Dear Participating Employers,

The FRS Employer Handbook is an on-line guide for the agencies participating in the Florida Retirement System (FRS). The information in the handbook will assist you in matters related to the FRS Pension Plan and the FRS Investment Plan in those areas for which the Division of Retirement is responsible and facilitate communications between the division and member agencies. This handbook includes:

- Procedures for reporting FRS-covered salary and retirement contributions
- Benefit information and health insurance subsidy information and procedures for members of the FRS Pension Plan
- Information on disability benefits and health insurance subsidy payments available for members of the FRS Investment Plan

The FRS has over 635,000 active members throughout the state. Effective communication is essential to serve members adequately. As an employer, you have an important role in helping with retirement matters. Please become familiar with this handbook and use it as a reference, together with relevant statutes and rules, whenever questions arise.

As you know, FRS rules and regulations can be complex and confusing. This handbook is intended to explain in nontechnical language the procedures most commonly used by employers. Therefore, if you have a question of interpretation, the governing statutes and rules must be the final authority.

Your feedback about the usefulness of this handbook is very important and we look forward to your comments on changes or additions needed. Please complete the critique on Page xi and send it to the Division of Retirement at the address shown or email rep@dms.fl.gov. Please contact the division if you or your employees have any questions on retirement pension plan matters.

Sincerely,

David DiSalvo  
State Retirement Director
FRS Employer Handbook

TABLE OF CONTENTS

Employer Handbook Critique Form ................................................................. xiii
Introduction ........................................................................................................ xv

I. Updating the Handbook .................................................................................. xvi
II. Division of Retirement’s Responsibilities ...................................................... xvii
III. Agency and Member Records ....................................................................... xix
IV. Division Outreach ........................................................................................ xx
   A. Retirement Workshops ............................................................................ xx
   B. Division’s Internet Website ................................................................. xx
V. Abbreviations Used in this Handbook ........................................................ .xxi

Chapter 1: ENROLLMENT OF EMPLOYEES IN THE FRS

I. Participation ..................................................................................................... 1-3
II. Regularly Established Position ...................................................................... 1-7
III. Temporary Position .................................................................................... 1-9
IV. Enrollment of Members .............................................................................. 1-11
   A. General .................................................................................................. 1-11
   B. Regular Class ....................................................................................... 1-15
   C. Special Risk Class ............................................................................... 1-16
   D. Special Risk Administrative Support Class ......................................... 1-25
   E. Elected Officers’ Class ......................................................................... 1-27
F. Senior Management Service Class ............................................................... 1-31
   1. State Agencies ..................................................................................... 1-31
   2. Local Agencies ................................................................................... 1-34
G. State University System Optional Retirement Program .......................... 1-36
H. Senior Management Service Optional Annuity Program ........................ 1-43
I. State Community College System Optional Retirement Program ............. 1-47
J. Dual Employment ......................................................................................... 1-52
V. Institute of Food and Agricultural Sciences .............................................. 1-54
VI. Enrollment/Change Procedures for Current Employees .......................... 1-56
VII. Change of Unit Status Transfer, Merger, or Consolidation ...................... 1-59
Chapter 2: General Reporting of Wages and Retirement Contributions

I. Compensation – Wages
   A. Payments Covered for Retirement Purposes
   B. Payments Excluded for Retirement Purposes
   C. Workers’ Compensation
II. Retirement and Health Insurance Subsidy Contribution Rates
III. Payment of Retirement Contributions
   A. FRS Contribution Summary
   B. SUSORP/IFAS Contribution Summary
   C. SMSSOAP Contribution Summary
   D. Payment Timetable
IV. Electronic Funds Transfer (EFT)
V. Reporting Capabilities – FTP or FRS Online
VI. Instructions for New Reporting Units

