



## After You Retire

FRS PENSION PLAN ♦ 2011 EDITION

DEPARTMENT OF MANAGEMENT SERVICES

DIVISION OF RETIREMENT

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## DISCLAIMER

**T**his brochure is written in nontechnical terms, avoiding the formal language of the retirement laws and rules as much as possible. If questions of interpretation result from our attempt to make the retirement provisions easy to understand, Chapter 121, Florida Statutes, and Chapter 60-S, Florida Administrative Code, remain the final authority.

The information provided in this brochure is based on the Florida Retirement System (FRS) Pension Plan laws and rules in existence as of July 2011, 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 (Division). The Division is not responsible for erroneous information provided by representatives of participating agencies.

# **After You Retire**

**2011 Edition**

Department of Management Services

Division of Retirement





RICK SCOTT  
Governor

DEPARTMENT OF MANAGEMENT  
**SERVICES**

JOHN P. MILES  
Secretary

Dear Florida Retirement System Member:

This *After You Retire* brochure gives you information about your Florida Retirement System Pension Plan retirement benefits, income taxes, direct deposit, and Retiree Health Insurance Subsidy Program benefits; as well as termination requirements and reemployment limitations after retirement.

This brochure is a convenient reference after retiring. It complements the information on the *Retiree Page* of our website, <http://frs.MyFlorida.com>, in the *FRS Retiree Newsletter* and the various informational brochures and communications you receive before you retire. This brochure assists you in determining when you will be eligible to re-enter the workforce with an FRS employer without affecting your FRS benefits.

The form on Page iv is included to get your feedback on this brochure and to continually improve our service. Return this form so we may serve you better. Our goal is to make your transition into retirement as pleasant as possible and to assist you whenever you need help. Our contact information is found beginning on Page 1 if you need more information. If you plan to visit us, a map showing our location is on Page 4.

Sincerely,

A handwritten signature in black ink that reads "Sarabeth Snuggs".

Sarabeth Snuggs  
State Retirement Director

# BROCHURE FEEDBACK

## After You Retire - 2011 Edition

Please rate the following aspects of this brochure:

1. Clear explanation of the provisions of the Florida Retirement System Pension Plan.

Excellent       Above Average       Average       Below Average       Poor

2. Readability (easy to read).

Excellent       Above Average       Average       Below Average       Poor

3. Useful for future reference.      Yes       No

4. I found the following section(s) or subject(s) helpful:

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5. I found the following section(s) or subject(s) confusing:

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6. Questions or comments:

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Please mail your completed form to us at the address on Page 1. If you include a question on this form, provide your full name, the last four digits of your Social Security number, your daytime telephone number, and return address to receive a response. Thank you for taking the time to provide your feedback.

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## AFTER YOU RETIRE CHECKLIST

- ❑ Did you complete and return your *Withholding Certificate for Pension Payments, Form W-4P*? Income taxes are withheld from your benefit as if you are married and claim three allowances until we receive this form (see *Page 15*) or you use the 'Change Tax Withholding' feature on the 'Account Information' page of on your *Online Services* account (see *Page 17*).
- ❑ Did you complete your *Direct Deposit Authorization Form* and return it to the Department of Financial Services so your benefit payment is directly deposited to your bank or financial institution (see *Page 5*)?
- ❑ Did you complete and return *Form HIS-1* with certification of health insurance coverage to apply for health insurance subsidy (HIS) benefit payments? HIS payments are paid retroactive to your retirement date if we receive your application certifying continuous health insurance coverage since retirement within 6 months of the date your benefits began. Retroactive HIS payments are limited to a maximum of 6 months if you fail to return the form to us within 6 months of retirement (see *Page 9*).
- ❑ Did you check with the Social Security Administration for information about applying for Social Security benefits and signing up for Medicare at age 65 (see *Page 28*)?
- ❑ Are you planning to return to work with an FRS participating employer? If so, contact the Bureau of Retirement Calculations to find out how your reemployment will affect your retirement or receipt of your retirement benefits. (See *Page 3* for contact information and *Page 22* for reemployment information.)

## CONTACTING THE DIVISION

**W**hen you write to us include your full name printed and signed, the last four digits of your Social Security number, your return mailing address, and 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:

DIVISION OF RETIREMENT  
PO Box 9000  
Tallahassee, Florida 32315-9000

Or, e-mail your questions or comments to [retired@dms.MyFlorida.com](mailto:retired@dms.MyFlorida.com). For more information visit our website at:

<http://frs.MyFlorida.com>

Our website gives you immediate access to most of our publications and forms, as well as answers to frequently asked questions (FAQs). From there you may also access *Online Services*, our 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 17 for more information on Online Services.

