment Plan: One year.

ORP: Immediate.

WHAT IS THE ENROLLMENT PERIOD FOR THE FRS PENSION PLAN?

Support staff employees have 8 months from their date of hire to enroll in a retirement plan. Faculty and administrative employees have 90 calendar days from their date of hire to enroll in a retirement plan. In the event the enrollment deadline is missed, a new State of Florida employee will automatically be enrolled in the FRS Pension Plan.

WHAT IS THE ENROLLMENT PERIOD FOR THE FRS INVESTMENT PLAN?

Support staff employees have 8 months from their date of hire to enroll in a retirement plan. Faculty and administrative employees have 90 calendar days from their date of hire to enroll in a retirement plan. In the event the enrollment deadline is missed, a new State of Florida employee will automatically be enrolled in the FRS Pension Plan.

WHAT IS THE ENROLLMENT PERIOD FOR THE ORP?

Faculty and administrative employees have 90 calendar days from their date of hire to enroll in a retirement plan. In the event the enrollment deadline is missed a new State of Florida employee will automatically be enrolled in the FRS Pension Plan.

WHAT IF I ENROLL IN AN FRS PLAN AND THEN DECIDE I WANT TO SWITCH PLANS?

You have a one-time option to switch plans, known as a “second election,” after your initial enrollment period. Once you use your second election to switch plans, the new plan will be your new retirement plan and it cannot be changed again. The FRS plan administrator would calculate a value of your pension plan and transfer that amount into the FRS Investment Plan account for you.

Most employees that make the change will get an estimate of the value of their pension plan before deciding. An estimate can be obtained by calling the MyFRS Financial Guidance Line at 866-446-9377 from 9 a.m. to 8 p.m., Monday through Friday. You can also access your information on-line from the myFRS web page.

IF I ENROLL IN THE FRS INVESTMENT PLAN AS A SUPPORT STAFF EMPLOYEE AND THEN LATER IN MY CAREER OBTAIN AN ORP QUALIFYING POSITION CAN I SWITCH?

Once you are in the FRS Investment Plan you cannot change to the ORP plan unless you use your second election to change back to the FRS Pension Plan and then elect the ORP plan within 90 days of your new position hire date. You would be “buying” your way back into the FRS Pension Plan, so depending on the cost and how your FRS Investment Plan is doing, you may or may not be charged a fee for this change. This can be a very serious decision and would need to be coordinated through Human Resources, who would in turn coordinate with the Division of Retirement.

WHAT AMOUNT IS CONTRIBUTED TO THE FRS PENSION PLAN?

The employer makes a contribution into the FRS Trust Fund, and you are required to make a mandatory contribution equal to 3 percent of your salary. Your retirement benefit is based on a formula: Years of Service X 1.60 percent X Average of 5 highest years of Salary = yearly benefit. (The 1.60 percent is for 30 years of service or less or age 62; 1.63 percent for 31 years of service or age 63; 1.65 percent is for 32 years of service or age 64; and 1.68 percent is for 33 years of service or age 65).

WHAT AMOUNT IS CONTRIBUTED TO THE FRS INVESTMENT PLAN?

Employees are required to make a mandatory contribution equal to 3 percent of your salary. The employer makes the remaining contributions. The contributions are sent to the FRS Plan Administrator to be deposited into your account on a monthly basis.

WHAT AMOUNT IS CONTRIBUTED TO THE ORP?

Effective July 1, 2012, the employer contributes 5.14 percent of your biweekly salary into your ORP plan. You make a mandatory contribution equal to 3 percent of your salary. You can also elect to contribute an additional amount up to 5.14 percent of your biweekly salary. The employee election amounts can be changed at any time. The contributions are sent to your provider company on a biweekly basis.

WHAT ARE THE DIFFERENCES IN THE PLANS?

You can refer to the plan comparison charts FRS Pension vs. FRS Investment or FRS vs. ORP on the Division of Retirement’s web page or the myFRS web page. You may also contact the Office of Human Resources for additional information on plan differences.