

# CHOOSING AN FRS RETIREMENT PLAN



Florida Retirement System

**Pinellas County Schools**



**You Have an Important Choice to Make!**



**Investment  
Plan**

**OR**



**Pension  
Plan**



# Comparing the Plans – Plan Type and Vesting

- **FRS Investment Plan**
  - More mobile
  - 1-year vesting
  - Takes time to grow
- **FRS Pension Plan**
  - Traditional
  - 8-year vesting\*

**Vesting = Ownership of your  
benefit or account**

\* 6 years with service prior to July 1, 2011



# Comparing the Plans – Contributions

- **FRS Investment Plan**

- Employer and employee
- Individual, portable account
- You control investments

- **FRS Pension Plan**

- Employer and employee
- Single pension trust fund
- Plan controls investments





# Comparing the Plans – **Your Benefit**

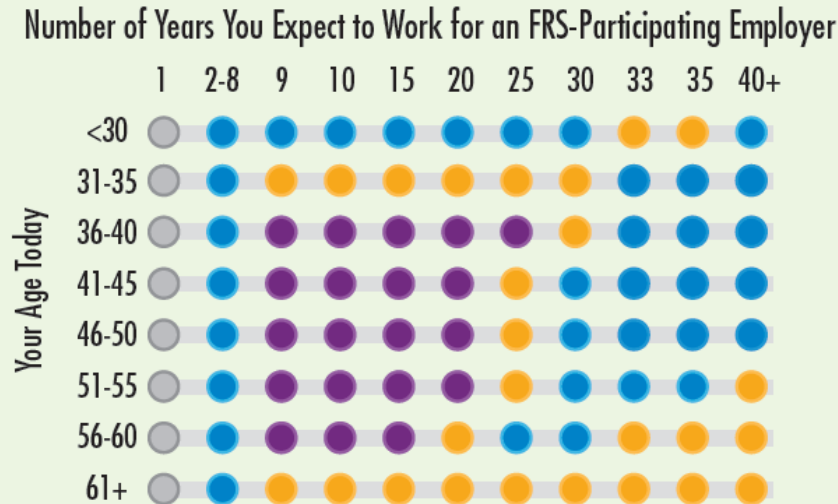
- **FRS Investment Plan**

- Contributions + investment earnings
- You choose your distribution options
- No DROP

- **FRS Pension Plan**

- Fixed formula
- Guaranteed for life
- DROP

# Consider Your Length of Service



These projections are based on age and certain general assumptions about length of service, salary growth, and investment earnings.

Not Vested

Investment Plan

Pension Plan

The difference in the projected benefits is small and more information is needed to identify which plan might be better for you. Use the 1<sup>st</sup> Election Choice Service or call the MyFRS Financial Guidance Line.



# Your Choice Resources

- New Employee FRS Enrollment Kit
- MyFRS.com
  - Choice Service
  - New hire video
- ChooseMyFRSplan.com
- MyFRS Financial Guidance Line

# New Employee FRS Enrollment Kit

- PIN – keep this number
- Deadline date
- Review the Quick Financial Comparison chart
- ChooseMyFRSplan.com
- Online Choice Service
- Call for assistance

## WELCOME to the FLORIDA RETIREMENT SYSTEM

**Hi, [Recipient's First Name]!**

Your new employer is one of more than 1,000 public employers who participate in the Florida Retirement System (FRS). As a new FRS member, you must choose which of our two retirement plans you'd like to participate in — the Investment Plan or the Pension Plan.

**Your deadline to choose an FRS retirement plan is [Month #], [Year] at 4:00 p.m. ET.\***

**Your MyFRS.com PIN: [#####]**

Visit [ChooseMyFRSplan.com](http://ChooseMyFRSplan.com). Watch the quick interactive video to see which plan might be a better match for you, and access other helpful information.

**Use the 1<sup>st</sup> Election Choice Service.** Get a free, personalized estimate of the benefit you'd receive under each plan. To register:

1. Visit MyFRS.com and click "SIGN IN / REGISTER" at the top of the page.
2. On the Welcome page, select "REGISTER" and enter the requested information. Your 6-digit PIN is provided above.
3. Once registered, log in to MyFRS.com and click the green "CHOICE SERVICE" button at the top.

**Call the MyFRS Financial Guidance Line.** Speak with an unbiased financial planner who can answer your questions and help you choose your FRS plan.

1-866-446-9377 • Option 1 (TRS 711)  
9:00 a.m. to 8:00 p.m. ET  
Monday through Friday, except holidays

**FRS Investment Plan**

- 401(k)-type investment plan — you are responsible for managing your account.
- **You qualify for a benefit after 1 year of service;** once earned, the benefit is yours.
- Your benefit is based on contributions made to your account and on investment performance over time.

