

**NORTHWEST FLORIDA STATE
COLLEGE**

RETIREMENT PLANS

**FLORIDA RETIREMENT SYSTEM (FRS)
PENSION PLAN**

**FLORIDA RETIREMENT SYSTEM (FRS)
INVESTMENT PLAN**

OPTIONAL RETIREMENT PROGRAM (ORP)

BENEFIT

Your retirement benefit is a guaranteed benefit based on a formula that includes your:

- * age (65)
- * FRS membership class (e.g. Regular Class, Special Risk Class, etc.)
- * years of FRS service (33)
- * 8 years of highest pay, averaged

Your retirement benefit is based on your account balance, which equals:

- * 3% employee contribution and employer contributions to your account
- * *plus* investment returns
- * *minus* expenses, fees and losses

Your retirement benefit is based on your account balance, which equals:

- * 3% employee contribution and 7.43% employer contributions to your account
- * *plus* investment returns
- * *minus* expenses, fees and losses

CONTRIBUTIONS

Monthly contributions based on salary and FRS membership class are ***paid by you (a 3% contribution) and your employer*** to a single pension trust fund.

The State Board of Administration manages the Pension Plan Trust Fund for all FRS members.

Monthly contributions based on salary and FRS membership class are ***paid by you (a 3% contribution) and your employer*** to an account set up in your name.

You choose how contributions are allocated among the assortment of investment funds set by the State Board of Administration. You can change your investment elections at any time.

Monthly contributions based on salary are ***paid by you (a 3% contribution) and your employer*** to the ORP Provider Company Company you have chosen.

You allocate contributions among the available investment options (e.g. Guaranteed, Stock, Money Market, Bond, Social Choice, etc.). You design an investment strategy to suit your own needs and circumstances.

VESTING

Benefits vest after 8 years of FRS service.

Benefits vest 100% immediately for Employee contributions; After 1 year of employment for Employer contributions.

Benefits vest immediately.

PORTABILITY

Portable within 800 FRS Employers so if you go to another FRS employer, your benefit will continue to grow.

Portable within 800 FRS Employers as well as employers outside the FRS umbrella.

Portable among more than 5,000 institutions nationwide.

DEFERRED RETIREMENT OPTION PROGRAM (DROP)

DROP is available when you are eligible for normal retirement. You can retire while continuing to work for up to 60 months and draw normal salary. While you are in DROP, retirement benefits accumulate in the Pension Trust Fund. At termination, you would receive DROP benefits as a lump sum, a rollover or a combination.

You are not eligible for DROP under the FRS Investment Plan.

You are not eligible for DROP under the ORP Plan.

MORE INFORMATION

Enclosed

Enclosed

Qualified Companies:

- *Metlife
- *Valic
- *TIAA CREF

More information available in Human Resources

**MORE INFORMATION
CONCERNING THE
PENSION PLAN AND THE
INVESTMENT PLAN**

What's the DIFFERENCE?



Comparing the FRS Pension Plan and the FRS Investment Plan

Before you make your retirement plan selection, it's important to know the key differences between the two Florida Retirement System (FRS) plan options. Review the chart that follows to learn about the similarities and differences.

	FRS Pension Plan	FRS Investment Plan
How does the plan work?	Your retirement benefit is a guaranteed benefit based on a formula that includes your: <ul style="list-style-type: none"> • age • FRS membership class (e.g., Regular Class, Special Risk Class, etc.) • years of FRS service • 8 years of highest pay, averaged¹ 	Your retirement benefit is based on your account balance, which equals: <ul style="list-style-type: none"> • employer and employee contributions to your account • plus investment returns • minus expenses, fees and losses
Who makes the monthly contributions?	Your employer contributes the majority of your FRS retirement plan savings. A mandatory 3% pretax contribution is directed from your paycheck into your retirement account regardless of the plan you choose.	
Where do the contributions go?	All contributions go into a single pension trust fund for all Pension Plan members.	Your and your employer's contributions go into a portable individual account that you manage.
Who invests?	The State Board of Administration manages the Pension Plan trust fund for all FRS employees.	The State Board of Administration has chosen an assortment of investment funds; you can elect how to allocate your and your employer's contributions among those funds. You can change your investment elections at any time.
Who assumes investment risk and reward?	The FRS and your employer. Investment results do not affect your benefit.	You. Investment results do affect your benefit.
What other factors affect my benefit?	The length of your FRS service is most important, but salary growth, FRS membership class, vesting, inflation, your age at hire and retirement, how long you live after retiring, and DROP participation also make a difference.	
When do I become vested in my benefit?	After 8 years of FRS service. ^{2,3}	After 1 year of FRS service. ³ If you choose to transfer the present value of your accrued Pension Plan benefit into the Investment Plan, the transferred portion of your benefit will vest on the Pension Plan's 8-year schedule. ²

Continues on next page