We encourage you to visit our website regularly and suggest you start with the *Website Overview* page to become familiar with all of the resources and services available to you online.

When you contact us, the following telephone numbers, fax numbers, e-mail addresses, and descriptions of responsibilities will help you reach the office best able to serve you.

**Bureau or Section**

**Bureau of Benefit Payments -**

**Retired Payroll Section** - Issues benefit payments, handles retiree/payee address changes, and processes tax deductions.

Telephone (Toll Free).....(888) 377-7687  
Telephone.....(850) 488-4742  
Fax.....(850) 410-2193  
E-mail.....[retired@dms.MyFlorida.com](mailto:retired@dms.MyFlorida.com)

**DROP Termination and Refund Payment Section** - Processes insurance deductions from FRS pension benefits.

Telephone (Toll Free).....(877) 738-3767  
Telephone.....(850) 487-4856  
Fax.....(850) 410-2199  
E-mail. [drop\\_term\\_refund\\_payment@dms.MyFlorida.com](mailto:drop_term_refund_payment@dms.MyFlorida.com)

**Survivor Benefits Section** - Processes claims for survivors and beneficiaries upon a member’s death and processes beneficiary changes after retirement including changes during or after Deferred Retirement Option Program (DROP) participation.

Telephone (Toll Free).....(877) 377-4347  
Telephone.....(850) 488-5207  
Fax.....(850) 410-2197  
E-mail.....[survivor@dms.MyFlorida.com](mailto:survivor@dms.MyFlorida.com)

**Disability Determination Section** - Answers questions about eligibility for disability benefits.

Telephone (Toll Free).....(877) 738-3725  
Telephone.....(850) 488-2968  
Fax.....(850) 410-2198  
E-mail..... [disability@dms.MyFlorida.com](mailto:disability@dms.MyFlorida.com)

**Bureau of Retirement Calculations** -Answers questions about reemployment after retirement.

Telephone (Toll Free) .....(888) 738-2252  
Telephone.....(850) 488-6491  
Fax .....(850) 410-2195  
E-mail..... [calculations@dms.MyFlorida.com](mailto:calculations@dms.MyFlorida.com)

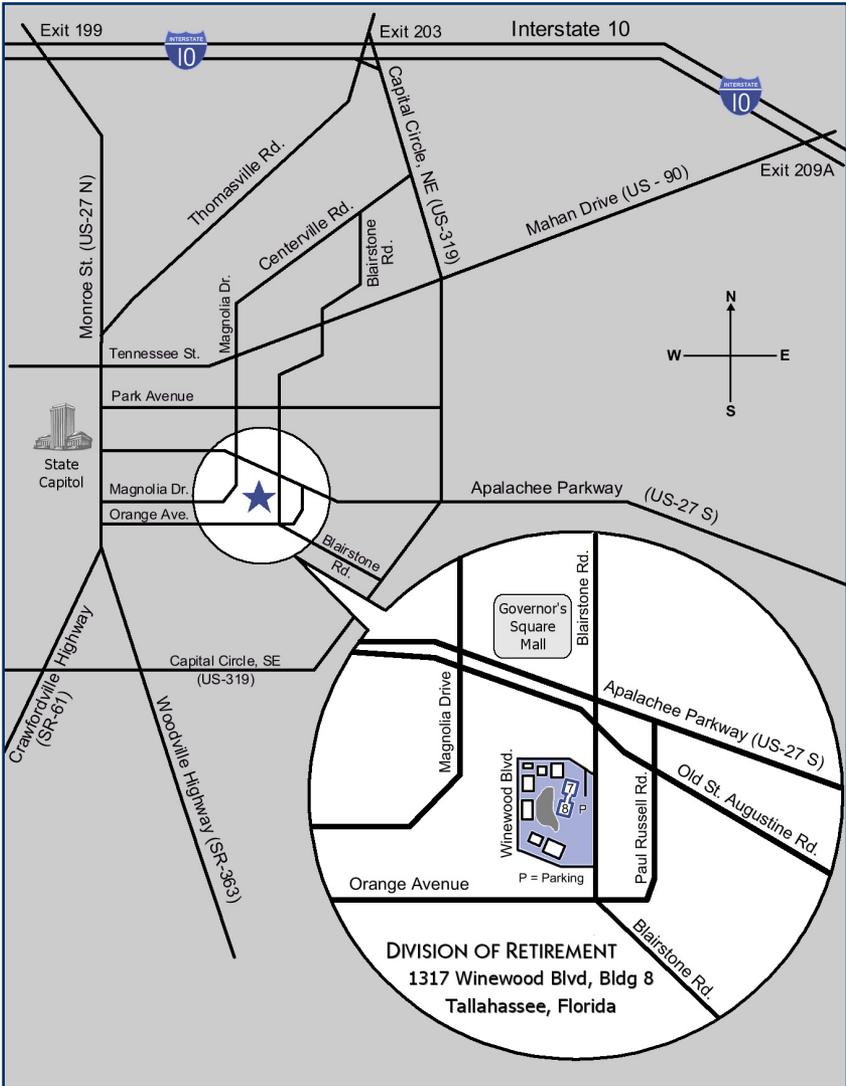
**Research & Education Section** - Analyzes proposed legislation, researches retirement-related issues, maintains the website, coordinates policy development, and produces and distributes publications.

