

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR CRIST AS CHAIRMAN
CHIEF FINANCIAL OFFICER SINK AS TREASURER
ATTORNEY GENERAL MCCOLLUM AS SECRETARY**

OCTOBER 13, 2009

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AGENDA

ITEM 1. Request approval of the minutes of September 29, 2009.

(See Attachment 1)

ACTION REQUIRED

ITEM 2. Request approval to file for notice proposed amendments to five rules for the Florida Retirement System's (FRS) Investment Plan.

Rule 19-11.002 Beneficiary Designations

Rule 19-11.003 Distributions

Rule 19-11.004 Excessive Trading

Rule 19.11.007 Second Election Enrollment Procedures

Rule 19-11.009 Reemployment After Retirement

The changes in these rules reflect legislative activity, general rule clean-up, and clarification changes. A rule development workshop was offered on September 21, 2009, but was not held because it was not requested. If the Trustees give permission to file the amended rules for notice, a rule hearing will be held on November 16, 2009.

(See Attachments 2 – 2-H)

ACTION REQUIRED

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR CRIST AS CHAIRMAN
CHIEF FINANCIAL OFFICER SINK AS TREASURER
ATTORNEY GENERAL MCCOLLUM AS SECRETARY**

SEPTEMBER 29, 2009

MINUTES

With Governor Crist presiding and all members present, The State Board of Administration was convened in LL-03, The Capitol. Ash Williams, Executive Director, of the State Board of Administration (SBA) was also present.

The following official actions were taken.

Mr. Williams gave a brief update on the estimated funding status of the Florida Retirement System (FRS) Pension Plan. He indicated that at current NAV levels of \$110B, the SBA estimates that the FRS is essentially fully funded. He added the official valuations will not be available until later in the fall and that the SBA's analysis assumes no change in benefit costs. A change in benefit costs could cause the funding estimate to either increase or decrease.

- ITEM 1.** Approved the minutes of September 15, 2009.
- ITEM 2.** Approved the fiscal sufficiency of an amount not exceeding \$245,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, (Series to be Determined).
- ITEM 3.** Approved the fiscal sufficiency of an amount not exceeding \$205,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (To Be Determined).
- ITEM 4.** Approved six reappointments to the Participant Local Government Advisory Council. (s. 218.409(10)(a)1., F.S.)

John Mark Peterson and Daniel Wolfson reappointed by **Governor Crist**.

MaryEllen Elia and Roger B. Wishner reappointed by **CFO Sink**.

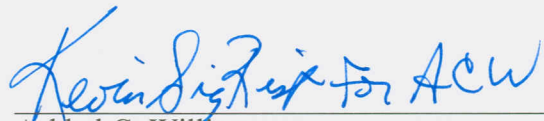
Patsy Heffner and Karen Nicolai reappointed by **Attorney General McCollum**.

Chief Financial Officer Sink presented three recommendations for consideration on SBA governance reform, the first proposed to expand the membership of the Board of Trustees of the SBA by at least one member with extensive relative investment experience and one member who is a beneficiary or participant in the FRS, second requiring each Trustee and members of the Audit Committee, Investment Advisory Council and Participant Local Government Advisory Council to have annual training in fiduciary responsibilities and ethical requirements relevant to their roles; the training should be provided by a qualified third party. Third, the Audit Committee would develop recommendations for external audits of the SBA to focus on financials, compliance, internal controls, and operations.

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September 29, 2009
Page Two

After brief discussions by the Attorney General McCollum and Governor Crist, it was decided to get input from the Investment Advisory Council and Audit Committee members and resume discussions at the December meeting.

The State Board of Administration's agenda was concluded.



Ashbel C. Williams
Executive Director & CIO



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OF FLORIDA**

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AS TREASURER

BILL McCOLLUM
ATTORNEY GENERAL
AS SECRETARY

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO**

MEMORANDUM

To: Ash Williams, Executive Director & CIO

From: Ron Poppell

Subject: Agenda Item for the October 13, 2009 Cabinet Meeting: Proposed Amendments to Rules 19-11.002, 19-11.003, 19-11.004, 19-11.007 and 19-11.009- Request Approval to File the Rules for Notice

Date: September 30, 2009

ACTION REQUESTED:

The staff of the State Board of Administration requests that the Trustees approve filing of the following amended rules for notice:

Rule 19-11.002 (Beneficiary Designation for the FRS Investment Plan)

Amended to provide that a member may designate a beneficiary electronically; to clarify procedures pertaining to a married member who fails to obtain spousal acknowledgement as required by law when that member has named someone other than the member's spouse as one of the member's primary beneficiaries; to clarify procedures in instances in which a deceased member fails to provide the social security number or address of the member's named beneficiary; or provides an incorrect social security number for such beneficiary; and to adopt the revised beneficiary designation form.

Rule 19-11.003 (Distributions from FRS Investment Plan Accounts)

Amended to provide that an employer may report a member's date of termination electronically; to provide information pertaining to distributions to Alternate Payees as the result of Qualified Domestic Relations Orders; to provide information regarding required De Minimus Distributions; to provide information regarding Required Minimum Distributions; as the result of legislative changes, to update information regarding invalid distributions to indicate that an invalid distribution will occur if a member returns to work within 6 calendar months (formerly, 3 months) of the member's retirement date; and to adopt revised forms.

Rule 19-11.004 (Excessive Trading in the FRS Investment Plan Accounts)

Amended to adopt the "Transfer Request Form, Excessive Fund Trading Violators," which is to be used by members who have engaged in excessive trading and who are only permitted to conduct trades via paper trading forms.

Rule 19-11.007 (Second Election Enrollment Procedures for the FRS Retirement Programs)

Amended to provide a definition of "electronic means;" to clarify what constitutes an "incomplete form;" and to indicate that if a member submits an incomplete form, that member must resubmit a completed enrollment form.

Rule 19-11.009 (Reemployment with an FRS-covered Employer after Retirement)

Amended to adopt the Certification Form which can be used by employers to obtain certification from each prospective employee that the employee has not retired from any State of Florida administered retirement plan nor concluded participation in the Deferred Retirement Option Program (DROP) within the past 12 months, or received an initial distribution or rollover from the FRS Investment Plan within the last 6 calendar months; and to reflect legislative changes regarding reemployment limitations for members for the period July 1, 2009 through June 30, 2010 and for the period beginning on or after July 1, 2010.

A rule development workshop was offered on September 21, 2009, but it was not held because it was not requested.

If the Trustees give permission to file the amended rules for notice, a rule hearing will be held on Monday, November 16, 2009.

Attachments

Proposed Amended Rules 19-11.002, 19-11.003, 19-11.004, 19-11.007 and 19-11.009
IP-DBF, "Death Benefit Information and Distribution Claim Form," rev. 9-09
Transfer Request Form, Excessive Fund Trading Violators
Certification Form

19-11.002 Beneficiary Designation for FRS Investment Plan.

(1) An FRS Investment Plan member may name a beneficiary to receive the benefits which may be payable in the event of the member's death. If the member does not name a beneficiary(ies) then the member's beneficiary(ies) will be those as described in Section 121.4501(20), F.S. which are: first, the spouse if he or she is still living after the member's death; second, living children, if the spouse is dead; third, the member's father or mother, if living; fourth, to the member's estate. This means that the spouse will receive the member's account balance if living; but if not, the children will receive the account balance, if living; but if not, the father or mother will receive the account balance, and if none of the people mentioned in this section are still living, the account balance will be paid to the member's estate.