Chapter 3: Elements on Retirement Report

I. Agency Number
II. Department
III. Social Security Number (SSN)
IV. Check Date
V. Name (Member Name)
VI. Plan
VII. Work Period (Service Credit Determination)
VIII. Annual Leave Hours
IX. Salary This Month
X. Retirement Contributions – Employee
XI. Retirement Contributions – Employer
XII. Adjustments to Prior Period
XIII. Sex
Chapter 4: AUTOMATED REPORTING FORMATS

I. File Characteristics ................................................................. 4-2
II. Record Layout for Retirement Records ..................................... 4-3
   A. Retirement Report Header Record ....................................... 4-3
   B. Retirement Report Detail Record ....................................... 4-3
   C. Retirement Report Trailer Record ..................................... 4-7
III. File Layout for Retirement Reports ....................................... 4-8
    A. Payroll Header Record .................................................. 4-8
    B. Payroll Detail Record .................................................. 4-8
    C. Payroll Trailer Record .................................................. 4-9
IV. Acceptable Implicit Sign Characters ....................................... 4-10
V. Fatal and Non-Fatal Errors .................................................. 4-11

Chapter 5: NONAUTOMATED REPORTING FORMATS

Discontinued Chapter

Chapter 6: MISCELLANEOUS REPORTING INFORMATION

I. Types of Account Errors ....................................................... 6-2
II. Contribution Errors ............................................................ 6-4
III. Accounts Receivables ........................................................ 6-5
IV. External Compliance Audits ................................................. 6-6
Chapter 7: PENSION PLAN CREDITABLE SERVICE

I. Earned Creditable Service ................................................................. 7-2
II. Form FR-9, Information Request .................................................. 7-3
III. Other Types of Creditable Service .................................................. 7-6
   A. Past Service ........................................................................... 7-6
   B. Prior Service ......................................................................... 7-10
   C. Military Service .................................................................... 7-13
   D. Leaves of Absence ................................................................... 7-16
      1. Leave without Pay ............................................................... 7-16
      2. Leave with Pay .................................................................. 7-18
   E. In-State and Out-of-State Service .............................................. 7-19
   F. Workers’ Compensation Credit ............................................... 7-26
   G.Suspension without Pay ............................................................. 7-28
   H. Dismissal from Employment .................................................... 7-29
   I. Reemployed Retiree Service before July 1, 1991 ...................... 7-31
   J. Periods of Disability Retirement .............................................. 7-32
   K. Teaching in a Federally Operated School in Florida .................. 7-33
   L. Special Risk Upgraded Service ................................................ 7-34
   M. SMSC Upgraded Service ......................................................... 7-36
   N. EOC Upgraded Service .......................................................... 7-37
   O. EOC Terms of Office Shortened .............................................. 7-38
   P. Elected Officers of Consolidated Government .......................... 7-39

IV. Addresses for Submitting Remittances, Forms, Amounts Due ........  7-40

Chapter 8: MEMBER CONTRIBUTION REFUNDS

I. Refund of Pension Plan Member Contributions ............................ 8-1
II. FRS Investment Plan Distributions ................................................. 8-3
Chapter 9: PENSION PLAN SERVICE RETIREMENT

I. Requirements for Vesting and Retirement ................................................................. 9-2
II. Retirement Benefit Formula ...................................................................................... 9-3
III. Benefit Estimates ....................................................................................................... 9-7
IV. Retirement Application ............................................................................................. 9-7
V. Retirement Date .......................................................................................................... 9-8
VI. Proof of Age .............................................................................................................. 9-8
VII. Option Selection ........................................................................................................ 9-9
VIII. Beneficiary Designation ........................................................................................ 9-11
IX. Final Salary Certification .......................................................................................... 9-13
X. Deadline for Adding Member’s Name to Retired Payroll ......................................... 9-14
XI. Changes after Member’s Name Is Added to Retired Payroll ..................................... 9-14
XII. Maximum Benefits ................................................................................................. 9-15
XIII. Retirement Annuities Offered by Private Companies ............................................. 9-16
XIV. Deferred Retirement Option Program (DROP) ...................................................... 9-23
XV. FRS Investment Plan ............................................................................................... 9-37

