

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR SCOTT AS CHAIRMAN  
CHIEF FINANCIAL OFFICER ATWATER  
ATTORNEY GENERAL BONDI**

**SEPTEMBER 1, 2015**

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**AGENDA**

**ITEM 1. REQUEST APPROVAL OF THE NOMINATION OF VINNY OLMSTEAD TO THE INVESTMENT ADVISORY COUNCIL (S. 215.444, F.S.).**

**(See Attachment 1A)**

**ACTION REQUIRED**

**ITEM 2. REQUEST APPROVAL TO FILE FOR NOTICE AMENDMENTS TO RULE 19-9.001, F.A.C (INVESTMENT POLICY STATEMENT) AND TO FILE THE RULE FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING RELATED TO THIS RULE.**

The purpose and effect of the proposed rule amendments to Rule 19-9.001, F.A.C. is to adopt the revised Investment Policy Statement for the Florida Retirement System Investment Plan and to advise the public how copies of this policy statement may be obtained. The revisions to the policy statement were approved by the Trustees on February 6, 2014. There are no significant policy issues or controversial issues connected to this rule amendment. The amendments simply serve as an informational update.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

**See Ruth Smith's Memo Detailing Items 2, 3, and 4 – Attachment 2**

**(See Attachments 2, 2A-2C)**

**ACTION REQUIRED**

**ITEM 3. REQUEST APPROVAL TO FILE FOR NOTICE, AMENDMENTS TO RULES 19-11.001, 19-11.002, 19-11.003, 19-11.004, 19-11.005, 19-11.006, 19-11.007, 19-11.008, 19-11.011, 19-11.012 AND 19-11.013 IN RULE CHAPTER 19-11, F.A.C. (PROCEDURES FOR THE FRS INVESTMENT PLAN), AND FURTHER TO FILE THE RULES FOR ADOPTION, IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING RELATED TO THESE RULES.**

The proposed amendments serve to update certain information and to adopt the most recent versions of various incorporated forms. There are no significant policy issues or controversial issues connected to these rule amendments.

Rule 19-11.001 is being amended to clarify some definitions. Rule 19-11.002 is being amended to incorporate the latest version of the beneficiary designation form and to reference the latest versions of the enrollment forms; to indicate what documents must be supplied by a beneficiary who receives FRS Investment Plan account proceeds per Florida law; and to indicate the name of the fund to which account proceeds are held until a beneficiary can be located. Rule 19-11.003, is being amended to indicate that monies from a DROP rollover are available for immediate distribution; to adopt the latest version of the Employment Termination Form; and to indicate that if a member or beneficiary requests documentation of a distribution made prior to January 1, 2010, there will be a special service charge imposed due the extensive resources required. Rule 19-11.004 is being amended to indicate what constitutes an "incomplete" transfer request form. Rule 19-11.005, F.A.C. is being amended to make an editorial revision. Rule 19-11.006 is being amended to adopt the latest versions of the applicable enrollment forms; to indicate that a member has the responsibility for ensuring the enrollment form is timely received; and to indicate that if a member terminates before making a plan choice, the member will have another opportunity to make a plan choice if rehired by an FRS-participating employer. Rule 19-11.007 is being amended to adopt the latest versions of the Second Election enrollment forms; to indicate that a member has the responsibility for ensuring the Second Election enrollment form is timely received; and to indicate the default fund if the member fails to make an investment selection. Rule 19-11.008 is being amended to state that if a member terminates employment before vesting, the member will be entitled only to a return of the member's own required employee contributions. Rule 19-11.011 is being amended to state that market loss calculations will be applied to benefit transfers that are late due to employer errors or corrections; and to indicate that an age-appropriate retirement date fund will be the default fund if a member fails to select an investment option when the member's ABO or present value of the member's FRS Pension Plan benefits are transferred to the member's FRS Investment Plan account. Rule 19-11.012 is being amended to adopt the latest version of the rollover forms. Rule 19-11.013 is being amended to set forth how the Self-Directed Brokerage Account enrollment form can be accessed on line.

The rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification of the proposed amendments is required.

(See Attachments 3A – 30)

#### **ACTION REQUIRED**

**ITEM 4. REQUEST APPROVAL TO FILE FOR NOTICE AMENDMENTS TO RULES 19-13.001 AND 19-13.004 AND TO FILE THE RULES FOR ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE HEARING RELATED TO THESE RULES.**

The purpose and effect of the proposed rule amendments to Rules 19-13.001 and 19-13.004 is to update and clarify certain information concerning the responsibilities of the State Board of Administration and certain third party vendors with respect to the FRS Investment Plan. There are no significant policy issues or controversial issues connected to these rule amendments.

Rule 19-13.001 is being amended to make some editorial revisions and to indicate that ten (10) Target Date Funds have now replaced the three (3) balanced fund options. Rule 19-13.004 is being amended to state that the Investment Plan Administrator is responsible for providing a Self-Directed Brokerage Account, and that an education provider additionally provides financial planning. The amendments simply serve as informational updates.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

(See Attachments 4A – 4B)

#### **ACTION REQUIRED**

# Vinny Olmstead

Managing Director, Vocap Investment Partners  
2770 Indian River Blvd. Ste. 501 | Vero Beach, FL 32960

Vinny Olmstead is an active business professional involved in several businesses. His primary focus is Vocap Investment Partners, a Private Equity firm he founded and is Managing Director. Vinny is also the founder and active board member of Saltmines, an incubator of tech start-ups; and Board Member for Apollidon Learning, Bridgevine, Essess, YourCause, and Zentilla.

Vinny has a unique blend of investing, operating, and strategy experience that spans more than 25 years professionally. Vinny was previously CEO of Bridgevine from 2003 - 2012, an advertising technology company focused on customer acquisition and recognized by the INC 500/5000 6 years in a row as one of the fastest growing companies in the United States peaking at number 57. Vinny remains involved as an Executive Chairman, and shareholder. Prior to Bridgevine, Vinny was VP of Corporate Development at 360networks, a fiber optic telecommunications company that went public in the spring of 2000. Prior to 360networks, Vinny spent 8 years as a consultant including 4 years as Partner at Mercer Consulting (division of Marsh McLennan); and with KPMG Peat Marwick. Vinny spent two years at Coopers and Lybrand as an auditor prior to business school.

Vinny is also on the board of the Riverside Theatre, and was past Chairman of the Florida Chapter Chair of the Young Presidents Organization. Vinny has an MBA & MHS (Master of Health Science) from the University of Florida, and BS of Accounting from Flagler College. In his spare time, Vinny enjoys travelling to unique places with his wife and three children, and playing tennis.



**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**

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ATTORNEY GENERAL  
  
ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

**MEMORANDUM**

To: Ashbel C. Williams, Executive Director & CIO

From: Ruth A. Smith, Assistant General Counsel *RAS*

Subject: Agenda Item for the September 1, 2015 Cabinet Meeting: Proposed Amendments to Rule 19-9.001; Rules 19-11.001, 19-11.002, 19-11.003, 19-11.004, 19-11.005, 19-11.006, 19-11.007, 19-11.008, 19-11.011, 19-11.012 and 19-11.013; and Rules 19-13.001 and 19-11.004, F.A.C

Request Approval to File the Rules for Notice and For Adoption/Repeal if No Member of the Public Timely Requests a Rule Hearing

Date: August 19, 2015

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**ACTION REQUESTED:**

**REQUEST APPROVAL TO FILE FOR NOTICE  
AMENDMENTS TO RULE 19-9.001, F.A.C (INVESTMENT  
POLICY STATEMENT) AND TO FILE THE RULE FOR  
ADOPTION IF NO MEMBER OF THE PUBLIC TIMELY  
REQUESTS A RULE HEARING RELATED TO THIS RULE.**

The purpose and effect of the proposed rule amendments to Rule 19-9.001, F.A.C. is to adopt the revised Investment Policy Statement for the Florida Retirement System Investment Plan and to advise the public how copies of this policy statement may be obtained. The revisions to the policy statement were approved by the Trustees on February 6, 2014. There are no significant policy issues or controversial issues connected to this rule amendment. The amendments simply serve as an informational update.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose

any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

**REQUEST APPROVAL TO FILE FOR NOTICE,  
AMENDMENTS TO RULES 19-11.001, 19-11.002, 19-11.003, 19-  
11.004, 19-11.005, 19-11.006, 19-11.007, 19-11.008, 19-11.011, 19-  
11.012 and 19-11.013 IN RULE CHAPTER 19-11, F.A.C.  
(PROCEDURES FOR THE FRS INVESTMENT PLAN), AND  
FURTHER TO FILE THE RULES FOR ADOPTION, IF NO  
MEMBER OF THE PUBLIC TIMELY REQUESTS A RULE  
HEARING RELATED TO THESE RULES.**

The proposed amendments serve to update certain information and to adopt the most recent versions of various incorporated forms. There are no significant policy issues or controversial issues connected to these rule amendments.

Rule 19-11.001 is being amended to clarify some definitions. Rule 19-11.002 is being amended to incorporate the latest version of the beneficiary designation form and to reference the latest versions of the enrollment forms; to indicate what documents must be supplied by a beneficiary who receives FRS Investment Plan account proceeds per Florida law; and to indicate the name of the fund to which account proceeds are held until a beneficiary can be located. Rule 19-11.003, is being amended to indicate that monies from a DROP rollover are available for immediate distribution; to adopt the latest version of the Employment Termination Form; and to indicate that if a member or beneficiary requests documentation of a distribution made prior to January 1, 2010, there will be a special service charge imposed due the extensive resources required. Rule 19-11.004 is being amended to indicate what constitutes an “incomplete” transfer request form. Rule 19-11.005, F.A.C. is being amended to make an editorial revision. Rule 19-11.006 is being amended to adopt the latest versions of the applicable enrollment forms; to indicate that a member has the responsibility for ensuring the enrollment form is timely received; and to indicate that if a member terminates before making a plan choice, the member will have another opportunity to make a plan choice if rehired by an FRS-participating employer. Rule 19-11.007 is being amended to adopt the latest versions of the Second Election enrollment forms; to indicate that a member has the responsibility for ensuring the Second Election enrollment form is timely received; and to indicate the default fund if the member fails to make an investment selection. Rule 19-11.008 is being amended to state that if a member terminates employment before vesting, the member will be entitled only to a return of the member's own required employee contributions. Rule 19-11.011 is being amended to state that market loss calculations will be applied to benefit transfers that are late due to employer errors or corrections; and to indicate that an age-appropriate retirement date fund

will be the default fund if a member fails to select an investment option when the member's ABO or present value of the member's FRS Pension Plan benefits are transferred to the member's FRS Investment Plan account. Rule 19-11.012 is being amended to adopt the latest version of the rollover forms. Rule 19-11.013 is being amended to set forth how the Self-Directed Brokerage Account enrollment form can be accessed on line.

The rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification of the proposed amendments is required.

**REQUEST APPROVAL TO FILE FOR NOTICE  
AMENDMENTS TO RULES 19-13.001 AND 19-13.004 AND TO  
FILE THE RULES FOR ADOPTION IF NO MEMBER OF THE  
PUBLIC TIMELY REQUESTS A RULE HEARING RELATED  
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The purpose and effect of the proposed rule amendments to Rules 19-13.001 and 19-13.004 is to update and clarify certain information concerning the responsibilities of the State Board of Administration and certain third party vendors with respect to the FRS Investment Plan. There are no significant policy issues or controversial issues connected to these rule amendments.

Rule 19-13.001 is being amended to make some editorial revisions and to indicate that ten (10) Target Date Funds have now replaced the three (3) balanced fund options. Rule 19-13.004 is being amended to state that the Investment Plan Administrator is responsible for providing a Self-Directed Brokerage Account, and that an education provider additionally provides financial planning. . The amendments simply serve as informational updates.

The proposed rule amendments do not impose any burdens on businesses; they do not restrict entry into a profession; they have no impact on the availability of services to the public; they have no impact on job retention; they do not impose any restrictions on employment seekers; and they do not impose any costs. No legislative ratification is required.

**ATTACHMENTS:**

**I. AMENDMENT TEXT:**

--Proposed Amendments to Rule 19-9.001, F.A.C.- Redline and Final Versions

--Proposed Amendments to Rules 19-11.001, 19-11.002, 19-11.003, 19-11.004, 19-11.005, 19-11.006, 19-11.007, 19-11.008, 19-11.011, 19-11.012 and 19-11.013, F.A.C.- Redline and Final Versions,

--Proposed Amendments to Rules 19-13.001 and 19-11.004, F.A.C. - Redline and Final Versions

## II. FORMS:

Rule 19-9.001:

--FRS Investment Plan Investment Policy Statement

Rule 19-11.002:

--FRS Investment Plan Beneficiary Designation

Rule 19-11.003:

--Employment Termination Form

Rule 19-11.006:

--EZ Retirement Plan Enrollment Form

--General Retirement Plan Enrollment Form

--Elected Officers' Class Retirement Plan Form

--Community College Optional Retirement Program (CCORP) Enrollment Form

--State Senior Management Service Employees Retirement Plan Enrollment Form

--Local Senior Management Service Employees Retirement Plan Enrollment Form

Rule 19-11.007:

--2<sup>nd</sup> Election Retirement Plan Enrollment Form

--2<sup>nd</sup> Election EZ Retirement Plan Enrollment Form

Rule 19-11.012:

--Employee Rollover Deposit Instructions and Form

--DROP Accumulation Direct Rollover Form- Current DROP Members

--DROP Direct Rollover Form- Former DROP Members



RULE AMENDMENT TEXT

## RULE 19-9.001

**Strikethrough/Underline Version**

**19-9.001 Investment Policy Statement.**

The Florida Retirement System Investment Plan Investment Policy Statement, as approved by the Trustees of the State Board of Administration on February 69, 2014~~2~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05796>  
~~<http://www.flrules.org/Gateway/reference.asp?No=Ref-01218>~~, is hereby adopted and incorporated by reference. The Investment Policy Statement may be obtained by contacting: State Board of Administration, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308; Attn.: Office of Defined Contribution Programs, or by accessing the ~~MYFRS.com~~ ~~sbafla.com~~ website, clicking on Investment Funds and Plan Information/Trustee Reports and then clicking Investment Plan ~~the Risk Management and Oversight tab, and then clicking on FRS Investment Plan~~ under the Investment Policy Statements section.

*Rulemaking Authority 121.4501(8), 215.52 FS. Law Implemented 121.4501(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15) FS. History—New 7-29-01, Amended 7-23-02, 5-10-05, 5-19-09, 7-12-12,\_\_\_\_\_.*

## **Final Version**

### **19-9.001 Investment Policy Statement.**

The Florida Retirement System Investment Plan Investment Policy Statement, as approved by the Trustees of the State Board of Administration on February 6, 2014,

<http://www.flrules.org/Gateway/reference.asp?No=Ref-05796>, is hereby adopted and incorporated by reference. The Investment Policy Statement may be obtained by contacting: State Board of Administration, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308; Attn.: Office of Defined Contribution Programs, or by accessing the MYFRS.com website, clicking on Investment Funds and Plan Information/Trustee Reports and then clicking Investment Plan under the Investment Policy Statements section.

*Rulemaking Authority 121.4501(8), 215.52 FS. Law Implemented 121.4501(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15) FS. History—New 7-29-01, Amended 7-23-02, 5-10-05, 5-19-09, 7-12-12,\_\_\_\_\_.*

## **FLORIDA RETIREMENT SYSTEM**

### **Investment Plan Investment Policy Statement**

#### **I. PURPOSE**

The Florida Retirement System Investment Plan Investment Policy Statement (IPS) serves as the primary statement of Trustee policy regarding their statutory responsibilities and authority to establish and operate an optional defined contribution retirement program for members of the Florida Retirement System. The IPS shall serve as a guiding document pertaining to investment matters with respect to the Investment Plan. The Trustees will strive to make investment decisions consistent with this IPS. Section 121.4501(14), Florida Statutes, directs the Trustees of the State Board of Administration to approve the IPS. The IPS will be reviewed annually and will be revised or supplemented as policies are changed or developed.

#### **II. DEFINITIONS**

- A. **Member** – An employee who enrolls in the Florida Retirement System Investment Plan , a member-directed 401(a) program, in lieu of participation in the defined benefit program of the Florida Retirement System, a terminated Deferred Retirement Option Program (DROP) member as described in section 121.4501(21), Florida Statutes, or an alternate payee of a member or employee.
- B. **Investment Product** – The result of a process that forms portfolios from securities and financial instruments in order to produce investment returns.
- C. **Investment Manager** – A private sector company that provides one or more investment products.
- D. **Investment Funds** – One of the investment options that may be chosen by participants. A Fund may be an aggregate of one or more investment products.
- E. **Bundled Provider** - A private sector company that offers investment products, combined with recordkeeping and trading services, which are designed to meet individualized needs and requirements of plan participants, so as to afford value to participants not available through individual investment product.
- F. **Passively Managed Option** – An investment management strategy that intends to produce the same level and pattern of financial returns generated by a market benchmark index.
- G. **Actively Managed Option** – An investment management strategy that relies on security return predictions in an effort to out-perform the financial returns generated by a market benchmark index.
- H. **Performance Benchmark** – A market benchmark index that serves as the performance measurement criterion for investment options.
- I. **Investment Plan Administrator or Recordkeeper** – A private sector company that provides administrative services, including individual and collective recordkeeping and accounting, IRC

limit monitoring, enrollment, beneficiary designation and changes, disbursement of monies, and other centralized administrative functions.

- J. **Self-Directed Brokerage Account** – An alternative method for Investment Plan members to select various investments options otherwise not available in the Investment Plan.
- K. **Self-Direct Brokerage Account Provider** – A private sector company that provides access to a Self-Directed Brokerage Account to members of the FRS Investment Plan.

### **III. OVERVIEW OF THE INVESTMENT PLAN AND STATE BOARD OF ADMINISTRATION**

- A. The Investment Plan is a member-directed 401(a) program selected by employees in lieu of participation in the defined benefit program of the Florida Retirement System. Investment Plan benefits accrue in individual accounts that are member-directed, portable and funded by employee and employer contributions and earnings. In accordance with Section 121.4501(15)(b), Florida Statutes, members and beneficiaries bear the investment risks and reap the rewards that result when they exercise control over investments in their accounts. Fluctuations in investment returns directly affect members' benefits.
- B. The State Board of Administration (Board), Division of Retirement and affected employers administer the Investment Plan. The Board designs educational services to assist employers, eligible employees, members and beneficiaries. The State Legislature has the responsibility for setting contribution levels and providing statutory guidance for the administration of the Investment Plan.

### **IV. THE BOARD**

- A. The Board consists of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. The Board shall establish an optional defined contribution retirement program for members of the Florida Retirement System and make a broad range of investment options, covering most major market segments, available to members. The Board makes the final determination as to whether any investment manager or product, third-party administrator, education vendor or advice vendor shall be approved for the Plan.
- B. The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Section 121.4501(15)(a), Florida Statutes.
- C. The Board delegates to the Executive Director the administrative and investment authority, within the statutory limitations and rules, to manage the Investment Plan. The Board appoints a nine-member Investment Advisory Council (IAC). The IAC reviews the IPS and any proposed changes prior to its presentation to the Board of Trustees. The Council presents the results of its review to the Board of Trustees prior to the Trustees' final approval of the statement or any changes.

### **V. THE EXECUTIVE DIRECTOR**

- A. The Executive Director is responsible for managing and directing administrative, personnel, budgeting and investment-related functions, including the hiring and termination of investment managers, bundled providers and products.
- B. The Executive Director is responsible for developing specific investment objectives and policy guidelines for investment options. The Executive Director is responsible for developing policies and procedures for selecting, evaluating, and monitoring the performance of investment managers and products to which employees may direct retirement contributions under the Investment Plan, and providing the Board with monthly and quarterly reports of investment activities.
- C. The Executive Director is responsible for maintaining diversified investment options, and maximizing returns with respect to the performance benchmarks of individual investment options, consistent with appropriate risk constraints. Each investment option will avoid excessive risk and have a prudent degree of diversification relative to its broad market performance benchmark. The Executive Director will develop policies and procedures to:
  - Identify, monitor and control/mitigate key investment and operational risks.
  - Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
  - Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
  - Approve risk allocations and limits.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will cause a regular review, documentation and formal escalation of compliance exceptions and events that may have a material impact on the Trust Fund. The Executive Director is delegated the authority and responsibility to prudently address any such compliance exceptions, with input from the Investment Advisory Council as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

- D. The Executive Director shall adopt policies and procedures designed to prevent excessive member trading between investment options from negatively impacting other members.
- E. The Executive Director is responsible for periodically reviewing this IPS and recommending changes to the Board of Trustees when appropriate.

## **VI. INVESTMENT OBJECTIVES**

A. The Investment Plan shall seek to achieve the following long-term objectives:

- 1) Offer a diversified mix of low-cost investment options that span the risk-return spectrum and give members the opportunity to accumulate retirement benefits.
- 2) Offer investment options that avoid excessive risk, have a prudent degree of diversification relative to broad market indices and provide a long-term rate of return, net of all expenses and fees that seek to achieve or exceed the returns on comparable market benchmark indices.
- 3) Offer members meaningful, independent control over the assets in their account with the opportunity to:
  - a) Obtain sufficient information about the plan and investment alternatives to make informed investment decisions;
  - b) Direct contributions and account balances between approved investment options with a frequency that is appropriate in light of the market volatility of the investment options;
  - c) Direct contributions and account balances between approved investment options without the limitation of fees or charges; and
  - d) Remove accrued benefits from the plan without undue delay or penalties, subject to the contract and all applicable laws governing the operation of the Plan.

## **VII. MEMBER CONTROL AND PLAN FIDUCIARY LIABILITY**

- A. This IPS is structured to be consistent with the Legislature's intent to assign liability for members' investment losses to members and provide a safe harbor for Plan fiduciaries.
- B. In Sections 121.4501(8)(b)2. and 121.4501(15)(b), Florida law incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. The Investment Plan shall incorporate these concepts by providing Plan participants the opportunity to give investment instructions and obtain sufficient information to make informed investment decisions. The Investment Plan shall, in accordance with the 404(c) regulations and Florida law, provide members an opportunity to choose from a broad range of investment alternatives.
- C. If a member or beneficiary of the Investment Plan exercises control over the assets in his or her account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Plan, no Plan fiduciary shall be liable for any loss to a member's or beneficiary's account which results from such member's or beneficiary's exercise of control.
- D. The default option for FRS Investment Plan members that fail to make a selection of investment options shall be a the Target Date Fund (TDF) that matches the year closest to the year each individual member reaches the normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes, which otherwise meets the requirements of a qualified default investment alternative pursuant to regulations issued by the U.S. Department of Labor. The default option for FRS Pension Plan DROP participants who rollover funds from their DROP



account to the Investment Plan as permitted by section 121.4501(21), Florida Statutes, and fail to make a selection of investment options shall be the FRS Retirement Income Fund.

## **VIII. MEMBER EDUCATION AND INVESTMENT ADVICE**

- A. The education component of the Investment Plan shall be designed by the Board to assist employers, eligible employees, members, and beneficiaries in order to maintain compliance with section 404(c) regulations and to assist employees in their choice of defined benefit or defined contribution retirement programs. Educational services include, but are not limited to, disseminating educational materials; providing retirement planning education; explaining the differences between the defined benefit retirement plan and the defined contribution retirement plan; and offering financial planning guidance on matters such as investment diversification, investment risks, investment costs, and asset allocation. The following items must be made available to members in sufficient time to allow them an opportunity to make informed decisions:
- A description of all investment funds offered as an investment option under the Investment Plan including: general investment objectives, risk and return characteristics, and type and diversification of assets, but excluding any investment instruments made available through a self-directed brokerage account.
  - An explanation of how to give investment instructions and any limits or restrictions on giving instructions.
  - A description of any transaction fees or expenses that are charged to the member's account in connection with purchases or sales of an investment fund.
  - Investment summary fund profiles as defined at Sections 121.4501(15)(c), excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
  - Descriptions of the annual operating expenses for each investment alternative, such as investment management fees, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
  - The value of shares of all investment funds and a quarterly member statement that accounts for contributions, investment earnings, fees, penalties, or other deductions, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
  - Information concerning the past investment performance of each investment fund, net of expenses, and relative to appropriate market indices, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- B. Consistent with Sections 121.4501(8)(b)1. and 121.4501(10)(b), Florida Statutes, the education component shall provide system members with impartial and balanced information about the Plan and investment choices. In addition, the approved education organization shall not be an approved

investment provider or be affiliated with an approved investment provider. Educational materials shall be prepared under the assumption that the employee is an unsophisticated investor and all educational materials, including those distributed by bundled providers, shall be approved by the Board prior to dissemination. Members shall have the opportunity to choose from different levels of education services, as well as a variety of delivery methods and media. All educational services offered by investment product providers shall be provided on a fee-for-service basis.

- C. The Board shall contract for the provision of low-cost investment advice to members that is supplemental to educational services and that is paid for by those receiving the advice. Investment advice shall consist of impartial and balanced recommendations about investment choices consistent with Rule 19-13.004, FAC. Members shall have the opportunity to choose from different levels of customized investment advisory services, as well as a variety of delivery methods and media.
- D. Bundled provider(s) selected to provide investment products for Investment Plan members shall not provide any member education services aimed at influencing the choice between the defined benefit and defined contribution plans of the Florida Retirement System. This education program will only be provided by the neutral education vendor hired to do so by the Board.

#### **IX. ROLES OF THE INVESTMENT PLAN ADMINISTRATOR AND BUNDLED PROVIDERS**

- A. The Board selects a single private party to serve as the administrator for the Investment Plan. The Board makes the final determination as to whether any administrator shall be approved for the Plan. Administrative services such as individual and collective recordkeeping and accounting, IRC limit monitoring, enrollment, beneficiary designation and changes, disbursement of monies, and other centralized administrative functions shall be provided by the single administrator selected by the Board. The SBA retains the right to delineate through the contract the specific administrative services to be provided by the Bundled Provider. The SBA also retains the right, consistent with Section 121.4501(8)(a)1., Florida Statutes, to enter into a contract with the Division of Retirement for certain administrative services.
- B. Bundled provider(s) selected to provide investment products to members will provide administrative services that are uniquely relevant to the bundled provider mandate. The SBA shall specify the administrative services to be provided by the single administrator and the bundled provider in the solicitation documents and contracts for services.

#### **X. INVESTMENT OPTIONS AND PERFORMANCE BENCHMARKS**

- A. The authorized categories of Investment Plan investment options are segmented into tiers, with each designed to meet the varying needs of different members as shown in IPS-Table 1. The Investment Plan investment options are contained in IPS-Table 2. The default option for members that fail to make a selection of investment options shall be the Target Date Fund (TDF) that matches the year closest to the year each individual member reaches the normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes. The investment options can be constructed under a multiple manager framework of two or more investment managers, however, the number of investment options shall not exceed the "Maximum Number of Options" listed in IPS-Table 2 for each category, except to the extent that:

- 1) Multiple investment options within the same category are simultaneously offered to facilitate a transitional mapping of contributions and account balances from a terminating option;
- 2) An investment option is temporarily closed to new contributions and account balance transfers.