(2) A designation of beneficiary shall only be effective after it has been received by the FRS Investment Plan Administrator. The most recent designation of beneficiary filed with the FRS Investment Plan Administrator shall replace any previous designation whether made before or after the member's termination of employment or retirement. The member should determine after the designation has been mailed that the form has arrived in the offices of the FRS Investment Plan Administrator. It is the responsibility of the member to ensure the beneficiary designation has been made. Beneficiary information can be reviewed every quarter on the member's quarterly statement.

(3) If the FRS Investment Plan member enrolls in the FRS Investment Plan using the EZ Retirement Plan Enrollment Form for Regular, Special Risk and Special Risk Administrative Support Class Employees, Form ELE-1-EZ, rev. 06/06, the General Retirement Plan Enrollment Form for Regular Special Risk and Special Risk Administrative Support Class Employees, Form ELE-1, rev. 10/06, which are adopted and incorporated by reference in subsection 19-11.006(4), F.A.C., or the 2nd Election EZ Retirement Plan Enrollment Form, Form ELE-2-EZ, rev. 12/06, or the 2nd Election Retirement Plan Enrollment Form, Form ELE-2, rev. 12/06, which are adopted and incorporated by reference in Rule 19-11.007, F.A.C., the member has chosen the beneficiary designation contained in Section 121.4501(20), F.S. (See subsection (1), above.) Note that the statutory section provides that the member's spouse at the time of death shall be the member's beneficiary unless the deceased member had designated a different beneficiary after his or her most recent marriage. Therefore, if the member marries ~~again~~ after designating a beneficiary, he or she ~~the member~~ must file another an updated beneficiary designation form ~~to ensure that the person he or she wants to be the beneficiary is named~~ if the member wishes to name someone else other than the spouse as a beneficiary. If the member does not file an updated beneficiary designation form, the member's spouse will be the beneficiary of the member's account. Example: John is married to Betty and has named her as his beneficiary. John divorces Betty and marries Carol. Carol will be John's beneficiary unless he files another beneficiary form and names, for example, his son, Bob. Pursuant to subsection (1), once the member is enrolled in the FRS

Investment Plan, the member may change his beneficiary designation at any time.

(4) A member may name a beneficiary or beneficiaries at any time, as follows:

(a) A member may name a beneficiary or beneficiaries to receive the assets of the member's FRS Investment Plan account, either sequentially or jointly.

(b) A member may name as beneficiary any person, organization, trust, or his estate.

(c) A primary beneficiary is someone who will receive the member's funds from the FRS Investment Plan account, if that person is living at the death of the member. If there are more than one primary beneficiary, named with percentages of the funds, they will each receive their member-designated percentages if they are still living at the death of the member. Example: if the member names his four sons, in equal shares (25% each), but two of the four sons die before their father, the other two living sons split the funds two ways, 50% each.

(d) A contingent beneficiary is one or more persons who are named, in case all primary beneficiaries die before the member. Naming a contingent beneficiary is optional. The member does not have to name anyone as a contingent beneficiary.

(e) Any such beneficiary designation ~~may shall~~ be made on Form IPBEN-1, rev. 09-03~~09~~, which is hereby adopted and incorporated by reference. This form is available in paper form and may be obtained by calling the toll-free MyFRS Financial Guidance Line at 1-(866)446-9377, Monday through Friday, except holidays, 9:00 a.m. to 8:00 p.m. or by accessing the MyFRS.com website and clicking on "Resources" and then "Forms." The beneficiary designation form must be completed and received by the FRS Investment Plan Administrator before it becomes effective. Alternatively, a beneficiary may be designated electronically by logging on to MyFRS.com, clicking on "manage benefits," then clicking on "manage investments," and then clicking on "personal info."

(f) A member may change his beneficiary designation at any time by filing a new beneficiary designation form or by designating a new beneficiary electronically. There is no separate form for changes of beneficiary designation.

(5) If a member is married and names his spouse as a primary beneficiary, regardless of whether the percentage allocated to the spouse on the form is less than 100%, the member is not required to notify the spouse. However, if a member is married and names a primary beneficiary(ies) and the person(s) named is not the spouse of the member, then the member is required to notify the spouse that he or she is not a primary beneficiary of the proceeds of the member's FRS Investment Plan account(s). The spouse must acknowledge that he or she understands that he or she is not a primary beneficiary of the member's FRS Investment Plan account(s) by signing the beneficiary designation form, Form IPBEN-1, rev. 09-03, in the appropriate place. If a married member fails to obtain the spouse's acknowledgment on the beneficiary designation form, then the member will be sent an Acknowledgement of

Beneficiary Designation, reminding the member of the necessity of obtaining the spousal acknowledgement. The member can return this Acknowledgement of Beneficiary Designation with the spouse's signature which will provide the acknowledgement from the spouse that the spouse is aware that he or she is not the primary beneficiary of the member's FRS Investment Plan account(s). Alternatively, the spouse may provide the FRS Investment Plan Administrator with a notarized statement reflecting the spouse's understanding that the spouse is not the beneficiary of the member's FRS Investment Plan account(s).

(6)(a) An Alternate Payee may name a beneficiary to receive the benefits which may be payable in the event of the Alternate Payee's death at any time, as outlined in paragraphs (4)(a) through (f) above, once the Alternate Payee's account has been established by the FRS Investment Plan Administrator.

(b) If the Alternate Payee does not name a beneficiary(ies), then the Alternate Payee's beneficiary(ies) will be those as described in Section 121.4501(20)(a), F.S., which are: first, the spouse, if he or she is still living after the member's death; second, living children, if the spouse is dead; third, the member's father or mother, if living; fourth, to the member's estate. This means that the spouse will receive the member's account balance if living; but if not, the children will receive the account balance, if living; but if not, the father or mother will receive the account balance, and if none of the people mentioned in this paragraph are still living, the account balance will be paid to the Alternate Payee's estate.

(7)(a) If the deceased member has named a beneficiary but has not provided the beneficiary's social security number or address, or if the social security number is incorrect, then, after at least three unsuccessful attempts by the SBA or the FRS Investment Plan Administrator to contact the beneficiary, the FRS Investment Plan Administrator will ~~issue a check payable to the beneficiary and hold the check for 180 days, at which time the check will be considered stale dated~~ advise the SBA and the account will not be distributed.

(b) The FRS Investment Plan Administrator will, with the assistance of the SBA, at the time of ~~distribution~~ notification of death, make a reasonable effort to obtain the beneficiary's Social Security Number or Taxpayer Identification Number, using available search tools, including the internet, LexisNexis Accurint, the Internal Revenue Service, and the Social Security Administration. Additionally, by calendar ~~year-end, in the~~ of each year following the distribution ~~transfer to the Suspense Account, occurred,~~ the FRS Investment Plan Administrator will attempt to locate and obtain the Social Security Number or the Taxpayer Identification Number of the beneficiary, ~~and, at least one time in the calendar year following the distribution death, to locate the beneficiary. The Investment Plan Administrator will document for the Internal Revenue Service the efforts taken to locate the beneficiary's Social Security Number or Taxpayer Identification Number.~~

(c) ~~Once 180 days have elapsed from the date the check was issued,~~ If after one year from date of death no information is

~~available to identify the beneficiary, the FRS Investment Plan Administrator will transfer the funds shall be transferred to the State-~~
~~dated-Check FRS Investment Plan Suspense Account, indicating the name of the deceased member and the name of the beneficiary.~~
~~The transferred funds shall be invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund. The amount will~~
~~be held in the FRS Investment Plan State-dated-Check Suspense Account until (1) the beneficiary contacts the FRS Investment Plan;~~
~~or (2) another beneficiary requests consideration as the deceased's proper beneficiary; or, (3) at the end of 10 years in the State-~~
~~dated-Check Suspense Account, the amount is transferred to the FRS Investment Plan Forfeiture Account, where it is held indicating~~
~~the name of the deceased member and the name of the beneficiary.~~

(d) Should the beneficiary be located and provides a social security number, ~~the a check will be reissued, without interest or~~
~~actual earnings due to the delay in payment, from the date of transfer from the member's account to the Suspense Account~~ subject
to applicable income tax withholding, which shall be paid to the tax authorities at the time of such payment to the beneficiary.