**FRS Pension Plan**

- Traditional retirement pension plan — the State is responsible for managing the Pension Plan Trust Fund.
- **You qualify for a benefit after 8 years of service;** your benefit is payable when you reach retirement age as defined by the plan.
- Your monthly benefit is guaranteed and based on a formula using your salary, years of service, FRS membership class, and age.

Both plans require you to contribute 3% of your salary, beginning with your first paycheck. You cannot change the amount you contribute. Your employer also makes contributions to the plan you choose.

**Special Risk Class Members!** The chart below doesn't apply to your situation. Please use the 1<sup>st</sup> Election Choice Service or call the MyFRS Financial Guidance Line.

**Make a Quick Financial Comparison**

In this chart, the color of the circle where your age and expected years of service intersect indicates the plan projected to provide you a higher financial benefit. For personalized guidance, use the 1<sup>st</sup> Election Choice Service or call the MyFRS Financial Guidance Line.

● Investment Plan
● Pension Plan

\* If you do not submit a plan choice by your deadline, the Investment Plan will be considered your 1<sup>st</sup> Election by default. **Exception:** If you are in the Special Risk Class, the Pension Plan will be considered your 1<sup>st</sup> Election by default.

\* If you were initially enrolled in the FRS before July 1, 2011, your vesting requirement may be different. Refer to [myfrs.com/FRSPlan\\_ComparePlan\\_Vesting.htm](http://myfrs.com/FRSPlan_ComparePlan_Vesting.htm) for details.

The Florida Retirement System has established privacy policies and procedures for the MyFRS.com website and participation in the FRS. Link to these important policies and investment publications, which should be reviewed carefully, are provided on MyFRS.com.

You are encouraged to use your own professional expertise in using the online 1<sup>st</sup> Election Choice Service or using the MyFRS Financial Guidance Line and having a financial adviser visit the website for you. The estimated FRS retirement benefits shown are based on the 1<sup>st</sup> Election Choice Service and not a guarantee of future results. Actual retirement estimates based on information about you and based on the results of the investment and asset management decisions made by the Florida Retirement System are subject to change. The chart is not intended to be used as a substitute for your own professional judgment. A description of your rights and responsibilities under the Pension Plan and Investment Plan is in the respective summary plan descriptions, available upon request.

This publication is a summary of the retirement 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 Chapter 225, Florida Statutes, and the Florida Department of Management Services' 11th and 12th Florida Administrative Codes. To view a conflict between the information in this publication and the statute and rules, the provisions of the statute and rules will control. Before you make an election or select any investment funds, you should review the Fund Profiles, the Investment Fund Summary, and the Annual Plan Election Statement posted in the "Investment Funds" section on MyFRS.com.

© 2010 MyFRS Financial Guidance Program. All rights reserved.