**IPS-Table 1: Authorized Investment Categories**

Tier	Philosophy
Tier I- Asset Allocation-Target Date Funds	Allow members to choose a diversified investment portfolio that best fits their career time horizon until anticipated retirement date. TDFs seek growth of assets in earlier years of employment and gradually shift to income oriented options at retirement. Designed for members with little investment knowledge who want a professionally managed asset allocation with little input from the member. These options will be comprised of underlying investments in the Investment Plan's Tier II and Tier III Core Options
Tier II- Passively-Managed Core Options	Allow members who wish some control over major investment category shifts to create their own portfolios based on broad, low-cost index funds that best fit their time horizon, risk tolerance and investment goals.
Tier III- Actively –Managed Core Options	Allow members who wish more control over all key investment allocation decisions to create their own portfolios based on investment options from active managers who seek returns above a performance benchmark and that members believe best fit their time horizon, risk tolerance and investment goals.
Tier IV- Retirement Annuity Options	Allow members leaving FRS employment a means by which they can create an income distribution of their accumulated assets that can last over their remaining lifetimes.
Tier V- Self Directed Brokerage Account	Allows members interested in investments outside of Tiers I, II and III the opportunity to invest in a broad array of mutual funds, stocks, US Treasuries and other investment alternatives based on their time horizon, risk tolerance, investment goals and/or preferences.

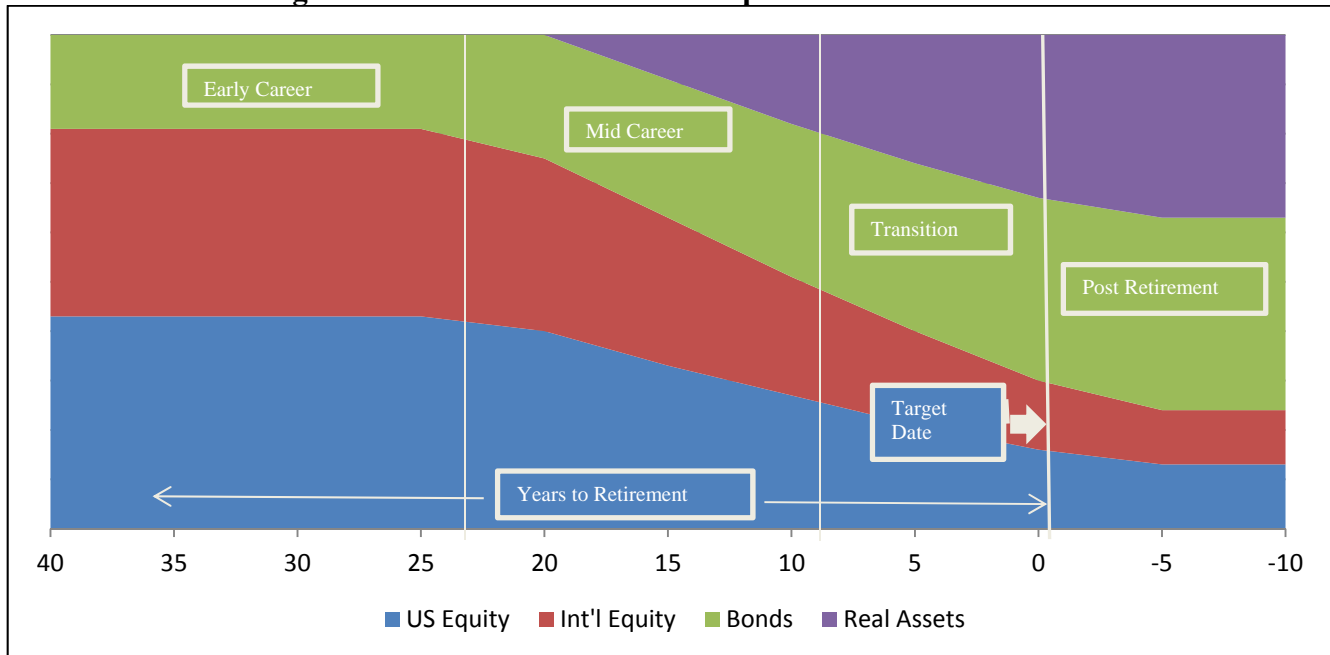
**IPS-Table 2: Authorized Investment Options Representative Performance Benchmarks, Retiree Annuities and Self Directed Brokerage Account**

<b>Investment Option Categories</b>	<b>Maximum Number of Options</b>	<b>Representative Performance Benchmarks</b>
<b>Tier I: Target Date Funds</b>		
A series of asset allocation funds structured in 5-year increments along a “glidepath” as demonstrated in IPS Chart 1 below.	10	Weighted Average of each Constituent Fund’s Benchmarks
<b>Tier II: Passively Managed Core Options</b>		
Enhanced U.S. Bond Index Fund	1	Barclays Aggregate Bond Index
Stock Market Index Fund	1	Russell 3000 Index
Foreign Stock Index Fund	1	MSCI All Country World Index ex U.S. IMI Index
<b>Tier III: Actively-Managed Core Options</b>		
Money Market Fund	1	iMoneyNet Money Funds Index(Net of Fees)
Real Assets Fund	1	TBD
Intermediate Bond Fund		Barclays Intermediate Aggregate Bond Index
Core Plus Fixed Income Fund	1	Barclays Aggregate Bond Index
US Large Cap Equity Fund	1	Russell 1000 Index
US Small/Mid Cap Equity Fund	1	Russell 2500 Index
International Equity Fund	1	MSCI All Country World Index ex US Index
Global Equity Fund	1	MSCI All Country World Index
<b>Tier IV: Retiree Annuity Options</b>		
Immediate and Deferred Annuities	Not Applicable	(Section 121.591(1)(c), Florida Statutes) Specified by the Executive Director
<b>Tier V: Self-Directed Brokerage Account</b>		
	Not Applicable	Not applicable

- B. Investment options and investment products (i.e., that support Investment Funds that are composed of an aggregate of one or more investment products) may be provided by investment managers or bundled providers. Pursuant to Section 121.4501(9)(a), Florida Statutes, the Board shall select one or more providers who offer multiple investment products when such an approach is determined by the Board to afford value to members otherwise not available through individual investment products.
- C. Investment options may have performance benchmarks other than the “Representative Performance Benchmarks” listed in IPS-Table 2, but any alternative performance benchmark must be identified in the investment guidelines required under Section XI of this IPS and provide substantial coverage of the financial market segment defined by the corresponding Representative Performance Benchmark.
- D. Target Date funds are only available as a weighted average of Tier II and III options. The Board shall establish procedures for initiating rebalancings per approved investment guidelines.
- E. With IAC review and input, the Executive Director shall periodically recommend changes to the authorized investment option categories in IPS-Tables 1 and 2, as modifications are appropriate. Any recommended modifications must be justified in terms of the incremental costs and benefits provided to members.

## **XI. GENERAL INVESTMENT OPTION GUIDELINES**

- A. The Executive Director is responsible for developing specific investment policies and guidelines for investment options, which reflect the goals and objectives of this IPS. In doing so, he is authorized to exercise and perform all duties set forth in Section 121.4501(9), Florida Statutes, except as limited by this IPS or Board Rules. General guidelines are as follows:
  - 1) The Target Date funds are diversified portfolios designed to provide members with professionally managed investment vehicles that can grow assets over their career. The funds seek favorable long-term returns through investments in the Tier II and III Options according to the “glidepath” allocation levels identified in IPS-Chart 1. Asset allocations will generally be held within 5 percentage points of the optimal shares for their respective allocation target, but short-term deviations may occur. Optimized asset allocations for the target date funds shall be established using methodology consistent with the guidance rendered by the Investment Plan’s investment consultant and education/advice providers.

**IPS-Chart 1: Target Date Investment Funds Glidepath**

2) The Money Market fund seeks high current income consistent with liquidity and capital preservation. The fund will be actively managed and will primarily invest in high quality, liquid, short-term instruments to control credit risk and interest rate sensitivity. The fund's sensitivity to interest rate changes will approximate that of the performance benchmark.

3) The U.S. Fixed Income funds seek high current income consistent with capital appreciation. The funds may be passively or actively managed and will primarily invest in securities contained in the benchmark, although other fixed income instruments which fit the funds' objectives may be selectively used to generate excess return, such as non-investment grade securities or securities issued by foreign entities. The funds' sensitivity to interest rate changes will closely approximate that of the performance benchmark.

4) The U.S. Equity funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark. Other securities which fit the funds' objectives may be selectively used to generate excess return. The funds' investment process will not have a persistent bias toward the selection of securities that are predominantly in the growth or value style categories.

5) The Foreign Equity funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark, although other securities which fit the funds' objectives may be selectively used to generate excess return, such as equity securities issued by corporations domiciled in emerging economies. 6) The Real Assets fund seeks long-term real returns to preserve the future purchasing power of accumulated member benefits. The fund will be actively managed and will primarily invest in a diversified array of assets that may act as a hedge against inflationary pressures including, but not limited to, U.S. Treasury's inflation-indexed securities, commodities, real estate investment trusts

and other securities. The fund's sensitivity to interest rate changes and inflation will closely approximate that of the performance benchmark.

7) The Global Equity fund seeks capital appreciation and current income. The fund may be passively or actively managed and will primarily invest in equities contained in the benchmark, including equities domiciled in the United States, other developed and emerging economies although other securities which fit the funds' objectives may be selectively used to generate excess returns.

8) Each investment option must:

- a) Have a prudent degree of diversification relative to its performance benchmark;
- b) Be readily transferable from one Investment Plan account to another Investment Plan investment option or to private-sector or public-sector defined contribution plan accounts and self-directed individual retirement accounts;
- c) Allow transfers of members' balances into and out of the option at least daily, subject to the excessive trading policies of the providers and/or the SBA;
- d) Have no surrender fees or deferred loads/charges;
- e) Have no fees or charges for insurance features (e.g. mortality and expense risk charges);
- f) To the extent allowed by law, notwithstanding failure to meet one or more of the IPS Section XI(8)(b),(c)-(f) requirements, an option may be authorized if: (i) it produces significant and demonstrable incremental retirement benefits relative to other comparable products in the market place and comparable Tier I, Tier II, or Tier III options; and (ii) the incremental benefits are sufficient to offset all associated fees, charges and the expected economic cost of the variance(s) with the IPS Section XI(8)(b),(c)-(f) requirements. Comparability shall be based on the option's underlying investments within the broad categories of Money Market, U.S Fixed Income, U.S. Equities and Foreign Equities.

9) The investment product supporting any annuity option offered in Tier IV must have a prudent degree of diversification relative to its performance benchmark and, where applicable, providers shall have high independent ratings for financial strength and stability. Tier IV options may include allocated or unallocated immediate annuities with combinations of some of the following features:

- a) (a)Single or flexible premium.
- b) (b)Life or fixed period payouts.
- c) (c)Single or joint life (survivors with an insurable interest).
- d) (d)Complete or partial survivor benefits.
- e) (e)Cash refund, installment refund or period certain features.
- f) (f)Variable or fixed payments, non-participating, or income payable features.
- g) (g)Deferred payments.

B. The long-term performance of each actively managed investment option is expected to exceed the returns on their performance benchmark, net of all fees and charges, while avoiding large year-to-year deviations from the returns of the performance benchmark. The long-term performance of each passively managed investment option is expected to closely approximate returns on the performance benchmark, net of all fees and charges. Investment managers are authorized to prudently use options, futures, notional principal contracts or securities lending arrangements, in

accordance with the fiduciary standards of care, as contained in Section 121.4501(15)(a), Florida Statutes, investment guidelines and related policies.

## **XII. INVESTMENT MANAGER SELECTION AND MONITORING GUIDELINES**

- A. The Executive Director shall develop policies and guidelines for the selection, retention and termination of investment managers, bundled providers and products, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9)(c), Florida Statutes.

When the Executive Director decides to terminate an investment fund in the Investment Plan, members will be granted an opportunity to direct their assets to other Investment Plan investment fund options prior to the investment fund termination. Assets that are not directed by members will be transferred or “mapped” to the investment fund(s) that the Executive Director deems appropriate. The mapping factors that the Executive Director will consider include, but are not limited to, alignment of investment fund type (e.g., asset class, capitalization and style) and investment strategy (e.g., objectives, market focus, and implementation tactics).

- B. In the selection of investment managers, investment products or bundled providers, consideration shall be given to their effectiveness in minimizing the direct and indirect costs of transferring the total present value of accumulated benefit obligations for existing employees that choose membership in the Investment Plan from the defined benefit trust to the Investment Plan trust.
- C. In the selection and monitoring of products from bundled providers, each proposed product will be evaluated on a stand-alone basis, pursuant to the requirement in Section 121.4501(9)(c)9., Florida Statutes. The cost-effectiveness of the levels of non-investment services supporting the products will also be evaluated relative to their benefits.
- D. In the selection, retention and termination of bundled providers and their proposed products and services, value, as that term is used in Section 121.4501(9)(a), Florida Statutes, shall be evaluated based on the value added to the process of accumulating retirement benefits for members. This evaluation shall consider the following factors in arriving at any staff recommendation:
- 1) Additional products or services that are not otherwise available to the members within the Plan;
  - 2) The type and quality of investment products offered;
  - 3) The type and quality of non-investment services offered; and
  - 4) Other significant elements that provide value to members, consistent with the mandates of Section 121.4501, Florida Statutes.
- E. On at least an annual basis, a review will be conducted of the performance of each approved investment manager and product and related organizational factors to ensure continued compliance with established selection, performance and termination criteria, Board policy and procedures and all contractual provisions. The performance and termination criteria for each provider and investment product will be reflected in each employment contract.



F. In addition to reviewing the performance of the Investment Plan's investment managers/options, the Executive Director will periodically review all costs associated with the management of the Investment Plan's investment options, including:

- 1) Expense ratios of each investment option against the appropriate peer group; and
- 2) Costs to administer the Plan, including recordkeeping, account settlement (participant balance with that of investment), allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees to offset these fees.

### **XIII. SELF-DIRECTED BROKERAGE ACCOUNT (SDBA) PROVIDER SELECTION AND MONITORING GUIDELINES**

- A. The Executive Director shall develop policies and guidelines for the selection, retention and termination of a SDBA Provider and shall manage the contractual relationship in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9)(c), Florida Statutes.
- B. The SDBA shall be offered as a service to Investment Plan members to enable members to select investments otherwise not offered in the Plan.
- C. In selecting the SDBA Provider, the Executive Director shall consider the following:
- 1) Financial strength and stability as evidenced by the highest ratings assigned by nationally recognized rating services when comparing proposed providers that are so rated.
  - 2) Reasonableness of fees compared to other providers taking into consideration the quantity and quality of services being offered.
  - 3) Compliance with the Internal Revenue Code and all applicable federal and state securities laws.
  - 4) The methods available to members to interact with the provider; the means by which members may access account information, direct investment of funds, transfer funds, and to receive funds prospectuses and related investment materials as mandated by state and federal regulations.
  - 5) Ability to provide prompt, efficient and accurate responses to participant directions, as well as providing confirmations and quarterly account statements in a timely fashion.
  - 6) Process by which assets are invested, as well as any waiting periods when the monies are transferred.
  - 7) Organizational factors, including, but not limited to, financial solvency, organizational depth, and experience in providing self-directed brokerage account services to public defined contribution plans.

- 8) The self-directed brokerage account available under the most beneficial terms available to any customer.
  - 9) The provider will agree not to sell or distribute member lists generated through services rendered to the investment plan.
  - 10) The provider, as well as any of its related entities, may not offer any proprietary products as investment alternatives in the self-directed brokerage account.
- D. The Executive Director shall regularly monitor the selected provider to ascertain whether there is continued compliance with established selection criteria, board policy and procedures, state and federal regulations, and any contractual provisions.
- E. The Executive Director shall ensure that the SDBA Provider will include access to investment instruments offered through the self-directed brokerage account by providing connectivity with the following:
- 1) Stocks listed on a Securities Exchange Commission (SEC) regulated national exchange.
  - 2) Exchange Traded Funds (except for leveraged Exchange Traded Funds).
  - 3) Mutual Funds not offered in the investment plan.
- F. The Executive Director shall ensure that the self-directed brokerage account accessibility does not include the following as investment alternatives:
- 1) Illiquid investments;
  - 2) Over the Counter Bulletin Board (OTCBB) securities;
  - 3) Pink Sheet® (PS) securities;
  - 4) Leveraged Exchange Traded Funds;
  - 5) Direct Ownership of Foreign Securities;
  - 6) Derivatives, including, but not limited to futures and options contracts on securities, market indexes, and commodities;
  - 7) Buying/Trading on Margin;
  - 8) Limited Partnership Interests;
  - 9) Investment Plan products;
  - 10) Any investment that would jeopardize the investment plan's tax qualified status.

- G. The Executive Director shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that an Investment Plan member may participate in the self-directed brokerage account, if the member:
- 1) Maintains a minimum balance of \$5,000 in the products offered under the investment plan;
  - 2) Makes a minimum initial transfer of funds into the self-directed brokerage account of \$1,000;
  - 3) Makes subsequent transfers of funds into the self-directed brokerage account in amounts of \$1,000 or greater;
  - 4) Pays all trading fees, commissions, administrative fees and any other expenses associated with participating in the self-directed brokerage account;
  - 5) Does not violate any trading restrictions established by the provider, the investment plan, or state or federal law.
- H. The Executive Director shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that employer contributions and employee contributions shall be initially deposited into member's Investment Plan account and will then be made available for transfer to the member's SDBA.
- I. The Executive Director shall establish procedures with the SDBA Provider and the Investment Plan Administrator that distributions will not be processed directly from member's assets in the SDBA. Assets must first be transferred to Investment Plan products. A member can request a distribution from the Investment Plan once the transfer of the assets from the SDBA to the member's Investment Plan account and all Investment Plan distribution requirements are met.
- J. The Executive Director shall ensure that any member participating in the SDBA will be provided, at minimum, a quarterly statement that meets Financial Industry Regulatory Authority (FINRA) requirements which details member investments in the SDBA. The statement shall include, but is not limited to, member specific accounting of the investment instruments selected by a member, the net gains and losses, and buy/sell transactions. Additionally, a confirmation of trade statement will be sent for each transaction and all fees, charges, penalties and deductions associated with each transaction are netted in the trade and reflected in the transaction confirmation.
- K. The Executive Director shall develop appropriate communications to members participating in the SDBA that will notify members that the Board is not responsible for managing the SDBA beyond administrative requirements as established between the Board and SDBA Provider. As such, investment alternatives available through the SDBA have not been subjected to any selection process, are not monitored by the Board, require investment expertise to prudently buy, manage and/or dispose of, and have a risk of substantial loss. The communication shall also notify members that they are responsible for any and all administrative, investment, and trading fees associated with participating in the SDBA.

- L. The Executive Director shall ensure that the provider will deliver a prospectus or other information for the underlying investments available through the self-directed brokerage account as provided in Section 121.4501(15)(c)(1) and (2) and in compliance with Federal laws.

#### **XIV. REPORTING**

- A. The Board directs the Executive Director to coordinate the preparation of quarterly reports of the investment performance of the Investment Plan by the Board's independent performance evaluation consultant.
- B. The following formal periodic reports to the Board shall be the responsibility of the Executive Director: an annual investment report, an annual financial report and a monthly performance report.

#### **XV. IMPLEMENTATION SCHEDULE**

This IPS is effective upon approval of the Board.

## RULE CHAPTER 19-11

## **Strikethrough/Underline Version**

### **19-11.001 Definitions.**

The following words and terms shall have the following meanings for purposes of Chapters 19-11 and 19-13, F.A.C.:

(1) – (15) No change.

(16) “Effective date of enrollment” or “effective enrollment in the FRS Investment Plan” means the employee completed the enrollment into the Plan by filing the appropriate enrollment form, or by electronic means, in the applicable membership class or by filing a separate document for the applicable membership class with the Administrator; the Administrator has entered the employee into its recordkeeping system; and the Administrator has informed the Division of the employee’s effective date of enrollment in either the FRS Pension Plan or the FRS Investment Plan. For purposes of this rule, the term “enrollment form” or “form” shall also refer to the separate document described in paragraph 19-11.006(2)(b) and 19-11.007(3)(a), F.A.C.

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

(18) – (26) No change.

(27) “FRS Pension Plan” , “Florida Retirement System Pension Plan” or “Pension Plan” means the defined benefit retirement program of the Florida Retirement System, established in Part I of Chapter 121, F.S.

(28) – (47) No change.

*Rulemaking Authority 121.78(3)(c), 121.4501(8) FS. Law Implemented 121.78, 121.4501 FS. History—New 12-8-02, Amended 3-9-06, 7-12-12, 12-16-12, 6-5-14, 8-18-14,\_\_\_\_\_.*

### **19-11.002 Beneficiary Designations and Distributions for FRS Investment Plan.**

(1) No change.

(2) Any such beneficiary designation may be made on Form IPBEN-1, rev. 01/15 ~~03-11~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05797> <http://www.flrules.org/Gateway/reference.asp?No=Ref-00255>, 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, Option 4 (TRS 711), 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”, or by calling the Investment Plan Administrator at 1(866) 446-9377, Option 4 (TRS 711).

(3) No change.

(4)(a) 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. 06/14 ~~10/13~~, the General Retirement Plan Enrollment Form for Regular Special Risk and Special Risk Administrative Support Class Employees, Form ELE-1, rev. 07/15 ~~10/13~~, which are adopted and incorporated by reference in subsection 19-11.006(2), F.A.C., or the 2nd Election EZ Retirement Plan Enrollment Form, Form ELE-2-EZ, rev. 07/15 ~~10/13~~, or the 2nd Election Retirement Plan Enrollment Form, Form ELE-2, rev 07/15 ~~10/13~~, which are adopted and incorporated by reference in subsection 19-11.007(3), F.A.C., the member agrees to the beneficiary designation contained in Section 121.4501(20), F.S., unless the member submits a beneficiary designation as provided in subsection (2) herein.

(b) – (f) No change.

(g) If a member inadvertently uses an incorrect beneficiary designation form, the FRS Investment Plan Administrator will notify the member and request that the member complete and submit the correct form, Beneficiary Designation Form IPBEN-1, rev. 01/15 ~~03-11~~. If the member should die prior to completing and submitting the IPBEN-1 form, the FRS Investment Plan Administrator will consider the beneficiary set forth on the incorrect form as being the member's intended beneficiary for the purpose of paying benefits.

(5)(a) If a member is married and the spouse is designated 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.

(b) 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 the spouse is not a primary beneficiary of the proceeds of the member's FRS Investment Plan account(s). The spouse must acknowledge that the spouse understands that the spouse is not a primary beneficiary of the member's FRS Investment Plan account(s) by signing the beneficiary designation form, Form IPBEN-1, rev. 01/15 ~~03-11~~, in the appropriate place.

(c) If a married member fails to obtain the spouse's acknowledgment on the beneficiary designation form, then the Investment Plan Administrator will send to the member an Acknowledgement of Beneficiary Designation, reminding the member of the necessity of obtaining spousal acknowledgement. The member can return this Acknowledgement of Beneficiary Designation with the spouse's signature which will provide acknowledgement that the spouse is not the primary beneficiary of the member's FRS Investment Plan account(s). Alternatively, the member 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).

(d) If the member fails to obtain the spouse's acknowledgment that a beneficiary, other than the spouse, has been designated as the primary beneficiary of the member's Investment Plan benefit, the beneficiary designation on file with the FRS Investment Plan Administrator at the time of the member's death will be honored only if the spouse's rights as a beneficiary are not compromised under Florida law.

(6) No change. .

(7) Per Florida Law Beneficiary Designation.

(a) If a member fails to designate a beneficiary as outlined in subsection (2) above, the member's designation of beneficiary will automatically be assigned a designation of "Per Florida Law" as outlined in Section 121.4501(20), F.S. To establish entitlement to the member's account, the beneficiary(ies) may be required to provide the following, as applicable: a copy of the marriage certificate, copy of the member's birth certificate, copy of the birth certificate(s) of the beneficiary(ies), legal guardianship documents issued by a court of competent jurisdiction, a notarized written statement confirming the identity of all surviving family members, tax identification number of the member's estate, or a notarized written document stating that the deceased is not survived by a spouse, child(ren) or parent(s).

(b) If, upon the death of a member, a beneficiary(ies) can be identified in accordance with Florida statute, but no social security number or address of the beneficiary or beneficiaries is available, the FRS Investment Plan Administrator will, with the assistance of the SBA, make a reasonable effort to obtain each beneficiary's Social Security Number or Taxpayer Identification Number, using available search tools, including the internet, LexisNexis Accurint, or another third party vendor providing such services. If a beneficiary can be identified and the social security number is provided, the transfer of benefits will be executed by the Investment Plan Administrator.

(c) If, upon the death of a member, a beneficiary cannot be identified, the provisions of paragraph (d) below will be followed.

(d) After one year from the date of the member's death, if the beneficiary cannot be located or if a beneficiary cannot be identified, the account will be transferred to the Suspense Account. By calendar year-end of each year following the transfer to the Suspense Account, the FRS Investment Plan Administrator will attempt to locate and obtain the Social Security Number or the Taxpayer Identification Number of the beneficiary. The transferred funds shall be invested in the Pyramis Intermediate Duration Pool Fund ~~FRS Select U.S. Treasury Inflation Protected Securities Index Fund~~. The amount will be held in the FRS Investment Plan 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 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, if known.

(e) Should the beneficiary be located who then is willing to provide a social security number, a check will be issued to that beneficiary. The check will include actual earnings that have accrued on the funds from the date of transfer from the member's account to the Suspense Account and/or Forfeiture Account. Such payment will be subject to applicable income tax withholding, which shall be paid to the tax authorities at the time of the issuance of the check to the beneficiary.

(8) – (13) No change.

(14)(a) If the deceased member has designated a beneficiary but has not provided the designated beneficiary's social security number or address, or has provided an incorrect social security number, then, after at least three unsuccessful attempts by the SBA or the FRS Investment Plan Administrator to locate the beneficiary, the FRS Investment Plan Administrator will advise the SBA accordingly and the account will not be distributed.

(b) The FRS Investment Plan Administrator will, with the assistance of the SBA, at the time of 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 Accurant, the Social Security Administration, or another third party vendor providing such services.

(c) After one year from the date of the member's death, if the beneficiary cannot be located, the account will be transferred to the Suspense Account. By calendar year-end, of each year following the transfer to the Suspense Account, the FRS Investment Plan Administrator will attempt to locate and obtain the Social Security Number or the Taxpayer Identification Number of the beneficiary. The transferred funds shall be invested in the Pyramis Intermediate Duration Pool Fund ~~FRS Select U.S. Treasury Inflation Protected Securities Index Fund~~. The amount will be held in the FRS Investment Plan 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 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, if known.

(d) Should the beneficiary be located and provides a social security number, a check will be issued to the beneficiary, with actual earnings, 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.

(15)(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 the Estate Identification Number is received. In the event that no Estate Identification Number is provided within one year from the date of notification to the FRS Investment Plan Administrator of the member's death, the FRS Investment Plan Administrator will transfer the deceased member's account to the Suspense Account indicating the name of the deceased member. 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 Pyramis Intermediate Duration Pool Fund ~~FRS Select U.S. Treasury Inflation Protected Securities Index Fund~~.

(b) The FRS Investment Plan Administrator will, at the time of the transfer to the Suspense Account, make a reasonable effort to obtain the Estate Identification Number. Additionally, by calendar year-end of each year following the transfer to the Suspense Account, the FRS Investment Plan Administrator will attempt to locate and obtain the Estate Identification Number.

