As much as possible, this guide is written in nontechnical terms, avoiding the formal language of retirement laws and rules. If questions of interpretation arise as a result of the attempt to make the retirement provisions easy to understand, Chapter 121 of the Florida Statutes and Chapters 60S and 19 of the Florida Administrative Code remain the final authority.

The information provided in this guide is based on the Florida Retirement System (FRS) Pension Plan laws and rules in existence as of July 2019 and is subject to modification based on changes in the law or the Florida Administrative Code.

Representatives from participating agencies are not agents of the Department of Management Services’ Division of Retirement. The division is not responsible for erroneous information provided by representatives of participating agencies.
# TABLE OF CONTENTS

- Contacting the Division ................................................................. 3
- Vesting .......................................................................................... 5
- Types of Retirement ......................................................................... 6
  - Normal Retirement ....................................................................... 6
  - Early Retirement .......................................................................... 7
  - Deferred Retirement Option Program ....................................... 8
- Preparing for Retirement ............................................................... 9
  1. Plan Ahead ................................................................................. 9
  2. Request an Estimate ................................................................. 9
  3. Apply for Retirement Benefits ................................................. 10
  4. Review Your Acknowledgement of Application ....................... 12
- FRS Online .................................................................................... 14
- Your Retirement Benefit Payment .............................................. 17
  - Direct Deposit ........................................................................... 17
  - Mailing Retirement Checks ......................................................... 18
  - Change of Address .................................................................... 19
  - Insurance Coverage After Retirement ..................................... 19
  - Insurance Deductions ............................................................... 20
  - Health Insurance Subsidy .......................................................... 20
- Tax Information ............................................................................. 22
  - Florida Retirement System – A Qualified Plan ......................... 22
  - Income Taxes on Your Retirement Benefit ............................... 22
  - Pre-Tax Employee Contributions ................................................ 23
  - Post-Tax Employee Contributions .............................................. 23
  - Income Taxes on Your Health Insurance Subsidy ..................... 24
  - Taxes Withheld from Your Benefit ............................................ 25
  - Cost-of-Living Increases ............................................................. 26
- Change of Beneficiary Designation .............................................. 27
  - Definition of Joint Annuitant ...................................................... 28
Termination After Retirement ......................................................... 29
Reemployment After Retirement .................................................. 30
  Reemployment Without Limitation on Your Benefit .................. 30
  Reemployment Limitations If Employed by
  FRS-Participating Employers .................................................. 30
  Independent Contractor .......................................................... 31
  Renewed Membership After Retirement ................................... 32
  Health Insurance Subsidy Credit for Renewed
  Membership Service .............................................................. 32
  Reemployment for Disability Retirees ...................................... 33
  Social Security Coverage During Reemployment ....................... 33
Disability Reexamination ......................................................... 34
Survivor Benefits ....................................................................... 34
Social Security and Medicare Benefits ....................................... 35
Information Sources ................................................................... 36
Frequently Asked Questions ...................................................... 37
After You Retire Checklist .......................................................... 44

**Note:** This booklet should be kept for reference regarding both before and after termination of employment and retirement.
CONTACTING THE DIVISION

When writing to the division, include your full name, the last four
digits of your Social Security number, your mailing address, and
your daytime telephone number. If you are the beneficiary of a
deceased member, also include the member’s name and the last
four digits of his or her Social Security number.

A copy of the power of attorney or guardianship papers
authorizing someone to act on your behalf must be submitted if
someone else is managing your affairs.

Send your correspondence to the following:

DIVISION OF RETIREMENT
P.O. BOX 9000
TALLAHASSEE, FL 32315-9000

The following telephone numbers, fax number, and email address
will help you reach the Division of Retirement.

Telephone (toll free) ........................................... 844-377-1888
Telephone............................................................ 850-907-6500
Fax number.......................................................... 850-410-2010
Email............................................................... retirement@dms.myflorida.com

If you have a hearing or speech impairment, you may call the
division via T.D.D. through the Florida Relay System by dialing
711 or 800-955-8771.

For more information, visit the division’s website at
www.frs.myflorida.com

The website gives you immediate access to most of the division’s
publications and forms, as well as answers to frequently asked
questions. You may also access FRS Online, the division’s secure
web environment, to view, print, or update your benefit payment
account information and establish your delivery preferences for
your Internal Revenue Service (IRS) Form 1099-R and the FRS
Retiree Newsletter (see Page 14 for more information about FRS
Online).
Visiting the Division

Our hours are Monday through Friday, 8:00 AM to 4:30 PM. No appointment is necessary, but you must bring a photo ID.

The Division of Retirement is located at:

<table>
<thead>
<tr>
<th>DIVISION OF RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1317 WINEWOOD BLVD, BLDG 8</td>
</tr>
<tr>
<td>TALLAHASSEE, FL 32399-1560</td>
</tr>
</tbody>
</table>

Effective December 9, 2019, the Division of Retirement is moving to:

<table>
<thead>
<tr>
<th>DIVISION OF RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>3189 BLAIRSTONE RD</td>
</tr>
<tr>
<td>TALLAHASSEE FL 32301-6812</td>
</tr>
</tbody>
</table>
VESTING

You are vested or eligible to receive future benefits under the FRS Pension Plan as follows:

• If you were first enrolled in the FRS on or after July 1, 2011, you will be vested in the FRS Pension Plan after eight years of creditable service.

• If you were already enrolled and actively employed on July 1, 2001, or first enrolled between July 1, 2001, and June 30, 2011, you will be vested in the Pension Plan after six years of creditable service.

If you terminated covered employment before July 1, 2001, your vesting period was seven, eight, or 10 years of creditable service depending upon your membership class.

• If you were more than one year away from vesting at the time, you must complete one work year of creditable service after you return to covered employment before you will be eligible for six-year vesting.

• If you were less than one work year away from vesting when you terminated employment, you will vest upon working that number of months.

Contact the Division of Retirement if you have any questions (see contact information on Page 3).
TYPES OF RETIREMENT

Normal Retirement
Under the FRS Pension Plan, normal retirement is the time you are first eligible to receive an unreduced retirement benefit based on your age or years of service.

If you are a member of the Regular Class, Senior Management Service Class, or Elected Officers’ Class, you will qualify for normal retirement as follows:

If initially enrolled in the FRS before July 1, 2011, you qualify for normal retirement when one of the following applies:

• You are vested and age 62 or the age after age 62 when you become vested; or
• You have 30 years of creditable service before age 62.

If initially enrolled in the FRS on or after July 1, 2011, you qualify for normal retirement when one of the following applies:

• You are vested and age 65 or the age after age 65 when you become vested; or
• You have 33 years of creditable service before age 65.

If you are a Special Risk Class member, you will qualify for normal retirement as follows:

If initially enrolled in the FRS before July 1, 2011, you qualify for normal retirement when one of the following applies:

• You are vested and age 55 or the age after age 55 when you become vested; or
• You have 25 years of Special Risk Class service before age 55; or
• You are age 52 and have a combined total of 25 years of Special Risk Class service and up to four years of active duty wartime military service; or
• You have 30 years of any creditable service before age 62.
If initially enrolled in the FRS on or after July 1, 2011, you qualify for normal retirement when one of the following applies:

- You are vested and age 60 or the age after age 60 when you become vested; or
- You have 30 years of Special Risk Class service before age 60; or
- You have 33 years of any creditable service before age 65.

