

Frequently Asked Questions – Retiree

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Annual IRS Form 1099-R

When will I receive my IRS Form 1099R for filing my income taxes?

A Retiree Annual Statement including IRS Form 1099-R is provided all FRS benefit recipients before January 31 every year. You can elect to receive your Form 1099-R earlier than mail by selecting 'electronic delivery' within your secure FRS Online account under the delivery preference section, otherwise your Form 1099-R will be mailed to you.

Cost-of-Living Increase

When do I receive a cost-of-living increase and how much will it be?

If applicable, the cost-of-living increase is included in the retirement benefit paid at the end of each July. The increase is based on your June FRS retirement benefit, but does not include the Health Insurance Subsidy (HIS) amount or other benefits included in your monthly payment. If you have not been retired for a full year, your first cost-of-living increase will be a partial increase based on the number of months you have been retired in that fiscal year (July 1 - June 30). If your effective retirement date is prior to Aug. 1, 2011, your cost-of-living increase is 3 percent of your June benefit. If your effective retirement date is on or after Aug. 1, 2011, your cost-of-living increase will be a reduction from 3 percent based on your service before July 1, 2011, and your total service at retirement. Divide your pre-July 2011 service credit by the total service credit at retirement and then multiply this number by 3 percent. FRS members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

After I die, will my beneficiary or joint annuitant who is receiving continuing benefits from my account be eligible for cost-of-living increases?

Yes, just like a retired member, your beneficiary or joint annuitant will continue to receive cost-of-living increases each July based on your COLA calculation mentioned above.

Federal Income Tax Withholding

Must federal income tax be withheld from my retirement benefit?

No. You may choose not to have federal income tax withheld from your monthly retirement payment, by indicating your choice on a Withholding Preference Certificate, Form W-4P. If you have not returned a Form W-4P, the division is required apply a default tax table withholding rate of married with three allowances until you return a Form W-4P specifying the federal income tax withholding for your benefit.

NOTE: If you choose not to have federal income tax withheld from your monthly retirement payment, the IRS may require you to file quarterly estimated taxes. Please contact a tax advisor or the IRS for further information.

How do I submit a new Form W-4P?

You can electronically submit your Form W-4P via your secure FRS Online account or go to the [Forms](#) page of the division's website to download a blank Form W-4P. Until we receive your new completed Form W-4P, taxes must be withheld based on your previous Form W-4P.

NOTE: If you choose not to have federal withholding tax withheld from your monthly retirement payment, you may be required to file a quarterly estimated tax. Please contact a tax advisor or the IRS for further information.

Will I need to complete a new Form W-4P every year?

No. The choice you make on your Form W-4P will remain in effect until you change it. You may change it at any time by completing a new Form W-4P.

Why does my Retiree Annual Statement say that I am married with three exemptions?

If you have not returned your Form W-4P, this is the default withholding required under federal law. We must withhold taxes from your monthly retirement benefit using this status until you electronically submit your Form W-4P via your secure FRS Online account or complete and return the Withholding Preference Certificate, Form W-4P. Form W-4P is available from the [Forms](#) page of the division's website.

Health Insurance Subsidy (HIS)

What is the Health Insurance Subsidy (HIS) Program benefit?

The retiree Health Insurance Subsidy Program benefit is an extra benefit included in the same payment as your FRS retirement benefit. The purpose of the HIS benefit is to help with the cost of health insurance. You can be carried on someone else's insurance policy and still qualify for the payment. Eligible applicants must apply to receive this extra benefit. Proof of health insurance coverage (includes Medicare or Tricare) is required.

I have my insurance premium deducted from my benefit payment. Will I automatically receive the Health Insurance Subsidy (HIS) benefit?

No. If eligible, you must complete an Application for Health Insurance Subsidy, Form HIS-1. This application form is included in the packet sent to you after your name is added to the retired payroll or can be found on the [Forms](#) page of our website. When the completed application is returned to the division and approved, the eligible HIS benefit amount will be calculated and added to your next monthly retirement payment including any applicable retroactive subsidy payments.

How is the HIS benefit amount calculated?

The amount of this monthly payment is calculated by multiplying your total years of creditable service (used to calculate your FRS pension benefit) by \$5. The maximum HIS payment is \$150. The minimum HIS payment is \$30.

How many months of retroactive HIS benefits do I qualify for?

When we receive and approve your completed application, retroactive HIS payments are limited to the shorter period of back to your effective retirement date or a maximum of six months.

NOTE: Your health insurance certification must cover the entire period of retroactive payments.

I have health insurance coverage under my spouse's plan. Am I eligible to apply for the Health Insurance Subsidy (HIS)?

Yes. You can download this form from the [Forms](#) page of our website or request Form HIS-1 from the Division of Retirement. Please refer to the [Contact Us](#) page of the division's website. When the completed application is returned to the division, the eligible HIS benefit amount will be calculated and added to your next monthly retirement payment, including any applicable retroactive subsidy payments.