Chapter 10: DISABILITY RETIREMENT

I. Types of Disability Retirement .................................................................................. 10-3
   A. Presumptions .......................................................................................................... 10-3
   B. Involuntary Disability Retirement ......................................................................... 10-5
II. Disability Retirement Application Procedure ......................................................... 10-6
III. Mistakes that Can Delay Disability Determination ................................................ 10-8
IV. Effective Date of Disability Retirement .................................................................. 10-9
V. Creditable Service Unique to Disability Retirement ................................................ 10-11
VI. Disability Benefits ................................................................................................. 10-12
VII. Denial of Application for Disability Retirement .................................................... 10-13
VIII. Reapplication ........................................................................................................ 10-14
IX. Reexamination ....................................................................................................... 10-14
X. Recovery from Disability ......................................................................................... 10-15
XI. Cost-of-Living Increases .......................................................................................... 10-15
XII. Health Insurance Subsidy (HIS) ............................................................................ 10-16
XIII. Disability Coverage for Investment Plan and Hybrid Members ............................ 10-16
Chapter 11: SURVIVOR BENEFITS

I. Designation/Change of Beneficiary or Joint Annuitant.................................................. 11-3
II. Survivor Benefits for Active Members........................................................................ 11-5
   A. Pension Plan Regular Death Benefits ........................................................................... 11-5
      1. Nonvested members ....................................................................................................... 11-5
      2. Vested members ............................................................................................................. 11-7
   B. Pension Plan and Investment Plan In-Line-of-Duty Death Benefits ......................... 11-8
   C. Death after Effective Date of Retirement ................................................................. 11-13

III. Survivor Benefits for Retired Pension Plan Members.............................................. 11-14

IV. Cost-of-Living Increase ............................................................................................... 11-16

V. Health Insurance Subsidy (HIS) .................................................................................... 11-17

Chapter 12: RETIREMENT BENEFIT PAYMENTS AND HEALTH INSURANCE SUBSIDY PAYMENTS

I. Payment of Pension Plan Retirement Benefits ............................................................... 12-3
II. Health Insurance Subsidy (HIS) .................................................................................... 12-7

III. Cost-of-Living Increase ............................................................................................... 12-13

IV. Minimum Benefit Adjustment ...................................................................................... 12-14

V. Insurance Coverage After Retirement .......................................................................... 12-15

VI. Deductions .................................................................................................................... 12-16

VII. Legal Representatives ................................................................................................ 12-19

VIII. IRS Form 1099-R ....................................................................................................... 12-19

IX. Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program ........................................................................................................... 12-20

X. Forfeiture of Benefits .................................................................................................... 12-21

XI. Annuities for Cities, Counties, School Boards and Community Colleges ................. 12-24

XII. Qualified Income Trusts ............................................................................................. 12-24
Chapter 13: REEMPLOYMENT AFTER RETIREMENT

I. Public Employers Not in the FRS
II. Private Employers
III. FRS Employers
   A. Termination Requirement
   B. Reemployment Restrictions
   C. Exceptions to Reemployment Restrictions
   D. Consequences of Violation
IV. Second Retirement Benefit – Renewed Membership
V. FRS Investment Plan, Reemployment Provisions

Chapter 14: KEY TELEPHONE NUMBERS AND EMAIL ADDRESSES

I. Florida Retirement System
II. SMSOAP and SUSORP
III. Bureau of Local Retirement Systems

Chapter 15: GLOSSARY OF TERMS

A, B
C
D
E
F, H
I, J
L, M, N
O, P
R
S
T
V, W
Chapter 16: FRS Publications

I. Retirement Guides ................................................................. 16-2
II. Special Plan Guides .......................................................... 16-3
III. Informational Material ...................................................... 16-3
IV. Retirement Newsletters .................................................... 16-4
V. System Information .......................................................... 16-5
VI. Information for FRS Employers ........................................ 16-6
VII. Publication Request ........................................................ 16-6