(8)(a) Pursuant to Federal guidelines, if the deceased member's account is to be paid to the member's estate but no Estate
Identification Number is provided, the account will not be paid to the Estate until receipt of the Estate Identification Number. In ~~this~~
~~circumstance, and in accordance with federal guidelines, the event that no Estate Identification Number is provided,~~ the FRS
Investment Plan Administrator will ~~issue a check payable to the estate of the member and hold the check for 180 days, at which time~~
~~the check will be considered state-dated~~ transfer the deceased member's account to the Suspense Account indicating the name of the
deceased member and the name of the beneficiary. If after 10 years after the date of death, the FRS Investment Plan Administrator
has not received an Estate Identification Number, the deceased member's account will be transferred to the FRS Investment Plan
Forfeiture Account where it will be held indicating the name of the deceased member. The transferred funds shall be invested in the
FRS Select U.S. Treasury Inflation-Protected Securities Index Fund.

(b) The FRS Investment Plan Administrator will, at the time of ~~distribution~~ the transfer to the Suspense Account, make a
reasonable effort to obtain the Estate Identification Number. Additionally, by calendar year-end, ~~in the of each year following the~~
~~distribution transfer to the Suspense Account occurred,~~ the FRS Investment Plan Administrator will attempt to locate and obtain the
Estate Identification Number, and, at least one time in the calendar year following the distribution, to locate the Estate Identification
Number. ~~The Investment Plan Administrator will document for the Internal Revenue Service the efforts taken to obtain an Estate~~
~~Identification Number.~~

(c) ~~Once 180 days have elapsed from the date the check was issued, the funds shall be transferred to the State-dated-Check~~
~~Account, indicating the name of the deceased member and the name of the estate.~~ The amount will be held in the FRS Investment
Plan ~~State-dated-Check-~~ Suspense Account until (1) the member's estate representative contacts the FRS Investment Plan; or (2) a

beneficiary requests consideration as the deceased's proper beneficiary; or, (3) at the end of 10 years in the ~~State dated Check~~ Suspense Account, the amount is transferred to the FRS Investment Plan Forfeiture Account, where it is held indicating the name of the deceased member.

(d) Should the estate's representative subsequently provide an Estate Identification Number, ~~the~~ a check will be reissued, ~~without interest or actual earnings due to the delay in payment, from the date of transfer from the member's account to the Suspense Account while invested in the FRS Select U.S. Treasury Inflation-Protected Securities Index Fund~~ subject to applicable income tax withholding, which shall be paid to the tax authorities at the time of such payment to the estate.

Specific Authority 121.4501(8) FS. Law Implemented 121.091(8), 121.4501(20), 121.591(3) FS. History--New 10-21-04, Amended 3-9-06, 11-26-07, 12-8-08, _____.

FRS Investment Plan Death Benefit Information and Distribution Claim Form

An FRS Investment Plan member has named you as a beneficiary of his or her assets in the FRS Investment Plan. This package is designed to help you understand your distribution options so you can make the most informed decision possible. Please carefully review the following information and complete the Distribution Form.

SPECIAL GUIDELINES FOR BENEFICIARIES OF A MEMBER WHO HAD BEGUN BENEFIT PAYMENTS

If the Member **had already begun** to receive benefits payments, your options are limited to the following:

1. You may continue to receive the same payment option as the Member, subject to the minimum distribution rules.
2. You may elect a new payment option, **provided that payments are made at least as rapidly as those paid to the Member**
3. You may receive the remaining account balance in a single lump sum payment.

GUIDELINES FOR BENEFICIARIES OF MEMBERS WHO HAD NOT BEGUN BENEFIT PAYMENTS

If the Member **had not yet begun** to receive benefit payments, the following are key areas for your consideration:

- **WHEN TO BEGIN BENEFIT PAYMENTS**

The earliest you may begin to receive benefit payments is three calendar months after the date of death. You may delay your initial benefit payment as follows:

If you are the Surviving Spouse, the latest your initial benefit payment may be delayed is the later of:

- o December 31st of the calendar year immediately following the calendar year in which the Member's death occurred, or
- o The end of the calendar year in which the Member would have attained age 70 ½.

If you are NOT the Surviving Spouse,

In accordance with Internal Revenue Service (IRS) rules, non-spousal beneficiary accounts cannot be held indefinitely in the FRS Investment Plan. The amount of time a non-spousal beneficiary has before benefits must commence are more restrictive than for a spousal beneficiary. All limits are derived from IRS Code Section 401(a)(9), the minimum required distribution rule.

For a non-spousal beneficiary, there are two rules, depending upon whether payments from the account had begun to be paid to the member before his or her death:

- o Where distributions have already begun to the member, but the member dies before his or her entire interest has been distributed, the remaining portion of the account must be distributed to a non-spousal beneficiary at least as rapidly as under the method of distribution being used as of the date of the member's death.
- o If a member dies before the distribution of the member's interest has begun, the entire interest of the member must be distributed **within 5 years** after the death of the member, unless (1) the member's interest will be distributed over the life of the designated non-spousal beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), and (2) such distributions begin no later than 1 year after the date of the member's death.

Note: The non-spousal beneficiary must decide within 1 year if he or she wants to take lifetime installment or annuity payouts (the IRS regulations describe how to calculate the payout); otherwise, everything must be distributed within 5 years after the member's death.

Beneficiaries Who Are Minors:

According to Florida law, a minor is a child under the age of 18. Section 744.301 F.S. allows for the natural guardian (surviving parent) to handle benefits involved in any instances in which the amount does not exceed \$15,000, without court appointment, authority or bond. If the amount exceeds \$15,000, a Court appointment will be required prior to payout of any benefit to the minor. You will be required to submit a copy of the minor's birth certificate.

- **HOW LONG YOU MAY RECEIVE BENEFITS:**

The entire balance may be distributed to you over a number of years not to exceed your actuarial life expectancy, which is determined by using an actuarial table prepared by the U.S. Department of the Treasury.

- **BENEFIT PAYMENT OPTIONS**

There are numerous ways in which you may receive your benefit payments. You may take a one-time full withdrawal of the Plan Account balance, a partial withdrawal of the Plan Account balance, establish a regular periodic payment of benefits, or defer receiving your benefits until a later date or when payments are required by law. As long as there is a balance in the Plan Account, you may change your payment option by contacting the MyFRS Financial Guidance Line at 1-866-44MyFRS (1-866-446-9377 or TTY 1-888-429-2160) to be connected to the FRS Investment Plan Administrator. Additional information about the FRS Investment Plan can also be found at www.MyFRS.com.

The following is a brief description of each benefit payment option.

Full Withdrawal

This option provides that the entire Plan Account balance be paid to you in one lump sum. Should you take a lump sum payment you will no longer be a member in the FRS Investment Plan.