I did not have health insurance when I retired two years ago. Now I am covered under Medicare. Am I eligible for the Health Insurance Subsidy (HIS)?

Yes. You can download this form from the [Forms](#) page of our website or request Form HIS-1 from the Division of Retirement. Please refer to the [Contact Us](#) page of the division's website. When the completed application is returned to the division, the eligible HIS benefit amount will be calculated and added to your next monthly retirement payment, including any applicable retroactive subsidy payments.

Is the Health Insurance Subsidy (HIS) benefit taxable income?

The HIS benefit is taxable income during the calendar year. Some or all of the HIS payments during a calendar year may be excluded from the income on your IRS Form 1099-R if one of following two criteria is met:

- Health premiums are deducted from your retirement payment by the Division of Retirement.
- Your former FRS employer reports to the division your annual health premium payments made directly to your former employer.

If I qualify for the HIS benefit tax exclusion, will all of my HIS payments be excluded?

The amount excludable from your 1099-R taxable income amount is based on your total HIS payments received from January to December each year and your total health premiums during the same period. Your total HIS payment amount will be excluded up to the amount of your total health premium with the maximum being the annual HIS payment you received. Please note that if your total health premiums paid are less than your total HIS payment, the exclusion amount will be up to the total health premiums paid. The remaining portion of your total HIS payments will be treated as taxable income.

For example, if your total HIS payments equal \$1,800:

- If your total deducted health insurance premium is equal to or greater than \$1,800, all of your HIS payment is excluded from your taxable income.
- If your total deducted health insurance premiums equal \$800, only \$800 is excluded from taxable income and the remaining \$1,000 is taxable income.

Insurance Premium Deductions

How can I have payroll deduction of my health insurance premiums?

Contact your health insurance provider office to ask if payroll deduction of premiums from your FRS pension benefit is a payment option.

If it is an option, staff at your provider office will provide you the necessary forms. Your insurance provider office is responsible for submitting your premium deduction information to the Division of Retirement. If payroll deduction is not a payment option and your insurance provider office wants to provide that service, the insurance representative should contact the Division of Retirement.

How can I stop or change my deducted insurance premium?

Contact your insurance provider to make the request. Your insurance provider is responsible for submitting premium deduction change or stop information to the Division of Retirement.

How can I get a refund of overpaid insurance premiums?

Contact your insurance provider to request applicable refunds.

Are insurance premiums that are deducted from my retirement check pretax benefits?

No. Insurance premiums are not deducted on a pretax basis from your retirement payment.

How can I get a summary of insurance premiums deducted each calendar year?

The Retiree Annual Statement that includes your IRS Form 1099-R contains a summary of insurance premium deductions for each calendar year.

Miscellaneous

Can I have state income taxes owed for another state deducted from my FRS retirement payment?

No. The State of Florida does not have an income tax and the Division of Retirement does not withhold state income taxes for other states.

Can I receive a refund of my employee contributions?

If you are retired you cannot receive a refund of your contributions, these funds are part of the monthly benefit you receive and cannot be issued separately.

If you have not retired you may receive a refund of your contributions but you must be terminated from all FRS-covered employment for at least three consecutive months to receive a refund of your contributions. Upon receiving a refund you will forfeit all service credit earned during the period covered by the refund.

Reemployment

What are the restrictions on my reemployment after I retire or conclude my DROP participation?

After you retire under the FRS, you may work for any public employer that does not participate in the FRS without affecting your FRS benefits. You may work for a private employer as long as you do not provide any paid or unpaid services to any FRS participating employers through your private employment.

There are, however, certain 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:

The first six calendar months of your retirement require you to be terminated. You must meet the definition of termination by severing all employment relationships with all FRS-participating employers for the first six calendar months of your retirement or the first six calendar months after your DROP termination date. This includes providing any service, whether paid or unpaid, to any FRS-participating employer, even if that service is provided through a third-party company or as an independent contractor.

If you do not meet the definition of termination, you will void your retirement. You and your employing agency are jointly and severally liable for repaying any retirement

benefits you receive (including a DROP payout) while working or providing services to an FRS participating employer during this required termination period.

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

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

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

There are no limits on working for an FRS employer after you have been retired for 12 calendar months.

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

Note: Employment with an FRS employer includes any full-time, part-time, temporary, other personal services (OPS), contractual services or noncontractual services with your previous employer or any other FRS employer.

Renewed Membership

Am I eligible for renewed membership if I return to work after I retire from the FRS?

Retirees of a state-administered retirement system including the FRS Pension Plan and the FRS Investment Plan who are initially reemployed in covered employment by June 30, 2010, will renew their membership. Service credit will be earned toward a subsequent retirement benefit until retirement. Renewed members may elect to participate in the FRS Pension Plan or Investment Plan; alternatively they may elect to participate in non-integrated defined contribution plans in lieu of the FRS for positions with certain employers. Renewed members who retire again, including former DROP participants, are once more subject to termination requirements and reemployment limitations.

Renewed members are not eligible to participate in DROP and are not eligible for disability retirement. However, the surviving spouse and dependent children of a renewed member may qualify for survivor benefits.