Chapter 17: FRS Forms

I. Administrative Forms ......................................................... 17-2
II. Forms of the Bureau of Enrollment and Contributions ........ 17-2
III. Forms of the Bureau of Retirement Calculations .............. 17-4
IV. Forms of the Bureau of Benefit Payments ....................... 17-6
   A. Disability Determination .............................................. 17-6
   B. Survivor Benefits ...................................................... 17-7
   C. Retired Payroll .......................................................... 17-9
   D. DROP Termination .................................................... 17-10
V. FRS Investment Plan Forms ............................................. 17-11

Chapter 18: Location - Map .................................................. 18-1
FRS Employer Handbook

CRITIQUE

Please rate the following aspects of this handbook:

1. Comprehensive explanation of the procedures and benefits of the Florida Retirement System:

   | Excellent | Above Average | Average | Below Average | Poor |

2. Readability (easy to read):

   | Excellent | Above Average | Average | Below Average | Poor |

3. Questions or comments:

   ___________________________________________________________________

   ___________________________________________________________________

DIVISION OF RETIREMENT SERVICE CRITIQUE

We want your opinion of the services you receive from the division by phone, in writing, or in person. Please complete the following evaluation and return this form to us (see next page for contact information). [Please direct your comments regarding services provided by the State Board of Administration, Alight Solutions, or EY to the Employer Help Line at 866-377-2121.]

1. The division employees that I have contacted have been knowledgeable:

   | Excellent | Above Average | Average | Below Average | Poor |

2. The information I received from the division was adequate and easy to understand:

   | Excellent | Above Average | Average | Below Average | Poor |

3. The division’s response time was satisfactory:

   | Excellent | Above Average | Average | Below Average | Poor |
4. What can we do to improve our service to you? 

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Please mail your completed critique to the address shown below:

DIVISION OF RETIREMENT
P.O. Box 9000
TALLAHASSEE FL 32315-9000

Be sure to include your full name and return address if you need an answer to a question. Thank you for your time and consideration in completing and returning this evaluation.

Name: _____________________________________________________________________

Agency Name: _____________________________________________________________________

Agency Number (Five Digits): _____________________________________________________________________

Address: _________________________________________________________________________________

_______________________________________________________________________________

_______________________________________________________________________________

Telephone Number: _____________________________________________________________________

If you prefer, you may FAX your critique to us at 850-410-2010, or attach it to an email message and send it to us at: rep@dms.fl.gov.
INTRODUCTION

This handbook is maintained with the intent to make it easier for you to find the information you need to do your job well. See the Table of Contents on Page v for a detailed outline of the handbook’s organization, listing each chapter and its contents.

**To Payroll and Personnel Officers**

You are the key link between the division and the employees of your organization. To ensure that your employees receive and understand information from the division that informs them of their choices and rights under the Florida Retirement System (FRS) and that the permanent retirement records maintained by the division are accurate, you must be thoroughly informed of FRS procedures. However, as agency representatives, you are not agents of the division. The division will not be responsible for any erroneous information you may provide to members.

This handbook does not establish a contractual right between the FRS and the member. It does not replace statutory and rule requirements. If there is a question of interpretation, Florida law under Chapters 110, 112, 121, 122, 238, and 650 of the Florida Statutes, and FRS rules under Chapter 60S of the Florida Administrative Code, must be the final authority. The division is solely responsible for, and is authorized to make decisions regarding, the FRS Pension Plan and those areas of the FRS Investment Plan for which responsibility is delegated to this agency, including the reporting of salaries and contributions and administration of disability benefits. If you have any questions concerning the FRS Pension Plan or related matters covered in this handbook, you should contact the Division of Retirement. You may call the division toll free at 877-377-1266 or 850-907-6540 in the Tallahassee local calling area, or email enrollment@dms.fl.gov. Questions regarding the FRS Investment Plan should be directed to the State Board of Administration, Alight Solutions, or EY via the toll free Employer Help Line at 866-377-2121.
Scope
In reviewing this handbook, you will find that, for the most part, only the benefits and procedures of the FRS Pension Plan and limited areas of the FRS Investment Plan are discussed. For additional information about other plans such as the Teachers’ Retirement System (TRS), State and County Officers and Employees’ Retirement System (SCOERS), etc., please contact the Division of Retirement. You may call the division toll free at 877-377-1266 or 850-907-6540 in the Tallahassee local calling area, or email enrollment@dms.fl.gov. For additional information about the FRS Investment Plan, contact the toll free Employer Assistance Line at 866-377-2121.