Telephone (Toll Free).....(877) 377-1737  
Telephone.....(850) 488-5706  
Fax .....(850) 921-0371  
E-mail..... [rep@dms.MyFlorida.com](mailto:rep@dms.MyFlorida.com)

If you have a hearing or speech impairment, call us via T.D.D. through the Florida Relay System at 711 or (800) 955-8771.

# MAP TO THE DIVISION

Visit us at the address below without an appointment from 8:00 a.m. until 4:30 p.m., Monday through Friday, except on designated state holidays. The map below provides directions to our location:



## YOUR RETIREMENT BENEFIT PAYMENT

**O**n average, we pay nearly \$540 million in retirement and health insurance subsidy benefits each month to more than 304,000 retirement benefit recipients. Benefits are paid monthly on the last state working 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 state working day of each month.

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

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

A *Direct Deposit Authorization, Form DFS-A1-26R*, is mailed to you after your name is added to the retired payroll. This form can also be printed from the *Retiree Page* or the *Forms* page of our website, <http://frs.MyFlorida.com>. Mail your completed form to the address above or fax it to (850) 413-5549. 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, please download Form DFS-A1-26R from our website or contact the Retired Payroll Section (*see Page 2*) to request a new form. Send the completed form to the Direct Deposit Section of the Department of Financial Services at the mailing address or fax number shown on Page 5.

If you fax your Form DFS-A1-26R, keep the original document in your records; do not mail it to the Retired Payroll Section. We have no authority over or responsibility for processing direct deposit authorizations. Contact the Direct Deposit Section of the Department of Financial Services by e-mail at [DirectDeposit@myfloridacfo.com](mailto:DirectDeposit@myfloridacfo.com) or by telephone at (850) 413-5517 to confirm your direct deposit.

After the Department of Financial Services receives your completed form changing your account number or financial institution, direct deposit ends for your old account and begins for your new account in about four to six weeks. During this interim period, we mail a check to your most recent mailing address on record; make sure we have your current mailing address.

Use your Online Services account to view your monthly retirement benefit statements (“Stubs”). Contact the Retired Payroll Section (*see Page 2*) with any questions or use your bank statements to monitor your deposits if you are unable to access the internet or *Online Services*.

## **Mailing Retirement Checks**

The Department of Financial Service must grant a hardship exemption from using direct deposit if you want your monthly retirement benefit check mailed to you. Monthly retirement benefit checks are mailed from Tallahassee to arrive no earlier than the last state working day of each month. Mailing delays can occur. If you do not receive your check by the fifth of the following month, contact the Retired Payroll Section (*see Page 2*). At your request, we will request a stop payment on the original check and mail a new check to you within approximately 10 business days. The new check will have the word "DUPLICATE" printed on its face. Once the process of issuing a duplicate check begins, the original check is no longer valid and cannot be cashed.

Contact the Retired Payroll Section immediately, if your check is lost or stolen (*see Page 2*).

## **Change of Address**

Inform the Retired Payroll Section immediately of any change in your mailing address to avoid any delay in receiving mail from our office, whether or not you use direct deposit. As a retiree, you can change your mailing address online from your *Online Services* account (*see Page 17*), or, use the *Mailing Address Change Request, Form ADDCH-1*, available on the *Retiree Page* or *Forms* page of our website. If your correspondence is returned by the Post Office as "undeliverable," we may place a hold on your benefit payments until we determine the reason for the returned mail. If your benefit payment is mailed to you, we 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.

**NOTE:** If you move and change your bank or other financial institution, you must complete and submit a new *Direct Deposit Authorization, Form DFS-A1-26R* (see *Direct Deposit on Page 5 for specific instructions*).

## **Insurance Coverage after Retirement**

Under s. 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.