(c) The amount will be held in the FRS Investment Plan 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 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, a check will be issued to the estate, with actual earnings while invested in the Pyramis Intermediate Duration Pool Fund ~~FRS Select U.S. Treasury Inflation Protected Securities Index Fund~~, from the date of transfer from the member's account to the Suspense Account and/or Forfeiture Account. Any ~~subject to~~ applicable income tax withholding, ~~which~~ shall be paid to the appropriate tax authorities at the time of the benefit payment to the estate.

(16) – (17) No change.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.091(5)(j), (8), 121.4501(20), 121.591(3), 732.802 FS. History—New 10-21-04, Amended 3-9-06, 11-26-07, 12-8-08, 1-7-10, 8-7-11, 7-12-12, 12-16-12, 10-15-13, 1-28-14,\_\_\_\_\_.*

### **19-11.003 Distributions from FRS Investment Plan Accounts.**

(1) Distributions from FRS Investment Plan accounts are made either after the member terminates employment from all FRS-participating employers or after the member's death. Monies from a DROP rollover are available for immediate distribution.

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

(a) No change.

(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 employer can complete and return the "Employment Termination Form," Form ETF-2, rev. 05/13 8/10, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05798> ~~<http://www.flrules.org/Gateway/reference.asp?No=Ref-01105>~~, which is hereby adopted and incorporated by this reference. The termination form can be obtained by accessing the MyFRS website at [www.MyFRS.com](http://www.MyFRS.com), clicking on Resources, and then on Forms or by calling the MyFRS Financial Guidance Line at 1(866) 446-9377, Option 4 or, for members who are deaf, hard of hearing, or speech impaired, TRS 711. This form has instructions and a section for the employer to provide the member's date of termination. Alternatively, the employer can log onto the employer page at MyFRS.com and go to Online Payroll and submit the termination date electronically.

(c) – (e) No change.

(3) – (5) No change.

(6) 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 amount of the member's Investment Plan assets specified by the QDRO will be transferred to the named alternate payee. The alternate payee may leave the transferred assets in the Investment 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 a Personal Identification Number (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, going to "~~Manage My Benefits~~," "Manage Investments," accessing their personal account information, and then requesting the distribution through the online services.

(7) – (9) No change.

(10) Documentation of a distribution made prior to January 1, 2010 ~~August 30, 2007~~.

A member or beneficiary who requests documentation of a distribution made prior to January 1, 2010 ~~August 30, 2007~~, will incur a special service charge due to the extensive resources required to retrieve and produce such documentation, if such retrieval is possible. The requestor will be advised of the amount of such charge at the time the request is made. Upon payment of the charge by the requestor, the request will be promptly processed. If the document cannot be retrieved, the payment will be reimbursed to the requestor.

*Rulemaking Authority 121.4501(8) FS. Law implemented 119.07(4)(d), 121.021(29), (39), 121.091(5)(j), 121.4501(20), 121.591, 121.77, 732.802 FS. History-New 3-9-06, Amended 11-26-07, 5-19-09, 1-7-10, 8-7-11, 7-12-12, 12-16-12,\_\_\_\_\_.*

#### **19-11.004 Excessive Trading in the FRS Investment Plan.**

(1) – (2)(b)6. No change.

7. If the member submits a transfer request form that is incomplete, the form will not be processed. A form is considered as "incomplete" if it does not contain the name of the member; does not set forth the social security number of the member; is not notarized; is sent by facsimile, email or regular U.S. mail; does not specify what fund(s), dollar amount(s) or percentages(s) are to be transferred; or does not indicate the fund(s) into which the amounts are to be transferred. The form also will be considered "incomplete" if there are insufficient assets to execute the transfer(s), or if the requested transfer does not comply with the FRS Investment Plan Excessive Fund Trading Policy. Deficiencies are corrected through the resubmission of a transfer request form that is deemed to be complete.

8. 7. Members who received direction letters and who were placed on restricted trading within their primary funds, as provided in subparagraphs 2., 3., 4., 5. and 6. of paragraph (2)(b), shall be allowed to make automated trades in, out and within the SDBA. The member must meet the requirements of the SDBA as provided in Rule 19-11.013, F.A.C. The member's activity within the SDBA is not subject to this policy, but will be subject to the applicable excessive trading rules and purchase restrictions of the funds in the SDBA.

(3) – (4) No change.

*Rulemaking 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, 1-7-10, 7-12-12, 6-5-14, 8-18-14,\_\_\_\_\_.*

#### **19-11.005 FRS Investment Plan Complaint Procedures.**

(1) No change.

(2)(a) – (d) No change.

(e) If there is no disputed issue of material fact, then the SBA shall assign the matter to a presiding officer, who will send out a "Notice of Proceeding and Initial Order of Instructions" to the Petitioner and to the Respondent or Respondent's counsel.

(f) – (g) No change.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 120.569, 120.57, 120.573, 121.4501(8)(g) FS. History–New 10-21-04, Amended 3-9-06, 11-26-07, 5-19-09, 7-12-12, 12-16-12, 6-5-14,\_\_\_\_\_.*

#### **19-11.006 Enrollment Procedures for New Hires.**

(1) No change.

(2) Specific Enrollment Procedures.

(a) All newly-hired employees may enroll in the FRS Investment Plan no later than 4:00 p.m. (Eastern Time) the last business day of the 5th month following the employee's month of hire or may elect to remain in the FRS Pension Plan. Example: If an employee is hired on January 15, the employee must complete a plan choice no later than 4:00 p.m. (Eastern Time) the last business day of June. If no plan choice is filed, the employee will default to the FRS Pension Plan.

(b) The employee must be actively employed, earning salary and service credit when the plan choice is processed by the FRS Plan Choice Administrator.

(c) The SBA has designed the forms set forth below for ease of use for employees in the several membership classes of the Florida Retirement System. As an alternative, an employee not wishing to use the forms may provide the same information requested by the forms available for use for the appropriate membership class in a separate document. Employees may determine their membership class by contacting the agency's human resources office. The forms available are: an EZ Retirement Plan Enrollment Form, Form ELE-1-EZ, rev. 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-04388>, which is only for regular, special risk, and special risk administrative support class employees; a General Retirement Plan Enrollment Form, Form ELE-1, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05800> 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-04389> for regular, special risk, and special risk administrative support class employees; an Elected Officers' Class Retirement Plan Form, Form EOC-1, rev. 07/15 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05801> <http://www.flrules.org/Gateway/reference.asp?No=Ref-04390>; a Community College Optional Retirement Program (CCORP) Enrollment Form, Form OCC-1, rev. 07/15 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05802> <http://www.flrules.org/Gateway/reference.asp?No=Ref-04391>; a State Senior Management Service Employees Retirement Plan Enrollment Form, Form SMS-1, Rev. 07/15 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05803> <http://www.flrules.org/Gateway/reference.asp?No=Ref-04392>; and a Local Senior Management Service Employees Retirement Plan Enrollment Form, Form SMS-3, rev. 07/15 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05804> <http://www.flrules.org/Gateway/reference.asp?No=Ref-04393>. All of the preceding forms are hereby adopted and incorporated by this reference.

1. All enrollment forms can be obtained at the sources listed in paragraph (1)(g), above.

2. Only members of the regular, special risk, and special risk administrative support classes of employees may use the EZ form, "EZ Retirement Plan Enrollment Form for Regular, Special Risk and Special Risk Administrative Support Class Employees," Form ELE-1-EZ. If an employee chooses to use the EZ form, only limited information (i.e., name, plan choice, social security number, date of birth and signature) is required. An age appropriate retirement date fund as provided under the Plan provisions is the initial investment option (although that investment option may be changed by the member once the account is funded). A member's

initial beneficiary designation will be per Florida law, as provided in Section 121.4501(20), F.S. However, a beneficiary designation may be made as set forth in Rule 19-11.002, F.A.C.

(d)1. The enrollment by form or electronic means shall be complete and the election shall be final if all the required information is clearly indicated and if the enrollment is received by the FRS Plan Choice Administrator by 4:00 p.m. (Eastern Time) on the last business day of the 5th month following the date of hire. The form shall be transmitted via mail, courier, or by fax, as provided on the form. It is the responsibility of the member to ensure that the enrollment form is received by the Plan Choice Administrator no later than 4:00 p.m. (Eastern Time) on the last business day that the member is earning salary and service credit, or the last business day of the 5<sup>th</sup> month following the date of hire, whichever first occurs ~~to 1(888) 310-5559.~~

2. The FRS Plan Choice Administrator shall determine that the employee's enrollment in the FRS Investment Plan is complete and the employee's election is clearly indicated. If the Administrator determines that the enrollment is incomplete, the employee will be required to resubmit a completed enrollment. An incomplete enrollment by form is a form which is missing the name of the member, social security number, plan selection, or signature, or one on which the investment elections total greater than or less than 100%. 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 an age appropriate retirement date fund as provided under the Plan provisions for investing any accumulated benefit obligation and all future contributions. Note that this default selection may be changed by the member at any time once the account is activated. An incomplete enrollment by electronic means is one in which the FRS Plan Choice Administrator has no record of receipt and/or processing of the electronic enrollment.

(e) Upon receipt of the completed enrollment form by the FRS Plan Choice Administrator, the FRS Plan Choice Administrator shall enroll the employee in the indicated FRS retirement plan. Upon completion of the enrollment, but no later than two working days after enrollment, the FRS Plan Choice Administrator shall send confirmation of the effective enrollment to the employee at the employee's address of record and to the Division to inform the Division of the employee's retirement plan choice. The employer shall change its employee records to reflect the employee's plan choice, if applicable.

(f) If an employee terminates employment prior to making a plan choice, the employee will be considered a newly-hired employee if he or she returns to FRS-covered employment, and will be given another opportunity to make a plan choice. Any previous service will be considered as being FRS Pension Plan service.

~~(g)~~(f) Employers shall remit retirement contributions monthly for their employees and those contributions are due to the Division by the 5th working day of the month following the month for which the contributions are made.

(3) No change.

*Rulemaking Authority 121.4501(3)(c)4., (8)(a) FS. Law Implemented 121.051, 121.055, 121.35, 121.4501(2), (3), (4), (5), (6), (8), (15), 121.73, 121.74, 121.78, 215.44(8)(b), 1012.875(3) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, 5-19-09, 2-4-10, 7-12-12, 12-16-12, 1-28-14, 8-18-14,\_\_\_\_\_.*

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

(1) – (2) No change.

(3) General Procedures.

(a) All members who wish to change their FRS retirement plan using their 2nd election must use a 2nd election enrollment form or, if moving from the FRS Pension Plan to the FRS Investment Plan or FRS Investment Plan Hybrid Option, may do so online by accessing the Second Choice Service at MyFRS.com.

There are two types of enrollment forms. The “2nd Election Retirement Plan Enrollment Form” Form ELE-2, rev. 07/15 ~~06/14~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05805> ~~<http://www.flrules.org/Gateway/reference.asp?No=Ref-04394>~~, which is hereby adopted and incorporated by reference. This form allows the member to select different investment fund options if the member is changing from the FRS Pension Plan to either the FRS Investment Plan or the FRS Investment Plan Hybrid Option. Alternatively, the member can complete the “2nd Election EZ Retirement Plan Enrollment Form,” Form ELE-2EZ, rev. 07/15 ~~06/14~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05806> ~~<http://www.flrules.org/Gateway/reference.asp?No=Ref-04397>~~, which is hereby adopted and incorporated by reference. By completing this form, the member is choosing to have the employer and employee contributions and any transfers from the FRS Pension Plan invested in an age appropriate retirement date fund as provided under the Plan provisions. The member may change the investment selection at any time after the FRS Investment Plan or the FRS Investment Plan Hybrid Option account is activated. Activation occurs when contributions are deposited to the member’s FRS Investment Plan account.

(b) Both forms are available by calling the toll-free number for the MyFRS Financial Guidance Line: 1(866) 446-9377, Option 4 or for members who are deaf, hard of hearing, or speech-impaired: TRS 711; or by using the MyFRS.com website and clicking on Resources and then on Forms.

(c) Elections made by form must be mailed to the FRS Plan Choice Administrator, P. O. Box 785027, Orlando, Florida 32878-5027; or faxed toll-free to the number provided on the form. It is the responsibility of the member to ensure that the 2<sup>nd</sup> Election Form is received by the Plan Choice Administrator ~~1(888) 310-5559~~.

(d) For members transferring to the FRS Pension Plan, if the member’s Investment Plan account balance was less than the calculated amount required to buy back into the FRS Pension Plan, the election will require a personal payment. The member will receive notification and proper instructions from the Division detailing where and in what form to send any personal payments. Such payment, if necessary, must be received by the date determined by the Division. If the required amount is not received by the Division by the date due, the election will be voided.

(e) A confirmation statement will be mailed to the member’s address of record once the completed form is received and processed.

(f) The member should carefully review the form and be sure that it is signed, dated, and sets forth the member’s second election plan choice. A copy of the form should be retained for the member’s records.

(g) 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 of the member, social security number, plan selection, or signature, or one on which the total investment elections are greater or less than 100%. The member will be required to resubmit a completed second election enrollment form. 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 an age appropriate retirement date fund as provided under the Plan provisions ~~the FRS Select Moderate Balanced Fund~~ for investing the member’s accumulated benefit obligation and all future contributions. Note that this default selection may be changed by the member at any time once the account is activated.

(h) The second election will become final at 4:00 p.m. (Eastern Time) on the day it is received by the Plan Choice Administrator. Elections received after 4:00 p.m. (Eastern Time) will be considered as being received on the next business day. Elections received on a Saturday, Sunday or holiday will be considered as being received on the next business day.

(4) No change.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(3), (4), (8), (15)(b), (20) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, 5-19-09, 1-7-10, 7-12-12, 12-16-12, 12-28-14, 8-18-14,*

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### **19-11.008 Forfeitures.**

(1) Forfeitures after Separation or Retirement from FRS Employment.

(a) If a member terminates FRS-covered employment before vesting in an Investment Plan benefit or any transferred Pension Plan benefit, the member will not be entitled to any benefit, other than employee contributions, which are immediately vested. In such case, the unvested account balance will be placed in a suspense account for a period not to exceed five (5) years from the date of the member's termination. The suspense account shall be invested in the Pyramis Intermediate Duration Pool Fund, where it will accrue actual investment earnings or losses.

(b) – (h) No change.

(2) – (4) No change.

*Rulemaking Authority 121.4501(8) FS. Law implemented 112.3173, 121.021(29), (39), 121.091(5), 121.4501(6), (13), 121.591, 732.802 FS. History–New 11-26-07, Amended 12-8-08, 7-12-12, 8-18-14,*

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### **19-11.011 Employer and Employee Contributions and ABO or Present Value Transfer Procedures.**

(1) – (6) No change.

(7) Employer errors or corrections.

(a) Market loss calculations will be applied to contributions and benefit transfers that are late due to an employer error or correction. An employer error or correction is deemed to have occurred if the employer changes previously reported information that causes contribution and benefit transfer to be posted retroactively.

(8) ~~(7)~~ Contribution Rates.

(a) The employer and employee contributions received by a member of the FRS Investment Plan prior to effective enrollment in the FRS Investment Plan will be at the rate established pursuant to Section 121.71, F.S. The amount will be transferred into the employee's FRS Investment Plan account as the opening account balance.

(b) After effective enrollment in the FRS Investment Plan, the member shall receive the employer and employee contribution at the rate established by Sections 121.71 and 121.72, F.S. appropriate to that member's class of membership.

(9) ~~(8)~~ Asset Transfer and True-Up Procedures for Newly-hired Employees with Previous FRS Service.

(a) For members ~~with previous FRS service~~ who elect to enroll in the FRS Investment Plan who have prior FRS credible service, the Division shall calculate the amount of the member's ABO or present value of the FRS Pension Plan benefit. This amount shall be transferred to the member's FRS Investment Plan account and shall be allocated to each investment product selected by the member.

(b) The Division shall determine the member's ABO or present value as of the last day of the month prior to the employee's effective date of enrollment in the FRS Investment Plan. For example, if the Division receives the enrollment during the month of June, the effective date of enrollment for the employee in the FRS Investment Plan is July 1 and the Division shall calculate the member's ABO or present value, if any, through June 30.

(c) By the 25th day of the effective month of enrollment, the Division shall notify the FRS Investment Plan Administrator of the ABO or present value for each Investment Plan member whose effective date of enrollment is the first day of the month. The Administrator shall notify the SBA of the aggregate ABO or present value of members whose effective date of enrollment is the first day of the month.

(d) On the last business day of the effective month of enrollment in the FRS Investment Plan, the SBA shall effectuate the transfer of the aggregate ABO or present value amount to the FRS Investment Plan Administrator for allocation to the applicable FRS Investment Plan member accounts based on the investment option designated by the member, and if no allocations were provided by the member, then to an age-appropriate retirement date fund ~~the Moderate Balance Fund~~.

(e) The total amount initially credited to each FRS Investment Plan member's account who elected to transfer the ABO or present value from the FRS Pension Plan was an estimate of the member's ABO or present value. Pursuant to Section 121.4501(3)(b)2., F.S., the Division shall re-compute the ABO or present value not later than 60 days after the initial transfer of funds. If the re-computed amount differs from the estimated ABO amount by plus or minus \$10 or more, the Division shall provide the aggregate adjustment amount to be transferred to or from the FRS Investment Plan Administrator for the affected member(s).

(f) The Division shall notify the Administrator of the true-up amounts plus interest by member account within 50 days of the initial transfer. The true-up transfer shall include the true-up amount determined by the Division plus interest at the rates specified in Section 121.4501(3)(b)2., F.S., from the date of the initial transfer to the date of the true-up transfer. The transfer of the true-up amount plus interest shall occur on the 60th day following the initial transfer. In the event the 60th day following the initial transfer falls on a Saturday, Sunday, or a legal holiday, the true-up transfer shall occur on the last business day of the month preceding the Saturday, Sunday, or legal holiday.

(g) The Division shall calculate the interest owed on true-up amounts. If the re-computed ABO is greater than the original amount transferred by plus or minus \$10 or more, the member will be owed a true-up amount plus interest. Interest will be calculated pursuant to Section 121.4501(3)(b)2., F.S. If the re-computed ABO is less than the original amount transferred by plus or minus \$10 or more, the member will owe a true-up amount plus interest and the amount will be deducted from the member's Investment Plan account. Interest will be calculated pursuant to Section 121.4501(3)(b)2., F.S.

(h) The Administrator shall notify the SBA of the aggregate true-up value for those members determined to have a true-up adjustment. On the last business day of the month in which the true-up amount is due, the SBA shall effectuate the transfer of the aggregate true-up amount to the FRS Investment Plan Administrator for allocation to the applicable member accounts based on the investment fund allocations designated by the member(s).

*Rulemaking Authority 121.78(3)(c), 121.4501(8) FS. Law Implemented 121.71, 121.72, 121.78, 121.4501 FS. History—New 7-12-12, Amended 12-16-12,\_\_\_\_\_.*

### **19-11.012 Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan.**

(1) – (7) No change.

(8)(a) Instructions regarding check delivery and other information relating to the processing of rollovers, including all applicable forms, may be obtained by calling the MyFRS Financial Guidance Line, which is a toll free line: 1(866) 446-9377, Option 4, or, for members who are deaf, hard of hearing, or speech impaired, TRS 711, or by accessing the website at [www.MyFRS.com](http://www.MyFRS.com).

(b) Current members shall use Form IPRO-1, rev. ~~10/14~~ 06/14, "Employee Rollover Deposit Instructions and Form," <http://www.flrules.org/Gateway/reference.asp?No=Ref-05807>, ~~<http://www.flrules.org/Gateway/reference.asp?No=Ref-04398>~~, which is hereby adopted and incorporated by reference, to effect rollovers described in this rule.

(c) Current DROP members planning to roll over their DROP accumulation shall use Form IP-DROP-AD-1, "DROP Accumulation Direct Rollover Form for Current DROP Members," rev. 07/15 ~~06/14~~,



<http://www.flrules.org/Gateway/reference.asp?No=Ref-05808>

<http://www.flrules.org/Gateway/reference.asp?No=Ref-04399>, which hereby is adopted and incorporated by reference, to effect rollovers described in this rule.

(d) Former DROP members shall use Form IP-DROP-RO-1, “DROP Direct Rollover Form for Former DROP Members,” rev. 07/15 ~~06/14~~, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05809> <http://www.flrules.org/Gateway/reference.asp?No=Ref-04400>, which hereby is adopted and incorporated by reference, to effect rollovers described in this rule.

(9) – (11) No change.

(12) Monies from a DROP rollover are available for immediate distribution.

~~(13)~~(12)(a) An Investment Plan member electing to transfer to the Pension Plan and who has an excess balance remaining in the Investment Plan account after satisfying any required Pension Plan buy-in amounts, may elect to use all or part of that remaining balance to purchase service credit in the Pension Plan. The member will need to complete Form PRO-2, “Pre-tax Direct Rollover/Transfer Form,” rev. 10-10, <http://www.flrules.org/Gateway/reference.asp?No=Ref-01184>, which hereby is adopted and incorporated by reference, to effect this purchase. 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, Option 4 (TRS 711), Monday through Friday, except holidays, 9:00 a.m. to 8:00 p.m. (Eastern time) or by accessing the MyFRS.com website and clicking on “Resources” and then “Forms.”

(b) The member must call the Investment Plan Administrator and request that funds be transferred from the Investment Plan to the Pension Plan to effect the purchase of service. The member must confirm that an invoice has been received from the Division of Retirement. The amount to be transferred must be equal to or less than the invoiced amount. If the balance of the member’s account is less than the invoice amount, the member may request the total account balance be transferred.

(c) The member must complete the form referenced in paragraph (a) above. The completed form is to be sent to the Investment Plan Administrator.

(d) The Plan Administrator will request authorization to liquidate the requested amount from the SBA. The SBA shall provide a letter of direction to effect the member’s request. Upon receipt of the letter, the Plan Administrator will liquidate the funds from the member’s account. Upon liquidation, the amount will be received by the Plan Administrator from the Custodian in the form of a check payable to the “Florida Retirement System” and reference the member’s name. Upon receipt of the check, the Plan Administrator will send the check and the form by regular U.S. mail to the Division of Retirement as soon as administratively possible. A confirmation of the transaction and the date the check and form were mailed to the Division of Retirement will be sent to the member.

(e) It is the responsibility of the member to confirm receipt of the funds by the Division of Retirement.

*Rulemaking Authority 121.4501(8), (5)(e) FS. Law Implemented 121.4501(4)(g)5., (5)(e), (21), 121.591 FS. History—New 7-12-12, Amended 12-16-12, 10-15-13, 1-28-14, 8-18-14,\_\_\_\_\_.*

### **19-11.013 FRS Investment Plan Self-Directed Brokerage Account.**

(1) An FRS Investment Plan member meeting certain criteria may transfer assets from the member’s Investment Plan primary investment account to a self-directed brokerage account (“SDBA”) in order to be able to access additional investment opportunities beyond the primary investment funds offered under the Investment Plan.

(a) In order to participate in the SDBA the member must:



## **FINAL VERSION**

### **19-11.001 Definitions.**

The following words and terms shall have the following meanings for purposes of Chapters 19-11 and 19-13, F.A.C.:

(1) – (15) No change.

(16) “Effective date of enrollment” or “effective enrollment in the FRS Investment Plan” means the employee completed the enrollment into the Plan by filing the appropriate enrollment form, or by electronic means, in the applicable membership class or by filing a separate document for the applicable membership class with the Administrator; the Administrator has entered the employee into its recordkeeping system; and the Administrator has informed the Division of the employee’s effective date of enrollment in either the FRS Pension Plan or the FRS Investment Plan. For purposes of this rule, the term “enrollment form” or “form” shall also refer to the separate document described in paragraph 19-11.006(2)(b) and 19-11.007(3)(a), F.A.C.

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

(18) – (26) No change.

(27) “FRS Pension Plan”, “Florida Retirement System Pension Plan” or “Pension Plan” means the defined benefit retirement program of the Florida Retirement System, established in Part I of Chapter 121, F.S.

(28) – (47) No change.

*Rulemaking Authority 121.78(3)(c), 121.4501(8) FS. Law Implemented 121.78, 121.4501 FS. History—New 12-8-02, Amended 3-9-06, 7-12-12, 12-16-12, 6-5-14, 8-18-14,\_\_\_\_\_.*

### **19-11.002 Beneficiary Designations and Distributions for FRS Investment Plan.**

(1) No change.

(2) Any such beneficiary designation may be made on Form IPBEN-1, rev. 01/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05797>, 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, Option 4 (TRS 711), 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 investments,” and then clicking on “personal info”, or by calling the Investment Plan Administrator at 1(866) 446-9377, Option 4 (TRS 711).

(3) No change.

(4)(a) 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. 06/14, the General Retirement Plan Enrollment Form for Regular Special Risk and Special Risk Administrative Support Class Employees, Form ELE-1, rev. 07/15, which are adopted and incorporated by reference in subsection 19-11.006(2), F.A.C., or the 2nd Election EZ Retirement Plan Enrollment Form, Form ELE-2-EZ, rev. 07/15, or the 2nd Election Retirement Plan Enrollment Form, Form ELE-2, rev 07/15, which are adopted and incorporated by reference in subsection 19-11.007(3), F.A.C., the member agrees to the beneficiary designation contained in Section 121.4501(20), F.S., unless the member submits a beneficiary designation as provided in subsection (2) herein.

(b) – (f) No change.

(g) If a member inadvertently uses an incorrect beneficiary designation form, the FRS Investment Plan

Administrator will notify the member and request that the member complete and submit the correct form, Beneficiary Designation Form IPBEN-1, rev.01/15. If the member should die prior to completing and submitting the IPBEN-1 form, the FRS Investment Plan Administrator will consider the beneficiary set forth on the incorrect form as being the member's intended beneficiary for the purpose of paying benefits.

(5)(a) If a member is married and the spouse is designated 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.

(b) 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 the spouse is not a primary beneficiary of the proceeds of the member's FRS Investment Plan account(s). The spouse must acknowledge that the spouse understands that the spouse is not a primary beneficiary of the member's FRS Investment Plan account(s) by signing the beneficiary designation form, Form IPBEN-1, rev. 01/15, in the appropriate place.

(c) If a married member fails to obtain the spouse's acknowledgment on the beneficiary designation form, then the Investment Plan Administrator will send to the member an Acknowledgement of Beneficiary Designation, reminding the member of the necessity of obtaining spousal acknowledgement. The member can return this Acknowledgement of Beneficiary Designation with the spouse's signature which will provide acknowledgement that the spouse is not the primary beneficiary of the member's FRS Investment Plan account(s). Alternatively, the member 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).

(d) If the member fails to obtain the spouse's acknowledgement that a beneficiary, other than the spouse, has been designated as the primary beneficiary of the member's Investment Plan benefit, the beneficiary designation on file with the FRS Investment Plan Administrator at the time of the member's death will be honored only if the spouse's rights as a beneficiary are not compromised under Florida law.

(6) No change.

(7) Per Florida Law Beneficiary Designation.

(a) If a member fails to designate a beneficiary as outlined in subsection (2) above, the member's designation of beneficiary will automatically be assigned a designation of "Per Florida Law" as outlined in Section 121.4501(20), F.S. To establish entitlement to the member's account, the beneficiary(ies) may be required to provide the following, as applicable: a copy of the marriage certificate, copy of the member's birth certificate, copy of the birth certificate(s) of the beneficiary(ies), legal guardianship documents issued by a court of competent jurisdiction, a notarized written statement confirming the identity of all surviving family members, tax identification number of the member's estate, or a notarized written document stating that the deceased is not survived by a spouse, child(ren) or parent(s.).