If you are a Special Risk Administrative Support Class member with at least the number of years of creditable service in the Special Risk Class that is required for you to vest, you qualify for normal retirement based upon the Special Risk Class requirements. Otherwise, you must meet the requirements for normal retirement for all other class members.

If you reach normal retirement based upon age, then your normal retirement date is the first of the month in which you reach your normal retirement age. For example, if you initially enrolled in the FRS before July 1, 2011, and turn age 62 on May 30, your normal retirement date would be May 1.

If you reach your normal retirement based upon years of service, then your normal retirement date is the first of the month after the month in which you complete the required years of service. For example, if you initially enrolled in the FRS before July 1, 2011, and reach 30 years of service in May, your normal retirement date would be June 1.

**Early Retirement**

Under the FRS Pension Plan, early retirement can be taken instead of normal retirement if you are vested and within 20 years of your normal retirement age. Your benefit is reduced by 5 percent for each year you are under your normal retirement age. Any partial year that you are under your normal retirement age is prorated on a month-by-month basis (i.e., 5/12 of 1 percent for each month).

Having a combination of Special Risk Class service and service in another membership class is referred to as dual-normal retirement. If you have not reached normal retirement age or date for both classes, a separate benefit must be calculated for your Special Risk Class service and then for service in all other classes. The two benefits are added together for your total benefit.
Deferred Retirement Option Program

The Deferred Retirement Option Program (DROP) is a voluntary retirement program available only to FRS Pension Plan members who qualify for normal retirement. Under DROP, you stop earning service credit toward a future benefit and your retirement benefit is calculated at the time your DROP participation begins. While you are in DROP, your monthly retirement benefits accumulate in the FRS Trust Fund earning tax-deferred interest while you continue to work for an FRS employer. You pay taxes on the interest and your DROP lump sum amount as it is paid directly to you rather than when it is earned. DROP participation does not change your conditions of employment.

Your benefit is calculated based on your total years of FRS service credit, your age when you begin DROP, and the benefit payment option you choose. You can choose to participate in DROP for up to 60 months beginning with your normal retirement date or a later date if you are eligible to defer entry into DROP. Certain K-12 instructional employees with school districts, the Florida School for the Deaf and Blind, and developmental research schools may participate beyond their 60-month eligibility period, up to an additional 36 months, if approved by the employer and the division. See the DROP Guide for more information.

After your DROP termination date, you must terminate all employment with all FRS employers and remain off all such employment for the six calendar months immediately following your DROP termination date to meet the termination requirement under the FRS, unless you hold an elective office. Elected officers are eligible to delay the termination of only their elected office and from meeting the termination requirement until the end of their current term or successively held terms of office. The DROP accumulation of an elected officer exercising this option shall remain in the FRS Trust Fund until termination of their elected office and shall not accrue additional interest or benefits after the DROP participation period ends.

Accumulated DROP benefits and interest are distributed after your termination of employment is verified by your FRS employer. You will also begin receiving your monthly FRS retirement benefit (in the same amount determined at retirement, plus annual cost-of-living increases). If you are dually-employed at the end of your DROP participation in an elected position and a nonelected
position that are both covered by the FRS, you must terminate from both your elected and nonelected positions in order to receive your accumulated DROP benefits and monthly FRS retirement benefit. See the DROP Guide for more detailed information.

**PREPARING FOR RETIREMENT**

The following steps will help make sure that you have no loss of benefits. Follow these steps to start receiving your retirement benefits:

**1. Plan Ahead**

Decide when you plan to terminate your employment. If you retire without participating in DROP, the earliest your effective retirement date can be is the first of the month following your termination. You must terminate employment with all participating FRS employers to be eligible to receive monthly benefits.

Once you retire, you must not be employed in any capacity with any FRS employer for the first six calendar months of retirement to meet the termination requirement. For example, if your termination date is Aug. 15, 2019, then your effective retirement date is Sept. 1, 2019, and you must not work for any FRS employer during the entire six-month period of Sept. 1, 2019, through Feb. 29, 2020.

**Note:** If you work for any FRS employer in any capacity during the required termination period, your retirement will be voided. You must repay all benefits received, including a DROP payout, and apply again to set a future retirement date.

See the DROP Guide for more detailed information.

**2. Request an Estimate**

Once you choose an anticipated termination date (or DROP begin date), request an estimate of benefits from the division in one of the following ways:

- **From the division’s website (www.frs.myflorida.com):**
  - Click on the Members page.
  - Click on the Audit/Estimate link to enter your information and transmit the online request.
• **In writing:**
  ♦ Any written request should include your full name, the last four digits of your Social Security number, your mailing address, your daytime telephone number, and, if applicable, your spouse’s name and date of birth.
  ♦ You may email your request for benefit estimates to retirement@dms.myflorida.com; or
  ♦ Fax your request to 850-410-2010; or
  ♦ Mail a letter or complete and send in a Form FR-9. This form can be found under Forms on the Members page of the division’s website.

• **By telephone:**
  ♦ If you wish to speak to a customer service representative to request your benefit estimate or other information about your account, call the Division of Retirement (see contact information on Page 3).

If the division calculated the cost to purchase your optional service credit at an earlier date, the division will update the amount due to purchase this service and provide estimates with and without this additional service credit. These estimates will help you compare the increase in your benefit if you purchase this service and determine whether the purchase is cost effective for you.

To learn more about the types of creditable service that you may purchase, refer to the Other Creditable Service section of the FRS Member Handbook. This publication can be viewed and downloaded from the Publications page of the division’s website at www.frs.myflorida.com and is available from your employer or from the Division of Retirement (see contact information on Page 3).

### 3. Apply for Retirement Benefits

You must submit a signed and notarized application to begin receiving a retirement benefit or to participate in DROP. The division will accept your application up to six months before the date you expect to terminate employment or enter DROP. The following descriptions will help you select the correct application to complete and submit.
To retire without participating in DROP:
Submit a Florida Retirement System Pension Plan Application for Service Retirement, Form FR-11.

- If the division receives your Form FR-11 within 30 days after your termination date, your retirement date will be the first day of the month after your termination date.
- If the division receives your Form FR-11 more than 30 days after your termination date, your effective date of retirement is the first day of the month after the month that the division receives your application.

To retire and participate in DROP:
Submit a Florida Retirement System Pension Plan Application for Service Retirement and the Deferred Retirement Option Program, Form DP-11.

- The division must receive your Form DP-11 by the last working day of the calendar month in which you choose to begin DROP.
- Otherwise, the earliest your DROP participation can be effective is the first day of the month in which the division receives your application.

And submit to the division a fully completed Florida Retirement System Pension Plan Notice of Election to Participate in the Deferred Retirement Option Program (DROP) and Resignation of Employment, Form DP-ELE.

**Note:** If you are designating more than one beneficiary or contingent beneficiary, use Form FST-12, Florida Retirement System Pension Plan Beneficiary Form (Retired Members Only), instead of listing them on your retirement application.

Do not delay sending in your retirement application. You will not receive any retroactive benefits for any months before your effective date of retirement. Your application will be kept on file for a limited period of time, allowing you to meet other requirements such as option selection, birth date verification, and payment of amounts due on your account, if any, to finalize your retirement application at a later date.
4. Review Your Acknowledgement of Application

The division will send you an acknowledgement after your retirement application is received listing any items that you must provide to finalize your retirement application. No retirement benefits will be paid until the requested items are provided. The following items are required to finalize your retirement:

A. Option Selection for FRS Members, Form FRS-11o

Before you can begin receiving retirement benefits or begin DROP participation, you must choose one of the four benefit payment options. If you choose Options 3 or 4 and name your spouse as your joint annuitant, you must submit a copy of your marriage certificate with your application.