Contact your former FRS employer to continue your employer-sponsored group insurance coverage. We have no authority over or responsibility for employer group health and hospitalization plans.

## **Insurance Deductions**

As a convenience to you, we can make payroll deductions from your benefit for certain types of insurance coverage. We offer 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. We can

only deduct the premiums that you have authorized and your insurance company has submitted to us on your behalf. If you have questions about your insurance policy, premiums, refunds, coverage or claims, contact your insurance provider.

Contact your insurance provider to cancel or change your insurance deduction(s).

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

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

## **Health Insurance Subsidy (HIS)**

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 participated 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, 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 (IFAS) supplemental benefits;
- Survivor benefits provided by the Teachers' Retirement System (TRS);
- Florida National Guard benefits;
- Special pensions or relief acts;
- The Senior Management Service Optional Annuity Program (SMSOAP);
- The State University System Optional Retirement Program (SUSORP); or
- The State Community College System Optional Retirement Program (CCORP).

Members who participated in the SMSOAP, SUSORP, or CCORP, had a HIS contribution included in their employer contribution rate deposited to their retirement account while 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 6 years of creditable service and the maximum HIS payment is \$150 per month with 30 or more years of creditable service. Periods of employment during DROP participation cannot be used in the calculation of your HIS payment.

You must apply for and be approved to receive the HIS monthly benefit. We mail 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

from the *Retiree Page* or the *Forms* page of the Division's website, <http://frs.MyFlorida.com>, or you may request this form by e-mail at [retired@dms.MyFlorida.com](mailto:retired@dms.MyFlorida.com) or by telephone toll free at (888) 377-7687 or at (850) 488-4742. You must return a completed *Form HIS-1* and certification of insurance coverage for us to evaluate. If approved, retroactive payments are paid up to a maximum of 6 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 25 for more information.

## TAX INFORMATION

### Income Taxes on Your Retirement Benefit

Each year at the end of January, we provide you an IRS *Form 1099-R*. Your annual taxable income is shown in the taxable amount box (Box 2a). You should file this form with your income tax return.

You can choose to receive e-mail notification when your *Form 1099-R* is available to view, print or download from the secure web environment of your Online Services account. Select e-mail notification as your delivery preference for your *Form 1099-R* on the "Communication Preferences" page of your Online Services account. See Page 17 for more information about using your Online Services account.

If you do not select e-mail notification as your delivery preference for your IRS *Form 1099-R*, it will be mailed to you at the end of January to the address on file with our office.

If you had pre-tax employee contributions deducted from salary or lump-sum annual leave payments paid on or after July 1, 2011, or used a trustee to trustee transfer, a portion of these funds is 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*.

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

We use 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. Many retirees never paid after-tax contributions as employees, either for required contributions or purchased optional service credit, making all of their monthly retirement benefit taxable income. See below for information about tax treatment of HIS payments.

Additional information on income taxes is available in the *Internal Revenue Service Publication 575, Pension and Annuity Income*. Contact the IRS or access their website at [www.irs.gov](http://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 (HIS)**

Your HIS benefit is taxable income, but you will not have to pay income taxes on all or part of your HIS benefit if:

- 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 us 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 health insurance premium is more than your HIS payment, your entire annual HIS amount will be excluded from your annual taxable income. However, if your health insurance premium is less than your HIS payment, only the portion of the HIS payment equal to the

health insurance premium deducted will be excluded from your annual taxable income. The remaining portion of your HIS payment is treated as taxable income.

Although Medicare coverage qualifies you to receive the HIS, the IRS does not allow us 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 premiums 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 Retired Payroll Section (*see Page 2*).
- You must have your eligible insurance premiums deducted from your FRS retirement benefit.
- You may not use the same insurance premiums for the HIS tax exclusion and the PPA tax exclusion. Your *Form 1099-R* will have foot-noted information if there are available deducted insurance premiums for this PPA tax credit.

We determine your eligibility for the HIS tax exclusion before preparing your *Form 1099-R* and adjust your taxable income amount accordingly. However, **you** are responsible for determining your eligibility for the PPA tax exclusion, the amount of your credit, and for claiming it on your tax return. For questions about the PPA, contact the IRS or access their website at [www.irs.gov](http://www.irs.gov). We cannot provide tax advice.

## **Taxes Withheld from Your Benefit**

We withhold federal income tax from your retirement benefit based on the taxable amount of your benefit. Your withholding deduction is determined in compliance with the IRS guidelines until you instruct us to withhold differently by changing your withholding from your Online Services account (see Page 17) or submitting a *Withholding Certificate for Pension Payments, Form W-4P*. After your name is added to the retired payroll, we send you a *Withholding Certificate for Pension Payments, Form W-4P*. The form can also be downloaded from the *Retiree Page* or the *Forms* page of our website (<http://frs.MyFlorida.com>). If you choose to send a completed *Form W-4P* to our office, your federal tax withholding will be updated accordingly, as soon as possible after receipt.

