

**Florida Retirement System Pension Plan
Application for Service Retirement and the
Deferred Retirement Option Program (DROP)**

PO Box 9000
Tallahassee FL 32315-9000
850 488-6491 Toll Free 888 738-2252

All of the following are **required** before you can retire and become a DROP participant.

1. A properly completed Form DP-ELE, Notice of Election to Participate in the Deferred Retirement Option Program (DROP) and Resignation of Employment (if you have not previously submitted one). If you are dually employed with one or more Florida Retirement System (FRS) employer(s), **each** employer must complete the employer's portion of a Form DP-ELE and Form DP-11.
2. A properly completed Application for Service Retirement and the DROP, Form DP-11. The DP-11 must be signed in the presence of a notary public and acknowledged by your employer. Since your DROP participation cannot be retroactive, you should send the DP-11 to the Division of Retirement prior to the first day of the month your DROP will begin even if you do not have the other required documents. The DP-11 will be accepted up to six months before your DROP participation date.
3. A properly completed Option Selection for FRS members, Form FRS-11o. An explanation of the options is on the attached page titled "What Retirement Option Should You Choose."
4. A check payable to the Florida Retirement System for any amount you owe, or a written statement that you do not wish to claim the service. Please put your social security number on the face of the check. You may roll over funds from a qualified plan (IRA, deferred compensation, etc.) to pay the amount due. Form PRO-1, Pretax Direct Rollover, must be received with the payment. Rollovers cannot be made for upgraded service.
5. Proof of your birth date. If you select Option 3 or 4, you must also submit birth date verification for your beneficiary. We will accept legible photocopies of **one** of the following (except for g):
 - a. Birth Certificate
 - b. Delayed birth certificate
 - c. Census report more than 30 years old
 - d. Life Insurance policy more than 30 years
 - e. Letter from the Social Security Administration stating the date of birth it has established for the payment of benefits
 - f. Certificate of Naturalization
 - g. In the absence of one of the above, a document from **two** of the following
 - (1) Birth certificate of child, showing age of parent (limit one)
 - (2) Baptismal certificate more than 30 years old
 - (3) Hospital record of birth
 - (4) School record at time of entering grammar school
6. A final certification of your earnings by your employer for the last four months of your employment prior to entering DROP. **Your employer is aware of this requirement.**
7. A Statement of Military Eligibility will be mailed to you if you claim military service and the form is needed.
8. To designate more than one Primary beneficiary, attach a Beneficiary Designation Form, FST-12; otherwise complete the **Beneficiary Designation** section of Form DP-11.

What Retirement Option Should You Choose?

One of the most important and sometimes difficult decisions a Florida Retirement System (FRS) member must make at retirement is selecting a benefit option. Once you cash or deposit a benefit payment or begin DROP participation, your option selection cannot be changed. Therefore, it is important to carefully study your personal circumstances before making your decision. Some of the factors affecting your final option selection include the age and physical condition of both you and your spouse, existence of other financial dependents, the amount of your savings, any additional income, and any outstanding financial obligations.

You may ask, "Should I choose the largest possible monthly retirement benefit available to me; or should I choose an option which will provide me with a smaller benefit during my lifetime, but will provide my beneficiary with a continuing benefit and some degree of financial security after my death?"

When the Division of Retirement receives your application, you will be furnished an estimate of your benefit under each option available to you, if you have not recently been provided with an estimate.

Option 1 is the basic monthly benefit and will provide you, the retiree, with the maximum monthly benefit you will be eligible to receive. The benefit will stop at your death. Options 2, 3, and 4 are less than the Option 1 amount and are designed to provide a continuing benefit to a beneficiary or joint annuitant.

Option 2 is a reduced monthly benefit payable for your lifetime. If you die within a period of ten years from your retirement date or DROP begin date, your designated beneficiary will receive the same monthly benefit you were receiving until the monthly benefits payable to both you and the beneficiary equal the ten year period. If you die after that ten year period, there is no continuing benefit to the beneficiary.

The amount of reduction of Option 2 depends on your age only. Option 2 would be particularly appropriate if you are in ill health and your beneficiary does not qualify as a joint annuitant. Anyone can be named as a beneficiary under Option 2, as well as charities, organizations, or your estate or trust.

Option 3 is a reduced monthly benefit payable for your lifetime. Upon your death, your joint annuitant, if living, will receive the same monthly benefit you were receiving. No further benefits are payable after both you and your joint annuitant are deceased.

Option 4 is an adjusted monthly benefit payable to you while both you and your joint annuitant are living. Upon the death of either you or your joint annuitant, the monthly benefit payable to the survivor is reduced to two-thirds of the monthly benefit received when both were living. No further benefits are payable after both you and your joint annuitant are deceased.

Options 3 and 4 are designed to be "actuarially equal." This means if you select Option 3 or 4, the expected total payments to both you and your joint annuitant are about the same as the total you alone would be expected to receive under Option 1. The reduction procedure for Options 3 and 4 can also be described as resembling an insurance policy that guarantees the payment of a definite monthly amount over the lifetime of two individuals. The reduction in the monthly benefit can be considered the premium paid for this insurance.