An explanation of the option selections available to you is in the publication What Option Should You Choose? that is included with your estimate of benefits. An explanation is also in the FRS Member Handbook.

You cannot change your option selection once you cash or deposit any benefit payment or begin your DROP participation.

B. Spousal Acknowledgement, Form SA-1

You must complete box 1 on the spousal acknowledgement Form SA-1 to indicate your marital status. If you are married and select either Option 1 or 2, your spouse must acknowledge your option selection in writing by completing box 2 as provided on Form SA-1.

C. Birth Date Verification

Before you receive retirement benefits under any benefit option or at the time you begin DROP participation, you must submit proof of your age. If you select Option 3 or 4, you must also provide proof of age for your joint annuitant. Include your name and the last four digits of your Social Security number on the face of the document(s). A readable copy of one of the following documents will be accepted as proof of age:

- Birth certificate issued by the state or country of birth;
- Delayed birth certificate;
- Census report more than 30 years old;
- Life insurance policy more than 30 years old;
- Certificate of naturalization;
• Valid, unexpired U.S. passport; or
• Florida driver’s license issued after Jan. 1, 2010, that indicates compliance with the federal REAL ID Act.

If you cannot provide one of the forms of verification listed above, a readable copy of a document from two of the following categories will be accepted as proof of age:

• Birth certificate of your child that shows your age (or your joint annuitant’s age);
• Baptismal certificate more than 30 years old;
• Hospital record of birth; or
• School record with your age (or your joint annuitant’s age) in grammar school.

Once you cash or deposit any benefit payment or after the first payment is credited during your DROP participation period, you cannot add service credit, change your retirement benefit option selection, change your type of retirement from early to normal or from service to disability retirement, transfer to the FRS Investment Plan, or cancel your DROP participation.
FRS Online provides you convenient access via the internet to a secure web environment. Your FRS Online account allows you to:

- Review a summary of your FRS service;
- Use the create estimate tool to project your retirement benefit;
- Enroll or change your direct deposit authorization for FRS payments;
- View, print, or download your monthly benefit statement;
- Change your federal income tax withholding;
- Update your home mailing and email address with the division (benefit payees only);
- View and/or print IRS Form 1099-Rs since tax year 2000;
- Select your delivery preferences for communications from the division; and
- DROP participants may review their DROP account information, including the initial DROP benefit, projected month-by-month DROP accrual, and the projected monthly benefit payable upon completion of DROP.

FRS Online can be accessed from the division’s website, www.frs.myflorida.com. Go to the right margin of the division’s home page and click on the FRS Online link.

- If you have previously accessed FRS Online, enter your user name and password where prompted and then click on Log In to gain access to your FRS Online account.

- If you have previously accessed FRS Online but forgot your user name and/or password, click on the Forgot your password or your user name? link and follow the instructions. You may also contact the Division of Retirement for assistance logging in to your account (see contact information on Page 3).

- If you have not previously accessed FRS Online, use the Click here link next to New User? located at the top-center of the Log In page to access your FRS Online account and establish your FRS Online profile.
Once logged in to your FRS Online account, you can navigate to various modules of your FRS Online account from the navigation bar in the left margin. After your benefit payments begin, you can also access the Retiree Services module. Descriptions of these modules follow.

**My Account Modules**

**Profile Settings** – Where you can change your user name, password and your lost password security question and answer as well as add or change your email address. You must verify your email address after it is added or changed.

**Communication Preferences** – Where you establish your delivery preferences for your IRS Form 1099-R, the Retiree Newsletter, and any other retirement communications from the division you are eligible to receive. Your delivery preference options are as follows:

- **Email notification** – This means you receive an email when your IRS Form 1099-R or any other retirement communication can be viewed and downloaded from your account or an email is sent with a link to the Retiree Newsletter when it is available. Email notification gets information to you faster and saves your retirement system the cost of printing and mailing these items to you. Keep your email address current on the Profile Settings page of your account.
- **Paper** – This means that any printed information is sent to you by the U.S. Mail. This is the default election if no choice is made.

**Message Center** – Where you will receive notices and FRS updates.

**Retiree Services Modules**

**Account Information** –

- View your Retirement Account Details to see your effective retirement date, the option you selected when you retired, and a description of your benefit payment option selection.
- View your Health Insurance Subsidy Information to determine if you are receiving the health insurance subsidy or to access instructions on how to apply for it.
• View your Federal Tax Withholding Information to see the number of allowances you claimed for federal tax withholding; view, print, or download your tax withholding history; and change your tax withholding allowances for future monthly benefit payments. In addition, you may also view, print, or download your most recent IRS Form 1099-R and those for prior years.

• View, print, or download your Monthly Payment Information, such as your monthly benefit payment information for your most recent benefit payment and for prior monthly benefit payments (for the past two years only) or a Pension Income Verification letter.

• View your cost-of-living adjustment to see the annual increase in your retirement benefit beginning in July each year. Your first cost-of-living adjustment will be prorated if you were retired for less than 12 months as of July.

**Beneficiary** – View your beneficiary designation; contact the Division of Retirement with questions about your beneficiary designation (see contact information on Page 3).

**Address Change** – Submit your mailing address change online or download an address change form from the Retirees page of the division’s website, www.frs.myflorida.com, and mail it to the division. Always keep your mailing address on file with the division up to date.

**Direct Deposit Authorization** – View your current direct deposit authorization or initiate or change your authorization.
The division pays more than $830 million in retirement and HIS benefits each month to more than 445,000 retirement benefit recipients. Benefits are paid monthly on the last state business day of each month. For example, your April benefit is paid at the end of April.

**Direct Deposit**

Your monthly retirement benefit payment is transferred electronically to your account at your bank or other financial institution by direct deposit. No check is written and mailed to you or your bank. Direct deposit offers convenience, security, and peace of mind. There is no chance of a check being lost or delayed in the mail. Your benefit payment is credited to your account on the last working day of each month.

Florida law requires your benefit payments to be direct deposited to your financial institution. Exceptions may be made only for hardships. Requests for hardship consideration must be sent in writing to the following:

**DIRECT DEPOSIT SECTION**
**DEPARTMENT OF FINANCIAL SERVICES**
**200 E GAINES ST., ROOM 469**
**TALLAHASSEE, FL 32399-0359**

The Direct Deposit Authorization page becomes available online for FRS members once they have applied for monthly benefits or three months before exiting DROP. If your direct deposit authorization is not submitted before your name is added to the retired payroll, then a Direct Deposit Authorization, Form DFS-A1-26R, will be mailed to you. This form can also be printed from the Retirees page of the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com). Mail your completed form to the address above. Direct deposit of your retirement benefit begins approximately four to six weeks after the Department of Financial Services receives the completed form.
Note: Employees of state agencies (excluding universities) who use direct deposit for their salary will automatically receive their monthly retirement benefits by direct deposit to the same account when they retire. Any retroactive payments will be sent as a check to the address on file for the member. State employees do not need to complete a form to continue their direct deposit to the same account.

If you subsequently change your account number, or change your bank or other financial institution, you may use FRS Online to make the necessary changes. You may also use Form DFS-A1-26R, available from the division’s website, or contact the Division of Retirement to request a form (see contact information on Page 3). Submit the completed form to the Direct Deposit Section of the Department of Financial Services.