Until you change your withholding, we are 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 FRS Pension Plan 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.

## **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.

### **COST-OF-LIVING INCREASES**

**F**lorida law provides 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 HIS payment. Your COLA percentage increase is determined as follows:

- If all of the service used in the calculation of your retirement benefit was prior to July 1, 2011, you will receive a 3% 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%.

For example, a member who retires effective July 1, 2012, with 30 years of service of which 29 years occurred

before July 1, 2011 the member's individual COLA would be calculated as follows:

$$29 \div 30 = .9667 \times 3\% = 2.9\%$$

This member in this example would receive a 2.9% COLA each July.

If you have not been retired for 12 calendar months as of June, your first COLA will be prorated based on the number of months you were retired as of June 30<sup>th</sup>. For example, if you retired on January 1<sup>st</sup>, your first July benefit would be increased by 1/2 of your annual COLA percentage times your June benefit for six months of retirement.

**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 cost-of-living adjustment.

## ONLINE SERVICES

Online Services provides you convenient access via the internet to a secure web environment with your benefit payment information and is available to you 7 days a week.

Online Services can be accessed from our website, <http://frs.MyFlorida.com>. Go to the navigation bar in the left margin of our home page and click on the 'Online Services' link.

- **If you have previously accessed Online Services**, enter your user name and password where prompted and then click on "Log In" to gain access to your Online Services account.
- **If you have previously accessed Online Services, but forgotten your user name and/or password**, click on the 'Forgotten your password or your user name?' link and follow

the instructions. Otherwise, call the Retired Payroll Section (see Page 2) for assistance logging into your account.

- **If you have not previously accessed Online Services**, use the “Click here” link next to “New User?” located at the top-center of the Login page to access your Online Services account and establish your Online Services profile.

Once logged into your Online Services account, you can navigate the ‘My Account’ and ‘Retiree Services’ modules of your Online Services account from the navigation bar in the left margin. Descriptions of these modules follow.

### **THE MY ACCOUNT MODULES:**

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

**Communication Preferences** – where you establish your delivery preferences for your 1099R tax form, the Retiree Newsletter and any other publications from the Division you are eligible to receive. Your delivery preference options are:

- E-mail notification means you receive an e-mail when information like your monthly benefit statement (“Stub”) or IRS Form 1099-R can be viewed and downloaded from your account or a link is provided for the Retiree Newsletter when it is available. E-mail 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 means that any information sent to you comes 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.

## THE 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 (HIS) Information* to determine if you are receiving the HIS or 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 tax form 1099R as well as for prior years back to 2001.
- View your *Monthly Payment Information*, to see, print or download your monthly benefit payment information for your most recent benefit payment and for prior monthly benefit payments or view, print or download a Pension Income Verification letter.

**Beneficiary** – View your beneficiary designation; contact the Survivor Benefits Section (see Page 2) with questions about your beneficiary designation.

**Address Change** – Submit your mailing address change online or obtain an address change form to mail to us. Always keep your mailing address on file with the Division of Retirement up to date.

## CHANGE OF BENEFICIARY DESIGNATION

**W**hen you retired, you named a beneficiary to receive any benefits due upon your death.

If you chose 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 Survivor Benefits Section (*see Page 2*) or the “Forms” page of our website (<http://frs.myflorida.com>). 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 chose benefit payment **Option 3 or 4** at retirement, your beneficiary qualified as a joint annuitant. You may change your joint annuitant twice, provided that you have a new spouse or someone else who qualifies as a joint annuitant as defined on Page 21. However, if your former joint annuitant is living, you must inform him or her of the change in writing. Your monthly benefit is adjusted as the result of a joint annuitant change and may increase or decrease, depending on your age and your new joint annuitant’s age and whether or not your former joint annuitant is living.

If you chose benefit payment option **Option 3 or 4** at retirement and later divorce your joint annuitant, you may “nullify” your designation of your joint annuitant unless you are restricted from changing your beneficiary designation by a Qualified Domestic Relations Order (QDRO). If you nullify your joint annuitant, your benefit is adjusted as though your joint annuitant died before you. You cannot cancel the nullification. If you remarry and wish to name your new

spouse as your new joint annuitant, the reduction in benefits will be greater if the previous joint annuitant was nullified.