Retirees initially reemployed in a regularly established position on or after July 1, 2010, through June 30, 2017, are not eligible for renewed membership and 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 (SUSORP), the Senior Management Service Optional Annuity Program (SMSOAP), the State Community College System Optional Retirement Program (SCCSORP), and local government senior managers covered by a separate arrangement with their employers.

Retirees of the SUSORP, the SMSOAP, the SCCSORP, and the FRS Investment Plan will become renewed members of the FRS Investment Plan, the SUSORP or the SCCSORP depending upon the plan covering the position held if employed in a regularly established position and initially enrolled on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership if initially reemployed on or after July 1, 2010.

Retirement Checks

What should I do if I don't receive my retirement benefit payment, or if my check is lost or stolen?

If you do not receive your retirement check on the last business day of the month, please wait until the fifth business day of the following month before contacting the Division of Retirement about your missing retirement benefit payment. The toll free telephone number for members outside the Tallahassee area is 844-377-1888 and the local telephone number is 850-907-6500. You may also contact the Division of Retirement staff by email at retirement@dms.fl.gov.

We must allow the Postal Service until the fifth business day of the following month to deliver the check. If your check is lost or stolen, call or email the Division of Retirement immediately so we can place a stop payment on the check and issue a replacement check. Please note that it takes at least ten business days to issue a replacement check. Using direct deposit can eliminate possible mailing delays or waiting for a replacement check to be issued.

Survivor Benefits

How do I change my beneficiary after retiring?

To change your beneficiary under Option 1 or 2, you must complete Form FST-12 and return it to the division after signing it in the presence of a Notary Public. To obtain this form, you can download a copy from the [Forms](#) page of the division's website or request the form from the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov. There is no limit on the number of times you may change your beneficiary under Option 1 or 2.

Is it possible to change my joint annuitant after I retire?

Yes, if you retire under Option 3 or Option 4, you may change the designation of your joint annuitant, but you are limited to two changes only. However, your retirement benefit will be recalculated to reflect the change and the new benefit amount will likely be lower. Contact the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov to get more information.

After I retire, how can I verify who is the beneficiary of my retirement account and what benefits will be due at my death?

To verify beneficiary and survivor benefit information, contact the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov.

Who should my family contact in the event of my death?

In the event of your death, your family can report your death via FRS Online, or they can contact the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov.

Should the retirement benefit payment issued at the end of the month of my death be returned to the Division of Retirement?

No. Your estate is entitled to the benefit payment issued at the end of the month of your death.

What should the administrator of my estate do if there is trouble cashing or depositing the retirement benefit received after my death?

If the person responsible for your estate is unable to properly cash or deposit the benefit payment received after your death, the benefit payment should be returned to the Division of Retirement. The check will be reissued payable to your estate.

After I die, can my beneficiary or joint annuitant remarry and continue receiving a benefit from my account?

Yes. Remarriage does not affect the benefit payment a beneficiary or joint annuitant is receiving.

If my beneficiary or joint annuitant dies after I retire, may I change my benefit payment option so I may receive a higher monthly benefit?

No, you may not change your selected option once you cash or deposit a benefit payment.

May I change my benefit payment option if my spouse dies or if we divorce?

No, if you are retired, you may not change your selected option once you cash or deposit any retirement benefit. However, you may change the designation of your beneficiary or joint annuitant. Contact the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov for information and the appropriate form.

How will my benefit be recalculated if I decide to change my joint annuitant?

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.

If I select an Option 3 or Option 4 benefit under the FRS and divorce my spouse after I receive my first retirement benefit payment, may I remove him or her as my joint annuitant?

Yes, you may remove your ex-spouse as your joint annuitant unless you are prevented from doing this by a Qualified Domestic Relations Order (QDRO). This is known as nullifying your joint annuitant. Please request additional information from the Division of Retirement by telephone toll free at 844-377-1888, local 850-907-6500, or by email at retirement@dms.fl.gov.

What effect will nullifying my joint annuitant have on the amount of my retirement benefit under FRS?

Your benefit would be adjusted as if your joint annuitant died before you. If you retired under Option 3, there would be no change in your retirement benefit. However, if you chose Option 4, your benefit would be reduced by one-third beginning with the month the nullification is effective.

Does nullifying my joint annuitant (under FRS) count as one of the two joint annuitant changes I am allowed after I retire?

No, nullifying your joint annuitant does not count as a joint annuitant change.

If I change my mind after nullifying my ex-spouse as my joint annuitant, may I cancel my nullification?

No, once you have nullified your joint annuitant, you may not cancel your nullification.

May I name a new joint annuitant under FRS after nullifying my previous joint annuitant?

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 Option 3 and Option 4 only.

Toll Free Phone Number

Does the division have toll free phone numbers?

Yes. The division offers toll free telephone access for members outside the Tallahassee local calling area. Information and telephone numbers posted on the [Contact Us](#) page of the division's website will help you reach the division.