Department of MANAGEMENT SERVICES
Division of Retirement

The Deferred Retirement Option Program (DROP)

FRS FLORIDA RETIREMENT SYSTEM

Key DROP Advantages

- Save your monthly benefits while you continue working.
- Your saved funds earn 4% interest annually.
- Continue earning your full or part-time salary.
- The longer you participate, the greater your financial gain.

FRS DROP Guide

FRS Online
Florida's Pension Plan

Why some choose to participate in the DROP:

- The DROP offers the financial security of a guaranteed lifetime monthly benefit and an opportunity to accumulate additional savings while working.
- Even short periods of DROP participation, such as only one or two years, can offer enough financial advantages to make participation the right choice for you.

DROP Eligibility:

- If you're a member of the FRS Pension Plan, you will become eligible to enter the DROP when you are vested and reach normal retirement.
- Normal retirement is dependent on several factors including your membership class, the date you first became a member of the FRS, and your age or total years of service.
- For DROP estimates, visit FRS.FL.gov or call us at 850-907-6500 or toll-free at 1-844-377-1888. The estimate will show your estimated benefit, including an estimate of how much you will accrue while in the DROP.

Applying for the DROP:

- You can apply for the DROP by logging in to your FRS Online account at FRS.FL.gov.
- Your employer must acknowledge the dates you elect to begin and end your DROP participation.
- You may apply up to six months before your desired DROP begin date.

DROP Participation:

- 4% annual interest rate on accrued funds, compounded monthly.
- If eligible, receive an annual cost-of-living adjustment every July.
- Continue working for up to 96 months.
- For information about eligible extensions beyond 96 months, refer to the DROP Guide.

Leaving the DROP:

- The Division of Retirement (division) will send your DROP exit forms within three months of separation from your FRS employment.
- The DROP Selected Payout Form DP-PAYT needs to be completed and submitted to the division within 60 days after your termination. The payout methods from the DP-PAYT form are listed below.
- For those who chose Option 4, the DP-JOINT form needs to be completed and submitted to the division.

DROP Payout Methods

Option 1: Lump-sum

- The Florida Retirement System (FRS) will mail your DROP payment directly to you.
- The payout selection form that you will be sent will contain all of the details of your lump-sum option.

Option 2: Direct Rollover

- The FRS will mail your DROP payment as a direct rollover to the custodian(s) of your qualified plan, IRA, or ROTH.
- The payout selection form that you will be sent will contain all of the details of your direct rollover option.

Option 3: Partial Lump-sum

- The FRS will mail the indicated lump sum (minus the required tax withholding) directly to you.
- The FRS will mail your indicated rollover amount as a direct rollover to the custodian(s).
- The payout selection form that you will be sent will contain all of the details of this payout option.