Contact the Survivor Benefits Section (*see Page 2*) for further information and to receive the required form to change your beneficiary. You may not change the option you selected, even in the event of divorce or death, after a benefit payment has been cashed or deposited.

## **Definition of Joint Annuitant**

### **Florida Retirement System**

If you retired under the FRS Pension Plan, the definition of joint annuitant depends on your effective date of retirement.

**If you retired before January 1, 1996**, your joint annuitant must be either your spouse or your financial dependent.

**If you retired on or after January 1, 1996**, your joint annuitant must be:

- your spouse,
- your natural or legally adopted child who is either under age 25 or 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 joint annuitant, no further restrictions apply.

For you to name your parent, grandparent, or a person for whom you are the legal guardian as a joint annuitant designated to receive benefits under Option 3 or 4, he or she must receive one-half or more of his or her financial support from you or be otherwise eligible to be claimed 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, other than your spouse, who is under age 25, but only until he or she reaches age 25.
- Your joint annuitant who is your child who is disabled and incapable of self-support, regardless of age, for the duration of the disability.

### **Existing Retirement Systems**

If you retired under the Teachers' Retirement System (TRS) or State and County Officers and Employees' Retirement System (SCOERS), your joint annuitant must be your spouse.

## **REEMPLOYMENT AFTER RETIREMENT**

### **Reemployment Limitations**

**A**fter you retire under the normal or early retirement provisions of the FRS Pension Plan, TRS, any other existing retirement system that was merged into the FRS or other state-administered retirement system, you may work for 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, without affecting your retirement benefit. Such employment could affect your Social Security benefit. Call the Social Security Administration at (800) 772-1213 for specific information.

There are termination requirements and reemployment limitations 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 Deferred Retirement Option Program (DROP) participation or after your DROP termination date.

The termination requirements and reemployment limitations with FRS-participating employers are:

- If you return to work during the first **six calendar months** of your retirement or after your DROP termination date, you **are not** retired. This restriction applies even if the particular position you hold is not covered by the FRS. This restriction also applies to employment with the same employer if your agency withdrew from the FRS effective January 1, 1996, for newly hired employees. Your retirement application is **voided** and you must repay all retirement benefits, including any funds accumulated during your DROP participation, to the FRS Trust Fund. You cannot become a “newly hired” employee until after you meet the definition of termination by remaining unemployed for six calendar months.
- You may not receive both a salary and a retirement benefit in the same month during the 7<sup>th</sup> through 12<sup>th</sup> calendar months of your retirement or after your DROP termination date. There are no exceptions to this reemployment limitation during this period. This restriction applies even if the particular position you hold is not covered by the FRS. You must inform us if you work for an FRS employer during the reemployment limitation period.
- Your retirement benefits are forfeited 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 limits on working for an FRS employer **after** you have been retired for 12 calendar months.
- If you retire under the FRS disability provisions, you cannot be gainfully employed with any employer, public or private, and continue to receive disability 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.

Please contact the Bureau of Retirement Calculations (*see Page 3*) if you have any questions about your termination requirements or reemployment limitations.

The determination of the employment classification, for retirement purposes, of a person as an employee or an independent contractor is solely within the jurisdiction of the Division. To establish whether a person is an independent contractor or an employee, you may request a determination from the Enrollment Section by telephone, e-mail or U.S. Mail, as follows:

- Telephone (Toll Free) ..... (877) 377-3675
- Telephone ..... (850) 488-8837
- E-mail..... [enrollment@dms.MyFlorida.com](mailto:enrollment@dms.MyFlorida.com)
- US Mail: .....Enrollment Section  
   PO Box 9000  
   Tallahassee, Florida 32315-9000

## **Renewed Membership after Retirement**

If you are initially reemployed after retirement in a regularly established position with an FRS employer on or after July 1, 2010, 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 State University System Optional Retirement Program, the State Senior Management Optional Annuity Program, the State Community College System Optional Retirement Program, 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 in the FRS is renewed. You will continue to earn service credit toward a second-career retirement benefit according to the provisions previously in place for renewed membership. Please contact the Bureau of Retirement Calculations (*see Page 3*) if you have any questions about your current status as a renewed member.

## **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 health insurance subsidy (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, we mail you an application for the HIS, Form HIS-1. (See Page 9 for more information on the HIS Program.) Contact the Retired Payroll Section (see Page 2) if you are not sure whether you qualify for HIS payments based on your second-career retirement.

## **Reemployment for Disability Retirees**

If you retire under disability retirement, you may not be gainfully 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 should inform the Disability Determination Section to immediately stop your benefits (see contact information on Page 2).