Partial Withdrawal

This option provides for a partial lump sum payment of the Plan Account balance. The remainder may be paid out through regular periodic payments that you select, such as monthly, quarterly, semi-annually or annually. You may also defer payment of the remainder of the Plan Account balance and take additional partial lump sum payments when you need additional funds, subject to the time limitations during which you may receive benefit payments as previously outlined.

Periodic Payments

This option allows you to establish a regular payment schedule of benefits. You may select periodic payments to be made monthly, quarterly, semi-annually or annually.

If you select a periodic payout option, you should be aware of the following:

- o The amount of each benefit payment will be calculated by dividing the Plan Account balance on the date of your benefit payment by the remaining number of payments. Therefore, the amount of the benefit payment may change with each payment.
- o If the Plan Account has multiple funds and sources, the periodic withdrawal amount will be prorated among all funds and sources in the Plan Account.

The number of years over which the payments are made cannot exceed your life expectancy, which is determined by an actuarial table prepared by the U.S. Department of the Treasury.

ADDITIONAL INFORMATION FOR BENEFICIARIES

- **TAX WITHHOLDING**

The amount of federal income tax that is withheld depends on your relationship to the Member and which benefit payment option you select.

Surviving Spouse:

- o **20% Federal Income Tax Withholding (Mandatory)**
 - Full withdrawal
 - Partial Withdrawal
 - Periodic payments of less than 10 years (Except Required Minimum Distributions)
- o **10% Federal Income Tax Withholding (Default)***
 - Periodic payments scheduled for 10 years or more.
 - Required Minimum Distributions

Non-Spousal Beneficiaries:

- o **10% Federal Income Tax Withholding (Default) ***
 - All forms of payment

*Note: The 10% federal income tax withholding is not mandatory and can be adjusted to either a higher or lower amount.

After the close of the year, a Form 1099-R will be sent to you for tax reporting purposes.

If you need more information concerning federal income tax withholding, please review the enclosed Special Tax Notice Regarding Plan Payments.

- **DIRECT DEPOSIT**

If you elect to receive regular periodic payments or a full withdrawal, you may have your payment automatically deposited to your checking, savings, or credit union account if your financial institution is a member of the Automatic Clearing House (ACH). If you wish to use direct deposit for such an account, you must contact the institution and ensure you have all the necessary coding and documentation for an ACH transaction.

- **DEFERRING BENEFITS**

If you are the Surviving Spouse, you have the option to defer receiving your benefits until a later date, but you must begin receiving your benefit payout no later than April 1 in the calendar year after the Member would have attained age 70½. Each of the benefit payment options previously discussed will be available to you should you choose this deferral. However, the amount of your total annual benefit payment must equal or exceed the federal Required Minimum Distribution (RMD). An additional benefit payment will be sent to you in December of any year in which your total periodic payments for that year do not equal or exceed your RMD.

- **ROLLOVER OF PLAN ASSETS TO ANOTHER PLAN**

If you are the Surviving Spouse, you may roll over the Plan Account assets to another 401(a), 401(k) or a 403(b) plan, or to an Individual Retirement Account. The tax consequences, distribution options, investment options, and participation costs in each may differ from the FRS Investment Plan. You are encouraged to examine the expenses, requirements, and limitations of any plan to which you are contemplating a rollover of the Plan assets. The Death Benefit Distribution Claim form may be used to initiate a rollover request.

- **HEALTH INSURANCE SUBSIDY BENEFIT (HIS)**

If you are the Surviving Spouse, designated as the beneficiary, you may be eligible for the Health Insurance Subsidy (HIS) benefit. It is the Surviving Spouse's responsibility to contact the Division of Retirement to inquire about the HIS benefits. It is important to apply timely for HIS benefits, as the law limits retroactive HIS payments to 6 months of benefits, once the Division of Retirement receives and approves an application. Please contact the Bureau of Retirement Calculations at 866/446-9377 for information regarding this benefit.

- **ABILITY TO CHANGE BENEFIT PAYMENT OPTIONS**

You may change your benefit payment schedule at any time. Benefits can be increased or decreased or additional partial withdrawals may be taken in addition to your regular periodic payment at any time you need additional funds. Up to 12 additional partial withdrawals may be taken each year and each must be at least \$25.

- **ADDITIONAL IMPORTANT NOTES**

- o As the beneficiary, you can designate another beneficiary of your Investment Plan. However, your beneficiary will be required to take a full distribution of the account. If you are the beneficiary of a beneficiary, you must take a full distribution of your Investment Plan account.
- o If a full withdrawal is not selected, you may continue to transfer existing Plan investments from one investment fund to another while continuing to share in the performance of the fund(s). There are trading restrictions on some of the available funds in the Investment Plan. Further details are available using the help information below.
- o If your account balance in the Investment Plan is greater than \$1,000, your account will be assessed a \$6.00 maintenance fee quarterly.
- o In order to be a member of the Investment Plan, your account must be greater than \$1,000.

THERE IS HELP IF YOU NEED IT

Please review this package very carefully and weigh all of your options before selecting your Benefit Distribution Option. If you have any questions, please call the MyFRS Financial Guidance Line at 1-866-44MyFRS (1-866-446-9377 or TTY 1-888-429-2160), Option 4. You will be connected to the FRS Investment Plan Administrator. Also, additional information about the FRS Investment Plan can also be found at www.MyFRS.com. You need to complete the following form and return it to the FRS Investment Plan Administrator.

Death Benefit Distribution Claim Form

Investment Plan Member Information

Member's Name _____ Member's Social Security Number _____

Date of Member's Death _____ Was the Member receiving distributions from this plan? ☐ Yes ☐ No

Beneficiary Information

Beneficiary's Name _____ Beneficiary's Social Security Number _____ ☐ Male ☐ Female

Beneficiary's Address _____ Relationship to Member _____

Beneficiary's Address _____ Beneficiary's Date of Birth _____

City State _____ Zip _____ Beneficiary's Phone Number _____

Benefit Payment Options – Choose One

Each beneficiary is only entitled to the percentage of the account designated to him/her by the Member.

☐ 1. I am not required to receive a benefit payment at this time and I wish to defer payments until further notice or when minimum distributions are required.

☐ 2. Full Withdrawal ☐ 3. Partial Withdrawal \$ _____

Surviving Spouse – Payment is subject to mandatory 20% federal income tax withholding.

Non-Spousal Beneficiaries – Choose a federal income tax withholding rate:

☐ 10% default ☐ Other – please indicate amount: _____ %

☐ 4. Periodic Payments Only (Processed on the last business day of each month)

Month Periodic Payments to begin: _____

Fixed time period of _____ years (not to exceed your life expectancy)

OR

For My Life Expectancy* _____ Frequency: Monthly _____ Quarterly _____ Semi-annually _____ Annually _____

[For Non-Spousal Beneficiaries electing any periodic payments and Spousal Beneficiaries electing Periodic Payments that are scheduled for 10 years or longer, please choose a federal income tax withholding rate:

☐ 10% default ☐ Other – please indicate amount: _____ %]

Direct Deposit via ACH is available for the above withdrawal options. If Direct Deposit is not selected the check(s) will be sent to the address provided in the Beneficiary Information above. The information below is required for Direct Deposit.

Account Type: ☐ Checking ☐ Savings Routing #: _____ Account #: _____

☐ 5. Rollover (Available ONLY to spousal beneficiaries)

☐ Process a check to my rollover institution for my full Plan Account Balance

☐ Process a check to my rollover institution for a portion of my Plan Account balance in the amount of \$_____. The remaining balance of my account should be sent directly to me.