(b) If, upon the death of a member, a beneficiary(ies) can be identified in accordance with Florida statute, but no social security number or address of the beneficiary or beneficiaries is available, the FRS Investment Plan Administrator will, with the assistance of the SBA, make a reasonable effort to obtain each beneficiary's Social Security Number or Taxpayer Identification Number, using available search tools, including the internet, LexisNexis Accurint, or another third party vendor providing such services. If a beneficiary can be identified and the social security number is provided, the transfer of benefits will be executed by the Investment Plan Administrator.

(c) If, upon the death of a member, a beneficiary cannot be identified, the provisions of paragraph (d) below will be followed.

(d) After one year from the date of the member's death, if the beneficiary cannot be located or if a beneficiary cannot be identified, the account will be transferred to the Suspense Account. By calendar year-end of each year following the transfer to the Suspense Account, the FRS Investment Plan Administrator will

attempt to locate and obtain the Social Security Number or the Taxpayer Identification Number of the beneficiary. The transferred funds shall be invested in the Pyramis Intermediate Duration Pool Fund. The amount will be held in the FRS Investment Plan 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 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, if known.

(e) Should the beneficiary be located who then is willing to provide a social security number, a check will be issued to that beneficiary. The check will include actual earnings that have accrued on the funds from the date of transfer from the member's account to the Suspense Account and/or Forfeiture Account. Such payment will be subject to applicable income tax withholding, which shall be paid to the tax authorities at the time of the issuance of the check to the beneficiary.

(8) – (13) No change.

((14)(a) If the deceased member has designated a beneficiary but has not provided the designated beneficiary's social security number or address, or has provided an incorrect social security number, then, after at least three unsuccessful attempts by the SBA or the FRS Investment Plan Administrator to locate the beneficiary, the FRS Investment Plan Administrator will advise the SBA accordingly and the account will not be distributed.

(b) The FRS Investment Plan Administrator will, with the assistance of the SBA, at the time of 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 Accurant, the Social Security Administration, or another third party vendor providing such services.

(c) After one year from the date of the member's death, if the beneficiary cannot be located, the account will be transferred to the Suspense Account. By calendar year-end, of each year following the transfer to the Suspense Account, the FRS Investment Plan Administrator will attempt to locate and obtain the Social Security Number or the Taxpayer Identification Number of the beneficiary. The transferred funds shall be invested in the Pyramis Intermediate Duration Pool Fund. The amount will be held in the FRS Investment Plan 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 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, if known.

(d) Should the beneficiary be located and provides a social security number, a check will be issued to the beneficiary, with actual earnings, 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.

(15)(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 the Estate Identification Number is received. In the event that no Estate Identification Number is provided within one year from the date of notification to the FRS Investment Plan Administrator of the member's death, the FRS Investment Plan Administrator will transfer the deceased member's account to the Suspense Account indicating the name of the deceased member. 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 Pyramis Intermediate Duration Pool Fund.

(b) The FRS Investment Plan Administrator will, at the time of the transfer to the Suspense Account, make a reasonable effort to obtain the Estate Identification Number. Additionally, by calendar year-end of each year

following the transfer to the Suspense Account, the FRS Investment Plan Administrator will attempt to locate and obtain the Estate Identification Number.

(c) The amount will be held in the FRS Investment Plan 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 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, a check will be issued to the estate, with actual earnings while invested in the Pyramis Intermediate Duration Pool Fund, from the date of transfer from the member's account to the Suspense Account and/or Forfeiture Account. Any applicable income tax withholding shall be paid to the appropriate tax authorities at the time of the benefit payment to the estate.

(16) – (17) No change.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.091(5)(j), (8), 121.4501(20), 121.591(3), 732.802 FS. History—New 10-21-04, Amended 3-9-06, 11-26-07, 12-8-08, 1-7-10, 8-7-11, 7-12-12, 12-16-12, 10-15-13, 1-28-14,\_\_\_\_\_.*

### **19-11.003 Distributions from FRS Investment Plan Accounts.**

(1) Distributions from FRS Investment Plan accounts are made either after the member terminates employment from all FRS-participating employers or after the member's death. Monies from a DROP rollover are available for immediate distribution.

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

(a) No change.

(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 employer can complete and return the "Employment Termination Form," Form ETF-2, rev. 05/13, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05798>, which is hereby adopted and incorporated by this reference. The termination form can be obtained by accessing the MyFRS website at [www.MyFRS.com](http://www.MyFRS.com), clicking on Resources, and then on Forms or by calling the MyFRS Financial Guidance Line at 1(866) 446-9377, Option 4 or, for members who are deaf, hard of hearing, or speech impaired, TRS 711. This form has instructions and a section for the employer to provide the member's date of termination. Alternatively, the employer can log onto the employer page at MyFRS.com and go to Online Payroll and submit the termination date electronically.

(c) – (e) No change.

(3) – (5) No change.

(6) 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 amount of the member's Investment Plan assets specified by the QDRO will be transferred to the named alternate payee. The alternate payee may leave the transferred assets in the Investment 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 a Personal Identification Number (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, going to "Manage Investments," accessing their personal account information, and then requesting the distribution through the online services.

(7) – (9) No change.

(10) Documentation of a distribution made prior to January 1, 2010.

A member or beneficiary who requests documentation of a distribution made prior to January 1, 2010, will incur a special service charge due to the extensive resources required to retrieve and produce such documentation, if such retrieval is possible. The requestor will be advised of the amount of such charge at the time the request is made. Upon payment of the charge by the requestor, the request will be promptly processed. If the document cannot be retrieved, the payment will be reimbursed to the requestor.

*Rulemaking Authority 121.4501(8) FS. Law implemented 119.07(4)(d), 121.021(29), (39), 121.091(5)(j), 121.4501(20), 121.591, 121.77, 732.802 FS. History-New 3-9-06, Amended 11-26-07, 5-19-09, 1-7-10, 8-7-11, 7-12-12, 12-16-12,\_\_\_\_\_.*

#### **19-11.004 Excessive Trading in the FRS Investment Plan.**

(1) – (2)(b)6. No change.

7. If the member submits a transfer request form that is incomplete, the form will not be processed. A form is considered as incomplete if it does not contain the name of the member; does not set forth the social security number of the member; is not notarized; is sent by facsimile, email or regular U.S. mail; does not specify what fund(s), dollar amount(s) or percentages(s) are to be transferred; or does not indicate the fund(s) into which the amounts are to be transferred. The form also will be considered incomplete if there are insufficient assets to execute the transfer(s), or if the requested transfer does not comply with the FRS Investment Plan Excessive Fund trading Policy. Deficiencies are corrected through the resubmission of a transfer request form that is deemed to be complete.

8. Members who received direction letters and who were placed on restricted trading within their primary funds, as provided in subparagraphs 2., 3., 4., 5. and 6. of paragraph (2)(b), shall be allowed to make automated trades in, out and within the SDBA. The member must meet the requirements of the SDBA as provided in Rule 19-11.013, F.A.C. The member's activity within the SDBA is not subject to this policy, but will be subject to the applicable excessive trading rules and purchase restrictions of the funds in the SDBA.

(3) – (4) No change.

*Rulemaking 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, 1-7-10, 7-12-12, 6-5-14, 8-18-14,\_\_\_\_\_.*

#### **19-11.005 FRS Investment Plan Complaint Procedures.**

(1) No change.

(2)(a) – (d) No change.

(e) If there is no disputed issue of material fact, then the SBA shall assign the matter to a presiding officer, who will send out a "Notice of Proceeding and Initial Order of Instructions" to the Petitioner and to the Respondent or Respondent's counsel.

(f) – (g) No changes.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 120.569, 120.57, 120.573, 121.4501(8)(g) FS. History-New 10-21-04, Amended 3-9-06, 11-26-07, 5-19-09, 7-12-12, 12-16-12, 6-5-14,\_\_\_\_\_.*

### **19-11.006 Enrollment Procedures for New Hires.**

(1) No change.

(2) Specific Enrollment Procedures.

(a) All newly-hired employees may enroll in the FRS Investment Plan no later than 4:00 p.m. (Eastern Time) the last business day of the 5th month following the employee's month of hire or may elect to remain in the FRS Pension Plan. Example: If an employee is hired on January 15, the employee must complete a plan choice no later than 4:00 p.m. (Eastern Time) the last business day of June. If no plan choice is filed, the employee will default to the FRS Pension Plan.

(b) The employee must be actively employed, earning salary and service credit when the plan choice is processed by the FRS Plan Choice Administrator.

(c) The SBA has designed the forms set forth below for ease of use for employees in the several membership classes of the Florida Retirement System. As an alternative, an employee not wishing to use the forms may provide the same information requested by the forms available for use for the appropriate membership class in a separate document. Employees may determine their membership class by contacting the agency's human resources office. The forms available are: an EZ Retirement Plan Enrollment Form, Form ELE-1-EZ, rev. 06/14, <http://www.flrules.org/Gateway/reference.asp?No=Ref-04388>, which is only for regular, special risk, and special risk administrative support class employees; a General Retirement Plan Enrollment Form, Form ELE-1, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05800> for regular, special risk, and special risk administrative support class employees; an Elected Officers' Class Retirement Plan Form, Form EOC-1, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05801>; a Community College Optional Retirement Program (CCORP) Enrollment Form, Form OCC-1, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05802>; a State Senior Management Service Employees Retirement Plan Enrollment Form, Form SMS-1, Rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05803>; and a Local Senior Management Service Employees Retirement Plan Enrollment Form, Form SMS-3, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05804>. All of the preceding forms are hereby adopted and incorporated by this reference.

1. All enrollment forms can be obtained at the sources listed in paragraph (1)(g), above.

2. Only members of the regular, special risk, and special risk administrative support classes of employees may use the EZ form, "EZ Retirement Plan Enrollment Form for Regular, Special Risk and Special Risk Administrative Support Class Employees," Form ELE-1-EZ. If an employee chooses to use the EZ form, only limited information (i.e., name, plan choice, social security number, date of birth and signature) is required. An age appropriate retirement date fund as provided under the Plan provisions is the initial investment option (although that investment option may be changed by the member once the account is funded). A member's initial beneficiary designation will be per Florida law, as provided in Section 121.4501(20), F.S. However, a beneficiary designation may be made as set forth in Rule 19-11.002, F.A.C.

(d)1. The enrollment by form or electronic means shall be complete and the election shall be final if all the required information is clearly indicated and if the enrollment is received by the FRS Plan Choice Administrator by 4:00 p.m. (Eastern Time) on the last business day of the 5th month following the date of hire. The form shall be transmitted via mail, courier, or by fax, as provided on the form. It is the responsibility of the member to ensure that the enrollment form is received by the Plan Choice Administrator no later than 4:00 p.m. (Eastern Time) on the last business day that the member is earning salary and service credit, or the last business day of the 5<sup>th</sup> month following the date of hire, whichever first occurs.

2. The FRS Plan Choice Administrator shall determine that the employee's enrollment in the FRS Investment Plan is complete and the employee's election is clearly indicated. If the Administrator determines that the enrollment is incomplete, the employee will be required to resubmit a completed enrollment. An

incomplete enrollment by form is a form which is missing the name of the member, social security number, plan selection, or signature, or one on which the investment elections total greater than or less than 100%. 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 an age appropriate retirement date fund as provided under the Plan provisions for investing any accumulated benefit obligation and all future contributions. Note that this default selection may be changed by the member at any time once the account is activated. An incomplete enrollment by electronic means is one in which the FRS Plan Choice Administrator has no record of receipt and/or processing of the electronic enrollment.

(e) Upon receipt of the completed enrollment form by the FRS Plan Choice Administrator, the FRS Plan Choice Administrator shall enroll the employee in the indicated FRS retirement plan. Upon completion of the enrollment, but no later than two working days after enrollment, the FRS Plan Choice Administrator shall send confirmation of the effective enrollment to the employee at the employee's address of record and to the Division to inform the Division of the employee's retirement plan choice. The employer shall change its employee records to reflect the employee's plan choice, if applicable.

(f) If an employee terminates employment prior to making a plan choice, the employee will be considered a newly-hired employee if he or she returns to FRS-covered employment, and will be given another opportunity to make a plan choice. Any previous service will be considered as being FRS Pension Plan service.

(g) Employers shall remit retirement contributions monthly for their employees and those contributions are due to the Division by the 5th working day of the month following the month for which the contributions are made.

(3) No change.

*Rulemaking Authority 121.4501(3)(c)4., (8)(a) FS. Law Implemented 121.051, 121.055, 121.35, 121.4501(2), (3), (4), (5), (6), (8), (15), 121.73, 121.74, 121.78, 215.44(8)(b), 1012.875(3) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, 5-19-09, 2-4-10, 7-12-12, 12-16-12, 1-28-14, 8-18-14,\_\_\_\_\_.*

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

(1) – (2) No change.

(3) General Procedures.

(a) All members who wish to change their FRS retirement plan using their 2nd election must use a 2nd election enrollment form or, if moving from the FRS Pension Plan to the FRS Investment Plan or FRS Investment Plan Hybrid Option, may do so online by accessing the Second Choice Service at MyFRS.com. There are two types of enrollment forms. The "2nd Election Retirement Plan Enrollment Form" Form ELE-2, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05805>, which is hereby adopted and incorporated by reference. This form allows the member to select different investment fund options if the member is changing from the FRS Pension Plan to either the FRS Investment Plan or the FRS Investment Plan Hybrid Option. Alternatively, the member can complete the "2nd Election EZ Retirement Plan Enrollment Form," Form ELE-2EZ, rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05806>, which is hereby adopted and incorporated by reference. By completing this form, the member is choosing to have the employer and employee contributions and any transfers from the FRS Pension Plan invested in an age appropriate retirement date fund as provided under the Plan provisions. The member may change the investment selection at any time after the FRS Investment Plan or the FRS Investment Plan Hybrid Option account is activated. Activation occurs when contributions are deposited to the member's FRS Investment Plan account.



(b) Both forms are available by calling the toll-free number for the MyFRS Financial Guidance Line: 1(866) 446-9377, Option 4 or for members who are deaf, hard of hearing, or speech-impaired: TRS 711; or by using the MyFRS.com website and clicking on Resources and then on Forms.

(c) Elections made by form must be mailed to the FRS Plan Choice Administrator, P. O. Box 785027, Orlando, Florida 32878-5027; or faxed toll-free to the number provided on the form. It is the responsibility of the member to ensure that the 2<sup>nd</sup> Election Form is received by the Plan Choice Administrator.

(d) For members transferring to the FRS Pension Plan, if the member's Investment Plan account balance was less than the calculated amount required to buy back into the FRS Pension Plan, the election will require a personal payment. The member will receive notification and proper instructions from the Division detailing where and in what form to send any personal payments. Such payment, if necessary, must be received by the date determined by the Division. If the required amount is not received by the Division by the date due, the election will be voided.

(e) A confirmation statement will be mailed to the member's address of record once the completed form is received and processed.

(f) The member should carefully review the form and be sure that it is signed, dated, and sets forth the member's second election plan choice. A copy of the form should be retained for the member's records.

(g) 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 of the member, social security number, plan selection, or signature, or one on which the total investment elections are greater or less than 100%. The member will be required to resubmit a completed second election enrollment form. 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 an age appropriate retirement date fund as provided under the Plan provisions for investing the member's accumulated benefit obligation and all future contributions. Note that this default selection may be changed by the member at any time once the account is activated.

(h) The second election will become final at 4:00 p.m. (Eastern Time) on the day it is received by the Plan Choice Administrator. Elections received after 4:00 p.m. (Eastern Time) will be considered as being received on the next business day. Elections received on a Saturday, Sunday or holiday will be considered as being received on the next business day.

(4) No change.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(3), (4), (8), (15)(b), (20) FS. History—New 10-21-04, Amended 3-9-06, 10-25-07, 12-8-08, 5-19-09, 1-7-10, 7-12-12, 12-16-12, 12-28-14, 8-18-14,*

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### **19-11.008 Forfeitures.**

(1) Forfeitures after Separation or Retirement from FRS Employment.

(a) If a member terminates FRS-covered employment before vesting in an Investment Plan benefit or any transferred Pension Plan benefit, the member will not be entitled to any benefit, other than employee contributions, which are immediately vested. In such case, the unvested account balance will be placed in a suspense account for a period not to exceed five (5) years from the date of the member's termination. The suspense account shall be invested in the Pyramis Intermediate Duration Pool Fund, where it will accrue actual investment earnings or losses.

(b) – (h) No change.

(2) – (4) No change.



*Rulemaking Authority 121.4501(8) FS. Law implemented 112.3173, 121.021(29), (39), 121.091(5), 121.4501(6), (13), 121.591, 732.802 FS. History—New 11-26-07, Amended 12-8-08, 7-12-12, 8-18-14,*

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**19-11.011 Employer and Employee Contributions and ABO or Present Value Transfer Procedures.**

(1) – (6) No change.

(7) Employer errors or corrections.

(a) Market loss calculations will be applied to contributions and benefit transfers that are late due to an employer error or correction. An employer error or correction is deemed to have occurred if the employer changes previously reported information that causes contribution and benefit transfer to be posted retroactively.

(8) Contribution Rates.

(a) The employer and employee contributions received by a member of the FRS Investment Plan prior to effective enrollment in the FRS Investment Plan will be at the rate established pursuant to Section 121.71, F.S. The amount will be transferred into the employee's FRS Investment Plan account as the opening account balance.

(b) After effective enrollment in the FRS Investment Plan, the member shall receive the employer and employee contribution at the rate established by Sections 121.71 and 121.72, F.S. appropriate to that member's class of membership.

(9) Asset Transfer and True-Up Procedures for Newly-hired Employees with Previous FRS Service.

(a) For members who elect to enroll in the FRS Investment Plan who have prior FRS credible service, the Division shall calculate the amount of the member's ABO or present value of the FRS Pension Plan benefit. This amount shall be transferred to the member's FRS Investment Plan account and shall be allocated to each investment product selected by the member.

(b) The Division shall determine the member's ABO or present value as of the last day of the month prior to the employee's effective date of enrollment in the FRS Investment Plan. For example, if the Division receives the enrollment during the month of June, the effective date of enrollment for the employee in the FRS Investment Plan is July 1 and the Division shall calculate the member's ABO or present value, if any, through June 30.

(c) By the 25th day of the effective month of enrollment, the Division shall notify the FRS Investment Plan Administrator of the ABO or present value for each Investment Plan member whose effective date of enrollment is the first day of the month. The Administrator shall notify the SBA of the aggregate ABO or present value of members whose effective date of enrollment is the first day of the month.

(d) On the last business day of the effective month of enrollment in the FRS Investment Plan, the SBA shall effectuate the transfer of the aggregate ABO or present value amount to the FRS Investment Plan Administrator for allocation to the applicable FRS Investment Plan member accounts based on the investment option designated by the member, and if no allocations were provided by the member, then to an age-appropriate retirement date fund.

(e) The total amount initially credited to each FRS Investment Plan member's account who elected to transfer the ABO or present value from the FRS Pension Plan was an estimate of the member's ABO or present value. Pursuant to Section 121.4501(3)(b)2., F.S., the Division shall re-compute the ABO or present value not later than 60 days after the initial transfer of funds. If the re-computed amount differs from the estimated ABO amount by plus or minus \$10 or more, the Division shall provide the aggregate adjustment amount to be transferred to or from the FRS Investment Plan Administrator for the affected member(s).

(f) The Division shall notify the Administrator of the true-up amounts plus interest by member account within 50 days of the initial transfer. The true-up transfer shall include the true-up amount determined by the

Division plus interest at the rates specified in Section 121.4501(3)(b)2., F.S., from the date of the initial transfer to the date of the true-up transfer. The transfer of the true-up amount plus interest shall occur on the 60th day following the initial transfer. In the event the 60th day following the initial transfer falls on a Saturday, Sunday, or a legal holiday, the true-up transfer shall occur on the last business day of the month preceding the Saturday, Sunday, or legal holiday.

(g) The Division shall calculate the interest owed on true-up amounts. If the re-computed ABO is greater than the original amount transferred by plus or minus \$10 or more, the member will be owed a true-up amount plus interest. Interest will be calculated pursuant to Section 121.4501(3)(b)2., F.S. If the re-computed ABO is less than the original amount transferred by plus or minus \$10 or more, the member will owe a true-up amount plus interest and the amount will be deducted from the member's Investment Plan account. Interest will be calculated pursuant to Section 121.4501(3)(b)2., F.S.

(h) The Administrator shall notify the SBA of the aggregate true-up value for those members determined to have a true-up adjustment. On the last business day of the month in which the true-up amount is due, the SBA shall effectuate the transfer of the aggregate true-up amount to the FRS Investment Plan Administrator for allocation to the applicable member accounts based on the investment fund allocations designated by the member(s).

*Rulemaking Authority 121.78(3)(c), 121.4501(8) FS. Law Implemented 121.71, 121.72, 121.78, 121.4501 FS. History—New 7-12-12, Amended 12-16-12,\_\_\_\_\_.*

#### **19-11.012 Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan.**

(1) – (7) No change.

(8)(a) Instructions regarding check delivery and other information relating to the processing of rollovers, including all applicable forms, may be obtained by calling the MyFRS Financial Guidance Line, which is a toll free line: 1(866) 446-9377, Option 4, or, for members who are deaf, hard of hearing, or speech impaired, TRS 711, or by accessing the website at [www.MyFRS.com](http://www.MyFRS.com).

(b) Current members shall use Form IPRO-1, rev. 10/14, "Employee Rollover Deposit Instructions and Form," <http://www.flrules.org/Gateway/reference.asp?No=Ref-05807>, which is hereby adopted and incorporated by reference, to effect rollovers described in this rule.

(c) Current DROP members planning to roll over their DROP accumulation shall use Form IP-DROP-AD-1, "DROP Accumulation Direct Rollover Form for Current DROP Members," rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05808>, which hereby is adopted and incorporated by reference, to effect rollovers described in this rule.

(d) Former DROP members shall use Form IP-DROP-RO-1, "DROP Direct Rollover Form for Former DROP Members," rev. 07/15, <http://www.flrules.org/Gateway/reference.asp?No=Ref-05809>, which hereby is adopted and incorporated by reference, to effect rollovers described in this rule.

(9) – (11) No change.

(12) Monies from a DROP rollover are available for immediate distribution.

(13)(a) An Investment Plan member electing to transfer to the Pension Plan and who has an excess balance remaining in the Investment Plan account after satisfying any required Pension Plan buy-in amounts, may elect to use all or part of that remaining balance to purchase service credit in the Pension Plan. The member will need to complete Form PRO-2, "Pre-tax Direct Rollover/Transfer Form," rev. 10-10, <http://www.flrules.org/Gateway/reference.asp?No=Ref-01184>, which hereby is adopted and incorporated by reference, to effect this purchase. 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, Option 4 (TRS 711), Monday through Friday,

except holidays, 9:00 a.m. to 8:00 p.m. (Eastern time) or by accessing the MyFRS.com website and clicking on “Resources” and then “Forms.”

(b) The member must call the Investment Plan Administrator and request that funds be transferred from the Investment Plan to the Pension Plan to effect the purchase of service. The member must confirm that an invoice has been received from the Division of Retirement. The amount to be transferred must be equal to or less than the invoiced amount. If the balance of the member’s account is less than the invoice amount, the member may request the total account balance be transferred.

(c) The member must complete the form referenced in paragraph (a) above. The completed form is to be sent to the Investment Plan Administrator.

(d) The Plan Administrator will request authorization to liquidate the requested amount from the SBA. The SBA shall provide a letter of direction to effect the member’s request. Upon receipt of the letter, the Plan Administrator will liquidate the funds from the member’s account. Upon liquidation, the amount will be received by the Plan Administrator from the Custodian in the form of a check payable to the “Florida Retirement System” and reference the member’s name. Upon receipt of the check, the Plan Administrator will send the check and the form by regular U.S. mail to the Division of Retirement as soon as administratively possible. A confirmation of the transaction and the date the check and form were mailed to the Division of Retirement will be sent to the member.

(e) It is the responsibility of the member to confirm receipt of the funds by the Division of Retirement.

*Rulemaking Authority 121.4501(8), (5)(e) FS. Law Implemented 121.4501(4)(g)5., (5)(e), (21), 121.591 FS. History—New 7-12-12, Amended 12-16-12, 10-15-13, 1-28-14, 8-18-14,\_\_\_\_\_.*

### **19-11.013 FRS Investment Plan Self-Directed Brokerage Account.**

(1) An FRS Investment Plan member meeting certain criteria may transfer assets from the member’s Investment Plan primary investment account to a self-directed brokerage account (“SDBA”) in order to be able to access additional investment opportunities beyond the primary investment funds offered under the Investment Plan.

(a) In order to participate in the SDBA the member must:

1. Maintain a minimum balance of \$5,000 in the Investment Plan’s primary investment funds. This minimum amount may be changed at any time.

2. Make initial and subsequent transfers into the SDBA of at least \$1,000. Transfer requests must be in whole dollars. Percentages are not permitted. This minimum amount is subject to change.

3. Pay all trading fees, commissions, administrative fees, and any other expenses associated with participating in the SDBA.

(b) The member must open an account with the SDBA service provider in one of two ways:

1. By accessing and completing the enrollment form online by logging on to MyFRS.com, then choosing Manage Investments>Open Brokerage Account. The enrollment form includes both a Member Service Agreement and Memorandum of Understanding which the member must acknowledge having received and read.

2. By printing and completing a hard copy of the enrollment form, Member Service Agreement and Memorandum of Understanding. The member must return the completed enrollment form to the service provider via fax or mail. The member must acknowledge the Member Service Agreement and Memorandum of Understanding were received and read. A hard copy of the enrollment form can be printed from the Open Brokerage Account link on MyFRS.com or can be obtained from the Investment Plan Administrator.

3. The SDBA account will be established within two days of receipt of either the online or hardcopy enrollment form. Once the account is established, the member will receive a package from the SDBA service provider containing information on how to access and use the SDBA.

The SDBA account will be automatically closed if there is a zero balance for 18 consecutive months. To participate in the SDBA in the future, the member will have to open a new SDBA account.

(c) The member is subject to the following fees, transaction charges, expenses:

1. An annual administrative fee of \$25.00 (\$6.25 quarterly) for participating in the SDBA. This fee will be deducted from the member's primary investment account for each quarter the member maintains a balance in the SDBA. This fee is in addition to all applicable commissions, sales charges and transaction fees. This fee is deducted pro rata across the member's Investment Plan primary funds.

2. Any and all commissions, sales charges and transaction fees applicable to transactions executed by the member through the SDBA. The member may review all SDBA commissions and fees by accessing the FRS Investment Plan Self-Directed Brokerage Account Commission and Fee Schedule in the "Investment Funds" section on MyFRS.com.

3. Depending on the investments chosen, transaction fees, commissions or sales charges may be charged to the member's SDBA. These fees are automatically deducted from transaction proceeds or added to the purchases as they are incurred. In addition, investment management fees, 12b-1 fees, or other fees and expenses specific to individual funds may be charged to the member's SDBA. It is the member's sole responsibility to be aware of and understand the commissions and fees as described in the Commission and Fee Schedule and in the prospectus of any mutual fund.

(2) – (6) No change.