After the Direct Deposit Authorization Form is submitted via FRS Online or by paper form, direct deposit ends for your old account and begins for your new account as soon as possible. During this interim period, the division may mail a check to your current mailing address on record; make sure the division has your current mailing address.

Use your FRS Online account to view your monthly retirement benefit statements (stubs). Contact the Division of Retirement with any questions or use your bank statements to monitor your deposits if you are unable to access the internet or FRS Online (see contact information on Page 3).

Mailing Retirement Checks

Until your direct deposit begins, monthly retirement benefit checks are mailed from Tallahassee two days before the last state business day of each month. Mailing delays can occur. If you do not receive your check by the fifth state business day of the following month, contact the Division of Retirement. At your request, the division will request a stop payment on the original check and mail a replacement check to you in approximately 10 business days. The replacement check will have the word DUPLICATE printed on its face. Once the process of issuing a replacement check begins, the original check is no longer valid and should not be cashed.

Contact the Division of Retirement immediately if your check is lost or stolen (see contact information on Page 3).
Change of Address

As a retiree, you can change your mailing address online from your FRS Online account or use the Mailing Address Change Request, Form ADDCH-1, available on the Retirees page of the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com).

Inform the Division of Retirement immediately of any change in your mailing address to avoid delays in receiving mail from the division’s office. Mailed retirement benefit payments are not forwarded by the Post Office. If your correspondence is returned by the Post Office as undeliverable, the division may place a hold on your monthly benefit payments until the reason for the returned mail is determined. If your benefit payment is mailed to you, the division must receive your change of address by the fifth of the month for your payment to be mailed to your new address at the end of that month.

Contact the Division of Retirement immediately if you believe your check has been returned to the division’s office (see contact information on Page 3).

**Note:** If you move and change your bank or other financial institution, you must submit a new Direct Deposit Authorization Form (see Direct Deposit on Page 17 for specific instructions).

Insurance Coverage After Retirement

Under section 112.0801, Florida Statutes, your FRS employer is required to offer you or your eligible dependents the option of continued participation in any employer-sponsored group insurance plans in which you were participating at your retirement or at your DROP termination date.

As a retiree, your premium cost for health and hospitalization insurance coverage may not exceed the total employee and employer premium cost applicable to active employees. You may lose your eligibility to participate if you choose not to continue participating in your employer's group plan at retirement, initially choose to continue but subsequently stop participating, defer your retirement to a future date, or otherwise do not meet your employer’s group plan requirements.

Before you terminate employment, contact your FRS employer about continuing your employer-sponsored group insurance
coverage. The division has no authority over or responsibility for employer group health and hospitalization plans.

**Insurance Deductions**

As a convenience to you, the division can make payroll deductions from your benefit for certain types of insurance coverage. The division offers this payment method to approved insurance companies and FRS employers and will need a written authorization by you and your provider before processing any deductions. To determine your eligibility, contact your former FRS employer or insurance provider office. The division can deduct only the premiums that you have authorized, and your insurance company or former employer has submitted to the division on your behalf. If you have questions about your insurance policy, premiums, refunds, coverage, or claims, contact your insurance provider or former employer.

You must contact your insurance provider to cancel or change any insurance deduction(s) made as payroll deductions from your benefit.

Your insurance provider or former employer must submit requests for deduction changes or cancellations to the division. Submit your insurance deduction changes to your insurance provider or former employer within the first week of the month to ensure they are processed in a timely manner. Any overpayment of premium must be refunded to you by your insurance provider or former employer.

Your insurance provider or former employer should notify you before your premium rate change becomes effective.

**Health Insurance Subsidy**

The Retiree Health Insurance Subsidy Program (HIS) provides a benefit payment to eligible FRS retirees in addition to their FRS retirement benefit to help cover some of the cost of health insurance coverage. The HIS is not insurance coverage. If you participate in DROP, you are not eligible to receive HIS payments until your DROP participation ends, you terminate employment, and your application is approved.

Most retirees are eligible for this subsidy if they have qualifying health insurance coverage. Qualifying health insurance coverage includes, but is not limited to, Medicare, TriCare, dental, vision, and health insurance coverage provided through a spouse’s policy.
or through another state government. You are not eligible to receive the HIS benefit if you receive coverage through Medicaid or receive health insurance at no cost through the State of Florida as provided in section 110.1232, Florida Statutes.

Benefits received under the following programs do not qualify you to receive the HIS:

- Institute of Food and Agricultural Sciences supplemental benefits;
- Survivor benefits provided by the Teachers’ Retirement System;
- Florida National Guard benefits;
- Special pensions or relief acts;
- The Senior Management Service Optional Annuity Program;
- The State University System Optional Retirement Program;
- The State Community College System Optional Retirement Program.

Members who participated in the Senior Management Service Optional Annuity Program, the State University System Optional Retirement Program, or the State Community College System Optional Retirement Program had a HIS contribution included in their employer contribution rate deposited to their retirement account while they were working.

Your HIS payment is calculated by multiplying your total years of creditable service at retirement by $5. The minimum HIS payment is $30 per month with six years of creditable service, and the maximum HIS payment is $150 per month with 30 or more years of creditable service.

**Note:** Periods of employment during DROP participation cannot be used in the calculation of your HIS payment as you are considered retired at the time you begin DROP participation.

You must apply for and be approved to receive the HIS monthly benefit. The division mails a Health Insurance Subsidy Certification Form, Form HIS-1, in your Retiree Packet. Your packet will arrive around the time you receive your first monthly benefit payment. The Form HIS-1 is also available on the Retirees...
page of the division’s website, www.frs.myflorida.com, or you may request this form by contacting the Division of Retirement (see contact information on Page 3). You must submit a completed Form HIS-1 and certification of insurance coverage for the division to evaluate. If the benefit is approved, retroactive payments are paid up to a maximum of six months or back to your effective retirement date, whichever is less. You must have health insurance coverage for all months included in the retroactive payment. The HIS benefit is in addition to your monthly FRS retirement benefit and is included in the same monthly payment.

The HIS Program is subject to legislative appropriation and funded through a separate contribution rate paid by FRS-participating employers and is not a guaranteed benefit. If there are not enough funds to pay full subsidy benefits to all participants, the Legislature may reduce or cancel future HIS payments.

**Note:** If you are a renewed member of the FRS Pension Plan who is retiring again, see Page 32 for more information.

---

**TAX INFORMATION**

**Florida Retirement System – A Qualified Plan**

The FRS is a qualified plan under section 401(a) of the Internal Revenue Code. This means that the contributions received, and the income earned by the FRS Trust Fund are not taxed until you receive them as benefit payments. Also, qualification provides certain federal tax advantages (in addition to tax deferral during your working career), including a better basis for figuring the value for federal estate taxes of any retirement benefits paid to a beneficiary at your death.

**Income Taxes on Your Retirement Benefit**

At the end of January each year, the division provides you an IRS Form 1099-R. Your annual taxable income is shown in the taxable amount box (Box 2a). You should use this form when you file your income tax return.
You can choose to receive email notification when your IRS Form 1099-R is available to view, print, or download from your FRS Online account. Select email notification as your delivery preference for your IRS Form 1099-R on the Communication Preferences page (see Page 14 for more information on FRS Online).

If you do not select email notification as your delivery preference for your IRS Form 1099-R, it will be mailed to the address on file with the division before the end of January.

You may view, print, or download past IRS Form 1099-Rs from your FRS Online account (see Page 14 for more information on FRS Online).