Make check payable to: _____
Financial Institution

For Benefit of: _____
Name of Spousal Beneficiary

(For Option 5 above, check(s) will be sent to the address provided in the Beneficiary Information Section above. If ACH deposit information is completed below, the non-rollover portion will be deposited directly into your designated account.)

Account Type: ☐ Checking ☐ Savings Routing #: _____ Account #: _____

Death Benefit Distribution Claim Form

Certification of Eligibility (the following must be completed by the financial institution noted above).

We sponsor a plan eligible under Internal Revenue Code Sections 457(b), 401(a), 401(k), 403(b) or an Individual Retirement Account and the plan (sponsor) receives plan-to-plan transfers.

Name of Authorized Personnel

Signature of Authorized Personnel for Plan Sponsor

***Note:** Life expectancy is calculated using an actuarial table prepared by the United States Department of the Treasury.

Authorization

I understand I have a right to receive and review the Special Tax Notice Regarding Plan Payments no less than 30 days prior to, and no more than 90 days prior to this distribution. However, if I elect to receive this distribution before the end of the 30-day minimum notice period, this election shall constitute a waiver of my rights to the 30-day notice requirement.

I understand that these funds are taxable to me in the tax year I receive them. I understand that these funds may not be rolled over to a 401(a), 401(k) or 403(b) plan, another deferred compensation plan, or an IRA, unless I am the spouse of the deceased member. I have read the death benefit instructions and understand the requirements. I attest that the information I provided on this form is true. I understand that I may be subject to civil and criminal liability for any false statement on this form, any papers attached to or related to this form, or my claim under the Plan.

Beneficiary's Signature

Date

SECTION TO BE COMPLETED BY:

NOTARY PUBLIC

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

Personally Known _____

OR _____ Signature of Notary Public (NOTARY SEAL)

Produced Identification _____

Type of Identification Produced _____ Printed Name of Notary Public

OR

SIGNATURE GUARANTEED

Signature Guarantor:

(AUTHORIZED OFFICER TO PLACE STAMP HERE)

Title/Name of Institution

Please return this form and a Certified Copy of the Member's Death Certificate to:

FRS Investment Plan Administrator
P.O. Box 56290
Jacksonville, FL 32241-6290

If you have any questions, please call the MyFRS Financial Guidance Line at 1-866-44MyFRS (1-866-446-9377 or TTY 1-888-429-2160) to be connected to the FRS Investment Plan Administrator. Additional information about the FRS Investment Plan can also be found at www.MyFRS.com.

19-11.003 Distributions from FRS Investment Plan Accounts.

(1) – (2) No change.

(3) Distributions available after the member terminates FRS-covered employment.

(a) An FRS Investment Plan member shall not be entitled to a distribution from his account unless he has been terminated from all FRS-covered employment, including temporary, part-time, Other Personal Services (OPS) and any regularly established position with an FRS employer, for three (3) calendar months following the month of termination. Example: If a member terminates on May 15, the three calendar months are June, July, and August. Therefore, the member cannot request a distribution until September.

(b) If the member's termination date has not been submitted by the employer via the monthly payroll file within three (3) calendar months, the employee can complete and return the "Employment Termination Form," Form ETF-2, rev. 01/09. The termination form is called "Employment Termination Form," Form ETF-2, rev. 01/09 and can be found on the MyFRS.com website. This form has instructions and a section for employer certification. Alternatively, the employer can log onto the employer page at MyFRS.com and go to Online Payroll and submit the termination date electronically.

~~(b)~~ (c) Upon the expiration of the three calendar months after termination, the member may request a distribution from the FRS Investment Plan Administrator, by calling the toll free MyFRS Financial Guidance Line at 1(866)446-9377, Option 4, or by logging on to the MyFRS.com website, accessing his or her personal account information, and then requesting the distribution through the online services.

~~(c)~~ (d) If a member has terminated employment from all FRS-covered employment for one calendar month and he has reached his normal retirement date, in accordance with Section 121.021(29), F.S., he may request a one-time distribution of up to 10 percent (10%) of his account balance. For example, if a member terminates on May 15, the one calendar month is June. Therefore, the member can request a one-time distribution of up to 10 percent (10%) in July.

~~(d)~~ (e) A member who transfers to the Pension Plan from the Investment Plan and leaves a balance in the member's Investment Plan account is a member of the Pension Plan and, as such, the member cannot take a distribution of the surplus Investment Plan funds until he begins receiving his Pension Plan benefits.

(4) Distributions to beneficiaries on the death of a member.

(a) through (b) No change.

(c) On the death of a member, the beneficiary must file Form IP-DBF, "Death Benefit Information and Distribution Claim Form," rev. 04-9-09, which is hereby adopted and incorporated by reference, with the FRS Investment Plan Administrator, to receive benefits.

(5) Distributions to Alternate Payees as a result of a Qualified Domestic Relations Order (QDRO).

(a) Upon receipt of a QDRO from a court of competent jurisdiction, the named alternate payee may leave their account in the Plan or request a distribution from the account once the account has been established in the alternate payee's name as provided in the QDRO and the Alternate Payee has received their PIN.

(b) Upon receipt of the PIN, the alternate payee may request a distribution by calling the toll free MyFRS Financial Guidance Line at 1(866)446-9377, Option 4 or by logging on to MyFRS.com, go to "Manage My Benefits," "Manage Investments," accessing their personal account information, and then requesting the distribution through the online services.

(6) De Minimus Distributions

(a) If an inactive member's account balance is \$1,000 or less, such amount may be subject to an automatic distribution. However, a distribution will not occur until the member has been terminated from all employment with FRS-covered employers for a minimum of six (6) calendar months.

(b) If the member meets the termination requirements and upon receiving notification of the automatic distribution, the distribution either will be made as a complete lump-sum liquidation of the account balance, subject to the provisions of the Internal Revenue Code, or if so instructed by the member, a lump-sum direct rollover distribution on the member's behalf paid directly to the custodian of an eligible retirement plan, as defined by the Internal Revenue Code. If a member rolls money into the Investment Plan from another qualified plan, which brings the account balance greater than \$1,000, no automatic distribution will occur unless the balance should become \$1,000.00 or less in the future.

(c) If such member returns to FRS-covered employment after receiving this automatic distribution, the member is not considered a reemployed retiree and will not be subject to any limitation applicable to such employees.

(7) Required Minimum Distributions ("RMD")

(a) Members, age 70½ or older, must begin taking an annual minimum distribution from their qualified plan accounts including 401(k), 457, 403(b) plans and IRA accounts if they have terminated employment. The amount of an RMD in any year is based on account balances as of December 31st of the prior year.

(b) The FRS Investment Plan Administrator will notify a member who is subject to an RMD distribution at the beginning of each calendar year. At the end of the calendar year in which the RMD was required to be paid, if the member has not met the RMD requirements, the FRS Investment Plan Administrator will initiate an automatic RMD to meet the mandatory required distribution amount. The member must have terminated all FRS covered employment in order for an RMD to be processed. Members have the right to defer the initial RMD to April of the year following the year in which the RMD was payable. Members can defer the initial RMD by calling the FRS Investment Plan Administrator by November 30.

~~(8)-(5)~~ Distributions to non-spousal beneficiaries who are not spouses.