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.

## **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, we may periodically check the status of your total and permanent disability. The Disability Determination Section provides the forms to be completed and returned. In the event a licensed doctor charges a fee for completing the required forms, we will reimburse you up to \$100.00.

After we receive the completed forms, we notify you in writing of your eligibility to continue receiving disability benefits. If 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 not returning to FRS-covered employment.

## SURVIVOR BENEFITS

The death of a member and a benefit recipient can be reported from the *Online Services* home page of our website, <http://frs.MyFlorida.com> or by contacting the Survivor Benefits Section (*see Page 2*). To report the death of your beneficiary, the following information about the deceased person will be needed for reporting:

- Name
- Social Security number
- Date of death
- Information concerning who to contact regarding the deceased person's account

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 us. The deceased payee's estate is entitled to the benefit paid at the end of the month of death.

## SOCIAL SECURITY AND MEDICARE BENEFITS

If you are a member of the FRS, you are automatically covered for Social Security upon 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](http://www.ssa.gov)

The Social Security Administration also offers an online retirement estimator on their website at:

[www.ssa.gov/estimator](http://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 was not covered for Social Security. Contact the Social Security Administration for information about how this service may impact your Social Security benefits.

## INFORMATION SOURCES

Periodically, an *FRS Retiree Newsletter* is sent containing articles regarding recent retirement legislation, current events affecting retirees, and selected subjects of interest to you.

You are also invited to visit our website to find your current retirement information and links to other sites of interest. Our website, <http://frs.MyFlorida.com>, is available to you 24 hours a day, seven days a week. The *Retiree Page* of our 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 *Retiree Page* is organized and includes a brief explanation of the information available in each category:

- **Online Services**—Check your most recent benefit payment, payment history, tax withholding and other deductions, view and/or print your current and historical IRS *Form 1099-Rs*, view and make changes to your federal tax withholding, and view and print a Pension Income Verification letter. Create and maintain your user profile and choose to receive an e-mail from us when publications and forms such as the *After You Retire* brochure, 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. For further information on Online Services, see Page 17.
- **Informational Material**—Access the most current edition of the *After You Retire* brochure and current or past editions of the *FRS Retiree Newsletter*. You may view the benefit payment schedule for the current and past year. You may also obtain 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.

- **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), FRS Health Insurance Subsidy Certification for Pension Plan Members (HIS-1) and Withholding Certificate for Pension Payments (W-4P).
- **Helpful Links** - Find links to websites of the American Association of Retired Persons (AARP), the Social Security Administration (SSA), the Internal Revenue Service (IRS), and many more websites which may be helpful to you.
- **Contact Information** - View descriptions of the functions of each area within the Division, along with telephone and fax numbers, and U.S. Mail and e-mail addresses.

## 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 you receive your retirement check by mail, your benefit is mailed to arrive on or about the last state business day of the month. If you have not received your benefit by the fifth day of the following month, contact the Retired Payroll Section. We must allow the Postal Service until the fifth of the following month to deliver the check. If your check is lost or stolen, contact the Retired Payroll Section immediately (*see Pages 2 and 7*) so we can request a "stop payment" on the lost check and issue a duplicate check. It takes at least 10 business days to issue a duplicate check, and the original check cannot be cashed after the "stop payment" order has been placed. A duplicate 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. Use the contact information beginning on Page 2 to reach the right section. Please have all necessary information at hand so that your request may be handled as quickly and efficiently as possible.
- 3) **Q. When do I receive a cost-of-living adjustment (COLA) increase and how much will it be?**
  - A. You will receive a cost-of-living increase each July, included in your FRS retirement benefit paid at the end of July. The increase is based on your June benefit, excluding the health insurance subsidy (HIS) payment. Your COLA percentage increase is determined as follows:

- If all of your service at retirement is prior to July 1, 2011, you will receive a 3% 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% (see Page 16).
- 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 months you have been retired in that plan year which is July 1st – June 30th.

