



THE STATE OF FLORIDA
JUSTICE ADMINISTRATIVE COMMISSION

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MEMORANDUM #016---13HR

TO: Agency Administrators

FROM: Carolyn Horwich, J.D., Director of Human Resources

THROUGH: Rip Colvin, Executive Director

SUBJECT: Investment Plan Distribution

DATE: June 11, 2013

As you know, the Legislature amended Section 121.122, Florida Statutes, in 2009 to state that a retiree of a state-administered retirement system who is initially rehired on or after July 1, 2010 is not eligible to enroll in the FRS and receive an additional retirement benefit. You will be considered "retired" upon taking any distribution or rollover (including a distribution of employee contributions) from your Investment Plan account. This change in the law most often affects younger employees who do not anticipate returning to state service and therefore do not fully appreciate the consequences of cashing in their FRS Investment Plan account.

This class of employee finds that once "retired" under the FRS, the employee must adhere to FRS Re-employment Provisions, which require the employee to terminate from all FRS employment for six calendar months. If the employee is reemployed by an FRS-covered employer within the 6-calendar-month period after taking a distribution (retiring), the retirement will be voided. However, the employee and the employer will be required to repay any benefits the employee received. The employee's FRS membership will then be reinstated. An alternative to repaying these benefits is to terminate employment for an additional period to satisfy the 6-month termination requirement. While the employee may return to FRS employment during the seventh through twelfth month of retirement without violating these provisions, the employee will be required to suspend any further distributions until he or she has been retired for one calendar year.

In light of the factors above and to ensure that all employees are fully informed of the potential consequences of taking any distribution from his or her Investment Plan, the JAC has developed a form that is used upon an employee's exit. JAC understands that

some agencies we administratively serve already use a similar form upon an employee's departure. While the JAC does not direct, supervise, or control the agencies it serves, this form is being shared with you as a "best practice" should you wish to incorporate such a form in to your exit package.

Thank you.



Acknowledgement Investment Plan Distribution

Name _____ SS# _____

As a member of the Florida Retirement System (FRS) Investment Plan, I understand that I cannot begin receiving my employer or mandatory employee funded benefits while I am employed with any FRS employer. I have terminated or will terminate all employment with FRS employers on (date) _____. I will be eligible to receive my employer and/or mandatory employee funded benefits three full calendar months following my termination date. If I meet the normal retirement requirements of the FRS Investment Plan, I may receive up to 10% of my account balance after being terminated for one calendar month and the remaining balance after being terminated a total of three calendar months. My retirement becomes final when I receive any distribution of funds **or** if I roll-over any account funds to a plan outside the FRS. This is regardless of age or years of service. I understand that I will not be eligible for re-employment with any FRS employer for six full calendar months following the distribution date. If I return to employment with a FRS covered employer in any capacity (i.e., full-time, part-time, OPS, etc.) within six calendar months of my distribution date, my distribution will be considered an invalid distribution and my employer and I will be held liable for repaying the distribution back to the FRS Investment Plan. In lieu of repayment, I may terminate employment from all participating FRS covered employers.

By receiving my employer and or/mandatory employee-funded benefits under The Investment Plan, I will be considered to have “retired” under the Florida Retirement System. **A person who is considered “retired” under the FRS and who is reemployed on or after July 1, 2010, is not eligible to participate in any state-administered retirement program in Florida.**

Signature: _____ Date _____

Employer Certification:

This is to certify that the above named member will be terminating employment, or has terminated on _____ and has been provided guidance regarding distributions from The Investment Plan and the future implications for re-employment with a FRS employer.

Authorized Signature: _____ Date: _____