(a) In accordance with Internal Revenue Service (IRS) rules, non-spousal beneficiary accounts cannot be held indefinitely in the FRS Investment Plan. The amount of time a non-spousal beneficiary has before benefits must commence are more restrictive than for a spousal beneficiary. The "required minimum distribution" is required by the Internal Revenue Service and spelled out in IRS Code Section 401(a)(9), requiring that if the beneficiary is not a spouse, the Investment Plan can hold the distribution for no more than 5 years from the date of the member's death.

(b) For a non-spousal beneficiary, there are two possibilities, depending upon whether payments from the account had commenced to the member before his or her death:

1. Where distributions have already begun to the member, but the member dies before his or her entire account has been distributed, the remaining portion of the account must be distributed at least as rapidly as under the method of distribution being used as of the date of the member's death.

2. If a member dies before the distribution of the member's account has begun, the entire account of the member must be distributed within 5 years after the death of the member, unless

a. The member's account will be distributed over the life of the designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), and

b. Such distributions begin no later than 1 year after the date of the member's death.

(c) The non-spousal beneficiary must decide within 1 year ~~if he or she wants~~ of the date of death to take lifetime installment or annuity payouts; otherwise, the entire account balance must be distributed within 5 years.

(d) If the whole amount is not paid out during the required 5-year period, the remaining funds in the account will be paid in a lump sum to the non-spousal beneficiary.

(9)~~(6)~~ Beneficiaries who are minors.

(a) A minor is a child under the age of 18. Section 744.301, F.S., allows for the natural guardian (surviving parent) to handle benefits to a minor child where that amount does not exceed \$15,000, without court appointment, authority or bond.

(b) In all cases where a minor child or children are the beneficiary(ies) of the member, a copy of the birth certificate of all minor children shall be sent to the FRS Investment Plan Administrator, and shall be received prior to any payout, regardless of the amount. The purpose is to provide proof that the surviving parent is the natural guardian of the children. The FRS Investment Plan Administrator shall confirm that the surviving parent is providing the instructions for any payment arrangements being made.

(c) In all cases in which a minor is a beneficiary of an account balance which is greater than \$15,000, the FRS Investment Plan Administrator shall place a hold on the account and advise the SBA of the situation and the SBA shall send instructions to the FRS Investment Plan Administrator for any additional action.

(d) If the individual responding to the correspondence sent by the Administrator and providing instructions for payout is not the surviving parent, the Administrator shall request the individual to provide a Court Order wherein a guardian has been appointed for the minor, prior to payout of any balance and the Administrator shall take directions only from the named guardian.

(e) If no instructions for payout are received, the Administrator shall notify the SBA and the SBA will contact the probate court with jurisdiction over the estate of the member to request direction on the disposition of the minor's interest in the account. Expenses shall be deducted from the member's account.

(10)~~(7)~~ Invalid distributions.

(a) An "invalid distribution" is a distribution given to a member to which the member is not entitled.

(b) If a member or a former member of the FRS Investment Plan receives an invalid distribution, the member or former member ~~shall~~ is required to repay the entire invalid distribution within 90 days of the member's receipt of a final notification from the SBA. If the member fails to repay the invalid distribution, the employer is liable for the repayment of the invalid distribution even if the member signed a statement at the time the member was hired that no benefit had been received from the Plan.

1. If a member repays the entire distribution, the member's repayment will be deposited in his FRS Investment Plan account; he will be returned to the Investment Plan; and all future employer contributions will be deposited in the funds he has chosen.

2. If the employer repays the entire distribution, the repayment will be deposited in the Investment Plan Trust Fund and allocated to the Investment Plan's forfeiture account to offset plan expenses. The member will be returned to the Investment Plan; and all future employer contributions will be deposited in the funds the member has chosen.

3. If the member fails to repay the invalid distribution, the SBA will declare the member a "retiree" and will pursue the repayment of the invalid distribution pursuant to (b) above. As a "retiree," the member is subject to the restrictions of Section 121.122, F.S., which means that if the member is reemployed in the future with an FRS-covered employer, the member is not eligible for Special Risk membership, or for the Deferred Retirement Option Program, nor for disability benefits. Section 121.122, F.S., has other restrictions and should be read by the member with his or her particular situation in mind.

(c) The following are examples of scenarios that could result in invalid distributions. They are only examples and are not inclusive of all possible situations. Members and employers are encouraged to contact the FRS Investment Plan Administrator to discuss the particular situation.

1. Example 1: A member joined the FRS Investment Plan effective September 1, 2002. He terminated all employment from his FRS-covered employer on August 24, ~~2009~~ 2006. On December 15, ~~2009~~ 2006, he ~~takes~~ ~~took~~ a partial distribution from his Investment Plan account. However, he returned to FRS-covered employment on December 1, ~~2009~~ 2006. The member took an invalid distribution because he was working for an FRS-covered employer at the time he received the distribution. His payroll record reflected the August 24, ~~2009~~ 2006, termination date but did not yet reflect his rehire date. Therefore, because the payroll report is not required from the employer to the Division of Retirement until the 5th business day of the month following the end of the work-month, the FRS Investment Plan Administrator, which receives its information from the Division of Retirement, had no knowledge of his return to work in the middle of December, since the information would not have arrived until at least January 6. The member is asked at the time of the distribution whether he is employed or pending employment with an FRS covered employer. If it is determined that the member knew or reasonably knew the answer to this question was yes, the member has taken an invalid distribution.

2. Example 2: A member joined the FRS Investment Plan effective April 1, 2004. He ~~terminates~~ all FRS-covered employment on November 12, ~~2009~~ 2006. The member has not reached his normal retirement date. On March 1, ~~2010~~ 2007, the member ~~takes~~ ~~took~~ a total distribution from his Investment Plan account. The member ~~returns~~ ~~returnes~~ to FRS-covered employment on April 15, ~~2007~~ 2010. The March 1, ~~2007~~ 2010 distribution is invalid since the member returned to work within ~~36~~ calendar months of his retirement date.

3. Example 3: A member joined the FRS Investment Plan effective May 1, 2005. He ~~terminates~~ all FRS-covered employment on November 12, ~~2009~~ 2006. The member has reached his normal retirement date. On January 5, ~~2010~~ 2007, the member ~~receives~~ ~~received~~ his one-time distribution of up to 10 percent from his Investment Plan account. The member ~~returns~~ ~~returnes~~ to FRS-covered employment on ~~May~~ ~~February~~ 15, ~~2010~~ 2007. The January 5, ~~2010~~ 2007 distribution is invalid since the member returned to work within ~~46~~ calendar months of his retirement date.

Rulemaking Authority 121.4501(8)(a) FS. Law implemented 121.021(29), (39), 121.4501(20), 121.591, 121.77 FS. History-New 3-9-06,

Amended 11-26-07, 5-19-09, _____.

19-11.004 Excessive Trading in the FRS Investment Plan.

(1) through (2) No change.

(3) Limitations.

(a) Regarding authorized foreign or global stock funds: After making a non-exempt transaction by transferring any portion of their account balance into an authorized foreign or global or stock fund, members are prohibited from completing a Roundtrip Trade in that fund for a minimum of 7 calendar days, using the convention of last-dollar-in and first-dollar-out for the roundtrip calculation.

(b) Regarding all authorized funds, except for money market funds:

1. Members who engage in Market Timing Trades in authorized funds will receive a warning letter sent by U.S. mail. The warning letter shall notify the member that excessive trades have been identified in his/her accounts and any additional violations will result in a direction letter.