The FRS Employer Handbook is a general summary of plan requirements and administrative procedures, based on applicable statutes and rule provisions. If there is any question of interpretation, Chapters 110, 112, 121, 122, 238, and 650, Florida Statutes, and Chapters 60S-1 through 60S-9, Florida Administrative Code, must be the final authority.

I. Updating the Handbook

Employer Handbook Available Online
The FRS Employer Handbook is maintained online (the division no longer prints and distributes paper copies of the handbook as it did in the past). However, whenever policies and procedures change, retirement coordinators at each agency will receive an Information Release explaining the changes. Updated chapters are available online from the Employers page of the division’s website: www.frs.myflorida.com.

You are encouraged to print and maintain one or more paper copies of this handbook, as required to meet your needs. Please download and reprint any identified revised chapters or pages. The chapters are designed to be duplex printed on letter-sized paper and have wide inside margins to allow for binding.
II. DIVISION OF RETIREMENT’S RESPONSIBILITIES

The division is responsible for administering the following retirement and pension activities of the State:

▪ Retirement Systems:
  1. Florida Retirement System Pension Plan.
  2. Florida Retirement System Investment Plan (handling contributions and salary reports for the Investment Plan, as well as administering disability benefits for plan members who become totally and permanently disabled).
  3. Teachers’ Retirement System (TRS).
  4. State and County Officers and Employees’ Retirement System (SCOERS).

▪ Benefits Paid from the General Revenue Fund of the State:
  1. State officers and employees’ noncontributory retirement benefits.
  2. Pension for elderly incapacitated teachers.
  3. National Guard retirement.
  4. Disability benefits for judges retired by order of the Supreme Court on recommendation of Judicial Qualifications Commission.
  5. Special pensions and relief acts.
  6. Institute of Food and Agricultural Sciences supplemental retirement benefits.

▪ Nonintegrated Optional Retirement Programs:
  1. Senior Management Service Optional Annuity Program.
  2. State University System Optional Retirement Program.

▪ Social Security: Assisting agencies desiring Social Security coverage with application for coverage.

▪ Retiree Health Insurance Subsidy Program: Providing monthly subsidy payments to retired members and beneficiaries of state-administered retirement systems, as directed under section 112.363, Florida Statutes, to assist them in paying health insurance costs.
The division is not responsible for:

- Matters relating to the administration of the FRS Investment Plan, including matters relating to individual investment plan member investment accounts.
- Matters relating to Social Security contributions or retirement benefits paid under Social Security.
- Administration of employer-sponsored insurance plans for which premiums may be deducted from a retiree’s benefit check.
- Matters dealing with an employer’s personnel policies such as annual leave or sick leave (except as such payments may be reported to the division for retirement credit).
- Federal income tax matters (except for the production of IRS Form 1099-R for retirees).
- Matters dealing with credit unions, banks, financial planners, insurance agents, or accountants. (The division will deduct certain insurance premiums or additional withholding taxes, upon request, from a retiree’s benefits. However, our tax role is limited to these functions only.)
III. AGENCY AND MEMBER RECORDS

The division is responsible for maintaining agency and member records relevant to the Florida Retirement System and other state-administered retirement systems. For the division to properly carry out this responsibility, the assistance and cooperation of participating employers is necessary:

Agency Number

Each FRS employing agency has a five-digit agency number. Please make certain you include your agency number with any request for forms or information.