The amount of reduction of the Options 3 and 4 benefit from the Option 1 benefit depends on your age and the age of your joint annuitant. If you intend to name someone other than a spouse under Option 3 or 4, please obtain the Joint Annuitant Informational sheet, JAD, from your personnel office or the Division of Retirement for the definition of a joint annuitant. The benefit paid to a joint annuitant under age 25, who is not your spouse, will be your option one benefit amount. The benefit will stop when your joint annuitant reaches age 25, unless disabled or incapable of self-support. In which case the benefit will continue for the duration of the disability.

Retain this page for your records

DROP ACCRUAL DISTRIBUTION METHODS

When your participation in DROP begins, your DROP benefit is based on the option selected at retirement (begin date for the DROP), and will accrue, with interest and cost-of-living adjustments, for the duration of your DROP participation. Upon your termination of employment and DROP, you must elect one of the following methods of payment for the DROP benefit within 60 days of your DROP employment termination.

1. Lump sum

All accrued DROP benefits, plus interest, less 20 percent tax remitted to the Internal Revenue Service (IRS), shall be paid to the DROP participant or the surviving beneficiary.

2. Direct rollover

All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan as defined in s. 402(c)(8)(B), Internal Revenue Code (IRC). However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or annuity as described in s. 402(c)(9), IRC.

3. Partial lump sum

A portion of the accrued DROP benefits shall be paid to the DROP participant or surviving spouse, less IRS tax, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible retirement plan as defined in s. 402(c)(8)(B), IRC. However, in the case of an eligible rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or annuity as described in s. 402(c)(9), IRC. The proportions shall be specified by the DROP participant or surviving spouse.

If you do not make an election of one of the above methods within the 60-day period, the Division of Retirement will pay directly to you the accrued benefits in a lump sum, less IRS tax. If you fail to terminate in accordance with s. 121.021(39)(b), Florida Statutes (F.S.) on your DROP termination date, **your retirement will be null and void** and your Florida Retirement System membership established retroactively to the date you began DROP.

Florida Retirement System Pension Plan
Option Selection for FRS Members



P O BOX 9000
TALLAHASSEE FL 32315-9000
850 488-6491 Toll Free 888 738-2252

Member Name _____ Member SSN _____

A member must select one of the following retirement options prior to receipt of their first monthly retirement benefit.

I select:

_____ Option 1: A monthly benefit payable for my lifetime. Upon my death the monthly benefit will stop and my beneficiary will receive only a refund of any contributions I have paid which are in excess of the amount I have received in benefits. This option does not provide a continuing benefit to my beneficiary.

_____ Option 2: A reduced monthly benefit payable for my lifetime. If I die within a period of ten years after my retirement date, my designated beneficiary will receive a monthly benefit in the same amount as I was receiving for the balance of the 10-year period. No further benefits are then payable.

THIS SECTION MUST BE COMPLETED IF YOU SELECT OPTION 1 OR 2.	
MARRIED: _____ YES _____ NO IF YES, YOUR SPOUSE MUST SIGN BELOW.	
SPOUSAL ACKNOWLEDGEMENT: I _____, being the spouse of the above named person, acknowledge either Option 1 or 2 was selected.	
_____ Signature of Spouse	_____ Date

_____ Option 3: A reduced monthly benefit payable for my lifetime. Upon my death, my joint annuitant (spouse or financial dependent), if living, will receive a lifetime monthly benefit payment in the same amount as I was receiving. (Exception: The benefit paid to a joint annuitant under age 25, who is not your spouse, will be your option one benefit amount. The benefit will stop when your joint annuitant reaches age 25, unless disabled and incapable of self-support, in which case the benefit will continue for the duration of the disability.) No further benefits are payable after both my joint annuitant and I are deceased.

The social security number of my joint annuitant is _____.

_____ Option 4: An adjusted monthly benefit payable to me while both my joint annuitant (spouse or financial dependent) and I are living. Upon the death of **either my joint annuitant or me**, the monthly benefit payable to the survivor **is reduced to two-thirds** of the monthly benefit received when both were living. (Exception: The benefit paid to a joint annuitant under age 25, who is not your spouse, will be your option one benefit amount. The benefit will stop when your joint annuitant reaches age 25, unless disabled and incapable of self-support, in which case the benefit will continue for the duration of the disability.) No further benefits are payable after both my joint annuitant and I are deceased.

The social security number of my joint annuitant is _____.

I understand I must terminate all employment with FRS employers to receive a retirement benefit under Chapter 121, Florida Statutes. I also understand that I **cannot** add service, change options or change my type of retirement (Regular, Disability and Early) once my retirement becomes final. My retirement becomes final when any benefit payment is cashed, deposited or when my Deferred Retirement Option Program participation begins.

Member Signature (sign in the presence of a Notary) _____

Notary: State of Florida, County of _____ The above named person has sworn to and

subscribed before me this _____ day of _____ 20 ____ and is personally known _____ or

produced _____ as identification.

Signature of Notary Public - State of Florida

Print, Type or Stamp Commissioned Name of Notary Public