**Pre-Tax Employee Contributions**

If you had pre-tax employee contributions deducted from your salary or lump-sum annual leave payments paid on or after July 1, 2011, or used a trustee-to-trustee transfer to purchase optional service credit, a portion of these funds are assumed to be included in each monthly retirement benefit payment that you receive over the lifetime of your FRS monthly benefit. Because there is no difference in the tax treatment of pre-tax contributions, whether they are your personal contributions or contributions made by your employer, it is not necessary to determine the specific portion of your monthly FRS benefit that is attributable to your pre-tax personal contributions. These amounts will be included in the annual taxable income amount reported in Box 2a of your IRS Form 1099-R.

**Post-Tax Employee Contributions**

If you made after-tax contributions to the FRS while you were an active employee, you are not required to pay federal income taxes on these contributions. You could have contributed after-tax employee contributions when this was required until 1975 or if you purchased optional service credit with after-tax funds. Under federal tax law, any after-tax contributions paid back as a portion of your monthly retirement benefit are exempt from income tax.

The division uses the IRS Simplified Method to calculate the portion, if any, of your monthly retirement benefit that is tax-exempt. Your annual tax-exempt amount is shown in the employee contributions box (Box 5) on your IRS Form 1099-R.
Between 1975 and June 30, 2011, the FRS was employee-noncontributory for most members. If you never made after-tax contributions, your entire monthly retirement benefit is taxable income.

Additional information on income taxes is available in the Internal Revenue Service Publication 575, Pension and Annuity Income. Contact the IRS or go to the IRS website at www.irs.gov for a copy of this publication or if you have questions about your income taxes.

**Income Taxes on Your Health Insurance Subsidy**

Your HIS benefit is taxable income, but you could have all or part of your HIS benefit excluded from income taxes if one of the following applies:

- Your health insurance premiums are deducted each month from your retirement benefit payment through the FRS retired payroll system; or
- You pay health insurance premiums directly to your former FRS employer and that employer certifies to the division the total of the annual amount of insurance payments you made.

The amount of your HIS payments excludable from taxable income is based on the total of your HIS payments and your total health insurance premium amount paid during the calendar year. If your total health insurance premium amount deducted by the division or reported by your former FRS employer is more than your total HIS payments, your entire annual HIS amount will be excluded from your annual taxable income. However, if your total health insurance premium amount is less than your total HIS payments, only the portion of the HIS payment equal to the total health insurance premium amount will be excluded from your annual taxable income. The remaining portion of your HIS payment is taxable income.

Although Medicare coverage qualifies you to receive the HIS, the IRS does not allow the division to use your Medicare premium payments for the HIS tax exclusion.

Also, under the federal Pension Protection Act (PPA) of 2006, if you worked as a public safety officer at retirement, you may be eligible to take up to a $3,000 tax exclusion on your IRS Form 1040 for accident, health, and/or long-term care
insurance premium payments made during the tax year. The IRS provides instructions in the IRS Form 1040 general instruction booklet for public safety officer retirees to take this tax exclusion on their individual returns.

When you are filing your taxes, the following requirements and restrictions apply to your ability to take this tax exclusion on your Form 1040:

- You must have been employed as a public safety officer at retirement.
- You must retire under either normal retirement or under disability retirement. Normal retirement under the FRS Pension Plan occurs when you are eligible to receive an unreduced retirement benefit based on your age or years of service. If you are uncertain of whether you retired under normal retirement or early retirement, contact the Division of Retirement (see contact information on Page 3).
- You must have your eligible insurance premiums deducted from your monthly FRS retirement benefit.
- You may not use the same insurance premiums for the health insurance subsidy tax exclusion and the PPA tax exclusion. Your Retiree Annual Statement (available from your FRS Online account) will have foot-noted information if there are available deducted insurance premiums for this PPA tax credit.

The division determines your eligibility for the HIS tax exclusion before preparing your Form 1099-R and adjusts your taxable income amount accordingly. However, you are responsible for determining your eligibility for the PPA tax exclusion and the amount of your credit and for claiming it on your tax return. For questions about the PPA, contact the IRS or visit the IRS website at www.irs.gov. The division cannot provide tax advice.

**Taxes Withheld from Your Benefit**

The division withholds federal income tax from your retirement benefit based on the taxable amount of your benefit. Your withholding deduction is determined in compliance with IRS guidelines until you instruct the division to withhold otherwise by changing your withholding from your FRS Online account or submitting a Withholding Certificate for Pension Payments, Form W-4P. After your name is added to the retired payroll, the
division sends you a Withholding Certificate for Pension Payments, Form W-4P. This form is also available from the Retirees page of the division’s website, www.frs.myflorida.com. If you choose to submit a completed Form W-4P to the division’s office, your federal tax withholding will be updated accordingly, as soon as possible after receipt.

**Note:** Until you change your withholding, the division is required to withhold taxes from your monthly retirement benefit payment as if you are married and claiming three allowances.

If you choose to have no taxes withheld from your monthly FRS retirement benefit or to have an insufficient amount of income tax withheld, the IRS can require you to file and pay estimated taxes each quarter. And, if you underpay your taxes, either quarterly or by withholding, the IRS may impose a penalty based on the amount of underpayment.

**COST-OF-LIVING INCREASES**

Florida law provides eligible FRS Pension Plan retirees with a cost-of-living adjustment (COLA) in their July FRS benefit each year. The annual increase is calculated using the amount of your June benefit, excluding any health insurance subsidy payment. Your COLA percentage increase is determined as follows:

- If all your service at retirement is on or after July 1, 2011, you are not eligible for a COLA.
- If the service used in the calculation of your retirement benefit consists of both service prior to July 1, 2011, and service on and after July 1, 2011, your COLA is individually calculated by dividing your years of service before July 1, 2011, by your total years of service at retirement and multiplying by 3 percent.
- If all the service used in the calculation of your retirement benefit was prior to July 1, 2011, you will receive a 3-percent COLA.

**Example:** A member retires effective July 1, 2019, with 30 years of service, of which 23 years occurred before July 1, 2011. The member’s individual COLA would be calculated as follows:

\[
\frac{23}{30} \times 3 \text{ percent} = 2.3 \text{ percent}
\]
If you have not been retired for 12 calendar months as of June, your first COLA will be prorated based on the number of calendar months you were retired as of June. The first COLA would be calculated as follows:

Number of Months Retired/12 x COLA percentage

**Example:** If you retired effective Jan. 1, your first July benefit would be increased by half of your annual COLA percentage times your June benefit for six months of retirement.

Your COLA percentage is shown on the letter you will receive in your Retiree Packet and is also included in the account details of your FRS Online account, which can be accessed from the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com).

**Note:** Florida law provides a supplemental benefit payment to Florida National Guard retirees. These retirees receive a different annual benefit adjustment, but they are not FRS retirees and are not eligible for this COLA.

**CHANGE OF BENEFICIARY DESIGNATION**

When you retire, you will name a beneficiary to receive any benefits due upon your death.

If you choose benefit payment Option 1 or 2 at retirement, you may change your beneficiary at any time by completing Form FST-12, Florida Retirement System Pension Plan Beneficiary Designation. This form is available from the Retirees page of the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com), or by contacting the Division of Retirement (see contact information on Page 3). List your beneficiaries sequentially or jointly. Under Option 2, you may also name one or more contingent beneficiaries to receive any benefits remaining after the death of your primary beneficiary.

