

Is a 2nd ELECTION Right for You?



One-Time Opportunity to Switch FRS Retirement Plans

After making your initial Florida Retirement System (FRS) retirement plan selection, you can change plans one time during your FRS working career. This plan change — called your “2nd Election” — is not for everyone, but it could be right for you. If you are considering changing from the Pension Plan to the Investment Plan, you should also review the Fund Profiles, the Investment Fund Summary, and the Annual Fee Disclosure Statement posted in the “Investment Funds” section at MyFRS.com before selecting any investment funds or making an election.

How to Make Your 2nd Election¹

If you decide to make a 2nd Election, follow these steps:

1. Election by Form: To obtain a 2nd Election Retirement Plan Enrollment Form, either contact Aon Hewitt, the FRS Plan Choice Administrator, toll-free at 1-866-446-9377, Option 4 (or Telecommunications Relay Service 711), or log in to MyFRS.com and select “Resources,” then “Forms.” Complete the form and return it to Aon Hewitt at the address shown on the form, or fax it to 1-888-310-5559. If you fax your form, **DO NOT** mail the original. Keep a copy of the original form and fax receipt for your records.

2. Election Online: If you are changing from the Pension Plan to the Investment Plan, you can make your 2nd Election online by logging in at MyFRS.com and selecting the 2nd Election CHOICE SERVICE. The election will be processed the same day if it is entered before 4:00 p.m. ET. (If you are switching from the Investment Plan to the Pension Plan, online election is not available; you must use a paper enrollment form.)

3. “Locking In” the Transfer Amount or Buy-In Cost:

- If transferring from the Pension Plan to the Investment Plan, your transfer amount will be “locked in” the month Aon Hewitt receives the form or your online election is confirmed.
- If transferring from the Investment Plan to the Pension Plan, your cost to “buy in” to the Pension Plan will be calculated as of the first day of the month following Aon Hewitt’s receipt of the election form. If there are any buy-in costs for transferring to the Pension Plan, you will receive a notification stating the amount you owe. Your buy-in payment is due within 60 days of the date on the notification letter.

4. Finalizing the Plan Change: You must be working for an FRS-covered employer at the time your enrollment form is received by Aon Hewitt or your online election is confirmed. For example, if the last day you work for an FRS-covered employer is July 1st (due to voluntarily terminating or being forced to terminate FRS-covered employment), your election form must be received by Aon Hewitt, or the online election must be confirmed, **prior** to 4:00 p.m. ET on July 1st.

Free Help Is Available

Before using your 2nd Election, get unbiased help from the FRS. Review your plan options carefully. Once you make a 2nd Election, that decision is final unless you timely notify the MyFRS Financial Guidance Line that you wish to cancel your election. Once your 2nd Election is finalized, you must remain in your chosen plan until your FRS-covered employment ends and you retire.

The FRS offers two ways to get free help:

- Call the toll-free MyFRS Financial Guidance Line at 1-866-446-9377, Option 1 (or TRS 711). Financial planners will provide personalized, unbiased information based on your individual situation. Get solid financial guidance from someone who is not trying to sell you investment or insurance products.
- Log in at MyFRS.com and select the 2nd Election CHOICE SERVICE to see your projected retirement benefits under both plans.² You can change the information to better match your life circumstances.

¹ If you are on an unpaid leave of absence or if you are an employee of an educational institution and you are not employed during one or more summer months, you cannot use your 2nd Election until you return to work.

² CHOICE SERVICE retirement benefit projections may not be available to some members.

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See the reverse side for more details on making a 2nd Election • • • YOUR Money YOUR Choice

About the 2nd ELECTION . . .

As an FRS member, you have a one-time opportunity to transfer from one FRS retirement plan to the other while actively employed by an FRS-covered employer.

If You Are in the FRS Pension Plan

You can switch to the FRS Investment Plan

What this means to you:

- ✓ No cost to you.
- ✓ The present value of your Pension Plan benefit (called an accumulated benefit obligation, or ABO) will become your opening Investment Plan account balance.
- ✓ You will be fully vested in the money you transfer from the Pension Plan to the Investment Plan after you have 6 years of service credit under the FRS.^{1, 2} You will be vested in new contributions if you have at least 1 year of FRS-covered employment.
- ✓ If you terminate employment with less than 6 years of service credit, you could forfeit the amount transferred from the Pension Plan.^{1, 2}

CAUTION

Some outside investment agents may try to persuade you to use your 2nd Election. Make an informed decision by calling the MyFRS Financial Guidance Line and speaking with an unbiased financial planner to see whether making a 2nd Election is in your best financial interests.

If You Are in the FRS Investment Plan

You can switch to the FRS Pension Plan

What this means to you:

- ✓ Your Investment Plan service will count toward the Pension Plan's 6-year vesting requirement.^{1, 2}
- ✓ You must "buy in" to the Pension Plan using the money in your Investment Plan account.
- ✓ The FRS will calculate your buy-in cost, based on whether you had previous FRS Pension Plan service before joining the Investment Plan:

If you had previous Pension Plan service, the buy-in cost is a present-value calculation using all of your FRS-covered service (called a return accumulated benefit obligation, or return ABO).

If you did not have previous Pension Plan service, the buy-in cost is the total cost to provide a Pension Plan benefit up to the time of your buy-in (called an actuarial accrued liability).

After your buy-in cost is calculated ...

If there isn't enough money in your Investment Plan account to cover the buy-in cost, you must make up the difference using your personal funds. You may be permitted to roll over funds from another eligible retirement plan to help pay the difference.

Note: The buy-in cost increases monthly.

If you buy in to the Pension Plan and have extra funds left in your Investment Plan account, this surplus will remain in your Investment Plan account and you will continue to manage the funds as you did before. However, your Investment Plan money will not be available for distribution until you retire and begin receiving your Pension Plan benefit.

¹ If you were first hired on or after July 1, 2011 and have no previous Pension Plan service, you will vest after you have 8 years of FRS-covered service.

² You are always fully vested in your own contributions, as long as you remain enrolled in your current plan. How your employee contributions are distributed or refunded to you depends on a number of factors, especially if you use your 2nd Election to switch plans. Call the MyFRS Financial Guidance Line for more information.

This publication is only a summary of the 2nd Election option for the FRS retirement plans. More information is available at MyFRS.com (2nd Election CHOICE SERVICE). If you have any questions, call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 1 (or TRS 711).