*Rulemaking Authority 121.4501(8), (5)(e) FS. Law Implemented 121.4501(8), (9), (10), (11), (12), (13), (14), (15) FS. History—New 6-5-14. Amended \_\_\_\_\_.*

## FORMS



# FRS INVESTMENT PLAN BENEFICIARY DESIGNATION



Please PRINT clearly, using blue or black ink.

Social Security Number / /	Last Name	First Name	MI
Birth Date / /	Work Telephone ( )	Home Telephone ( )	E-Mail:

You may designate one or more individuals as your beneficiary to receive your assets, if any, in the FRS Investment Plan in the event of your death. You may designate any person, organization or trust, or your estate. **Contingent beneficiaries are optional — they will inherit your FRS Investment Plan Account if all primary beneficiaries are deceased.** Enter all required information for each beneficiary. If you need to add more than 3 primary or contingent beneficiaries, make a copy of this page and attach it to this form. You may change your beneficiary at any time by logging on to MyFRS.com or by completing a new Beneficiary Designation form. NOTE: If you are participating in the FRS Hybrid Option, your beneficiary named below for the Investment Plan will not affect your selected beneficiary in the Pension Plan. Additionally, Section 112.363(3)(e)2., F.S., provides that only a spouse who is named as the primary designated beneficiary is eligible to receive the Health Insurance Subsidy (HIS) under the Investment Plan. You reserve the right to change this designation with the understanding that this designation, and any change thereof, will be effective only upon receipt by the FRS Investment Plan Administrator.

**Marital Status: Check One Box**

☐ Single

☐ Married

Spouse Name: \_\_\_\_\_ SSN: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

Address: \_\_\_\_\_

**A. Primary Beneficiaries (NOTE: All primary beneficiary percentages must be in whole percents and must total 100%.)**

Name of Primary Beneficiary	Date of Birth (MM/DD/YYYY)	Relationship	Gender (M/F)	SSN	Percent Payable
_____	____/____/____	_____	_____	____/____/____	____%
_____	____/____/____	_____	_____	____/____/____	____%
_____	____/____/____	_____	_____	____/____/____	____%
<b>Total = 100</b>					<b>%</b>

**B. Contingent Beneficiaries (NOTE: All contingent beneficiary percentages must be in whole percents and must total 100%.)**

Name of Contingent Beneficiary	Date of Birth (MM/DD/YYYY)	Relationship	Gender (M/F)	SSN	Percent Payable
_____	____/____/____	_____	_____	____/____/____	____%
_____	____/____/____	_____	_____	____/____/____	____%
_____	____/____/____	_____	_____	____/____/____	____%
<b>Total = 100</b>					<b>%</b>

I understand that the execution of this form and receipt thereof by the Investment Plan Administrator will revoke all prior designations I may have made.

I understand that if I am married and have named someone other than my spouse as my primary beneficiary, my spouse needs to sign this designation in the box below.

Signature of Member \_\_\_\_\_

Date \_\_\_\_\_

Employing Agency Name: \_\_\_\_\_

**IF YOU HAVE NAMED SOMEONE OTHER THAN YOUR SPOUSE AS YOUR PRIMARY BENEFICIARY, YOUR SPOUSE IS REQUIRED TO SIGN BELOW:**

Signature of Spouse \_\_\_\_\_

Date \_\_\_\_\_

Mail your completed form to: FRS Investment Plan Administrator, PO Box 785027, Orlando, FL 32878-5027

OR Fax your completed form to: 1-888-310-5559 Attention FRS Investment Plan Administrator.

**DO NOT MAIL HARD COPY OF THE FORM IF FAXING.**



## EMPLOYMENT TERMINATION FORM



**The Date of Termination can be provided on the monthly payroll file or by logging on to the Division of Retirement – FRS Online. This form may not be filed with the FRS Investment Plan Administrator until the member has been terminated from ALL FRS-covered employment for three calendar months following the date of termination. An exception exists for members who meet the FRS Pension Plan normal retirement requirements, in which case the form can be filed 1 calendar month following termination.**

Under Florida law, a member may not receive benefits under the Florida Retirement System (FRS) Investment Plan unless the member has been terminated from **all** employment with all FRS employers. For purposes of this form, "termination" means that the member ceased all employment relationships with your agency and has been off all agency payrolls for three calendar months following the date of termination. If the member is continuing employment with your agency, in any capacity, (including temporary employment, OPS, etc.) this form should not be submitted to the FRS Investment Plan Administrator. If you have any questions, please call the Employer Assistance Line, toll-free at 1-866-377-2121, Option 3.

The only exception to this 3 calendar month period is if the member meets the normal retirement requirements for the FRS Pension Plan. For example, age 62 with at least 6 years of creditable service or 30 years of FRS covered service regardless of age. For Special Risk Class, age 55 with at least 6 years of special risk service or 25 years of special risk service regardless of age. If the member meets normal retirement requirements, the member may be eligible to receive a one-time distribution of up to 10% of their account balance after being off all FRS-covered payrolls for one full calendar month and the remaining balance after a total of 3 calendar months.

**CERTIFICATION OF TERMINATION BY FRS EMPLOYER**  
(To be completed and signed by the Retirement Coordinator or authorized signatory  
on file with the FRS Investment Plan Administrator.)

By completing the form below, I hereby certify that the member named below has terminated employment with this agency on:

<hr/> Date of Termination
------------------------------

Social Security No:	Last Name	First Name	MI	Birth Date

\_\_\_\_\_  
Please Print: Name of authorized signatory

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

(\_\_\_\_\_)\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Employing Agency Name

\_\_\_\_\_  
Employing Agency Code Number

Mail to:  
FRS Investment Plan Administrator      OR  
PO Box 785027  
Orlando, FL 32878-5027

FAX to:  
1-888-310-5559  
Attn: FRS Investment Plan Administrator  
**DO NOT MAIL HARD COPY IF FAXING**

**Note:** This form will NOT initiate a distribution. Any FRS employer who hires any retired FRS member (Pension Plan or Investment Plan) in violation of the reemployment after retirement provisions will be held jointly and severally liable for reimbursement of any FRS benefits paid.



Florida Retirement System

## EZ Retirement Plan Enrollment Form

For Regular, Special Risk, and Special Risk Administrative Support Class Employees



Before completing this form, read the information on this form including page 2.

### RETIREMENT PLAN CHOICE (You MUST complete this form and return it to the address noted below.)

<b>PLEASE PRINT</b> LAST NAME	FIRST	MIDDLE INITIAL
SOCIAL SECURITY NUMBER	DATE OF BIRTH (MM/DD/YYYY)	

I want to enroll in: (Choose only one by marking an X in the appropriate box.)

<input type="checkbox"/> <b>1. The FRS Pension Plan</b> (Review page 2, Sections 1 and 3) Designed for longer-term employees. It will pay you a guaranteed monthly retirement benefit based on a formula that includes your service and salary. <b>You qualify for a benefit after 8 years of service.</b>	<input type="checkbox"/> <b>2. The FRS Investment Plan</b> (Review page 2, Sections 1, 2, and 3) Designed for shorter-term and more mobile employees. Your benefit is based on the amount of money contributed to your account and its growth over time. <b>You qualify for a benefit after 1 year of service.</b>
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Note: A **Hybrid Option** is available if you have 5 years of previous Pension Plan service or 8 years of service if you were initially enrolled on July 1, 2011 or after, and is designed to freeze your already accrued Pension Plan benefit and establish an Investment Plan account for all future employer and employee contributions. If you are interested in this option, call the MyFRS Financial Guidance Line, Option 2, for additional information.

### SIGN HERE (Your form cannot be processed without your acknowledgement and signature.)

By signing this form, I acknowledge that I have read and understand the information on page 2 and certify all completed information above to be true and correct.

SIGNATURE	DATE	DAYTIME TELEPHONE NUMBER
EMAIL (OPTIONAL)		EMPLOYING AGENCY NAME (OPTIONAL)

### FAX OR MAIL YOUR COMPLETED FORM TO:

<b>Fax: 1-888-310-5559</b> (Do <b>not</b> include a cover sheet and retain the original for your records.)	<b>Mail: FRS Plan Choice Administrator</b> <b>P.O. Box 785027</b> <b>Orlando, FL 32878-5027</b>	(Do <b>not</b> mail this form to your employer or to the Division of Retirement and retain a copy for your records.)
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**CAUTION: Your form will not be processed if you submit a form that does not** indicate your plan choice or does not have your signature or Social Security Number. You will be notified if your form is incomplete and was not processed. You must submit a new completed form in order for your plan choice to be processed. Please keep a copy for your records.

**Your choice will become final at 4:00 p.m. (ET) on the day this form is received** by the FRS Plan Choice Administrator. The form must be received on or before 4:00 p.m. on the last business day of the 5th month following your month of hire. If you later feel this retirement plan choice was made in error, you may be able to cancel it. Please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2. Failure to notify us prior to the last business day of the month following your election month will void your right to cancel this election.

A confirmation statement will be mailed to your address of record once your completed form is received and processed. Please allow 2 to 3 weeks to receive it. Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.

### IMPORTANT INFORMATION – Review Carefully

As a new employee covered by the Florida Retirement System (FRS), you have an opportunity to enroll in the FRS retirement plan of your choice. Your enrollment DEADLINE is 4:00 p.m. ET on the last business day of the 5th month following your month of hire. You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator. If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed. You can enroll online at MyFRS.com using the User ID and Password you create the first time you log on. You will need your original PIN when you log on the first time. **If you do not actively enroll, you will default into the Pension Plan.**

**(TURN THE PAGE OVER)**

**MyFRS Financial Guidance Line 1-866-446-9377 (TRS 711) • MyFRS.com**



After you enroll, you have a one-time future opportunity to switch from the FRS retirement plan you chose on this form to the other plan during your FRS career, and that there may be a cost for doing so. You **cannot** file a 2nd Election using this form. **Before you enroll**, use the FREE resources offered by the FRS to help you understand both retirement plans. These resources include:

- The toll-free MyFRS Financial Guidance Line: 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line, Option 2.

## **SECTION 1: Plan Choice**

### **If you selected Option 1 (Page 1 – Elected the Pension Plan):**

You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded.

### **If you selected Option 2 (Page 1 – Elected the Investment Plan):**

You understand and acknowledge the following: Any accrued value you may have in the Pension Plan will be transferred to your FRS Investment Plan account as your opening balance and is subject to the vesting requirements of the Pension Plan. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer using your actual FRS membership record pursuant to Florida law. You direct that all future employer and employee contributions be deposited in your FRS Investment Plan account.

You are authorizing your Plan assets be invested in an age-appropriate retirement date fund as provided under Plan provisions, and understand that other investment funds are available to you. You understand that you can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or by calling the toll-free MyFRS Financial Guidance Line, Option 4.

You understand that the account will be accessible by the end of the month following the effective date of this election and you should review the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement at MyFRS.com before selecting any investment funds or filing this EZ Form. You understand that the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on the funds in the event that you trade excessively.

You understand that investment management fees will be deducted from your Investment Plan account, that these fees may change in the future, and that funds may be added or terminated. You understand that if any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to fund termination. If you do not move your assets in the terminated fund(s), the funds will automatically be moved into a replacement fund designated at that time. You understand that if you terminate employment and are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that Sections 121.4501(8)(b)4 and 121.4501(15)(b), Florida Statutes, incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

You can find a description of your rights and responsibilities under the Pension Plan and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, and Administrative Rules by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

## **SECTION 2: FRS Investment Plan Fund Selections**

### **(Review this section if you select the FRS Investment Plan on Page 1)**

You have 10 retirement date funds and 11 investment options to choose from. There is also a self-directed brokerage window available. Use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices.

## **SECTION 3: Beneficiary Designation**

You can designate a beneficiary at any time. If you do not designate a beneficiary, in the event of your death, your benefits, if any, will be distributed in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. You can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan) which are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line.



Florida Retirement System

# GENERAL Retirement Plan Enrollment Form

For Regular, Special Risk, and Special Risk Administrative Support

Class Employees



As a new employee covered by the Florida Retirement System (FRS), you have an opportunity to enroll in the FRS retirement plan of your choice. See Section 1 for your enrollment deadline. You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator. If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed. You can enroll by completing this form, by logging on MyFRS.com using the User ID and Password you created the first time you logged on, or by calling the MyFRS Financial Guidance Line, Option 4. You will need your original PIN when you log on the first time. **If you do not actively enroll**, you will default into the FRS Pension Plan (see Section 1 below).

**Before you enroll**, use the **FREE** resources offered by the FRS to help you understand both retirement plans. These resources include:

- The toll-free MyFRS Financial Guidance Line: 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line, Option 2.

## SECTION 1: RETIREMENT PLAN CHOICE (You must complete this section. Please print.)

Name: \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**Your enrollment DEADLINE is 4:00 p.m. ET on the last business day of the 5th month following your month of hire.**

**I want to enroll in: (Choose only one by marking an X in the appropriate box.)**

- ☐ **1. The FRS Pension Plan.** (Review Section 2 and complete Section 4)  
Designed for longer-term employees. It will pay you a lifetime monthly retirement benefit based on a formula that includes your service and salary. **You qualify for a benefit after meeting the Pension Plan's vesting requirements.**
- ☐ **2. The FRS Investment Plan.** (Review Section 2 and complete Sections 3 and 4)  
Designed for a more mobile workforce. Your benefit is based on the amount of money contributed to your account and its growth over time. **You qualify for a benefit after 1 year of service.**
- ☐ **3. The FRS Hybrid Option.** (Review Section 2 and complete Sections 3 and 4)  
Designed to freeze your accrued Pension Plan benefit and establish an Investment Plan account for all future employer and employee contributions. **You must have completed 5 or 8 years of Pension Plan service, depending on your date of hire, to select this option.**

## SECTION 2: BENEFICIARY DESIGNATION

I understand that I can designate a beneficiary at any time. If I do not designate a beneficiary, my benefits (if any) will be distributed in the event of my death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. I can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line.

## SECTION 3: FRS INVESTMENT PLAN FUND SELECTIONS

**(Complete this section only if you selected Option 2 or 3 in Section 1.)**

You have a suite of 10 retirement date funds and 11 investment options to choose from on the next page. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. Transfer restrictions may apply.

### **An Important Note About Fees:**

Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the Investment Plan. To make it easier for you to compare fees, the dollar amounts listed (in **bold italics**) next to the name of each Investment Plan fund are the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com.

Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each Investment Plan fund, please review the fund profiles and the Investment Fund Summary available at MyFRS.com or call the MyFRS Financial Guidance Line, Option 2, to speak to an unbiased financial planner.

#### How to enter your investment fund selection:

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that bests fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

You might consider the following if you are <u>Regular Class</u> and:	You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:	Fund Name	Percentage
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(\$1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "B" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

Asset Class Description	Fund Name	Percentage
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
TOTAL MUST EQUAL 100%		%

#### SECTION 4: AUTHORIZATION (All participants must complete this section.)

**IMPORTANT INFORMATION:** Before signing this enrollment form, be sure to read the following information:

I understand that I have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch from the FRS retirement plan I chose in Section 1 to the other plan during my FRS career, and that there may be a cost for doing so. I understand that I **cannot** file a 2nd Election using this form. I understand that I can find a description of my rights and responsibilities under the Pension Plan

and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, and Administrative Rules by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Elected the Pension Plan):** I understand that I have elected the Pension Plan.

**If you selected Option 2 in Section 1 (Elected the Investment Plan):** I understand that I have elected the Investment Plan. Any accrued value I may have in the Pension Plan will be transferred to my Investment Plan account as my opening balance. I understand that any accrued Pension Plan value transferred to my Investment Plan account will be subject to the 8-year vesting requirement of the Pension Plan if I was initially enrolled in the FRS on or after July 1, 2011 or 6-years if I was enrolled prior to July 1, 2011. I can find out the accrued value in my Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. I understand that the initial transfer amount is an estimate and that my account will be reconciled within 60 days of that transfer using my actual FRS membership record pursuant to Florida law. I understand that the reconciled amount could be more or less than the estimated amount of the transfer and that my account will be adjusted accordingly. I also direct that all future employee and employer contributions will be deposited in my Investment Plan account.

**If you selected Option 2 or 3 in Section 1 (Elected the Investment Plan or Hybrid Option):** I acknowledge that I reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. I understand that I can change my fund allocations at any time after my account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. I understand that my account will be available by the end of the effective month of this election. If I fail to choose specific investment funds, I direct my assets to be invested in an age-appropriate retirement date fund based on my current age. I understand that the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds, and I may be subject to trading controls on other funds in the event that I trade excessively.

I understand a Self-Directed Brokerage Account is offered by the Plan and enrollment will be available to me after I meet the required Plan provisions.

I understand that investment management fees will be deducted from my Investment Plan account. I also understand that these fees may change in the future and that funds may be added or terminated. I understand that if any of the funds I select in the Investment Plan are terminated in the future, I will be able to move my assets into other investment funds prior to termination or after termination of the fund. I understand that if I terminate employment and am vested in my account balance, I may be subject to a mandatory payout of my account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if my account balance is more than \$1,000.

I understand that Sections 121.4501(8)(b)4 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If I exercise control over the assets in my Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to my account which results from my exercise of control.

**SIGN HERE (Your form cannot be processed without your signature.)**

Signature

Date

Daytime Telephone Number

E-mail Address (optional)

Employing Agency (optional)

**2. FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**

(Do not include a cover sheet)

**Mail: FRS Plan Choice Administrator**

**P.O. Box 785027, Orlando, FL 32878-5027**

(Do not mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

**CAUTION:** Your form will not be processed if you submit a form that does not indicate your plan choice or the last four digits of your Social Security number; or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a new completed form in order for your plan choice to be processed.

**3. Your choice will become final at 4:00 p.m. (ET) on the day it is received by the FRS Plan Choice Administrator.** Your Plan Choice Form must be received on or before 4:00 p.m. on the last business day of the 5th month following your month of hire. No matter which plan you select you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to change plans during your FRS career. You can review information about the 2<sup>nd</sup> Election at MyFRS.com.

4. A confirmation statement will be mailed to your address of record once your completed form is received and processed. Please allow 2 to 3 weeks to receive it. Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.

**MyFRS Financial Guidance Line 1-866-446-9377 (TRS 711) ■ MyFRS.com**

ELE-1 Rev 07-15 19-11-006 F.A.C. **Social Security Number:** \_\_\_\_\_

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Florida Retirement System

## Elected Officers' Class Retirement Plan Enrollment Form



As a newly elected officer covered by the Florida Retirement System (FRS), your enrollment deadline depends on the plan you choose. See Section 1 for deadline information. You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator. To make your plan choice, you must complete this form. **If you do not actively enroll**, you will default into the Pension Plan (see Section 1 below). **Before you enroll**, use the **FREE** resources offered by the FRS to help you understand the impact of your decision. These resources include:

- The toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line, Option 2.
- You can contact Senior Management Service Optional Annuity Program companies directly for more information about that plan.

### SECTION 1: RETIREMENT PLAN CHOICE

Name: \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**I want to enroll in: (Choose only one by marking an X in the appropriate box.)**

**The deadline for options 1, 2, and 3 is 4:00 p.m. ET on the last business day of the 5<sup>th</sup> month following the month you assume office.**

- ☐ 1. **The FRS Pension Plan.** (Review Section 3 and complete Section 4.) Designed for longer-term employees. It will pay you a guaranteed monthly retirement benefit based on a formula that includes your service and salary. **You qualify for a benefit after 8 years of service.**
- ☐ 2. **The FRS Investment Plan.** (Review Section 3 and complete Sections 2 and 4.) Designed for a more mobile workforce. Your benefit is based on the amount of money contributed to your account and its growth over time. **You qualify for a benefit after 1 year of service.**
- ☐ 3. **The FRS Hybrid Option.** (Review Section 3 and complete Sections 2 and 4.) Designed to freeze your already accrued Pension Plan benefit and establish an Investment Plan account for all future employer contributions. **You must have 5 years of Pension Plan service or 8 years of Pension Plan service, depending on your date of hire, to select this option.**

**The deadline for options 4, 5, and 6 is 4:00 p.m. ET on the last business day of the 6<sup>th</sup> calendar month after you assume office.**

- ☐ 4. **The FRS Pension Plan, Senior Management Service Class (SMSC).** (Complete Employer Certification below and Section 4.) You are choosing to join the Senior Management Service Class of the Pension Plan and retain any accrued benefit in the Pension Plan.  
If you select Option 4 above, you are eligible to switch to the State Senior Management Service Optional Annuity Program (SMSOAP) and retain any accrued benefit in the Pension Plan. To join the SMSOAP, you must complete the State Senior Management Service Employees Retirement Plan Enrollment Form SMS-1. The form is available on MyFRS.com or by calling toll-free the MyFRS Financial Guidance Line. You must be a state elected officer to select the SMSOAP option. **The deadline to select the SMSOAP option is 90 days after you join SMSC.**
- ☐ 5. **To withdraw from the Florida Retirement System to participate in a local annuity plan.** (Complete Employer Certification below and Section 4.)  
You are declining participation in the FRS. Your decision to participate in the local annuity plan is irrevocable as long as you hold a position eligible for the Senior Management Service Class. You must be a local elected officer to select this option.
- ☐ 6. **To withdraw from the Florida Retirement System entirely.** (Complete Employer Certification below and Section 4.) You are choosing not to participate in the FRS or any retirement plan offered by your employer. Your election will become effective on the date you assume office. You can rejoin the Elected Officer Class (EOC) by submitting a written request to the Division of Retirement, provided you are in an EOC-eligible position at the time of your request. You are not eligible for this option if you have already retired from an FRS-administered retirement plan.

**If you selected Option 4, 5 or 6, your employer MUST complete the following Certification:**

Employing Agency Name:

Agency Number:

Class Code:

Position Number:

Date Employee Assumed Office:

**I CERTIFY THAT THE ABOVE INFORMATION IS CORRECT.**

Authorized Signature:

Title:

**SECTION 2: FRS Investment Plan Fund Selections**

**(Complete this section only if you selected Option 2 or 3 in Section 1.)** You have a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. Transfer restrictions may apply.

**How to enter your investment fund selection:**

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that bests fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

<b>You might consider the following if you are <u>Regular</u> Class and:</b>	<b>You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:</b>	<b>Fund Name</b>	<b>Percentage</b>
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(\$1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "B" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

<b>Asset Class Description</b>	<b>Fund Name</b>	<b>Percentage</b>
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
<b>TOTAL MUST EQUAL 100%</b>		<b>%</b>

**An Important Note About Fees:** Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the Investment Plan. To make it easier for you to compare fees, the dollar amount listed (in **bold italics**) next to the name of each Investment Plan fund is the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com. Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each Investment Plan fund, please review the fund profiles and the Investment Fund Summary at MyFRS.com or call the MyFRS Financial Guidance Line, Option 2, to speak with an unbiased financial planner.

### SECTION 3: Beneficiary Designation

I understand that I can designate a beneficiary at any time. If I do not designate a beneficiary, my benefits (if any) will be distributed in the event of my death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. I can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line. In order to designate a beneficiary for the local annuity, I understand that I must contact the providers for those plans.

### SECTION 4: Authorization

**1. IMPORTANT INFORMATION: Read the following before signing this form.** You understand you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch from the FRS retirement plan you chose in Section 1 (Options 1, 2, 3 or 4) to the other FRS plan during your FRS career and there may be a cost for doing so. You understand you **cannot** file a 2<sup>nd</sup> Election using this form. You understand you can find a description of your rights and responsibilities under the Pension Plan and the FRS Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, and Administrative Rules, or calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Elected the FRS Pension Plan):** You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded.

**If you selected Option 2 in Section 1 (Elected the FRS Investment Plan):** You understand you have elected the Investment Plan Elected Officers' Class. You understand and acknowledge the following: Any accrued value you may have in the Pension Plan will be transferred to your Investment Plan account as your opening balance and is subject to the vesting requirement of the Pension Plan. You can find out the accrued value in your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer using your actual FRS membership record pursuant to Florida law and the reconciled amount could be more or less than the estimated amount of the transfer and that your account will be adjusted accordingly. You direct all future employer contributions be deposited in your Investment Plan account.

**If you selected Options 2 or 3 in Section 1 (Elected the FRS Investment Plan or FRS Hybrid Option):** You acknowledge and understand that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. Your account will be available by the end of the effective month of this election. If you didn't choose specific investment funds, you are directing that your assets be invested in an age-appropriate retirement date fund as provided under Plan provisions. The Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds, and you may be subject to trading controls on other funds in the event that you trade excessively.

You also acknowledge and understand that investment management fees will be deducted from your Investment Plan account and that these fees may change in the future and that funds may be added or terminated. If any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to termination. Otherwise, your assets in the terminated fund(s) will automatically be moved into a replacement fund designated at that time. If you terminate employment and am vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.



You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

**If you selected Option 4 in Section 1 (Elected the SMSC):** You understand that upon election, your FRS service will be governed by the guidelines of the Senior Management Service Class (SMSC) of the Pension Plan and your effective date in this class will be the date you took elected office.

**If you selected Option 5 in Section 1 (Withdraw from the FRS to participate in a local annuity plan):** You understand you will not participate in any FRS program. You understand your decision to participate in the local annuity plan is irrevocable for as long as you hold a position eligible for the Senior Management Service Class. You understand that your election must be made no later than 6 months after assuming office and you must be a local elected officer to select this option.

**If you selected Option 6 in Section 1 (Withdraw from the FRS entirely):** You understand your effective date for this election is the date you assumed office. You understand you may rejoin the Elected Officers' Class (EOC) at any time by submitting a written request to the Division of Retirement, provided you are in an EOC position at the time of your request. The option to withdraw and not participate in any retirement plan is not available to you if you have already retired from a State of Florida-administered retirement plan.

**SIGN HERE (Your form cannot be processed without your signature.)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
Email Address (optional)

\_\_\_\_\_  
Employing Agency (optional)

**2. FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**  
(Do **not** include a cover sheet and retain the original for your records)

**Mail: FRS Plan Choice Administrator**  
**P.O. Box 785027**  
**Orlando, FL 32878-5027**  
(Do **not** mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

Carefully review your form and make sure you sign and date it before mailing it. Keep a copy for your records. **CAUTION: Your form will not be processed if you submit a form that does not** indicate your plan choice or your Social Security number, or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a completed form in order for your plan choice election to be processed.

**3. Your choice will become final at 4:00 p.m. (ET) on the day it is received by the FRS Plan Choice Administrator.** Your Plan Choice Form **must be received** by the FRS Plan Choice Administrator on or before 4:00 p.m. on the last business day of the 5<sup>th</sup> month after assuming elected office if you are enrolling in the FRS Pension Plan, FRS Investment Plan or FRS Hybrid Option OR on or before 6 months after taking office if you are electing the SMSOAP option or the election to withdraw from the FRS. If you choose options 1, 2, 3, or 5 in Section 1, you will have a one-time second opportunity to change plans (except to SMSOAP) at any time during your FRS career. You can review the details at MyFRS.com.

**4. A confirmation statement will be mailed to your address of record once your completed form is received and processed.** Please allow 2 to 3 weeks to receive it. (Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.)





Florida Retirement System

## Community College Optional Retirement Program (CCORP) Enrollment Form



As a new employee covered by the Florida Retirement System (FRS), your enrollment deadline depends on the plan you choose. See Section 1 for deadline information. **You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator. If it is subsequently determined that you were not eligible to make a plan choice, your election is considered invalid and will be reversed. If you do not actively enroll, you will default into the FRS Pension Plan (see Section 1 below). A mandatory 3% pretax contribution will be deducted from your paycheck and deposited into whichever Plan you select. Before you enroll, use the FREE resources offered by the FRS to help you understand the impact of your decision. These resources include:**

- The toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line Option 2.