If you choose benefit payment Option 3 or 4 at retirement, your beneficiary must qualify as a joint annuitant. You may change your beneficiary twice, provided that you have a new spouse or someone else who qualifies as a joint annuitant as defined on Page 28. If your former beneficiary is living, you must provide written notice of your beneficiary change. Your monthly benefit is adjusted as the result of a beneficiary change. This could result in a benefit increase or decrease, depending on your age and your
new beneficiary’s age and whether your former beneficiary is living.

If you choose benefit payment Option 3 or 4 at retirement and later divorce your beneficiary, you may nullify your beneficiary designation unless you are restricted from doing so by a Qualified Domestic Relations Order. If you nullify your beneficiary designation, your benefit is adjusted as though your beneficiary died before you and the nullification cannot be cancelled. If you remarry and wish to name your new spouse as your new beneficiary, the reduction in your benefit will be greater if your previous beneficiary designation was nullified.

Contact the Division of Retirement for further information and to receive the required form to change your beneficiary (see contact information on Page 3). After a benefit payment has been cashed or deposited, you may not change the benefit payment option you selected, even in the event of divorce or death.

**Definition of Joint Annuitant**

**FRS**

If you retire under the FRS Pension Plan and choose benefit payment Option 3 or 4, your beneficiary must meet the definition of joint annuitant. Joint annuitant is defined below and depends on your effective date of retirement.

If you retired on or after Jan. 1, 1996, your joint annuitant must be

- Your spouse;
- Your natural or legally adopted child who is either under age 25 or who is physically or mentally disabled and incapable of self-support, regardless of age;
- Your parent;
- Your grandparent; or
- A person for whom you are the legal guardian.

If you name your spouse as your beneficiary, no further restrictions apply.

To be able to name as a beneficiary your parent, grandparent, or a person for whom you are the legal guardian, you must provide half or more of the financial support or be able to claim your parent, grandparent, or a person for whom you are the legal guardian as a dependent on your federal income tax return.
Or, if you name your natural or legally adopted child as a beneficiary to receive benefits under Option 3 or 4, upon your death, he or she will be eligible to receive an amount equal to your Option 1 benefit as

- Your joint annuitant who is under age 25, but only until he or she reaches age 25;
- Your joint annuitant who is disabled and incapable of self-support, regardless of age, for the duration of the disability.

Existing Retirement Systems

If you retire under the Teachers’ Retirement System or the State and County Officers and Employees’ Retirement System, your joint annuitant must be your spouse.

TERMINATION AFTER RETIREMENT

There are termination requirements that affect your retirement benefit if you are employed with FRS-participating employers during the first 12 calendar months after your effective retirement date without DROP participation or after your DROP termination date.

You must meet the definition of termination by remaining unemployed by FRS-participating employers for the first six calendar months of your retirement or the first six months after your DROP termination date. You will void your retirement and must repay all benefits received, including a DROP payout, if you return to work during this six-calendar month period.

Voiding your retirement applies even if the position you hold is not covered by the FRS but is with an FRS employer. This restriction also applies to employment with the same employer if your agency withdrew from the FRS effective Jan. 1, 1996, for newly hired employees.
REEMPLOYMENT AFTER RETIREMENT

Reemployment Without Limitation on Your Benefit

After you retire under the normal or early retirement provisions of the FRS Pension Plan, the Teachers’ Retirement System, or any other existing retirement system that was merged into the FRS or other state-administered retirement system, you may work for the following employers without affecting your retirement benefit:

- A private employer;
- A Florida public employer not covered by the FRS; or
- A public employer in another state or covered by another state’s retirement system or with the federal government.

Such employment could affect your Social Security benefit. Call the Social Security Administration at 800-772-1213 for specific information.

Reemployment Limitations If Employed by FRS-Participating Employers

After you meet the definition of termination, you may not receive both a salary and a retirement benefit in the same month during the seventh through twelfth calendar months of your retirement or after your DROP termination date. This restriction applies even if the position you hold is not covered by the FRS but is with an FRS employer.

You must inform the division if you work for an FRS employer during the reemployment limitation period. You cannot receive retirement benefits for the months you are employed by an FRS employer during the reemployment limitation period. You and your employing agency are jointly and severally liable for repaying any retirement benefits you receive while working during this period. There are no limitations on receiving your retirement benefit while working for an FRS employer after you have been retired for 12 calendar months.

Reemployment for Disability Retirees

If you retire under disability retirement, you may not be employed with any employer and continue to receive disability benefits. If you recover from your disability and return to work for any
employer, whether in or out of state, public or private, you must inform the Division of Retirement to immediately stop your benefits (see contact information on Page 3).

If you recover from your disability and return to work for an FRS employer for one year of creditable service and participate in the FRS Pension Plan, you may purchase service credit for the period you were retired under disability retirement to be used in your future retirement benefit.

**Other Reemployment Concerns**

Effective March 9, 2018, there is one exception to the restrictions on reemployment limitations after retirement. If you are a retired law enforcement officer, you may be reemployed as a school resource officer by an employer that participates in the FRS during the seventh through twelfth calendar months after your retirement date or after your DROP termination date and receive both your salary and retirement benefits.

If you are reemployed with a participating employer, you will be required to sign a statement that your reemployment does not violate these provisions.

Different termination requirements and limitations on reemployment with FRS-participating employers apply if your effective retirement date or DROP termination date was before July 1, 2010.

Contact the Division of Retirement if you have any questions about your termination requirements or reemployment limitations (see contact information on Page 3).

**Independent Contractor**

Independent contractors are not employees and are therefore not subject to termination and reemployment limitations. Within the first 12 calendar months after retirement or DROP termination date, the division reviews the contracts and supporting documents to determine if a retiree is an employee in an employee/employer relationship or if the retiree is an independent contractor. You or the participating FRS employer should request a determination prior to entering into any independent contractor relationship within the first 12 calendar months after your retirement or DROP termination date.
You may request a determination from the Division of Retirement if you have any questions about your independent contractor status (see contact information on Page 3).

**Renewed Membership After Retirement**

If you are a retiree of the State University System Optional Retirement Program (SUSORP), the Senior Management Service Optional Annuity Program (SMSOAP), the State Community College System Optional Retirement Program (SCCSORP), or the FRS Investment Plan, you will become a renewed member of the FRS Investment Plan, the SUSORP, or the SCCSORP depending upon the plan covering the position you hold if you are employed in a regularly established position and you are initially enrolled on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership if initially reemployed on or after July 1, 2010.

If you were initially reemployed after retirement in a regularly established position with an FRS employer on or after July 1, 2010, through June 30, 2017, you will not earn creditable service toward a subsequent retirement benefit. This restriction from renewed membership includes retirees of the FRS Pension Plan, the FRS Investment Plan, the SUSORP, the SMSOAP and the SCCSORP and local government senior managers covered by a separate arrangement with their employers.

If you were initially reemployed before July 1, 2010, in a regularly established position with an FRS-covered employer after retiring under the FRS or other state-administered retirement system, your membership is renewed. You will earn service credit toward a second-career retirement benefit for covered employment until you retire again. Contact the Division of Retirement if you have any questions about your status as a renewed member (see contact information on Page 3).

**Health Insurance Subsidy Credit for Renewed Membership Service**

If you retire with less than 30 years of service credit in your first-career retirement, part or all of your years of service from your renewed membership (second-career) retirement may be used to increase your HIS benefit. The maximum number of years that may be included in the calculation of your total HIS payment is 30 years.
After your name is added to the retired payroll for your second-career benefit, the division mails you an application for the HIS, Form HIS-1 (see Page 20 for more information on the Health Insurance Subsidy Program). Contact the Division of Retirement if you are not sure whether you qualify for HIS payments based on your second-career retirement (see contact information on Page 3).