2. Members who engage in Market Timing Trades in authorized funds and who have previously received a warning letter described in subparagraph 1., above, will be sent a direction letter delivered by courier. The direction letter shall require that the member shall not have access to automated online trade instructions for at least one full calendar month following the date of the direction letter. The member shall be required to conduct trades via telephone by contacting the Plan Administrator for at least one full calendar month.

3. Members who engage in Market Timing Trades and who have previously received a direction letter, as described in subparagraph 2., above, will be sent another direction letter, delivered by courier. This direction letter shall require that the member shall not have access to automated trade instructions for at least three full calendar months following the date of the direction letter. The member shall be required to conduct trades via telephone by contacting the Plan Administrator for at least three full calendar months+.

4. Members who engage in Market Timing Trades and who have previously received a direction letter as described in subparagraph 3., above, will be sent another direction letter, delivered by courier. The direction letter shall require that the member shall only be permitted to conduct trades via paper trading forms for at least three full calendar months following the date of the direction letter. The form to be used by the member in conducting the trades is the "Transfer Request Form, Excessive Fund Trading Violators," Form EFTPV-1, rev. 3/09, which hereby is adopted and incorporated by this reference. This form must be notarized and returned to the Office of Defined Contribution Programs, via US mail, certified\return receipt requested.

5. Members who engage in Market Timing Trades and who have previously received a direction letter as described in

subparagraph 4., above, will be sent another direction letter, delivered by courier. The direction letter shall require that the member shall only be permitted to conduct trades via paper trading forms for at least twelve full calendar months following the date of the direction letter. The form to be used by the member in conducting the trades is the “Transfer Request Form, Excessive Fund Trading Violators,” Form EFTPV-1, rev. 3/09, which hereby is adopted and incorporated by this reference. This form must be notarized and returned to the Office of Defined Contribution Programs, via US mail, certified\return receipt requested.

6. Members who engage in Market Timing Trades and who have previously received a direction letter as described in subparagraph 5., above, will be sent another direction letter, delivered by courier. The direction letter shall require that the member shall only be permitted to conduct trades via paper trading forms for the remainder of any time that any balance exists in the member’s Investment Plan account following the date of the direction letter. The form to be used by the member in conducting the trades is the “Transfer Request Form, Excessive Fund Trading Violators,” Form EFTPV-1, rev. 3/09, which hereby is adopted and incorporated by this reference. This form must be notarized and returned to the Office of Defined Contribution Programs, via US mail, certified\return receipt requested.

(c) If Member A receives a direction letter as described in subparagraph (3)(b)2., above, on November 15, Member A’s access to automated online trade instructions shall be denied until January 1. “One full calendar month,” in this context, means the full calendar month following the month in which the direction letter is received. The direction letter, in this example, was received in November. The “one full calendar month” is December. Therefore, access will not be resumed until January.

(4) through (5) No change.

Specific Authority 121.4501(8) FS. Law Implemented 121.4501(13), (14), (15) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, _____.



YOUR Money  YOUR Choice

TRANSFER REQUEST FORM

Excessive Fund Trading Policy Violators

Section 1: General Information

Last Name		First Name		Middle Initial	Social Security Number	
Street Address				City	State	Zip
Work Telephone Number		Home Telephone Number			Email	

Complete the table below indicating the funds and amounts you are transferring FROM and TO. Please refer to the Investment Fund Summary on MyFRS.com for the correct fund numbers and names. A transfer will not occur if the fund number or name are unclear. Also, be sure you have sufficient assets in your account to execute the transfer(s). Note that the amount you are transferring FROM a fund can be divided and transferred TO up to three funds.

[illegible]

Section 3: Authorization

Please sign, date, and mail this notarized form via U.S. mail, certified\return receipt requested, to the address below. Transfer of funds will occur as soon as practicable after receipt of a form in good order. You can confirm the transfer by either calling the FRS Investment Plan Administrator at 1-866-446-9377, Option 4, or logging on to MyFRS.com. Please keep a copy of this form for your records.

We will not execute a transfer if any of the following condition(s) apply: the form is not notarized; the form is incomplete in any way; the form is submitted by fax, email, private courier, or any other manner besides U.S. mail, certified/return receipt requested; it is unclear what fund(s), dollar amount(s), or percentage(s) are to be transferred; it is unclear into what fund(s) the amount(s) are to be transferred; the account does not contain sufficient assets to execute the transfer(s); or the transfer request does not comply with the FRS Investment Plan Excessive Fund Trading Policy. If you submit a form that does not comply with any of the items listed above, we will attempt to contact you by telephone, email, or US mail. Submission of a corrected notarized form to the Office of Defined Contribution Programs via U.S. mail, certified/return receipt requested, will be required to execute a transfer.

This form is only valid for transfers of funds for accumulated amounts in your Investment Plan account, and not future contributions. If you want to change the funds receiving future contributions, contact the FRS Investment Plan Administrator at 1-866-446-9377 (TTY: 1-888-429-2160).

_____/_____/_____
Signature Date

Section 4: Notarization of Signature

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by
_____.

(NOTARY SEAL)

Signature of Notary Public

Printed Name of Notary Public

Personally Known _____ OR Produced Identification _____

Type of Identification Produced _____

Mail this notarized form via U.S. mail, certified\return receipt requested, to:

**Office of Defined Contribution Programs
State Board of Administration of Florida
1801 Hermitage Blvd., Suite 100
Tallahassee, FL 32308**

Approved by SBA

19-11.007 Second Election Enrollment Procedures for the FRS Retirement Programs.

(1) No change.

(2) Definitions

(a) through (e) No change.

(f) “Electronic Means” shall mean an enrollment on the MyFRS.com website, by telephone or other technology as specified

by the SBA in a subsequent amended rule.

(3) No change.

(4) Specific Procedures for the “2nd Election Retirement Plan Enrollment Form.”

(a) through (j) No change.

(k) If the member submits a form that is incomplete, it will not be processed. An incomplete form is a form which is missing the name ~~and address and phone number~~ of the member, social security numbers, plan selection, or signatures, ~~or dates~~. The member will be required to resubmit a completed enrollment form. ~~incomplete form will be returned to the member to add any missing information~~ If the form is incomplete only because the member has made no investment selection, the form will be processed and the member will be defaulted into the FRS Select Moderate Balanced Fund for investing his accumulated benefit obligation and all future contributions. Note that this default selection may be changed by the member at any time once the transfer has been made.

(5) Specific Procedures for the “2nd Election EZ Retirement Plan Enrollment Form.”

(a) through (h) No change.

(i) If the member submits a form that is incomplete, it will not be processed. An incomplete form is a form which is missing the name ~~and address and phone number~~ of the member, social security numbers, plan selection, or signatures, ~~or dates~~. The member will be required to resubmit a completed enrollment form. ~~incomplete form will be returned to the member to add any missing information~~

(6) No change.

Rulemaking Authority 121.4501(8)(a) FS. Law Implemented 121.4501(3), (4), (8)(b)4., (15)(b), (20) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, 5-19-09, _____.

19-11.009 Reemployment with an FRS-covered Employer after Retirement.

(1) Purpose: The purpose of this rule is to clarify the provisions regarding reemployment after retirement for FRS Investment Plan members. The limitations of this rule apply to reemployment in any capacity irrespective of the category of funds from which the member is compensated.