### SECTION 1: RETIREMENT PLAN CHOICE OPTIONS (You MUST complete this section. Please print.)

Name: \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**I want to elect: (Choose only one by marking an X in the appropriate box.)**

**I understand that my deadline for options 1, 2, and 3 is 4:00 p.m. ET on the last business day of the 5<sup>th</sup> month following my month of hire.**

- ☐ **1. The FRS Pension Plan.** (Review Section 3 and complete Section 4.)  
This plan is designed for longer-term employees. It will pay you a guaranteed monthly retirement benefit based on a formula that includes your service and salary. **You qualify for a benefit after 8 years of service.**
- ☐ **2. The FRS Investment Plan.** (Complete Section 2, review Section 3 and complete Section 4.)  
This plan is designed for a more mobile workforce. Your benefit is based on the amount of money contributed to your account and its growth over time. **You qualify for a benefit after 1 year of service.**
- ☐ **3. The FRS Hybrid Option.** (Complete Section 2, review Section 3 and complete Section 4.)  
This plan is designed to freeze your already accrued Pension Plan benefit and establish an Investment Plan account for all future employer contributions. **You must have 5 or 8 years of Pension Plan service, depending on your date of hire, to select this option.**

**I understand that my deadline for option 4 is 4:00 p.m. ET on the 90<sup>th</sup> day following my date of hire.**

- ☐ **4. To withdraw from the Florida Retirement System to participate in the local Community College Optional Retirement Program (CCORP).** (Review Section 3 and complete Section 4.)  
You understand you must make this election within 90 days of my date of hire in qualified CCORP employment and that your election will be effective as of your date of hire. If you fail to make this election with 90 days of your date of hire, you will default into the FRS Pension Plan. If you select Option 4, the following **MUST** be completed by your employer:

Employing Agency Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_

Position Title: \_\_\_\_\_ Position Number: \_\_\_\_\_ Date of Employment: \_\_\_\_\_

Effective Date: \_\_\_\_\_ Initial Payroll Deduction (Select One): ☐ HA ☐ OC

**I CERTIFY that the above information is correct and the member is employed in a CCORP-eligible position.**

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_

**SECTION 2: FRS INVESTMENT PLAN FUND SELECTIONS** (Complete this section if you selected Option 2 or 3 in Section 1)

You have a suite of 10 retirement date funds and 11 investment options to choose from on this page. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. (Transfer restrictions may apply.)

**An Important Note About Fees:**

Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the Investment Plan. To make it easier for you to compare fees, the dollar amounts listed (in ***bold italics***) next to the name of each FRS Investment Plan fund are the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com. Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each FRS Investment Plan fund, please review the fund profiles and the Investment Fund Summary available at MyFRS.com or call the MyFRS Financial Guidance Line to speak with an unbiased financial planner.

**How to enter your investment fund selection:**

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that best fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

<b>You might consider the following if you are <u>Regular Class</u> and:</b>	<b>You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:</b>	<b>Fund Name</b>	<b>Percentage</b>
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(\$1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "**B**" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

<b>Asset Class Description</b>	<b>Fund Name</b>	<b>Percentage</b>
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
<b>TOTAL MUST EQUAL 100%</b>		<b>%</b>

### SECTION 3: BENEFICIARY DESIGNATION

I understand that I can designate a beneficiary at any time. If I do not designate a beneficiary, my benefits (if any) will be distributed in the event of my death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. I can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line. If I chose Option 4, in order to designate a beneficiary for the CCORP, I understand that I must contact the provider for that plan.

### SECTION 4: AUTHORIZATION (You MUST complete this section.)

**IMPORTANT INFORMATION:** Read the following before signing this form. You understand you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch from the FRS retirement plan you chose in Section 1 to the other plan during your FRS career and there may be a cost for doing so. You understand you cannot file a 2nd Election using this form. You understand you can find a description of your rights and responsibilities under the Pension Plan and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, Administrative Rules, and by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Elected the Pension Plan):** You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded.

**If you selected Option 2 in Section 1 (Elected the Investment Plan):** You understand and acknowledge the following: Any accrued value you may have in the Pension Plan will be transferred to your Investment Plan account as your opening balance and is subject to the vesting requirement of the Pension Plan. You can find out the accrued value in your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer using your actual FRS membership record pursuant to Florida law and the reconciled amount could be more or less than the estimated amount of the transfer and that your account will be adjusted accordingly. You direct all future employer contributions be deposited in your Investment Plan account.

**If you selected Option 2 or 3 in Section 1 (Elected the Investment Plan or the Hybrid Option):** You acknowledge and understand that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. Your account will be available by the end of the effective month of this election. If you didn't choose specific investment funds, you direct your assets to be invested in an age-appropriate retirement date fund based on your current age. The Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds, and you may be subject to trading controls on other funds in the event that you trade excessively.

You also acknowledge and understand that investment management fees will be deducted from your Investment Plan account and that these fees may change in the future and that funds may be added or terminated. If any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to termination. Otherwise, your assets in the terminated fund(s) will automatically be moved into a replacement fund designated at that time. If you terminate employment and are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

**If you selected Option 4 in Section 1 (Withdraw from the FRS and elect the CCORP):** You understand you are eligible to participate in the Community College Optional Retirement Program (CCORP) as provided in Section 121.051(2), Florida Statutes. You understand you must execute a contract with a CCORP provider during your first 90 days of employment or you will default into the Pension Plan. You also understand your membership in any other state-administered retirement plan will terminate on the effective date of your enrollment in the CCORP. You understand that as a member of the CCORP, you are not eligible for disability retirement benefits under any FRS-administered retirement plan. You understand that your decision to withdraw from the FRS is irrevocable for as long as you are employed in a CCORP-eligible position. You understand you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch from the

CCORP to the Pension Plan or Investment Plan during your CCORP career. You understand there may be a cost of doing so. You understand you **cannot** file a second plan election using this form. You understand that the State of Florida does not guarantee or insure the benefits paid under the CCORP. You understand that your payroll-deducted contributions are pretax and it is mandatory for you to contribute 3% of your salary to the Plan. You have the option to make additional pretax contributions of up to 5.15% of your eligible compensation. You understand the 3% mandatory contributions must be withheld from your wages and sent to the provider company as are the employer contributions. By taking a distribution of employer/mandatory employee contributions you will be considered a retiree. A retiree of a state administered retirement system reemployed on or after July 1, 2010, is not eligible for renewed membership in any state administered plan including the CCORP.

**SIGN HERE (Your form cannot be processed without your signature.)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
E-mail Address (Optional)

\_\_\_\_\_  
Employing Agency Name (Optional)

**2. FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**

(Do **not** include a cover sheet and retain the original for your records)

**Mail: FRS Plan Choice Administrator**

**P.O. Box 785027**

**Orlando, FL 32878-5027**

(Do **not** mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

Carefully review your form and make sure you sign and date it before mailing it. Keep a copy for your records.

**CAUTION: Your form will not be processed if you submit a form that does not** indicate your plan choice or your Social Security number; or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a completed form in order for your plan choice to be processed.

**3. Your choice will become final at 4:00 p.m. ET on the day it is received by the FRS Plan Administrator.** Your Plan Choice Form must be received on or before 4:00 p.m. ET on the last business day of the 5th month following your month of hire. If you elected the FRS Pension Plan, FRS Investment Plan, or the FRS Hybrid Option you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to change plans during your FRS career. You can review information about the 2<sup>nd</sup> Election at MyFRS.com. If you elected to withdraw from the FRS, you have a one-time future opportunity to change plans to the FRS Pension Plan or the FRS Investment Plan during your CCORP career.

**4. A confirmation statement will be mailed to your address of record once your completed form is received and processed.** Please allow 2 to 3 weeks to receive it. Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.



Florida Retirement System

# State Senior Management Service Employees Retirement Plan Enrollment Form



As a new employee covered by the Florida Retirement System (FRS), your enrollment deadline depends on the plan you choose. See Section 1 for deadline information. To make your plan choice, you must complete this form. **You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator.** If you do not actively enroll, you will default into the FRS Pension Plan (see Section 1 below). **Before you enroll**, use the **FREE** resources offered by the FRS to help you understand the impact of your decision. These resources include:

- The toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line Option 2.
- Senior Management Service Optional Annuity Program marketing companies.

## SECTION 1: RETIREMENT PLAN CHOICE OPTIONS

Name: \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**I want to enroll in: (Choose only one by marking an X in the appropriate box.)**

**The deadline for options 1, 2, and 3 is 4:00 p.m. ET on the last business day of the 5<sup>th</sup> month following your month of hire.**

- ☐ **1. The FRS Pension Plan for Senior Management Service Class.** (Review Section 4 and complete Section 5.) Designed for longer-term employees. It will pay you a guaranteed monthly retirement benefit based on a formula that includes your service and salary. **You qualify for a benefit after 8 years of service.**
- ☐ **2. The FRS Investment Plan for Senior Management Service Class.** (Review Section 4 and complete Sections 2 and 5.) Designed for a more mobile workforce. Your benefit is based on the amount of money contributed to your account and its growth over time. **You qualify for a benefit after 1 year of service.**
- ☐ **3. The FRS Hybrid Option.** (Review Section 4 and complete Sections 2 and 5.) Designed to freeze your already accrued Pension Plan benefit and establish an Investment Plan account for all future employer contributions. **You must have completed 5 or 8 years of Pension Plan service, depending on your date of hire, to select this option.**

**The deadline for option 4 is 4:00 p.m. ET on the 90<sup>th</sup> day following your date of hire.**

- ☐ **4. The Senior Management Service Optional Annuity Program (SMSOAP).** (Review Section 4 and complete Sections 3 and 5.) You choose to switch to the SMSOAP and retain any FRS Pension Plan benefit you have accrued as of the date of this election.

**If you selected Option 4 your employer MUST complete the following Employer Certification:**

Employing Agency Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_  
Position Title: \_\_\_\_\_ Position Number: \_\_\_\_\_ Date of Employment: \_\_\_\_\_

**I CERTIFY that the above information is correct and the member is employed in a SMSOAP-eligible position and has executed a contract(s) with the SMSOAP providers(s) elected in Section 3.**

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone Number (Area Code): \_\_\_\_\_

## SECTION 2: FRS INVESTMENT PLAN FUND SELECTIONS (Complete this section only if you selected Option 2 or 3 in Section 1.)

You have a suite of 10 retirement date funds and 11 investment options to choose from on this page. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. (Transfer restrictions may apply.)

MyFRS Financial Guidance Line 1-866-446-9377 (TRS 711) ■ MyFRS.com

SMS-1 Rev 07-15 19-11.006 F.A.C. Social Security Number: \_\_\_\_\_

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**How to enter your investment fund selection:**

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that bests fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

You might consider the following if you are <u>Regular Class</u> and:	You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:	Fund Name	Percentage
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(\$1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "B" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

Asset Class Description	Fund Name	Percentage
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
TOTAL MUST EQUAL 100%		%

**An Important Note About Fees:**

Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the FRS Investment Plan. To make it easier for you to compare fees, the dollar amounts listed (in **bold italics**) next to the name of each FRS Investment Plan fund are the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com. Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each FRS Investment Plan fund, please review the fund profiles and the Investment Fund Summary available at MyFRS.com or call the MyFRS Financial Guidance Line to speak with an unbiased financial planner.

**SECTION 3: SMSOAP FUND SELECTIONS** (Complete this section only if you selected Option 4 in Section 1.)

**SMSOAP RESOURCES.** Please designate the company(ies) in which you wish to participate, with the portion of the contribution you wish to designate to each. You should also indicate any employee after tax contributions you wish to make to each fund. Be sure to contact the marketing companies for the SMSOAP investment funds to get your questions answered.

**How to enter your investment fund selection:** Write the percentage you wish to allocate to each investment provider for employer/mandatory employee contributions and any after-tax contributions you will make. The total of all your selections for the employer contributions must equal 6.27%.

<b>Employer Contributions – 6.27%</b> <b>(The 3% required employee contributions will be allocated in the same ratio.)</b>			<b>Your Voluntary Contributions (Not to exceed 6.27% of your salary)</b>
<b>Provider Company</b>			
<b>VOYA</b>	_____ %		_____ %
<b>TIAA-CREF</b>	_____ %		_____ %
<b>VALIC</b>	_____ %		_____ %
<b>AXA</b>	_____ %		_____ %
<b>TOTAL</b>	<b>6.27%</b>		_____ %

☐ I have reviewed the investment fund options offered by the above marketing companies and have signed the necessary contract(s) with the company(ies) for the deposit of your contributions as noted above.

**SECTION 4: BENEFICIARY DESIGNATION**

If I chose Option 1, 2 or 3, I understand that I can designate a beneficiary at any time. If I do not designate a beneficiary, my benefits (if any) will be distributed in the event of my death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. I can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line. If I chose Option 4, in order to designate a beneficiary for the SMSOAP, I understand that I must contact the providers for those plans.

**SECTION 5: AUTHORIZATION** (All participants MUST complete this section.)

**IMPORTANT INFORMATION:** Before signing this enrollment form, be sure to read the following information:

If you elected Options 1, 2, or 3 in Section 1, you understand that you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch to the other FRS retirement plan during your FRS career, and that there may be a cost for doing so. You understand that you **cannot** file a 2<sup>nd</sup> Election using this form. You understand you can find a description of your rights and responsibilities under the Pension Plan and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, Administrative Rules, and by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Elected the Pension Plan):** You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded.

**If you selected Option 2 in Section 1 (Elected the Investment Plan):** You understand and acknowledge the following: Any accrued value you may have in the Pension Plan will be transferred to your Investment Plan account as your opening balance and is subject to the vesting requirement of the Pension Plan. You can find out the accrued value in your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer using your actual FRS membership record pursuant to Florida law and the reconciled amount could be more or less than the estimated amount of the transfer and that your account will be adjusted accordingly. You direct all future contributions be deposited in your Investment Plan account.

**If you selected Option 2 or 3 in Section 1 (Elected the FRS Investment Plan or FRS Hybrid Option):** You acknowledge and understand that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. Your account will be available by the end of the effective month of this election. If you didn't choose specific investment funds, you direct your assets to be invested in an age-appropriate

retirement date fund based on your current age. The Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds, and you may be subject to trading controls on other funds in the event that you trade excessively.

You also acknowledge and understand that investment management fees will be deducted from your Investment Plan account and that these fees may change in the future and that funds may be added or terminated. If any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to termination. Otherwise, your assets in the terminated fund(s) will automatically be moved into a replacement fund designated at that time. If you terminate employment and are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

**If you selected Option 4 in Section 1 (Elected the SMSOAP):** You understand you elected the SMSOAP and you must execute a contract with a SMSOAP provider during your first 90 days of employment or you will default into the Pension Plan. You also understand that your membership in any other state-administered retirement plan will terminate on the effective date of your enrollment in the SMSOAP. You understand, as a member of the SMSOAP, you are not eligible for disability retirement benefits under any FRS-administered retirement plan. You understand the State of Florida does not guarantee nor insure the benefits paid under this program. You understand that your payroll-deducted contributions are pretax and that it is mandatory to contribute 3% of your salary to the Plan. The 3% mandatory contributions will be sent to the same provider company(ies) as receives the employer contributions. You have the option to make additional post-tax contributions of up to 6.27% of your eligible compensation.

**SIGN HERE (Your form cannot be processed without your signature.)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
E-mail Address (Optional)

\_\_\_\_\_  
Employing Agency Name (Optional)

**FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**

(Do **not** include a cover sheet and retain the original for your records)

**Mail: FRS Plan Choice Administrator**

**P.O. Box 785027**

**Orlando, FL 32878-5027**

(Do **not** mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

Carefully review your form and make sure you sign and date it before mailing it. Please keep a copy for your records.

**CAUTION:** Your form will not be processed if you submit a form that does not indicate your plan choice or your Social Security number, or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a completed form in order for your plan choice election to be processed.

**Your choice will become final at 4:00 p.m. ET on the day it is received by the FRS Plan Choice Administrator.**

- **FRS PENSION OR INVESTMENT PLAN:** Your Enrollment Form must be received on or before 4:00 p.m. on the last business day of the 5<sup>th</sup> month following your month of hire. If you elected the FRS Pension Plan, FRS Investment Plan, or FRS Hybrid Option, you have a one-time future opportunity, known as your 2<sup>nd</sup> Election, to change plans during your FRS career. You can review information about the 2<sup>nd</sup> Election at MyFRS.com.
- **SMSOAP:** Your enrollment form must be received on or before 4:00 p.m. ET on the 90<sup>th</sup> day following your date of hire.

**A confirmation statement will be mailed to your address of record once your completed form is received and processed.** Please allow 2 to 3 weeks to receive it. (Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.)





Florida Retirement System

## Local Senior Management Service Employees Retirement Plan Enrollment Form



As a new employee covered by the Florida Retirement System (FRS), you have the opportunity to enroll in the FRS retirement plan of your choice. See Section 1 for deadline information. To make your plan choice, you must complete this form. **You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator.** If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed. **If you do not actively enroll**, you will default into the FRS Pension Plan (see Section 1 below). **Before you enroll**, use the **FREE** resources offered by the FRS to help you understand the impact of your decision. These resources include:

- The toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.
- The CHOICE SERVICE online benefits projection tool, available at MyFRS.com or through the MyFRS Financial Guidance Line, Option 2.
- Senior Management Service Optional Annuity Program marketing companies.

### SECTION 1: RETIREMENT PLAN CHOICE (You MUST complete this section. Please print.)

Name: \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_

**I want to enroll in: (Choose only one by marking an X in the appropriate box.)**

**The deadline for enrollment is 4:00 p.m. ET on the last business day of the 5<sup>th</sup> month following your month of hire.**

- ☐ **1. The FRS Pension Plan, Senior Management Service Class.** (Review Section 2 and complete Section 4)  
Designed for longer-term employees. It will pay you a guaranteed monthly retirement benefit based on a formula that includes your service and salary. **You qualify for a benefit after 8 years of service.**
- ☐ **2. The FRS Investment Plan, Senior Management Service Class.** (Review Section 2 and complete Sections 3 and 4)  
Designed for a more mobile workforce. Your benefit is based on the amount of money contributed to your account and its growth over time. **You qualify for a benefit after 1 year of service.**
- ☐ **3. The FRS Hybrid Option, Senior Management Service Class.** (Review Section 2 and complete Sections 3 and 4)  
Designed to freeze your already accrued Pension Plan benefit and establish an Investment Plan account for all future employer contributions. **You must have completed 5 or 8 years of Pension Plan service, depending on your date of hire, to select this option.**
- ☐ **4. To withdraw from the Florida Retirement System.** (Complete Section 4)  
This means you will not participate in the Florida Retirement System and your election is irrevocable as long as you are employed in a Senior Management Service Class-eligible position.

**If you selected Option 4 your employer MUST complete the following Certification:**

Employing Agency Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_

Position Title: \_\_\_\_\_ Position Number: \_\_\_\_\_ Date of Employment: \_\_\_\_\_

**I CERTIFY that the above information is correct.**

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Phone Number (Area Code): \_\_\_\_\_

## SECTION 2: BENEFICIARY DESIGNATION

I understand that I can designate a beneficiary at any time. If I do not designate a beneficiary, my benefits (if any) will be distributed in the event of my death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. I can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line.

## SECTION 3: FRS INVESTMENT PLAN FUND SELECTIONS

**(Complete this section only if you selected Option 2 or 3 in Section 1.)**

You have a suite of 10 retirement date funds and 11 investment options to choose from on this page. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. (Transfer restrictions may apply.)

**How to enter your investment fund selection:**

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that best fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

<b>You might consider the following if you are <u>Regular Class</u> and:</b>	<b>You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:</b>	<b>Fund Name</b>	<b>Percentage</b>
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(\$1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "B" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

<b>Asset Class Description</b>	<b>Fund Name</b>	<b>Percentage</b>
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
TOTAL MUST EQUAL 100%		%

**An Important Note About Fees:**

Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the Investment Plan. To make it easier for you to compare fees, the dollar amounts listed (in ***bold italics***) next to the name of each Investment Plan fund are the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com.

Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each Investment Plan fund, please review the fund profiles and the Investment Fund Summary available at MyFRS.com or call the MyFRS Financial Guidance Line, Option 2, to speak to an unbiased financial planner.

**SECTION 4: AUTHORIZATION (You MUST complete this section.)****1. IMPORTANT INFORMATION: Before signing this enrollment form, be sure to read the following information.**

You understand if you select Options 1, 2, or 3 in Section 1, you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to switch to the other FRS retirement plan during your FRS career. You understand there may be a cost for doing so. You understand you **cannot** file a 2<sup>nd</sup> election using this form. You understand you can find a description of your rights and responsibilities under the Pension Plan and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, Administrative Rules, and by calling the MyFRS Financial Guidance Line, Option 2 or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Elected the Pension Plan):** You understand that the FRS Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded.

**If you selected Option 2 in Section 1 (Elected the FRS Investment Plan):** You understand and acknowledge the following: Any accrued value you may have in the Pension Plan will be transferred to your Investment Plan account as your opening balance and is subject to the vesting requirement of the Pension Plan. You can find out the accrued value in your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer using your actual FRS membership record pursuant to Florida law and the reconciled amount could be more or less than the estimated amount of the transfer and that your account will be adjusted accordingly. You direct all future contributions be deposited in your Investment Plan account.

**If you selected Options 2 or 3 in Section 1 (Elected the FRS Investment Plan or the FRS Hybrid Option):** You acknowledge and understand that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. Your account will be available by the end of the effective month of this election. If you didn't choose specific investment funds, you are directing your assets to be invested in an age-appropriate retirement date fund based on your current age. The Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds, and you may be subject to trading controls on other funds in the event that you trade excessively.

You also acknowledge and understand that investment management fees will be deducted from your Investment Plan account and that these fees may change in the future and that funds may be added or terminated. If any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to termination. Otherwise, your assets in the terminated fund(s) will automatically be moved into a replacement fund designated at that time. If you terminate employment and are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

**If you selected Option 4 in Section 1:** You understand you are either in a Senior Management Service Class (SMSC)-eligible position or you are a compulsory member of the SMSC as provided in Section 121.055(1)(b), Florida Statutes. You also understand that in lieu of participation in the SMSC, you may withdraw now, or at a later date, from the Florida Retirement System. You also understand that your membership in any other state-administered retirement plan will terminate on the effective date of your withdrawal from the Florida Retirement System. You understand that by withdrawing from the Florida Retirement System you are not eligible for disability retirement benefits under any FRS-administered retirement plan. You understand your decision to withdraw from the Florida Retirement System is irrevocable for as long as you are employed in an eligible position.

**SIGN HERE (Your form cannot be processed without your signature.)**

_____ Signature	_____ Date	_____ Daytime Telephone Number
_____ E-mail Address (Optional)		_____ Employing Agency Name (Optional)

**2. FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**

(Do **not** include a cover sheet and retain the original for your records)

**Mail: FRS Plan Choice Administrator**

**P.O. Box 785027**

**Orlando, FL 32878-5027**

(Do **not** mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

Carefully review your form and make sure you sign and date it before mailing it. Please keep a copy for your records.

**CAUTION: Your form will not be processed if you submit a form that does not** indicate your plan choice or your Social Security number; or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a completed form in order for your plan choice election to be processed.

**3. Your choice will become final at 4:00 p.m. ET on the day it is received by the FRS Plan Choice Administrator.** Your Enrollment Form must be received on or before 4:00 p.m. ET on the last business day of the 5th month following your month of hire. No matter which FRS plan you select, you have a one-time future opportunity, called the 2<sup>nd</sup> Election, to change plans during your FRS career. You can review information about the 2<sup>nd</sup> Election at MyFRS.com.

**4. A confirmation statement will be mailed to your address of record once your completed form is received and processed.** Please allow 2 to 3 weeks to receive it. (Your address of record is submitted to the FRS by your employer. Make sure your employer is notified of any address changes.)



Florida Retirement System

## 2<sup>ND</sup> Election Retirement Plan Enrollment Form



**DEADLINE:** Your 2<sup>nd</sup> Election retirement plan change becomes effective on the first day of the month after the FRS Plan Choice Administrator receives your form, provided it is complete and signed (see Section 4). You must be actively employed earning salary when your form is received by the Plan Choice Administrator. If you are leaving FRS-covered employment, this form must be received by the FRS Plan Choice Administrator no later than 4:00 p.m. ET on the last business day you are earning salary and service and prior to your termination date. If you are on an unpaid leave of absence or you are an employee of an educational institution on summer break, you cannot use your 2<sup>nd</sup> Election until you return to work. If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed. If you have questions, call the MyFRS Financial Guidance Line, Option 2. **Before you change retirement plans,** take advantage of the FREE resources offered through the MyFRS Financial Guidance Program to help you understand the impact of changing from one plan to another. These resources include:

- The toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2.
- The 2<sup>nd</sup> Election CHOICE SERVICE, an online benefits projection tool, available at MyFRS.com or by calling the MyFRS Financial Guidance Line, Option 2.

### SECTION 1: RETIREMENT PLAN 2<sup>ND</sup> ELECTION (All participants must complete this section. Please print.)

Name \_\_\_\_\_  
(Last Name) (First Name) (Middle Initial)

Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

**I am exercising my one-time 2<sup>nd</sup> Election to: (Choose only one by marking an X in the appropriate box.)**

- ☐ **1. Change from the FRS Investment Plan or FRS Hybrid Option to the FRS Pension Plan** (Review Section 2 and complete Section 4.) You understand you are using your existing FRS Investment Plan account balance and possibly other personal resources to “buy” into the FRS Pension Plan.
- ☐ **2. Change from the FRS Pension Plan to the FRS Investment Plan** (Review Sections 2 and 3 and complete Section 4.) You understand you are transferring the present value, if any, of your FRS Pension Plan benefit to the FRS Investment Plan. (If you are currently a member of the FRS Hybrid Option, you cannot select this option.)
- ☐ **3. Change from the FRS Pension Plan to the FRS Hybrid Option** (Review Section 2 and complete Sections 3 and 4.) You understand you are retaining any accrued benefit in the FRS Pension Plan and future employer and employee contributions will be deposited in your FRS Investment Plan account and you must have 5 or 8 years of Pension Plan service, depending on your date of hire, to select this option.

### SECTION 2: BENEFICIARY DESIGNATION

You can designate a beneficiary at any time. If you do not designate a beneficiary, your benefits (if any) will be distributed in the event of your death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. You can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line.

### SECTION 3: FRS INVESTMENT PLAN FUND SELECTIONS (Review if you selected Option 2 or 3 in Section 1.)

You have a suite of 10 retirement date funds and 11 investment options to choose from on the next page. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. Transfer restrictions may apply.

#### **An Important Note About Fees:**

Each investment fund charges an annual fee based on a percentage of the balance invested in that fund. Fees will vary by fund and are automatically deducted from your account. These are the only fees you will pay as an active member of the Investment Plan. To make it easier for you to compare fees, the dollar amounts listed (in **bold italics**) next to the name of each Investment Plan fund are the first-year annual fee for a \$1,000 account balance. **Note:** The fees listed on this form may have changed since the form was printed. For the latest fee and fund information, visit MyFRS.com.

Fees reduce your retirement benefit. Over 30 years, an annual fee of 0.50% on a fund (\$5 per \$1,000 account balance) will reduce your final account balance by approximately 15%. For more information about each FRS Investment Plan fund, please review the fund profiles and the Investment Fund Summary at MyFRS.com or call the MyFRS Financial Guidance Line, Option 2, to speak to an unbiased financial planner.