**Social Security Coverage During Reemployment**

Under most circumstances, if you become reemployed after retirement, you will be required to pay Social Security contributions on salary earned while reemployed. However, if you are employed in a temporary position with an FRS-participating employer, you are not required to pay Social Security contributions since you are a rehired annuitant.
**DISABILITY REEXAMINATION**

If you retire under disability retirement, the division periodically checks the status of your total and permanent disability. The Disability Determination Section provides the forms to be completed and returned. If a licensed doctor charges a fee for completing the required forms, the division will reimburse your out-of-pocket cost up to $100.00.

After the division receives the completed forms, the division notifies you in writing of your eligibility to continue receiving disability benefits. If the division determines that you do not qualify to continue receiving disability benefits, you may appeal the decision to the State Retirement Commission. Otherwise, you can apply for a service retirement if you are not returning to FRS employment.

**SURVIVOR BENEFITS**

The death of a member or a benefit recipient can be reported from the FRS Online home page of the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com), or by contacting the Division of Retirement (see contact information on Page 3). To report the death of a member or benefit recipient, you will need the following information about the deceased person:

- Name;
- Social Security number;
- Date of death; and
- Information concerning whom to contact regarding the deceased person’s account.

To report the death of your beneficiary, contact the Division of Retirement (see contact information on Page 3).

You or your beneficiary will be informed if any future benefits are payable and if any forms must be completed. A copy of the death certificate must be submitted to the division. The deceased payee’s estate is entitled to the benefit paid at the end of the month of death.
Option 4 Recipients – If your death or the death of your joint annuitant occurs, the survivor's benefit is reduced by one-third. To avoid an overpayment of benefits, report the death to the division immediately.

SOCIAL SECURITY AND MEDICARE BENEFITS

FRS members are automatically covered for Social Security with FRS-covered employment.

When you become eligible for Social Security, you receive Social Security benefits in addition to FRS benefits. Your FRS benefits are not reduced by Social Security benefits that you receive.

You can request a statement from the Social Security Administration showing an estimate of the Social Security benefits you will receive. You can obtain this statement, as well as information on how to apply for Social Security benefits, from the following sources:

- Your local Social Security office;
- By calling toll free 800-772-1213; or
- By visiting the Social Security website at www.ssa.gov.

The Social Security Administration also offers an online retirement estimator on its website at www.ssa.gov/estimator.

Remember to sign up for Medicare benefits when you reach age 65, even if you are still working. If you do not sign up, you may have to wait for an open enrollment period from the Social Security Administration before being covered by Medicare.

If you have service under the Teachers’ Retirement System or Division A of the State and County Officers and Employees’ Retirement System, this service is not covered for Social Security. Contact the Social Security Administration for information about how this service may impact your Social Security benefits.
Periodically, an FRS Retiree Newsletter is sent containing articles regarding recent retirement legislation, current events affecting retirees, and selected subjects of interest to you.

Visit the division’s website to view your current retirement information and links to other sites of interest. The division’s website, www.frs.myflorida.com, is available to you 24 hours a day, seven days a week. The Retirees page of the division’s website provides you with quick and easy access to information of importance to you as a retiree. The following list reflects how the information on the Retirees page is organized and includes a brief explanation of the information available in each category:

- **Online Information** – As a retiree, you can check your most recent benefit payment, payment history, and tax withholding and other deductions, view and/or print your current and historical IRS Forms 1099-R, view and make changes to your federal tax withholding, view or change your direct deposit authorization, and view and print a Pension Income Verification letter. Create and maintain your user profile and choose to receive an email from the division when publications and forms such as the FRS Retiree Newsletter or your IRS Form 1099-R are available online. You can also view your beneficiary designation and change your mailing address (see Page 14 for more information on FRS Online).

- **FRS Quick Clips** – Access short PowerPoint presentations on various topics.

- **Forms Used by Retirees** – Print or download the following forms: Address Change Request for Those Receiving a Monthly Benefit (ADDCH-1), Direct Deposit Authorization (DFS-A1-26R), Florida Retirement System Pension Plan Health Insurance Subsidy Certification Form (HIS-1), and Withholding Certificate for Pension Payments (W-4P).
Helpful Links and Resources – You may view the benefit payment schedule for the current year. You may also view answers to FRS retirees’ most frequently asked questions, find information about the Retired Public Safety Officers’ Tax Exclusion, and view a glossary which provides definitions intended to help you understand retirement terms used throughout the website and various FRS publications. You can also find a link to the Internal Revenue Service (IRS) website.

FREQUENTLY ASKED QUESTIONS

1) Q. What should I do if I don’t receive my retirement benefit payment or if my check is lost or stolen?
   A. If your retirement benefit is sent by mail, it is mailed two days before the last business day of the month. If you have not received your benefit by the fifth working day of the following month, contact the Division of Retirement (see contact information on Page 3). The division must allow the Postal Service sufficient time to deliver the check. If your check is lost or stolen, contact the Division of Retirement immediately so that the division can request a stop payment on the lost check and issue a replacement check. It takes approximately 10 business days to issue a replacement check, and the original check should not be cashed after the stop payment order has been placed. A replacement check can be easily identified by the word DUPLICATE printed on the front of the check.

2) Q. Do you have a toll-free telephone number?
   A. Yes. See the contact information on Page 3. Please have all necessary information on hand so that the division can handle your request as quickly and efficiently as possible.
3) Q. When do I receive a cost-of-living increase and how much will it be?
A. You will receive a cost-of-living increase each July, and it will be included in your FRS retirement benefit paid at the end of July. The increase is based on your June benefit, excluding the HIS payment. Your cost-of-living percentage increase is determined as follows:
   • If all of your service at retirement is prior to July 1, 2011, you will receive a 3-percent cost-of-living adjustment (COLA).
   • If some of your service at retirement is prior to July 1, 2011, and the remainder of your service is on or after July 1, 2011, your COLA is individually calculated. Divide your years of service before July 1, 2011, by your total years of service and multiply it by 3 percent (see Page 26).
   • If all of your service at retirement is on or after July 1, 2011, you are not eligible for a COLA.

If you have not been retired for 12 calendar months when you receive your first cost-of-living increase, it will be a partial increase based on the number of calendar months you have been retired in that plan year, which is July 1 through June 30.

4) Q. Am I required to have federal income tax withheld from my retirement benefit?
A. No. Although your FRS benefit is taxable, you may choose not to have federal income tax withheld from your monthly benefit payment by indicating your choice on a Withholding Certificate for Pension Payments, Form W-4P, or by changing your withholding from your FRS Online account (see Page 14). Until the division receives your completed Form W-4P or your withholding changes are made from your FRS Online account, the division must withhold taxes from your benefit (see Page 25 for more information). You may download a blank Form W-4P from the Retirees page of the division’s website, www.frs.myflorida.com.

Note: If you do not have tax withheld from your monthly retirement payment, you may be required to file a quarterly estimated tax. Please contact a
tax advisor or the Internal Revenue Service for more information.

5) Q. Will I need to complete a new Form W-4P to establish my tax withholding preferences every year?
A. No. The choice you make on your Form W-4P remains in effect until you change it, which you may do at any time by updating it from your FRS Online account or by completing and sending the division a new Form W-4P.