**4) Q. Am I required to have federal income tax withheld from my retirement benefit?**

- A.** No. Although your FRS retirement 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 *Online Services* account (see Page 17). Until we receive your completed *Form W-4P* or your withholding changes are made from your *Online Services* account, we must withhold taxes from your benefit. (See Page 15 for more information.) You may download a blank *Form W-4P* from the *Retiree Page* or the *Forms* page of our website (<http://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 completing and sending us a new *Form W-4P* or by updating it from your Online Services account (see Page 17).
- 6) **Q. I have my insurance premium deducted from my benefit payment. Will I automatically receive the health insurance subsidy (HIS)?**
- A. No. To receive the HIS benefit, you must apply by completing a *Form HIS-1, Florida Retirement System Health Insurance Subsidy Certification Form* and returning proof of insurance coverage. 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 9 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 health insurance subsidy benefit (HIS)?**
- A. Yes. You can download the form from our website or request *Form HIS-1* from the Retired Payroll Section to apply for an HIS payment.
- 8) **Q. I did not have health insurance when I retired two years ago. Now I am covered under Medicare. Can I apply for the health insurance subsidy (HIS) now?**
- A. Yes, if you would like to receive an HIS payment in addition to your monthly FRS benefit payment. You must complete a *Form HIS-1, Florida Retirement System Health Insurance Subsidy Certification Form* and provide

proof of insurance. This form may be obtained from the Retired Payroll Section (*see Page 2*) or downloaded from Forms page or the Retiree Page of our website. 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 6 months will also be included. (*See Page 9 for more information about the HIS.*)

- 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 *Online Services* account from our website (<http://frs.MyFlorida.com>) to view your beneficiary designation (*see Page 17*) or contact the Survivor Benefits Section (*see Page 2*).
- 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 (*see Page 21*) to receive a continuing benefit under these options. Contact the Survivor Benefits Section for information and the appropriate form (*see Page 2*).
- 11) **Q. Can I change my joint annuitant after I retire?**
- A. Yes, if you chose benefit payment Option 3 or Option 4 at retirement, you may change the designation of your joint annuitant, but you are limited to 2 changes only. However, your retirement benefit will be recalculated to reflect the change, and is usually lower as a result. Contact the Survivor Benefits Section for information and the appropriate form (*see Page 2*).

- 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 Survivor Benefits Section for information and the appropriate form (*see Page 2*).
- 14) **Q. How do I change my beneficiary after retiring?**
- A. To change your beneficiary, contact the Survivor Benefits Section (*see Page 2*) and ask for a *Form FST-12* or you can download a copy from the *Forms* page of our website (<http://frs.MyFlorida.com>). Complete the form and return it to us after signing it in the presence of a Notary Public.
- 15) **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.
- 16) **Q. After I die, can my surviving beneficiary or joint annuitant remarry and continue receiving a benefit from my account?**
- A. Yes, remarriage does not the terms of the benefit payment option you chose at retirement.

- 17) **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/her as my joint annuitant?**
- A. Yes, you may remove your ex-spouse as your joint annuitant unless restricted from doing this by a Qualified Domestic Relations Order (QDRO). You should request additional information from the Survivor Benefits Section (*see Page 2*) about nullifying your joint annuitant designation, which will remove your ex-spouse as your beneficiary.
- 18) **Q. What effect will nullifying my joint annuitant have on the amount of my retirement benefit under 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.
- 19) **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.
- 20) **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 Survivor Benefits Section for information and the appropriate form (*see Page 2*).

- 21) **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.
- 22) **Q. Who 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 Survivor Benefits Section (*see page 2*) or report your death from our website, <http://frs.MyFlorida.com>, through the *Online Services* home page (*see Page 27*).
- 23) **Q. Does the retirement check issued at the end of the month of my death have to be returned to the Division of Retirement?**
- A. No, your estate is entitled to keep the check issued at the end of the month of your death.
- 24) **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 check received after your death, he or she should return the check to us. The check will be reissued payable to your estate.
- 25) **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. However, payment cannot be made for any volunteer services performed by a retiree during the first 12 calendar

months after retirement or after DROP termination. If you receive salary or other monetary compensation, at any time, for volunteer services performed during the first 12 months after retirement or after the DROP termination date, these services will be found to be employment by the Division and your FRS benefits will be impacted as follows:

- If the employment is determined to have occurred during the 1<sup>st</sup> through 6<sup>th</sup> calendar months of retirement or after your DROP termination date, you will void your retirement. You will have to repay all retirement benefits received, including a DROP payout, and file a new retirement application to establish a future retirement date. The retirement contributions owed for any employment in a regularly established position must be paid.
- If the employment is determined to have occurred during the 7<sup>th</sup> through 12<sup>th</sup> calendar months of retirement or after your DROP termination date, you will be required to repay any FRS benefits paid to you for the months that you were employed during this period. FRS benefits received in violation of reemployment limitations are forfeited and will not be repaid to you at a later date. Your employer will be jointly and severally liable for the repayment of retirement benefits received in violation of reemployment limitations and must pay the required employer contributions for employment in a regularly established position.

Your employer must determine what benefits volunteers can receive based on state and federal labor laws that will keep their status as volunteers.



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