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ELE-2 Rev 07-15 19-11.007 F.A.C. Social Security Number: \_\_\_\_\_

PAGE 1 OF 3

**How to enter your investment fund selection:**

- Write the percentage you wish to allocate to each investment option. Use whole percentages only.
- Choose your investment funds from retirement date funds, other investment funds OR from a combination of the two.
- The total of all your selections must equal 100%.
- If you do not select any investment funds below, you will be automatically defaulted to an appropriate Retirement Date Fund based on your current age.

**RETIREMENT DATE FUNDS:** If you are unsure about which investment funds to choose, you may want to consider a diversified investment portfolio that bests fits your career time horizon until anticipated retirement date. Retirement Date Funds are designed to offer diversified portfolios for members who would rather use professionally managed asset allocation funds rather than build their own retirement portfolios. These Funds are designed to provide a single fund whose asset allocation changes over time during your working career. If you select this option, you are selecting a fund based on factors such as your age as of July 1<sup>st</sup> of this year and a projected retirement date appropriate for your retirement goals. The asset allocation of these funds is subject to change. Funds and fees are as of July 1, 2015.

<b>You might consider the following if you are <u>Regular</u> Class and:</b>	<b>You might consider the following if you are <u>Special Risk</u> or <u>Special Risk Admin</u> and:</b>	<b>Fund Name</b>	<b>Percentage</b>
Age 26 or younger		FRS 2055 Retirement Fund <b>(\$0.80)</b>	%
Age 27 to Age 31	Age 26 or younger	FRS 2050 Retirement Fund <b>(\$0.80)</b>	%
Age 32 to Age 36	Age 27 to Age 31	FRS 2045 Retirement Fund <b>(\$0.80)</b>	%
Age 37 to Age 41	Age 32 to Age 36	FRS 2040 Retirement Fund <b>(\$0.80)</b>	%
Age 42 to Age 46	Age 37 to Age 41	FRS 2035 Retirement Fund <b>(\$0.80)</b>	%
Age 47 to Age 51	Age 42 to Age 46	FRS 2030 Retirement Fund <b>(\$0.90)</b>	%
Age 52 to Age 56	Age 47 to Age 51	FRS 2025 Retirement Fund <b>(1.20)</b>	%
Age 57 to Age 61	Age 52 to Age 56	FRS 2020 Retirement Fund <b>(\$1.50)</b>	%
Age 62 to Age 66	Age 57 to Age 61	FRS 2015 Retirement Fund <b>(\$1.70)</b>	%
Age 67 or Older	Age 62 or Older	FRS Retirement Income Fund <b>(\$1.80)</b>	%

**OTHER INVESTMENT FUNDS:** If you prefer to create your own customized portfolio choose from the investment funds listed below. A "B" after a fee means the fund will automatically block trades from occurring under certain circumstances. Funds and fees are as of July 1, 2015.

<b>Asset Class Description</b>	<b>Fund Name</b>	<b>Percentage</b>
Money Market	FRS Money Market Fund <b>(\$0.62)</b>	%
Real Assets	FRS Real Assets Fund <b>(\$4.50)</b>	%
Bond	FRS U.S. Bond Enhanced Index Fund <b>(\$0.50)</b>	%
	Pyramis Intermediate Duration Pool Fund <b>(\$1.20)</b>	%
	FRS Core Plus Fixed Income Fund <b>(\$2.40)</b>	%
US Equity	FRS U.S. Large Cap Equity Fund <b>(\$3.70)</b>	%
	FRS U.S. Stock Market Index Fund <b>(\$0.20)</b>	%
	FRS U.S. Small/Mid Cap Equity Fund <b>(\$6.30)</b>	%
Foreign Equity	FRS Foreign Stock Index Fund <b>(\$0.30 B)</b>	%
	American Funds EuroPacific Growth Fund <b>(\$4.90 B)</b>	%
Global Equity	American Funds New Perspective Fund <b>(\$4.90 B)</b>	%
<b>TOTAL MUST EQUAL 100%</b>		<b>%</b>

**SECTION 4: AUTHORIZATION (All participants must complete this section.)**

**IMPORTANT INFORMATION: Review Carefully.** You understand that your one-time 2<sup>nd</sup> Election is irrevocable and that you must remain in the plan you chose in Section 1 until your FRS-covered employment ends and you retire. You can find a description of your rights and responsibilities under the Pension Plan and the Investment Plan in the respective Summary Plan Descriptions, Florida Statutes, and Administrative Rules by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

**If you selected Option 1 in Section 1 (Switch to the Pension Plan):** You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded. You have elected to switch to the Pension Plan and understand there may be a buy-in cost to make this plan change. You can find out the buy-in cost by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. You understand you may be required to pay an additional amount if the buy-in cost is greater than your current FRS Investment Plan account balance. You authorize the Investment Plan Administrator to use any funds in your FRS Investment Plan account to activate your 2<sup>nd</sup> Election to switch to the Pension Plan. These funds may include prior-career

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benefits and rollover money in your account. You understand you have the ability to move your Investment Plan account balance into conservative investment options within the FRS Investment Plan in order to potentially reduce the volatility of your account balance prior to liquidation and movement to the FRS Pension Plan.

**If you selected Option 2 in Section 1 (Switch to the Investment Plan):** You understand and acknowledge the following: You have elected to switch to the Investment Plan and any accrued value you may have in the Pension Plan will be transferred to the Investment Plan as your opening balance and any Pension Plan accrued value transferred to your Investment Plan account will be subject to the vesting requirement of the FRS Pension Plan. You can find out the accrued value of your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer pursuant to Florida law using your actual FRS membership record. The reconciled amount could be more or less than the estimate you receive and your account will be adjusted accordingly. You direct all future employee and employer contributions be deposited in your Investment Plan account.

**If you selected Option 3 in Section 1 (Switch to the Hybrid Option):** You understand you have elected to switch retirement plans to the Investment Plan and that the accrued value of your current Pension Plan benefit will remain in your Pension Plan account and that an Investment Plan account will be established to receive all future employee and employer contributions.

**If you selected Option 2 or 3 in Section 1 (Switch to the Investment Plan or the Hybrid Option):** You acknowledge that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or calling the toll-free MyFRS Financial Guidance Line, Option 4. Your account will be available by the end of the effective month of this election. If you failed to choose specific investment funds, you direct your assets to be invested in an age-appropriate retirement date fund based on your current age. The Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on other funds in the event you trade excessively. I understand a Self-Directed Brokerage Account is offered by the Plan and enrollment will be available to me after I meet the required Plan provisions.

**An important note about investment fees:** You understand that investment management fees will be deducted from your FRS Investment Plan account and these fees may change in the future and that funds may be added or terminated. You understand that if any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other Investment Plan funds prior to termination of the fund. If you do not authorize a transfer, your assets in the terminated fund(s) will automatically be transferred into a designated replacement fund. You understand that if you terminate FRS-covered employment and you are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less, or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from my exercise of control.

You understand that the FRS Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

**SIGN HERE (Your form cannot be processed without your signature.)**

Signature	Date	Daytime Telephone Number
Email Address (optional)		Employing Agency (optional)

**2. FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**  
(Do not include a cover sheet)

**Mail: FRS Plan Choice Administrator**  
**P.O. Box 785027**  
**Orlando, FL 32878-5027**

Carefully review your form and make sure you sign and date it before mailing it. Please keep a copy for your records.

**CAUTION: Your form will not be processed if you submit a form that does not** indicate your 2<sup>nd</sup> Election plan choice or your Social Security number; or does not have your signature. You will be notified if your form is incomplete and was not processed. You must resubmit a completed form in order for your 2<sup>nd</sup> Election to be processed.

**3. Your 2<sup>nd</sup> Election will become final at 4:00 p.m. ET on the day it is received** by the FRS Plan Choice Administrator. Forms received after 4:00 p.m. ET will be considered received the next business day. If you are terminating FRS-covered employment, this form must be received by the FRS Plan Choice Administrator prior to your date of termination or it will be invalid.

**4. A confirmation statement will be mailed to your address of record once your completed form is received and processed.** Please allow 2 to 3 weeks to receive it. Your address of record is provided to the FRS by your employer. It is your responsibility to make sure your employer is notified of any address changes.



Florida Retirement System

## 2<sup>nd</sup> Election EZ Retirement Plan Enrollment Form



Before completing this form, read the information on page 2.

**RETIREMENT PLAN 2<sup>nd</sup> ELECTION (You MUST complete this form and return it to the address noted below.)**

<b>PLEASE PRINT</b> LAST NAME	FIRST	MIDDLE INITIAL
SOCIAL SECURITY NUMBER	DATE OF BIRTH (MM/DD/YYYY)	

I am exercising my one-time 2<sup>nd</sup> Election to: *(Choose only one by marking an X in the appropriate box.)*

- ☐ 1. **Change from the FRS Investment Plan or FRS Hybrid Option to the FRS Pension Plan** (Review Sections 1 and 2.) You understand you are using your existing Investment Plan account balance and possibly other personal resources to “buy” into the Pension Plan.
- ☐ 2. **Change from the FRS Pension Plan to the FRS Investment Plan** (Review Sections 1, 2 and 3.) You understand you are transferring the present value, if any, of your Pension Plan benefit to the Investment Plan. You understand that future employee and employer contributions will be deposited in your Investment Plan account and that your assets will be deposited in an age appropriate Retirement Date Fund based on your current age. (If you are currently a member of the Hybrid Option, you cannot select this option.)
- ☐ 3. **Change from the FRS Pension Plan to the FRS Hybrid Option** (Review Sections 1, 2 and 3.) You understand you are retaining any accrued benefit in the Pension Plan and future employee and employer contributions will be deposited in your Investment Plan account and that your assets will be deposited in an age appropriate Retirement Date Fund based on your current age. To select this option you must have 8 years of Pension Plan service if you were initially enrolled in the FRS on or after July 1, 2011 or 5 years of Pension Plan service if you were initially enrolled in the FRS prior to July 1, 2011.

**SIGN HERE (Your form cannot be processed without your acknowledgement and signature.)**

By signing this form, I acknowledge that I have read and understand the information on page 2 and certify all completed information above to be true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
E-mail Address (optional)

\_\_\_\_\_  
Employing Agency (optional)

**FAX OR MAIL YOUR COMPLETED FORM TO:**

**Fax: 1-888-310-5559**

(Do not include a cover sheet and retain the original for your records)

**Mail: FRS Plan Choice Administrator  
P.O. Box 785027  
Orlando, FL 32878-5027**

(Do **not** mail this form to your employer or to the Division of Retirement and retain a copy for your records.)

**CAUTION: Your form will not be processed if you submit a form that does** not indicate your 2<sup>nd</sup> Election plan choice or does not have your signature or Social Security number. You will be notified if your form is incomplete and was not processed. You must submit a new completed form in order for your 2<sup>nd</sup> Election to be processed. Keep a copy for your records.

**Your 2<sup>nd</sup> Election will become final at 4:00 p.m. ET on the day it is received** by the FRS Plan Choice Administrator. This form must be received by the FRS Plan Choice Administrator no later than 4:00 p.m. ET on the last business day you are earning salary and service credit and **prior** to your date of termination or it will be invalid. If you later feel this retirement plan choice was made in error, you may be able to cancel it. Please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 2. Failure to notify us prior to the last business day of the month following your election month will void your right to cancel this election.

A confirmation statement will be mailed to your address of record once your completed form is received and processed. Please allow 2 to 3 weeks to receive it. Your address of record is provided to the FRS by your employer. It is your responsibility to make sure your employer is notified of any address changes.

**IMPORTANT INFORMATION - Review Carefully**

Your 2<sup>nd</sup> Election retirement plan change becomes effective on the first day of the month after the Plan Administrator receives your form, provided it is complete and signed. **You must be actively employed earning salary and service credit when your form is received by the FRS Plan Choice Administrator.** If you are leaving FRS-covered employment, this form must be received prior to your termination date. If you are on an unpaid leave of absence or you are an employee of an educational institution on summer break, you cannot use your 2<sup>nd</sup> Election until you return to work. If it is subsequently determined that you were not eligible to make a plan choice, your election will be considered invalid and will be reversed. For your plan change to occur in a specific

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month, the form must be received no later than 4 PM ET on the last business day of the month prior to the effective month. If you have questions, call the MyFRS Financial Guidance Line. **Before you change retirement plans**, take advantage of the **FREE** resources offered through the MyFRS Financial Guidance Program to help you understand the impact of changing from one plan to another. These resources include the toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 2 and the 2<sup>nd</sup> Election CHOICE SERVICE, an online benefits projection tool available at MyFRS.com or by calling the MyFRS Financial Guidance Line.

## **SECTION 1: BENEFICIARY DESIGNATION**

You can designate a beneficiary at any time. If you do not designate a beneficiary, your benefits (if any) will be distributed in the event of your death in accordance with s. 121.091(8) or s. 121.4501(20), Florida Statutes, as applicable. You can designate a beneficiary by completing a Beneficiary Designation Form (BEN-001 Pension Plan or IPBEN-1 Investment Plan). Both forms are available online at MyFRS.com or by calling the MyFRS Financial Guidance Line.

## **SECTION 2: PLAN CHOICE**

You understand that your one-time 2<sup>nd</sup> Election is irrevocable and that you must remain in the plan you chose on page 1 until your FRS-covered employment ends and you retire.

**If you selected Option 1 (Page 1):** You understand that the Pension Plan is a defined benefit plan, which will provide you with benefit payments at retirement if you meet certain criteria. As of the most recent actuarial valuation date, the FRS actuarial liability exceeded the actuarial value of its assets yielding an unfunded actuarial liability. This liability may increase or decrease in the future. The Legislature may increase or decrease the amount that you and your employer contribute to this plan to keep it actuarially funded. You have elected to switch to the Pension Plan and understand there may be a buy-in cost to make this plan change. You can find out the buy-in cost by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. You understand you may be required to pay an additional amount if the buy-in cost is greater than your current Investment Plan account balance. You authorize the Investment Plan Administrator to use any funds in your Investment Plan account to activate your 2<sup>nd</sup> Election to switch to the Pension Plan. These funds may include prior-career benefits and rollover money in your account. You understand you have the ability to move your Investment Plan account balance into conservative investment options within the Investment Plan in order to potentially reduce the volatility of your account balance prior to liquidation and movement to the Pension Plan.

**If you selected Option 2 (Page 1):** You understand and acknowledge the following: You have elected to switch to the Investment Plan and that any accrued value you may have in the Pension Plan will be transferred to the Investment Plan as your opening account and any Pension Plan accrued value transferred to your account will be subject to the vesting requirement of the Pension. You can find out the accrued value of your Pension Plan account by calling the MyFRS Financial Guidance Line, Option 3, to connect to the Division of Retirement. The initial transfer amount is an estimate and your account will be reconciled within 60 days of that transfer pursuant to Florida law using your actual FRS membership record. The reconciled amount could be more or less than the estimate you receive and your account will be adjusted accordingly. You direct all future contributions be deposited in my Investment Plan account.

**If you selected Option 3 (Page 1):** You understand and acknowledge that you have elected to switch retirement plans to the Hybrid Option and that the accrued value of your current Pension Plan benefit will remain in your Pension Plan account. You understand that an Investment Plan account will be established to receive all future contributions.

**If you selected Option 2 or 3 (Page 1):** You understand and acknowledge that your Plan assets will be invested in an age appropriate Retirement Date Fund based on your current age as provided under Plan provisions, that other investment funds are available to you, and that you can change your fund allocations at any time after your account is activated by logging onto MyFRS.com or by calling the toll-free MyFRS Financial Guidance Line, Option 4. You understand that your account will be available at the end of your effective date month, and you should review the Fund Profiles, the Investment Fund Summary and the Annual Fee Disclosure at MyFRS.com before selecting any investment funds or submitting this form. You understand that the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on other funds in the event that you trade excessively. You understand that investment management fees will be deducted from your Investment Plan account, that these fees may change in the future and that funds may be added or terminated. You understand that if any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your assets into other investment funds prior to termination. If you do not move your assets in the terminated fund(s), they will automatically be moved into a replacement fund designated at that time. You understand that if you terminate FRS-covered employment and you are vested in your account balance, you may be subject to a mandatory payout of your account if the balance is \$1,000 or less or an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000. You understand that Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under Section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the assets in your Investment Plan account, pursuant to Section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

You understand that the Investment Plan is a defined contribution plan in which the Florida Legislature can increase or decrease the amount that you and your employer contribute to your account.

You can find a description of your rights and responsibilities under the Pension Plan, the Investment Plan and the Hybrid Option in the respective Summary Plan Descriptions, Florida Statutes, and Administrative Rules by calling the MyFRS Financial Guidance Line, Option 2, or visiting MyFRS.com.

## **SECTION 3: INVESTMENT PLAN FUND SELECTIONS (Review if you selected Option 2 or 3 on page 1)**

You have a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices.



## EMPLOYEE ROLLOVER DEPOSIT INSTRUCTIONS AND FORM



### **Before completing this form, read the information on page 2.**

The **FRS Investment Plan Employee Rollover Deposit Form** should be used to invest assets **into** the FRS Investment Plan that are currently in (1) a qualified Traditional IRA, Simple IRA or SEP IRA at another custodian; (2) an eligible retirement plan (401 defined contribution or 401 defined benefit); (3) 457(b); (4) 403(b) pre-tax; or (5) the Federal Employee's Thrift Savings Plan. If you need assistance in completing this form, or need to discuss the process for rolling your assets into the FRS Investment Plan, please call the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4, (TRS 711) to speak with the FRS Investment Plan Administrator.

Please Print

\_\_\_\_\_  
(Last Name) (First Name) (MI)

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(Social Security Number) (Date of Birth – mm/dd/yyyy) (Work Telephone) (Home Telephone)

Pursuant to Section 121.4501(5)(e), F.S., I wish to make an eligible rollover deposit into the FRS Investment Plan. The Investment Plan accepts rollovers that include both taxable and non-taxable (any amounts that have already been taxed) amounts. The total amount of my rollover is \$\_\_\_\_\_. The Taxable Amount is \$\_\_\_\_\_ and the Non-taxable amount is \$\_\_\_\_\_. As evidenced by the attached documentation, this amount does not exceed the taxable amount, which I received from

\_\_\_\_\_  
Name of Qualified Plan or Qualified Source (Bank, Mutual Fund, etc.)

### **Investment Options**

By using this *Employee Rollover Deposit Form*, you are initially choosing to have your rollover deposit invested in one of the following two investment options (**choose only one**):

\_\_\_\_\_ **100% invested in accordance with my current Investment Plan allocations.**

\_\_\_\_\_ **100% invested in the FRS Money Market Fund** – This fund seeks to provide high current income, liquidity and capital preservation. The fund is an index fund and primarily invests in high quality, liquid, short-term instruments (**\$0.62**).

Note: The description above shows the first year annual fees (in ***bold italics***) that would be paid out of your account balance based on a \$1,000 investment in that fund. The fees on this form may have changed since the form was printed. To see the latest fee and fund information, go online to MyFRS.com. **If you fail to select one of the investment options above on this form, you are affirmatively electing to have your rollover deposited in the FRS Money Market Fund.** You may change your above investment option after your rollover is deposited into your Investment Plan account. You have a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You can change your investment fund selections after your account is activated by calling the MyFRS Financial Guidance Line, Option 4, or logging onto MyFRS.com. Transfer restrictions may apply. You acknowledge that you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form.

**SIGN HERE** Your form cannot be processed without your acknowledgement and signature. By signing this form, you acknowledge you read and understand the information on page 2 and certify all information to be true and correct. If any of the rollover contribution is subsequently determined to be ineligible for rollover, you understand that the Plan will distribute the ineligible amount and any earnings, if applicable.

**The rollover check must be made payable to** the "FRS Investment Plan – FBO (For the Benefit Of) [your name]." Your Social Security Number and IRA/Qualified Plan Account Number must be included on the check.

\_\_\_\_\_  
Signature Date Daytime Telephone Number

## EMPLOYEE ROLLOVER DEPOSIT INFORMATION AND INSTRUCTIONS

### Submit all documentation to:

#### **By Regular Us Postal Service:**

FRS Investment Plan Administrator  
P.O. Box 785027  
Orlando, FL 32878-5027

#### **OR: By Fax**

1-888-310-5559  
FRS Investment Plan Administrator  
Administrator

#### **OR**

#### **By Overnight Courier:**

FRS Investment Plan Administrator  
2300 Discovery Drive  
Orlando, FL 32826

### Important Rollover Information:

The following types of retirement plans and/or distributions are **not eligible** to be moved into the FRS Investment Plan:

1. **Roth IRA:** You can only transfer/rollover assets from a Roth IRA into other Roth IRAs.
2. **Payments Spread Over Long Periods of Time:** You cannot move a payment if it is part of a series of equal (or almost equal) payments made at least once a year and lasting for: your lifetime (or your life expectancy), your lifetime and your beneficiary's lifetime (or life expectancies), or a period of 10 years or more.
3. **Required Minimum Payments:** Beginning in the year you reach 70½, a certain portion of your payment cannot be moved because it is a required minimum payment that must be paid to you. However, once you have received the required minimum payment for a particular year, you may move the remainder of your retirement plan account into the FRS Investment Plan. (You will be required to continue receiving the required minimum payments from your FRS Investment Plan.)
4. **Emergency or Hardship Withdrawals:** Emergency (from a 457 plan) or hardship (from a 401 or 403(b) plan) withdrawals cannot be moved to the FRS Investment Plan.

**You must complete the rollover deposit within 60 days of receiving the assets** to avoid paying income taxes and a potential early withdrawal penalty. The Eligible Rollover Deposit is a one-time plan transaction separate from your current FRS Investment Plan. Once you roll over eligible retirement monies into the FRS Investment Plan, you cannot receive any distributions of these funds (or your Investment Plan account balance) until you terminate employment for 3 calendar months. You may be eligible to withdraw a one-time distribution of up to 10% of your Investment Plan account balance one calendar month following the month of your termination if you meet the normal retirement requirements for the FRS Pension Plan.

### Required Documentation

In addition to this form, you must provide documentation that shows the rollover contribution is eligible to be rolled into the Plan. If documentation is not provided, it will be necessary for you to submit additional information. To show that the rollover is from an eligible plan and can be rolled into the plan, send a copy of the distribution statement/payment confirmation, IRS Form 1099-R, or letter that you received from your prior employer plan or IRA showing your distribution. This documentation should include:

- Plan Name
- Gross distribution (total amount of payment before deductions)
- Taxable amount (portion of the payment that will be taxable to you when you withdraw it from the plan)
- Federal withholding (taxes withheld from the payment)
- Date of distribution (required if you are doing an indirect rollover)
- Contributions you deferred as after-tax and/or Roth, if applicable

Provide only copies -- do not submit any original documentation (except for this form). Documentation submitted for rollover processing can't be returned to you.

You certify the following statements are true and correct:

1. Your Eligible Rollover Deposit is eligible to be rolled in to the FRS Investment Plan and you are rolling over your Eligible Employee Rollover Deposit no later than the 60th day after receiving it.
2. If your Eligible Employee Rollover Deposit is coming from an IRA, that IRA is a traditional IRA, Simple IRA or SEP IRA (not a Roth IRA).
3. This Eligible Employee Rollover Deposit is not a part of a series of payments over your life expectancy or over a period of 10 years or more.
4. This Eligible Employee Rollover Deposit does not include any required minimum distributions with respect to your previous employer's plan or IRA.
5. This Eligible Employee Rollover Deposit does not include a hardship distribution, corrective distribution, nor any amounts that are deemed to have been distributed from a qualified retirement plan due to a default on a loan.
6. You are eligible to direct the Eligible Employee Rollover Deposit to the FRS Investment Plan and that you are one of the following: the plan participant, the surviving spouse of a deceased plan participant; or the spouse or former spouse of a plan participant under a Qualified Domestic Relations Order.
7. You understand that if your rollover includes after-tax money, it must be accounted for separately.
8. You understand that if your rollover check has both pretax and after-tax money, your selected investment allocations will be used to process your rollover contributions.
9. You understand you must designate a beneficiary for my Investment Plan account. Until you file a Beneficiary Designation Form with the Investment Plan Administrator, your beneficiary will be per Florida law. You understand you can modify or change your Investment Plan beneficiary by completing a Beneficiary Designation Form available on the web at MyFRS.com.
10. You understand that once you roll over eligible retirement monies into the FRS Investment Plan, you cannot receive any distributions of these funds (or your Investment Plan account balance) until you terminate employment for 3 calendar months. You may be eligible to withdraw a one-time distribution of up to 10% of your Investment Plan account balance one calendar month following the month of your termination if you meet the normal retirement requirements for the FRS Pension Plan.
11. You understand Employee Rollover Deposits are reported to the IRS. You hereby release the Plan Sponsor and Plan Administrator from any claim for damages on account of the failure of this transaction to qualify as a valid rollover. You authorize the transfer of assets to the Investment Plan as detailed above. You further authorize the Investment Plan Administrator, to process this request on your behalf. You understand it is your responsibility to assure the prompt transfer of assets by the current custodian. You have read and understand all information in these instructions and hereby provide the applicable eligible rollover certification.



**FRS Investment Plan**  
**DROP ACCUMULATION DIRECT ROLLOVER FORM**  
**FOR CURRENT DROP MEMBERS**



**IMPORTANT INFORMATION**

Complete this **FRS Investment Plan DROP Accumulation Direct Rollover Form for Current DROP Members** if you are planning to terminate employment with the FRS in the near future and want to roll your FRS Deferred Retirement Option Program (DROP) accumulation to the FRS Investment Plan. The FRS Investment Plan only accepts rollovers from financial institutions and will not accept personal checks.

If you need assistance in completing this **DROP Accumulation Direct Deposit Rollover Form for Current Members** or need to discuss the process for rolling your accumulation into the FRS Investment Plan, please call the MyFRS Financial Guidance Line toll-free at **1-866-446-9377, Option 4** (TRS 711), and connect to the FRS Investment Plan Administrator.

In order to complete this transaction, you must mail the **FRS DROP Select Payout Method Form (DP-PAYT)** to the Investment Plan Administrator. The **DP-PAYT Form** is required prior to completing this **DROP Accumulation Direct Rollover Form for Current DROP Members**. If you have not completed the **DP-PAYT Form**, contact the Division of Retirement toll-free at 1-866-446-9377, Option 3.

Rolling your DROP accumulation into the FRS Investment Plan is a completely separate transaction from receiving your monthly FRS Pension Plan benefits. Terminated DROP participants who roll their DROP accumulation into the FRS Investment Plan have immediate distribution access to their DROP proceeds whether they are retired or return to FRS-covered employment.

**REQUIRED DOCUMENTATION / INFORMATION**

Please complete and return this form to the Investment Plan Administrator at the address provided on page 2 of this form. The information on this form is required to set up your account. If you have any questions, please call the Investment Plan Administrator toll-free at **1-866-446-9377, Option 4** (TRS 711).