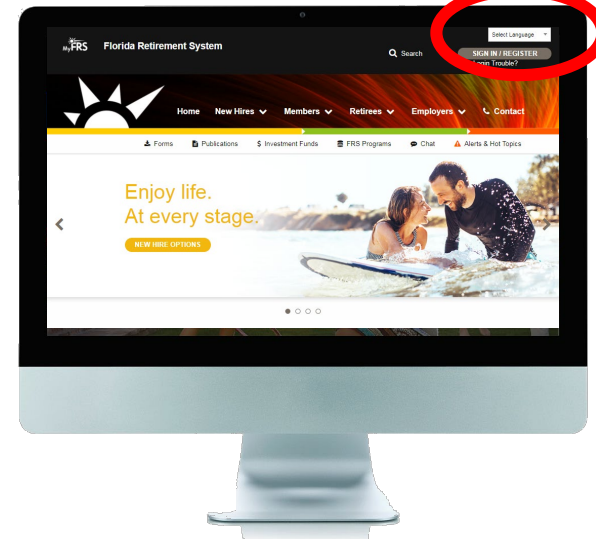
July 2010



# Register on MyFRS.com

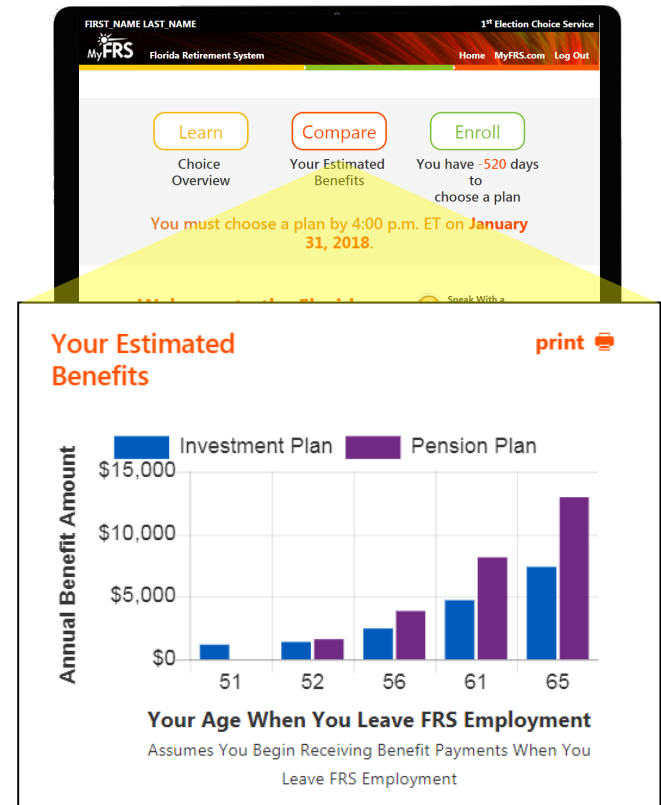
- Register on MyFRS.com with your PIN
- Create a personal login to access
  - Choice Service
  - New hire video
  - Summary plan descriptions
  - Decision-making information
- Enroll online

SIGN IN / REGISTER



# Choice Service

- Log in from MyFRS.com
- Estimate and compare plan benefits
- Use different assumptions
- Save your projections
- Return as often as you'd like **before** your deadline
- Need help? Speak with a financial planner



# ChooseMyFRSplan.com

- No login required
- Access on your phone!
- Watch an interactive video
  - Answer questions
  - See the plan that might be a better match
- Find helpful information
- Enroll





# MyFRS Financial Guidance Line

- Toll-free
- Free financial planning assistance
  - Choose a plan
  - Personal financial planning
  - Unbiased guidance
  - Help you with MyFRS.com
- Ongoing assistance

**Keep Your PIN**

**1-866-446-9377**



# More Than 8 Months to Decide

HIRED!	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
Employee Orientation	Payroll Submitted	Welcome Brochure	1 <sup>st</sup> Reminder Email	2 <sup>nd</sup> Reminder Email	3 <sup>rd</sup> Reminder Mailing	4 <sup>th</sup> Reminder Email	5 <sup>th</sup> Reminder Email	6 <sup>th</sup> Reminder Mailing	Confirm and Welcome Letter
New Hire Video			20 <sup>th</sup> day of the month 	15 <sup>th</sup> day of the month 	10 <sup>th</sup> day of the month 	5 <sup>th</sup> day of the month 	1 <sup>st</sup> day of the month 	10 <sup>th</sup> day of the month 	(Version depends on plan selected or default. Shown is the default to Investment Plan welcome letter.) 
New Hire Flyer 			Click on the yellow boxes to see sample communications.						
								7 <sup>th</sup> Reminder Email Day before choice deadline 	
								<b>Choice Deadline</b> 4:00 p.m. on the last business day of month 8	

# How to Make Your Election

- Regular or Special Risk Class employee
  - Online
  - Call the MyFRS Financial Guidance Line
  - Paper form
- Other membership class – paper only
- EZ Enrollment Form
  - Investment Plan default fund – an age-appropriate Retirement Date Fund
- General Enrollment Form
  - Investment Plan fund allocation

The image displays two forms from the Florida Retirement System (FRS). The top form is the 'General Retirement Plan Enrollment Form' for Regular, Special Risk, and Special Risk Administrative Support Class Employees. It includes fields for last name, first name, middle initial, last 4 digits of social security number, and date of birth. It also has checkboxes for selecting an investment plan, pension plan, or hybrid option. The bottom form is the 'EZ Retirement Plan Enrollment Form' for the same employee classes. It includes fields for signature, date, employer name, personal email, and phone number. Both forms have a 'Submit Your Form' section at the bottom with instructions on how to submit the form.



# Beneficiary Designation

- Make change online or submit a Beneficiary Designation Form anytime
  - Pension Plan → BEN-001
  - Investment Plan → IPBEN-1
- Get form online or call
- Enrollment form default designation
  - Florida Statutes
- Speak with a financial planner



## 2<sup>nd</sup> Election

- One-time opportunity
- Choose wisely now
- Don't waste your 2<sup>nd</sup> Election





# Free Financial Planning Resources

- Investment Plan **and** Pension Plan members
- EY
- Free and unbiased help with:
  - Retirement planning
  - Investment planning
  - Estate planning
  - Tuition planning
  - Debt, spending, and credit issues

# Action Plan for Making Your Choice

- Review
- Call
- Log in to
  - Choice Service
- Take action and make an informed choice
- QUESTIONS?