Social Security Numbers

All FRS member records are filed by Social Security number. If you write or call the division to request retirement information on one of your employees, please provide the employee’s name, Social Security number, and your agency number to ensure faster and more accurate service.

Public Records Law

Social Security numbers of current and former members (non-retired) and the names, Social Security numbers, and addresses of retirees are exempt from disclosure under the Public Records Law, Chapter 119, Florida Statutes. No FRS employing agency may provide lists of names or addresses of retirees to any person, firm, company, private or commercial enterprise, or business, except that such information may be provided to a public agency for official business purposes [see section 121.031(5), Florida Statutes]. Such lists may be exchanged by public agencies but may not be provided to, or be open for inspection to the public. Any person may view or copy any member’s retirement record, one record at a time, at the offices of the division in Tallahassee, Florida, during regular business hours, Monday through Friday, or may obtain information by written request for a named individual by providing us with a Social Security number. The division will deny access to such records if the information provided by the requestor is ambiguous, confusing, or is insufficient to accurately identify the person.

Employers are required by law to keep certain records confidential. Upon written request for confidentiality by the member or the employing agency, the division will not disclose personal identifying information in records consisting of the home addresses, telephone numbers, Social Security numbers, photographs, places of employment of spouses and children, or the names and locations of schools and day care facilities attended by children, of:

- Current and former law enforcement officers;
- Certain employees of the Departments of Health and Children and Family Services;
- Revenue collection and enforcement employees;
- Child-support enforcement employees;
- State attorneys and prosecutors;
- County and municipal code inspectors;
- Code enforcement officers;
- Firefighters; or
- Justices and judges.

See section 119.07, Florida Statutes, for the specific exemptions that apply to each position.
IV. DIVISION OUTREACH

A. RETIREMENT WORKSHOPS

The division offers retirement workshops to help FRS agencies and FRS members learn more about their retirement system and the FRS Pension Plan.

FRS Agencies

The Retirement Workshop for FRS Agencies covers the following:

- Enrollment procedures;
- Reporting of salaries and contributions; and
- General benefit information for the FRS Pension Plan.

Since January 2006, employer training has been available at the division in Tallahassee, Florida. Agencies are notified regarding upcoming workshops.

FRS Pension Plan Members

The Retirement Workshop for FRS Pension Plan Members covers the following:

- Eligibility for retirement;
- Calculation of pension plan benefits;
- Preparing to retire;
- Life after retirement (cost-of-living increases, income taxes, etc.); and
- Reemployment after retirement.

The division offers these workshops for FRS members upon request. To request a workshop for your agency, you may call the Division of Retirement toll free at 877-377-1266 or 850-907-6540 in the Tallahassee local calling area, or email enrollment@dms.fl.gov.

B. DIVISION’S INTERNET WEBSITE

The division maintains an Internet website to help FRS agencies, members, and retirees learn more about their retirement system. The address for the website is: www.frs.myflorida.com. Items on the site include virtual copies of this handbook, our FRS Online program, retirement publications and forms, DROP information, and online audit/estimate requests.
V. ABBREVIATIONS USED IN THIS HANDBOOK

AFC  Average Final Compensation
SCCSORP  State Community College System Optional Retirement Program
CDBG  Community Development Block Grant
Division  Division of Retirement
DROP  Deferred Retirement Option Program
EOC  Elected Officers’ Class
FRS  Florida Retirement System
IFAS  Institute of Food and Agricultural Sciences
ILOD  In-Line-of-Duty
IRS  Internal Revenue Service
OAP  Optional Annuity Program
OPS  Other Personal Services
ORP  Optional Retirement Program
SCOERS  State and County Officers and Employees’ Retirement System
SMSC  Senior Management Service Class
SMSOAP  Senior Management Service Optional Annuity Program
SSA  Social Security Administration
SUSORP  State University System Optional Retirement Program
TRS  Teachers’ Retirement System
WC  Workers’ Compensation
INTRODUCTION.