6) Q. I have my insurance premium deducted from my benefit payment. Will I automatically receive the HIS?
A. No. To receive the HIS benefit, you must apply by completing a Form HIS-1, Florida Retirement System Pension Plan Health Insurance Subsidy Certification Form, and returning proof of insurance coverage. This form can be downloaded from the Retirees page of the division’s website, www.frs.myflorida.com. If you are eligible, the subsidy payment will be included with your next monthly retirement payment, and any applicable retroactive subsidy payments up to a maximum of six months will also be included (see Page 20 for more information about the HIS).

7) Q. I have health insurance coverage under my spouse’s plan. Am I eligible to apply for the HIS benefit?
A. Yes. You can download the form from the Retirees page of the division’s website, www.frs.myflorida.com, or request Form HIS-1 from the division to apply for the HIS benefit.

8) Q. I did not have health insurance when I retired two years ago. Can I apply for the HIS now that I am covered under Medicare?
A. Yes. If you would like to receive the HIS benefit in addition to your monthly FRS benefit payment, you must complete a Form HIS-1, Florida Retirement System Pension Plan Health Insurance Subsidy Certification Form, and provide proof of insurance. This form may be obtained from the Retired Payroll Section or downloaded from the Retirees page of the division’s website, www.frs.myflorida.com. If you are eligible, the HIS will be included with your next monthly retirement payment, and any applicable retroactive subsidy payments up to a maximum of
9) **Q.** After I retire, how can I verify who is named as the beneficiary of my retirement account and what benefits will be due at my death?

**A.** Log in to your FRS Online account from the division’s website, [www.frs.myflorida.com](http://www.frs.myflorida.com), to view your beneficiary designation, or contact the Division of Retirement (see contact information on Page 3).

10) **Q.** Can I change my beneficiary after I retire?

**A.** If you chose benefit payment Option 1 or 2 at retirement, you may change your beneficiary designation whenever you wish. Your beneficiary does not have to qualify as a joint annuitant. However, different requirements apply if you chose benefit payment Option 3 or 4 at retirement, since your beneficiary must qualify as a joint annuitant to receive a continuing benefit under these options. Contact the Division of Retirement for information and the appropriate form (see contact information on Page 3).

11) **Q.** Can I change my joint annuitant after I retire?

**A.** Yes. If you chose benefit payment Option 3 or 4 at retirement, you may change the designation of your joint annuitant, but you are limited to two changes only. However, your retirement benefit will be recalculated to reflect the change and is usually lower as a result. Contact the Division of Retirement for information and the appropriate form (see contact information on Page 3).

12) **Q.** After I retire, can I change my option if my spouse dies or we divorce?

**A.** No. After you are retired and once you have cashed or deposited any retirement benefit, you may not change your selected benefit payment option.

13) **Q.** How will my benefit be recalculated if I decide to change my joint annuitant?

**A.** Your monthly benefit will be recalculated using actuarial factors based on the current ages of both you and your new joint annuitant. This usually results in a reduction of benefits. Contact the Division of Retirement for information.
14) **Q.** After I die, will my surviving beneficiary or joint annuitant who is receiving continuing benefits from my account be eligible for cost-of-living increases?  
**A.** Yes. Just like you would before you die, your beneficiary or joint annuitant will continue to receive cost-of-living increases each July for as long as he or she remains eligible for the monthly retirement benefit.

15) **Q.** After I die, can my surviving beneficiary or joint annuitant remarry and continue receiving a benefit from my account?  
**A.** Yes. A remarriage does not impact the terms of the benefit payment option you chose at retirement.

16) **Q.** If I chose an Option 3 or 4 benefit under the FRS Pension Plan and divorce my spouse after I receive my first retirement benefit payment, may I remove him or her as my joint annuitant?  
**A.** Yes, you may remove your ex-spouse as your joint annuitant unless you are restricted from doing this by a Qualified Domestic Relations Order. You should request additional information from the Division of Retirement about nullifying your joint annuitant designation, which will remove your ex-spouse as your beneficiary (see contact information on Page 3).

17) **Q.** What effect will nullifying my joint annuitant have on the amount of my retirement benefit under the FRS Pension Plan?  
**A.** Your benefit amount will be adjusted as if your joint annuitant died before you. If you chose Option 3, there would be no change in the amount of your retirement benefit. However, if you chose Option 4, your benefit would be reduced by one-third, beginning with the month the nullification of your beneficiary designation becomes effective.
18) Q. Does nullifying my joint annuitant designation under the FRS Pension Plan count as one of the two joint annuitant changes I am allowed after I retire?
   A. No, nullifying your joint annuitant does not count as a joint annuitant change.

19) Q. May I name a new joint annuitant under the FRS Pension Plan after I have nullified my previous joint annuitant designation?
   A. Yes, you may change your joint annuitant twice after retirement. Your monthly benefit will be recalculated using actuarial factors based upon the current ages of both you and your new joint annuitant. This usually results in a reduction of benefits and applies to retirements under Option 3 and 4 only. Contact the Division of Retirement for information and the appropriate form (see contact information on Page 3).

20) Q. After I nullify my ex-spouse as a joint annuitant, may I cancel my nullification?
   A. No, once you have nullified your joint annuitant designation, you may not cancel your nullification.

21) Q. Whom should my family contact in the event of my death?
   A. In the event of your death, your family or other person managing your affairs should contact the Division of Retirement or report your death from the division’s website, www.frs.myflorida.com, through the FRS Online home page (see Page 14 for more information on FRS Online).

22) Q. Does the retirement benefit issued at the end of the month of my death have to be returned to the division?
   A. No, your estate is entitled to keep the benefit issued at the end of the month of your death.

23) Q. What should the administrator of my estate do if he or she has trouble cashing or depositing the retirement benefit received after my death?
   A. If the person responsible for your estate is unable to properly cash or deposit the benefit received after your death, he or she should return the check to the division. The check will be reissued payable to your estate.
24) **Q. Can I volunteer with an FRS-participating employer without impacting my FRS benefits?**

**A.** Yes. You may perform volunteer services for an FRS employer after retirement or DROP termination without impacting your FRS benefits. You or your employer should contact the Division of Retirement prior to beginning volunteer service for a determination as to whether the service meets volunteering guidelines based on state and federal labor laws (see contact information on Page 3). If your service is later determined to be employment instead of volunteer services, your retirement will be impacted if this occurred in the first 12 calendar months after your effective retirement date or your DROP termination date (see Page 30 for more information on violation of termination or reemployment restrictions).
AFTER YOU RETIRE CHECKLIST

☒ Did you go into your FRS Online account and set your federal income tax withholding or submit a completed Withholding Certificate for Pension Payments, Form W-4P? Until you notify the division about your tax withholding preference, income taxes are withheld from your benefit as if you are married and claim three allowances.

☒ Did you go into your FRS Online account to establish your direct deposit or submit a Direct Deposit Authorization Form so that your benefit payment is directly deposited to your bank or financial institution?

☒ Did you submit a completed Form HIS-1 with certification of health insurance coverage to apply for health insurance subsidy (HIS) benefit payments? If the division receives your application within six months of the date your benefits began certifying continuous health insurance coverage since retirement, HIS payments will be paid retroactively to your retirement date. If you fail to return the form to the division within six months of retirement, retroactive HIS payments are limited to a maximum of six months.

☒ Did you check with the Social Security Administration for information about applying for Social Security benefits and signing up for Medicare at age 65?

Are you planning to return to work with an FRS-participating employer? If so, contact the Division of Retirement to find out how your reemployment will affect your retirement or receipt of your retirement benefits.