**Please Print:**

<b>Social Security Number</b> ____ / ____ / ____	<b>Last Name</b> _____	<b>First Name</b> _____	<b>M I</b> ____
<b>Work Telephone (if applicable)</b> (    ) _____	<b>Home Telephone</b> (    ) _____	<b>EMAIL:</b> _____	
<b>Street Address</b> _____	<b>City</b> _____	<b>State</b> _____	<b>Zip Code</b> _____
<b>Date of Birth:</b> ____ / ____ / ____ <small>mm          dd          yyyy</small>			

**INVESTMENT OPTIONS**

By using this **DROP Accumulation Direct Rollover Form**, you are initially choosing to have your DROP accumulation invested in one or more of the following two investment options (must total 100%):

____%	<b>FRS Money Market Fund</b> - This fund seeks to provide high current income, liquidity and capital preservation. The fund is an index fund and primarily invests in high quality, liquid, short-term instruments. <b>(\$0.62)</b>
____%	<b>FRS Retirement Income Fund</b> – This fund seeks to provide current income and some capital appreciation as well as potential protection against future inflation. <b>(\$1.80)</b>
____%	<b>Total Amount (must total 100%)</b>

Note: The description above shows the first year annual fees (in ***bold italics***) that would be paid out of your account balance based on a \$1,000 investment in that fund. The fees on this form may have changed since the form was printed. To see the latest fee and fund information, go online to MyFRS.com. **If you fail to select any investment options on this form, you are affirmatively electing to have your DROP accumulation deposited in the FRS Retirement Income Fund.** You may change your investment fund selection(s) after your account is funded. There are currently a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices.

## **BENEFICIARY DESIGNATION**

You have the right to designate a beneficiary to receive any benefits due at your death. Until you provide the Investment Plan Administrator with your *Beneficiary Designation Form*, your benefits will be payable in accordance with Florida law, pursuant to Section 121.4501(20), F.S. Any beneficiary change will be effective only upon receipt of your *Beneficiary Designation Form* (IPBEN-1) for the FRS Investment Plan, which can be obtained from the Plan Administrator by calling the MyFRS Financial Guidance Line at 1-866-446-9377 or at MyFRS.com under "Forms." **Note:** The beneficiary you designate for your Investment Plan account may be different from the beneficiary you have named to receive your Pension Plan benefits.

## **AUTHORIZED / CERTIFICATION - IMPORTANT INFORMATION**

You understand you can find a description of your rights and responsibilities under the Investment Plan in the Summary Plan Description and Florida Statutes, available through the MyFRS Financial Guidance Line, Option 2, or at MyFRS.com.

You are authorizing your DROP benefit be invested as set out in Section 2 above and you understand other investment funds are available to you. You understand you can change the fund allocations at any time after your DROP accumulation has been deposited by accessing MyFRS.com or by calling the toll-free MyFRS Financial Guidance Line.

You acknowledge you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at My FRS.com before selecting any investment funds or submitting this form. You understand information on investment funds will be provided in electronic format, unless you request hard copies. You understand the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7-calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on other funds in the event you trade excessively.

You understand investment management fees will be deducted from your Investment Plan account. You also understand these fees may change in the future and funds may be added or terminated. You understand if any of the funds you select in the Investment Plan are terminated in the future, you will be able to move your rollover into other investment funds prior to termination, otherwise, your accumulation in the terminated fund(s) will be automatically moved into a replacement fund designated at that time. You understand you are subject to a mandatory payout of your account if your balance is \$1,000 or less, and an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that as a terminated DROP participant rolling your DROP accumulation into the Investment Plan you will have immediate distribution access to your DROP proceeds whether you are retired or return to FRS-covered employment.

You understand Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the accumulation in your Investment Plan account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

## **Certification and Signature**

You certify the following statements are true and correct:

- 1) Your DROP accumulation is eligible for rollover into the FRS Investment Plan;
- 2) You certify you are eligible to direct your DROP accumulation to the FRS Investment Plan; and
- 3) You were an FRS DROP participant.

You authorize the deposit of your DROP accumulation into the FRS Investment Plan as detailed in Section 2. You further authorize the Investment Plan Administrator to process this request on your behalf. You have read and understand all information in the instructions and hereby provide the applicable DROP certification.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Daytime Telephone Number

Social Sec. No: \_\_\_\_ / \_\_\_\_ / \_\_\_\_      Date: \_\_\_\_\_

\_\_\_\_\_  
E-mail Address (optional)

### **Submit all documentation to:**

**By Regular US Postal Service:**  
FRS Investment Plan Administrator  
P.O. Box 785027  
Orlando, FL 32878-5027

**OR By Fax**  
1-888-310-5559  
FRS Investment Plan  
Administrator

**OR By overnight courier:**  
FRS Investment Plan Administrator  
2300 Discovery Drive  
Orlando, FL 32826

A confirmation statement will be mailed to your address of record once your completed form and check are received and processed. Please allow 2 to 3 weeks to receive it.

**Carefully review your form and be sure you've signed and dated it. Please keep a copy for your records.**



**IMPORTANT INFORMATION**

Complete this *FRS Investment Plan DROP Direct Rollover Form for Former DROP Members* if you have already terminated employment with the FRS and rolled your FRS Deferred Retirement Option Program (DROP) accumulation to another qualified retirement account, [for example, (1) a qualified Traditional IRA with another custodian, (2) an eligible retirement plan (401(k), 457 or 403(b)), or (3) the Federal Employee's Thrift Savings Plan]; and you now wish to invest your DROP rollover in the FRS Investment Plan. Terminated DROP participants who roll their DROP accumulation into the FRS Investment Plan have immediate distribution access to their DROP proceeds whether they are retired or return to FRS-covered employment.

The following types of retirement plans and/or distributions are **not eligible** to be rolled over into the FRS Investment Plan:

1. **Roth IRA:** You can only transfer/rollover assets from a Roth IRA into other Roth IRAs.
2. **Payments Spread Over Long Periods of Time:** You cannot move a payment if it is part of a series of equal (or almost equal) payments made at least once a year and lasting for your lifetime (or your life expectancy), your lifetime and your beneficiary's lifetime (or life expectancies), or a period of 10 years or more.
3. **Required Minimum Payments:** Beginning in the year you reach age 70½, a certain portion of your payment cannot be rolled over because it is a required minimum payment that must be paid to you. However, once you have received the required minimum payment for a particular year, you may move the remainder of your retirement plan account into the FRS Investment Plan. (You will be required to continue receiving the required minimum payments from your FRS Investment Plan.)
4. **Emergency or Hardship Withdrawals:** Emergency (from a 457 plan) or hardship (from a 401 or 403(b) plan) withdrawals cannot be moved to the FRS Investment Plan.
5. **After-tax Distributions:** After-tax distributions from any qualified retirement plan or IRA are not permitted. After tax monies can only be accepted if transferred directly from the rollover plan to the FRS Investment Plan (i.e. Trustee-to-Trustee Rollover) and is NOT part of an indirect 60-day rollover.

If you have any questions regarding the DROP rollover accumulations into the Investment Plan, please call the MyFRS Financial Guidance Line toll-free at **1-866-446-9377, Option 4** (TRS 711) to speak with the Investment Plan Administrator.

**REQUIRED DOCUMENTATION / INFORMATION:**

Social Security Number ____ / ____ / ____		Last Name		First Name		M I	
Work Telephone (if applicable) ( )		Home Telephone ( )		EMAIL:			
Street Address			City		State		Zip Code
Date of Birth (mm-dd-yyyy) ____ - ____ - ____							

I wish to make a DROP rollover deposit into the Investment Plan in the amount of \$\_\_\_\_\_. This deposit is a rollover from another qualified retirement account to the FRS Investment Plan.

Along with this completed form, please provide documentation to show that the rollover is from an eligible plan and can be rolled into the Investment Plan. The documentation can be a copy of the distribution statement/payment confirmation or IRS Form 1099-R or letter that you received from your IRA showing your distribution. This documentation should include:

- Plan Name
- Gross distribution (total amount of payment before deductions)
- Taxable amount (portion of the payment that will be taxable to you when you withdraw it from the plan)
- Federal withholding (taxes withheld from the payment)
- Date of distribution (required if you are doing an indirect rollover)
- Contributions you deferred as after-tax and/or Roth, if applicable

Provide only copies -- do not submit any original documentation (except for this form). Documentation submitted for rollover processing can't be returned to you.

## **INVESTMENT OPTIONS**

By using this DROP Direct Rollover Form for Former DROP Members, you are initially choosing to have your DROP rollover invested in one or more of the following two investment options (must total 100%):

____%	<b>FRS Money Market Fund</b> - This fund seeks to provide high current income, liquidity and capital preservation. The fund is an index fund and primarily invests in high quality, liquid, short-term instruments. <b>(\$0.62)</b>
____%	<b>FRS Retirement Income Fund</b> – This fund seeks to provide current income and some capital appreciation as well as potential protection against future inflation. <b>(\$1.80)</b>
____%	<b>Total Amount (Must total 100%)</b>

Note: The description above shows the first year annual fund management fees (in ***bold italics***) that would be paid out of your account balance, based on a \$1,000 investment in that fund. The fees on this form may have changed since the form was printed. To see the latest fee and fund information, go online to MyFRS.com. **If you fail to select any investment options on this form, you are affirmatively electing to have your DROP accumulation deposited in the FRS Retirement Income Fund.** You may change your investment fund selection(s) after your account is funded. There are currently a suite of 10 retirement date funds and 11 investment options to choose from. Please use the free MyFRS Financial Guidance Program resources to help you understand your investment fund choices. You may change your investment fund selection(s) after your account is funded.

## **BENEFICIARY DESIGNATION**

You have the right to designate a beneficiary to receive any benefits due at your death. Until you provide the Investment Plan Administrator with your Beneficiary Designation Form, your benefits will be payable in accordance with Florida law, pursuant to Section 121.4501(20), F.S. Any beneficiary change will be effective only upon receipt by the Investment Plan Administrator of your Beneficiary Designation Form (IPBEN-1) for the Investment Plan, which can be obtained from the Plan Administrator by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4, or on the MyFRS.com website under "Forms." Note: The beneficiary you designate for your Investment Plan account may be different from the beneficiary you have named to receive your Pension Plan benefits.

## **AUTHORIZATION / CERTIFICATION – IMPORTANT INFORMATION**

You understand you can find a description of your rights and responsibilities under the FRS Investment Plan in the Summary Plan Description and Florida Statutes, available through the MyFRS Financial Guidance Line, Option 2, or at MyFRS.com.

You are authorizing your rollover deposit be invested as set out in Section 2 above, and you understand other investment funds are available to you. You understand you can change your fund allocations at any time after your account is funded by accessing MyFRS.com or by calling the toll-free MyFRS Financial Guidance Line, Option 4. You acknowledge you reviewed the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement in the "Investment Funds" section at MyFRS.com before selecting any investment funds or submitting this form. You understand the Investment Plan is not designed to facilitate short-term excessive fund trading. Foreign and global investment funds are subject to a minimum holding period of 7 calendar days following any non-exempt transfers into such funds and you may be subject to trading controls on other funds in the event you trade excessively.

You understand investment management fees will be deducted from your Investment Plan account. You also understand these fees may change in the future and funds may be added or terminated. You understand if any of the funds you select in the FRS Investment Plan are terminated in the future, you will be able to move your rollover into other investment funds prior to termination, otherwise, your accumulation in the terminated fund(s) will be automatically moved into a replacement fund designated at that time. You understand you are subject to a mandatory payout of your account if your balance is \$1,000 or less, and an account maintenance fee of \$6 per quarter if your account balance is more than \$1,000.

You understand that as a terminated DROP participant rolling your DROP accumulation into the Investment Plan you will be have immediate distribution access to your DROP proceeds whether you are retired or return to FRS-covered employment.

You understand Sections 121.4501(8)(b)2 and 121.4501(15)(b) of Florida law incorporate the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. If you exercise control over the accumulation in your Investment Plan account,

pursuant to section 404(c) regulations and all applicable laws governing the operation of the Investment Plan, no program fiduciary shall be liable for any loss to your account which results from your exercise of control.

### **Certification and Signature**

You certify the following statements are true and correct:

- 1) You are a former DROP participant and your DROP rollover is eligible for rollover into the FRS Investment Plan.
- 2) This DROP Rollover Deposit is not a part of a series of payments over your life expectancy or over a period of 10 years or more.
- 3) This DROP Rollover Deposit does not include any required minimum distributions with respect to any previous employer's plan or IRA.
- 4) This DROP Rollover does not include a hardship distribution, corrective distribution, nor any amounts that are deemed to have been distributed from a qualified retirement plan due to a default on a loan.
- 5) The amount of after-tax monies as part of the DROP direct rollover is \$\_\_\_\_\_. (Zero if left blank). After-tax monies can only be accepted if transferred directly from the rollover plan to the FRS Investment Plan and are NOT part of an indirect 60-day rollover.

You authorize the FRS Investment Plan Administrator to process this request on your behalf. You understand it is your responsibility to assure the prompt forwarding of your check to the FRS Investment Plan. You have read and understand all information in the instructions and hereby provide the applicable DROP certification.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Daytime Telephone Number**

**Social Sec. No:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**E-mail Address (optional)**

#### **Submit all documentation to:**

##### **By Regular Us Postal Service:**

FRS Investment Plan Administrator  
P.O. Box 785027  
Orlando, FL 32826

##### **OR By Fax**

1-888-310-5559  
FRS Investment Plan Administrator

##### **OR By Overnight Courier:**

FRS Investment Plan Administrator  
2300 Discovery Drive  
Orlando, FL 32878-5027

**A confirmation statement will be mailed to your address of record once your completed form and check are received and processed. Please allow 2 to 3 weeks to receive it.**

**Carefully review your form and be sure you've signed and dated it. Please keep a copy for your records.**



## RULES 19-13.001 and 19-13.004

### Strikethrough/Underline Version

#### **19-13.001 Roles and Responsibilities of the State Board of Administration of Florida.**

(1) The State Board of Administration of Florida (“SBA”) is responsible for establishing, implementing, and administering the defined contribution program, referred to as ~~called~~ the “Florida Retirement System Investment Plan” or “Investment Plan”, in accordance with Section 121.4501(1), F.S. The SBA is the Plan Sponsor. The plan documents consist of the Florida Statutes and rules adopted thereunder. The Summary Plan Description (SPD) is a summary of the plan documents for the convenience of members. The SPD can be changed by the SBA at any time without prior notice to Florida Retirement System (FRS) members. The SBA’s primary responsibilities are set out in paragraphs (1)(a) through (1)(n), below. Each of these major responsibilities involves additional decisions which then in turn need to be implemented. Those decisions, to the extent they are not solely on a case-by-case basis, are adopted by rule. The SBA must ensure that all of the following individual responsibilities are carried out:

(a) Hiring general and specialized consultants to assist in the implementation and on-going operation of the Investment Plan. Their roles and responsibilities are found in Rule 19-13.004, F.A.C.

(b) Hiring a third party administrator (“Administrator”), educational service providers, investment option providers, and contracting with the Division of Retirement (“Division”) within the Department of Management Services to provide certain administrative services. Their roles and responsibilities are found, respectively, in Rules 19-13.004 and 19-13.002, F.A.C.

(c) Adhering to and enforcing the fiduciary standards and responsibilities required by certain sections of the Employee Retirement Income Security Act of 1974, which are incorporated in Florida law in Section 121.4501(15), F.S.

(d) Coordinating with the Division in providing the education component described in Sections 121.4501(10)(c) and (d), F.S., and a communication component to provide information to employers as described in Section 121.4501(10)(f), F.S., ~~and maintaining a contractual relationship with the Division regarding certain administrative activities.~~

(e) Providing information to Investment Plan members on a quarterly basis, pursuant to Section 121.4501(11), F.S.

(f) Obtaining and maintaining the tax qualified status of the Investment Plan and for compliance with the federal Internal Revenue Code.

(g) Directing and monitoring the activities of all service providers ~~vendors~~ providing various services to the operation of the Investment Plan. These service providers ~~vendors~~ include the third party administrator, the education service providers, and the investment product providers.

(h) Directing and monitoring the services provided by ~~activities of~~ the Division with which

the SBA has an interagency agreement ~~for provision of services.~~

(i) Movement of assets from the FRS Pension Plan to the FRS Investment Plan upon the election of a member to transfer and making such adjustments to plan accounts and member accounts as are necessary to process election reversals and prior period corrections to contributions and accompanying payroll data.

(j) Developing an investment policy statement for the program.

(k) Choosing, monitoring, and terminating investment options in the Investment Plan; mapping account balances of members in the event of investment option termination; distributing all data regarding these investment options ~~for presentation~~ to member; and rebalancing and reconstituting multiple manager investment options and also the ten (10) Target Date Funds (TDF) ~~three balanced~~ options provided in the investment policy statement utilizing information from a registered investment advisor and fiduciary to the Florida Retirement System.

(l) Implementing the confidentiality provisions in Section 121.4501(19), F.S.

(m) Developing all contracts used in the Investment Plan; and

(n) All rulemaking for the Investment Plan.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(1), (4), (8), (9), (10), (14), (15), (19) FS. History—New 10-21-04, Amended 7-12-12, 12-16-12, \_\_\_\_\_.*

#### **19-13.004 Role and Responsibilities of Third Party Vendors.**

(1)(a) – (o) No change.

(p) Provide a Self-Directed Brokerage Account (“SDBA”) to eligible FRS Investment Plan members.

(2)(a) No change.

(b) Another education provider furnishes one-on-one employee and employer education and counseling. More specifically, the provider:

1. Conducts seminars and workshops for employees and employers;

2. Provides one-on-one, face-to-face, employee financial counseling, when requested;

3. Provides telephone support of education and guidance regarding:

(I) The defined contribution plan design and the investment options;

(II) Defined benefit/defined contribution choice information;

(III) Retirement planning; ~~and~~

(IV) Financial planning; and

(IV) Support of the online modeling service through which investment guidance or investment advice is rendered.

(c) Other education providers focus on printed educational material. More specifically, the providers ~~companies~~:

1. Create the education campaign and the overall deployment strategy;

2. Research, monitor, and measure the education campaign;

3. Create the look, theme, and branding for the education campaign;
4. Determine message positioning and delivery; and
5. Assist in graphic design and the content of the website.

(d) Another education provider focuses on the MyFRS website. This provider coordinates software application integration and the design and content of the MyFRS website among the other educational service providers, the Administrator, the Division, and the SBA.

(3) Multiple providers hired by the SBA furnish the investment options for Investment Plan members. Section 121.4501, F.S., is generally constructed as an unbundled architecture, meaning that neither the Administrator nor the education providers are permitted to offer investment products, and as a consequence, the SBA has hired multiple institutional investment managers and providers of mutual funds. Some of the providers are unbundled institutional investment managers, which manage assets in a particular asset class and in a particular style, and which are responsible solely for money management. Other providers are bundled providers which provide mutual funds or investment options in collective trusts which are their own funds or funds contracted for or from another money management group. ~~Some bundled providers provide solely their own funds; others provide solely other fund family's funds; and others provide a combination. An additional investment provider has been hired to offer annuities to retiring members.~~ Each investment manager:

(a) Has authority and discretion, delegated by each manager's contract, to invest employee payroll contributions deposited with the custodian and recorded by the Administrator for individual Investment Plan accounts;

(b) Transmits product values and performance data to the custodian; and

(c) Is monitored by manager monitoring guidelines incorporated in each of their contracts.

(4) An annuity provider has been hired by the SBA to offer annuities to retiring members.

~~(5)~~(4) The custodian, hired by the SBA pursuant to Section 121.4501(8), F.S., is required to do the following:

(a) Hold cash, non-cash and all securities delivered to it or which are held in accounts established by it, or in the Federal Reserve book-entry system;

(b) Invest contributions that it receives, transfer amounts among investment funds, or liquidate securities, after receipt of proper instructions from the SBA, Administrator, or Investment Managers;

(c) Release and deliver securities held as directed by the SBA;

(d) Maintain a database of securities registered in the name of the Investment Plan;

(e) Remit or credit income;

(f) Communicate with the SBA regarding registered investment company shares and fund securities;

(g) Lend securities;

(h) Determine the value of assets; and

(i) Calculate rates of return of investment products.

~~(6)~~(5) Miscellaneous consultants have been hired by the SBA to assist the SBA in the

operations of the Investment Plan. Their responsibilities may include, but are not limited to, the following:

(a) Assisting in the selection process for the Administrator, the educational vendors, and the investment product providers;

(b) Assisting in all general investment product reviews;

(c) Assisting in the evaluation and selection of annuity product providers;

(d) Consulting on the educational program and general Investment Plan matters;

(e) Consulting on unbundled investment fund design;

(f) Assisting in the selection and evaluation of all investment product providers;

(g) Assisting in developing and implementing investment product manager monitoring guidelines; and

(h) Making recommendations for retention and termination of investment product providers.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(4), (8)(b), (e)1., (9)(a), (10) FS. History—New 10-21-04, Amended 7-12-12, 12-16-12,\_\_\_\_\_.*

## FINAL VERSION

### **19-13.001 Roles and Responsibilities of the State Board of Administration of Florida.**

(1) The State Board of Administration of Florida ("SBA") is responsible for establishing, implementing, and administering the defined contribution program, referred to as the "Florida Retirement System Investment Plan" or "Investment Plan", in accordance with Section 121.4501(1), F.S. The SBA is the Plan Sponsor. The plan documents consist of the Florida Statutes and rules adopted thereunder. The Summary Plan Description (SPD) is a summary of the plan documents for the convenience of members. The SPD can be changed by the SBA at any time without prior notice to Florida Retirement System (FRS) members. The SBA's primary responsibilities are set out in paragraphs (1)(a) through (1)(n), below. Each of these major responsibilities involves additional decisions which then in turn need to be implemented. Those decisions, to the extent they are not solely on a case-by-case basis, are adopted by rule. The SBA must ensure that all of the following individual responsibilities are carried out:

(a) Hiring general and specialized consultants to assist in the implementation and on-going operation of the Investment Plan. Their roles and responsibilities are found in Rule 19-13.004, F.A.C.

(b) Hiring a third party administrator ("Administrator"), educational service providers, investment option providers, and contracting with the Division of Retirement ("Division") within the Department of Management Services to provide certain administrative services. Their roles and responsibilities are found, respectively, in Rules 19-13.004 and 19-13.002, F.A.C.

(c) Adhering to and enforcing the fiduciary standards and responsibilities required by certain sections of the Employee Retirement Income Security Act of 1974, which are incorporated in Florida law in Section 121.4501(15), F.S.

(d) Coordinating with the Division in providing the education component described in Sections 121.4501(10)(c) and (d), F.S., and a communication component to provide information to employers as described in Section 121.4501(10)(f), F.S.

(e) Providing information to Investment Plan members on a quarterly basis, pursuant to Section 121.4501(11), F.S.

(f) Obtaining and maintaining the tax qualified status of the Investment Plan and for compliance with the federal Internal Revenue Code.

(g) Directing and monitoring the activities of all service providers providing various services to the operation of the Investment Plan. These service providers include the third party administrator, the education service providers, and the investment product providers.

(h) Directing and monitoring the services provided by the Division with which the SBA has an interagency agreement.

(i) Movement of assets from the FRS Pension Plan to the FRS Investment Plan upon the election of a member to transfer and making such adjustments to plan accounts and member accounts as are necessary to process election reversals and prior period corrections to contributions and accompanying payroll data.

(j) Developing an investment policy statement for the program.

(k) Choosing, monitoring, and terminating investment options in the Investment Plan; mapping account balances of members in the event of investment option termination; distributing all data regarding these investment options to the member; and rebalancing and reconstituting multiple manager investment options and also the ten (10) Target Date Funds (TDF) options provided in the investment policy statement utilizing information from a registered investment advisor and fiduciary to the Florida Retirement System.

(l) Implementing the confidentiality provisions in Section 121.4501(19), F.S.

- (m) Developing all contracts used in the Investment Plan; and
- (n) All rulemaking for the Investment Plan.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(1), (4), (8), (9), (10), (14), (15), (19) FS. History—New 10-21-04, Amended 7-12-12, 12-16-12,\_\_\_\_\_.*

#### **19-13.004 Role and Responsibilities of Third Party Vendors.**

(1)(a) – (o) No change.

(p) Provide a Self-Directed Brokerage Account (“SDBA”) to eligible FRS Investment Plan members.

(2)(a) No change.

(b) Another education provider furnishes one-on-one employee and employer education and counseling.

More specifically, the provider:

1. Conducts seminars and workshops for employees and employers;

2. Provides one-on-one, face-to-face, employee financial counseling, when requested;

3. Provides telephone support of education and guidance regarding:

(I) The defined contribution plan design and the investment options;

(II) Defined benefit/defined contribution choice information;

(III) Retirement planning;

(IV) Financial planning; and

(IV) Support of the online modeling service through which investment guidance or investment advice is rendered.

(c) Other education providers focus on printed educational material. More specifically, the providers:

1. Create the education campaign and the overall deployment strategy;

2. Research, monitor, and measure the education campaign;

3. Create the look, theme, and branding for the education campaign;

4. Determine message positioning and delivery; and

5. Assist in graphic design and the content of the website.

(d) Another education provider focuses on the MyFRS website. This provider coordinates software application integration and the design and content of the MyFRS website among the other educational service providers, the Administrator, the Division, and the SBA.

(3) Multiple providers hired by the SBA furnish the investment options for Investment Plan members. Section 121.4501, F.S., is generally constructed as an unbundled architecture, meaning that neither the Administrator nor the education providers are permitted to offer investment products, and as a consequence, the SBA has hired multiple institutional investment managers and providers of mutual funds. Some of the providers are unbundled institutional investment managers, which manage assets in a particular asset class and in a particular style, and which are responsible solely for money management. Other providers are bundled providers which provide mutual funds or investment options in collective trusts which are their own funds or funds contracted for or from another money management group. Each investment manager:

(a) Has authority and discretion, delegated by each manager’s contract, to invest employee payroll contributions deposited with the custodian and recorded by the Administrator for individual Investment Plan accounts;

(b) Transmits product values and performance data to the custodian; and

(c) Is monitored by manager monitoring guidelines incorporated in each of their contracts.

(4) An annuity provider has been hired by the SBA to offer annuities to retiring members.

(5) The custodian, hired by the SBA pursuant to Section 121.4501(8), F.S., is required to do the following:

(a) Hold cash, non-cash and all securities delivered to it or which are held in accounts established by it, or in the Federal Reserve book-entry system;

(b) Invest contributions that it receives, transfer amounts among investment funds, or liquidate securities, after receipt of proper instructions from the SBA, Administrator, or Investment Managers;

(c) Release and deliver securities held as directed by the SBA;

(d) Maintain a database of securities registered in the name of the Investment Plan;

(e) Remit or credit income;

(f) Communicate with the SBA regarding registered investment company shares and fund securities;

(g) Lend securities;

(h) Determine the value of assets; and

(i) Calculate rates of return of investment products.

~~(6)~~(5) Miscellaneous consultants have been hired by the SBA to assist the SBA in the operations of the Investment Plan. Their responsibilities may include, but are not limited to, the following:

(a) Assisting in the selection process for the Administrator, the educational vendors, and the investment product providers;

(b) Assisting in all general investment product reviews;

(c) Assisting in the evaluation and selection of annuity product providers;

(d) Consulting on the educational program and general Investment Plan matters;

(e) Consulting on unbundled investment fund design;

(f) Assisting in the selection and evaluation of all investment product providers;

(g) Assisting in developing and implementing investment product manager monitoring guidelines; and

(h) Making recommendations for retention and termination of investment product providers.

*Rulemaking Authority 121.4501(8) FS. Law Implemented 121.4501(4), (8)(b), (e)1., (9)(a), (10) FS. History—New 10-21-04, Amended 7-12-12, 12-16-12,\_\_\_\_\_.*