(2)(a) A member who has terminated FRS-covered employment and has taken a distribution from his Investment Plan account is considered a retiree, as of the date of the distribution, in accordance with Section 121.4501(2)(j), F.S. As a retiree, the former member shall not be reemployed with an FRS-covered employer until he has been retired for 12 months, except under certain limitations. Any retiree may return to employment with an FRS-covered employer after 12 calendar months of retirement and may take distributions from prior career benefits, even while reemployed. A retiree may work for any private employer or for any public employer who does not participate in the FRS without affecting his/her FRS retirement benefits.

(b) A member who is reemployed with an employer during the first six calendar months after retirement shall be deemed to not have retired. The distribution will be deemed an invalid distribution. The member shall be required to repay the entire invalid distribution within 90 days of the member's receipt of a final notification.

(c) (b) There are exceptions to paragraph (2)(a) above. This paragraph does not contain an exhaustive list of all possible situations. Members who are not in exactly the same circumstances as described in this paragraph should call the toll-free MyFRS Financial Guidance Line at 1 (866) 446-9377, Option 1, to have their situations properly analyzed.

1. If reemployed prior to July 1, 2010, the following will apply:

a. 1. A member who has reached his normal retirement date, in accordance with Section 121.021(29), F.S., may return to FRS-covered employment after being retired for ~~one~~ six calendar months. Six ~~One~~ calendar months means six ~~the~~ full calendar months following the month the member retired. For example, if a member retires in January, the six calendar months are February, March, April, May, June, and July. The retiree may return to employment in August. The retiree may return to employment in one of the excepted positions identified in Section 121.091(9)(b), F.S., and continue to take distributions from prior career benefits. If the retiree returns to work in a position that is not one of the exceptions allowed by law, he/she must suspend receipt of any remaining retirement benefits for the remainder of the 12 months after retirement.

b. 2. A member who has not reached his normal retirement date, in accordance with Section 121.021(29), F.S., can return to work in one of the excepted positions identified in Section 121.091(9)(b), F.S., FRS-covered employment after being retired for ~~three~~ six calendar months. "Three-Six calendar months" means ~~three~~ six full calendar months following the month in which the member retired. For example, if a member retires in January, the ~~three~~ six calendar months are February, March, ~~and~~ April, May, June, and July. The retiree may return to employment in ~~May~~ August in one of the excepted positions identified in Section 121.091(9)(b), F.S., and continue to take distributions from prior career benefits. If the retiree returns to work in a position that is not

one of the exceptions allowed by law, he/she must suspend receipt of any remaining retirement benefits for the remainder of the 12 months after retirement.

2. If reemployed on or after July 1, 2010, a member may return to work in any position with an FRS-covered employer after being retired for six calendar months. Six calendar months means six full calendar months following the month the member retired. For example, if a member retires in January, the six calendar months are February, March, April, May, June, and July. The retiree may return to employment in August. The member must suspend receipt of any remaining retirement benefits for the remainder of the 12 calendar months after retirement. Effective July 1, 2010, there are no excepted positions. A member reemployed on or after July 1, 2010 will not be permitted to renew membership in the FRS.

(3) The Plan Choice Administrator must be informed whenever an FRS Investment Plan retiree returns to employment with an FRS-covered employer during the first 12 calendar months of retirement.

(4)(a) Any retiree employed in violation of the FRS Investment Plan reemployment limitations and ~~any employing agency which knowingly an employer~~ that employs or appoints such person are jointly and severally liable to the retirement trust fund for reimbursement of any benefits paid. ~~To avoid liability, such employing agency must have a written statement from the retiree that he or she is not retired from a state-administered retirement system.~~

(b) Liability will be imposed on the employer if such reimbursement is not received from the retiree, unless there is conclusive evidence to show the employer should not be liable.

(c) To assist the employer, a written statement should be obtained from a prospective employee. The written statement can be set forth on the "Certification Form," Form CERT, rev. 08/2009 and can be found on the MyFRS website. This form should be retained in the employee's personnel file.

(d) When a prospective employee signs the Certification Form, the employee is certifying that he or she has not retired from any State of Florida administered retirement plan nor concluded participation in the Deferred Retirement Option Program (DROP) within the past 12 months, or received an initial distribution or rollover from the FRS Investment Plan within the last 6 calendar months.

Specific Authority 121.4501(8)(a) FS. Law Implemented 121.021(29), (39), 121.091(9)(b),(c), 121.4501(2)(j), 121.591(1)(a)4. FS. History--New 11-26-07, Amended 12-8-08, _____.



Florida Retirement System (FRS) - New Employee Certification Form

This is **not** an enrollment form. An FRS Retirement Choice kit will be mailed to your home with an enrollment form.

Name _____ SSN _____

Agency Name _____

Previous FRS Employer _____

PLEASE COMPLETE SECTION I, II, III, OR IV

I. I have **never** been a member of a State of Florida administered retirement plan.

STOP HERE

SIGNATURE

DATE

II. Indicate your previous State of Florida administered retirement plan **and** complete Section III **or** IV.

☐ FRS Pension Plan (incl. DROP)

☐ TRS

☐ Other¹

☐ FRS Investment Plan

☐ SCOERS

III. I am **not retired**² from any State of Florida administered retirement plan nor have I concluded participation in the Deferred Retirement Option Program (DROP) within the past 12 months or received my first distribution or rollover from the FRS Investment Plan within the last 6 calendar months. I understand that if it is later determined that I have violated the termination or reemployment provisions of the FRS, I **must repay** any benefits received. **My employer may also be liable for repaying any benefits I have received.**

SIGNATURE

DATE

IV. I am **retired**² from the Florida Retirement System. The effective date of my retirement or conclusion of DROP from the Pension Plan, or first distribution from the FRS Investment Plan was _____.

I understand that as a Pension Plan retiree²:

- If I am employed by an FRS employer in any type of position (OPS, temporary, seasonal, part-time, full-time, or regularly established position) during the **first calendar month** after I retired or ended my participation in DROP, my retirement and DROP status are voided, all retirement and DROP benefits I received **must be repaid**³, and I must reapply for retirement benefits before my retirement will be effective.
- If I am reemployed at any time during the 2nd through the 12th months after my retirement or conclusion of DROP, my monthly retirement benefit **must be suspended**³ during these months of my retirement, unless I am eligible for one of the reemployment exemptions/exceptions provided by law.

I understand that as an Investment Plan retiree²:

- If I am employed by an FRS employer in any type of position (OPS, temporary, seasonal, part-time, full-time, or regularly established position) during the **first 6 calendar months** after I retired, I **must repay**³ any benefits received or terminate employment for an additional period to satisfy the 6 calendar month termination requirement.
- If I am reemployed at any time during the 7th through the 12th months after my retirement, I will not be eligible for additional Investment Plan distributions³ until I terminate employment or complete 12 calendar months of retirement, unless I am eligible for one of the reemployment exemptions/exceptions provided by law.

SIGNATURE

DATE

¹If you are not retired and earned FRS service after certain periods in 2002 (depending on your employer), you must rejoin the FRS retirement plan you were enrolled in when you terminated FRS-covered employment. You may have a one-time 2nd Election to switch FRS retirement plans. Also, non-FRS plans are available to certain State University (i.e., SUSORP), Community College (i.e., CCORP) and State Senior Management Class (i.e., SMSOAP) employees. Contact your employer for deadline and other information.

²You are retired if you are receiving monthly benefits under the FRS Pension Plan or have taken any distribution (including a rollover) under the FRS Investment Plan or optional non-FRS plans (e.g. CCORP, SUSORP, or SMSOAP).

³The Division of Retirement and the Investment Plan Administrator have the right to request a return of distributions received in violation of the reemployment provisions.