



Florida State University
Online New Employee Orientation
Office of Human Resources

Retirement



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Retirement Options

<i>Employee</i>	<i>Eligible Retirement Plan</i>
Faculty	Optional Retirement Program (ORP) FRS Pension FRS Investment



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Optional Retirement Program (ORP)

- Defined contribution plan – similar to a 401(k)
- Employee Pre-Tax Contributions:
 - ✓ Mandatory – 3%
 - ✓ Voluntary – can contribute an additional 5.14%
- University contribution:
 - ✓ 5.14% of gross salary
- **No** vesting period

Deadline to enroll: 90 days from date of hire – strictly enforced



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Optional Retirement Program (ORP)

- Start or stop voluntary contributions at any time
- IRS calendar year maximums:
 - ✓ \$18,000, if under age 50
 - ✓ \$24,000, if age 50+
- See [investment company representatives](#) for tax law/limit information



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Optional Retirement Program (ORP)

Five investment companies to choose from:

- ✓ **AXA** – (850) 893-9535
- ✓ **MetLife** – (800) 763-2838
- ✓ **TIAA** – (877) 267-4510
- ✓ **VALIC** – (850) 297-0780
- ✓ **Voya** – (850) 894-9611



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FRS Pension Plan

- Defined benefit plan - monthly pension retirement payment
- Employee Pre-Tax Contributions:
 - ✓ Mandatory – 3%
- 8 years of service to vest (does not need to be continuous)
- Retirement eligibility:
 - ✓ 65 or 33 years of service (at any age)
 - ✓ Vested
- Early retirement: 5% penalty per year under age 65
- Part-time faculty receive full service credit



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FRS Pension Plan - DROP

Deferred Retirement Option Program

- Begin accumulating retirement benefits without terminating employment - up to 60 months
- Starts once requirements for normal retirement are met
- Eligibility to join expires one year after normal retirement requirements are met
 - ✓ **Exception:** Employees who have 33 years of service prior to age 57 can defer participation



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FRS Pension Plan

Annual retirement benefit is based on:

- Average Final Compensation (AFC)
 - ✓ Eight highest fiscal years' earnings during FRS career
- Years of “creditable” service (A&P & USPS)
- Percentage value per year: 1.6%

Benefit formula: $AFC \times Service \times Percentage \text{ value per year}$



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FRS Pension Plan

- Monthly retirement benefit
- Disability retirement
- Survivor benefits
- Health Insurance Subsidy (HIS)
 - ✓ \$5 per year of service
 - ✓ Maximum of \$150 to monthly benefit
- Annual Cost of Living Adjustment (COLA)
 - ✓ Based on current law

Deadline to enroll: end of the 5th calendar month following date of hire



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FRS Investment Plan

- Defined contribution plan – similar to a 401(k)
- Employee Pre-Tax Contributions:
 - ✓ Mandatory – 3%
- University contribution: 3.3% (combined total of 6.3%)
- 1 year of service to vest
- Normal retirement age is 59 1/2
- For more information:
 - ✓ MyFRS Financial Guidance Line: 1-866-446-9377
 - ✓ <http://www.myfrs.com>



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FRS Investment Plan

- Not eligible for DROP
- No cost-of-living increase
- Eligible for the Health Insurance Subsidy (HIS)
 - ✓ \$5 per year of service
 - ✓ Maximum of \$150
- Normal retirement age is 59½

Deadline to enroll: end of the 5th calendar month following date of hire



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FRS – 2nd Election

All FRS plan members have one opportunity to switch from:

- ✓ FRS Pension Plan → FRS Investment Plan
- ✓ FRS Investment Plan → FRS Pension Plan

ORP members are not eligible to use the 2nd Election

A finalized 2nd Election cannot be undone

Note: Switching to the FRS Pension Plan may require additional out-of-pocket expenses



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Enrollment

<i>Retirement Plan</i>	<i>Enrollment Form(s)</i>
Optional Retirement Program	<u>ORP-ENROLL-1</u>
FRS Pension FRS Investment	<u>ORP-ENROLL-1</u> <u>and</u> <u>ELE-1-EZ</u>

ORP enrollment is not complete until contracts are signed with the
ORP provider

90-day deadline to enroll in ORP & 5-month deadline to enroll in
FRS Pension or FRS Investment



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Reemployment Restrictions

- You are considered a retiree of the State of Florida if you receive, withdraw, roll over or transfer any employer-funded Pension, Investment or ORP benefit, regardless of age
- If a retiree is being rehired:
 - ✓ **Minimum of 6 full calendar month** waiting period
 - ✓ Financially liable for repayment, if in violation
 - ✓ 1 full year after “retirement” – no further restrictions

Rehired retirees are not eligible for renewed membership in any State of Florida retirement plan



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Voluntary Retirement Plans

<i>Retirement Plan</i>	<i>Deduction</i>
Tax Sheltered Annuity 403(b)	Pre-Tax
Deferred Compensation 457	Pre-Tax
Roth 403(b)	Post-Tax



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Tax Sheltered Annuity 403(b)

- Reduce taxable income
- Minimum \$10 bi-weekly
- Subject to yearly contribution limits:
 - ✓ \$18,000, if under age 50
 - ✓ \$24,000, if age 50+
- Voluntary ORP contributions count toward limit
- Contributions can be changed at any time



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Tax Sheltered Annuity 403(b)

Choose from nine participating investment companies:

- **AXA** – <http://us.axa.com/home.html>
- **Voya, Jefferson National, Reliastar, Symetra** – <http://www.gaboragency.com>
- **Lincoln Financial** – <http://www.lfg.com>
- **MetLife** – <http://www.metlife.com>
- **TIAA** – <http://www.tiaa.org/fsu>
- **VALIC** – <http://www.valic.com>

Additional contact information:

http://hr.fsu.edu/?page=benefits/retirement/retirement_tax_shelter_annuity_companies



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Deferred Compensation - 457

- Administered by the State of Florida
- For a list of companies, or to enroll, contact:
Bureau of Deferred Compensation
(850) 413-3162 or <http://www.myfloridadeferredcomp.com>
- Subject to yearly contribution limits:
 - ✓ \$18,000, if under age 50
 - ✓ \$24,000, if age 50+
 - ✓ Separate limit from 403(b)
- See [company representatives](#) for tax law/limit information



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Post Tax – Roth 403(b)

- Choose from four participating investment companies:
 - AXA – <http://us.axa.com/home.html>
 - Voya – <http://www.gaboragency.com>
 - TIAA – <http://www.tiaa.org/fsu>
 - VALIC – <http://www.valic.com>
- Additional contact information:
http://hr.fsu.edu/?page=benefits/retirement/retirement_roth_403b_companies
- Voluntary employee contributions made on an **after-tax** basis
- Roth 403(b) contributions are subject to the same yearly contribution limits as Traditional (pre-tax) 403(b) accounts



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Thank you

Human Resources – Benefits

University Center A, Suite 6200

- ✓ (850) 644-4015
- ✓ Retirement: retirement@fsu.edu
- ✓ <http://www.hr.fsu.edu>