

As a member of the education community, you have an important decision to make about your retirement plan. The Florida Retirement System offers you the option of participating in two retirement plans: **FRS Investment Plan** and the **FRS Pension Plan** (which includes DROP).

Our dedicated team of professionals can help you understand your retirement options and determine a plan that takes into account your short- and long-term goals.

	Investment Plan	Pension Plan
<b>This is a...</b>	<b>401(k)-type investment plan.</b> Designed primarily for employees who want greater control over their retirement plan and who want flexibility in how their benefit is paid at retirement.	<b>Traditional retirement pension plan.</b> Designed for employees who are not comfortable with choosing investments and managing their own portfolio, and who want a guaranteed monthly retirement benefit.
<b>You qualify for a benefit after...</b>	<b>1 year of service.</b> Once you complete 1 year of service, you own all contributions and earnings in your account. If you leave FRS employment sooner, you own your employee contributions and any earnings on your contributions.	<b>8 years of service.</b> Once you complete 8 years of service, you qualify for a benefit which is payable when you reach retirement age as defined by the plan. If you leave FRS employment sooner, you own your employee contributions.
<b>Plan investment choices are made by...</b>	<b>You.</b> You are responsible for choosing investments from a diversified set of funds and for managing your account.  The plan features 20 funds you can choose from, including 9 funds spread across five asset classes, and 11 retirement date funds that are mixtures of various asset classes. If you do not provide instructions on how to allocate your funds, the plan's default investment fund is an age-appropriate Retirement Date Fund.	<b>The State.</b> The State is responsible for managing the Pension Plan Trust Fund.
<b>Your benefit is...</b>	<b>Based on your account balance.</b> Your account balance is based on your and your employer's contributions, the performance of your investments, and account fees and expenses.	<b>Based on a formula.</b> Your benefit is guaranteed and is based on a formula using your salary, years of service, FRS membership class, and age.
<b>When you retire, your benefit can be paid to you as...</b>	<b>A lump sum, a rollover, an annuity, a customized payment schedule,</b> or any combination of these.	<b>Monthly payments for your lifetime.</b> You will have options that provide continuing payments to your qualified beneficiary after your death.
<b>Who contributes to the plan?</b>	Both plans require you to contribute 3% of your salary, beginning with your first paycheck. You cannot change the amount you contribute. Your employer also contributes a fixed percentage of your gross salary to the plan you choose. Contribution rates are set by the Florida Legislature.	

Source: [myfrs.com/pdf/forms/plancomparison.pdf](https://myfrs.com/pdf/forms/plancomparison.pdf)\*

The Retirement Date is the approximate date when investors plan to start withdrawing their money. The principal value of a Retirement Date Fund is not guaranteed at any time, including at retirement date. Investing involves risk, including possible loss of principal.

This material was created for educational and informational purposes only and is not intended to provide specific advice or recommendations. If you are seeking advice specific to your needs, such advice services must be obtained on your own separate from this educational material.



# What option is right for you?

Take the quiz below to understand the factors you need to consider.



<input type="checkbox"/> I don't want to make my own investment decisions (or to seek assistance from a professional make the decisions)	or	<input type="checkbox"/> I prefer to make my own investment decisions (or working with an investment advisor to make decisions).
<input type="checkbox"/> I am uncomfortable with the risk that my retirement benefit could decrease because of poor financial markets	or	<input type="checkbox"/> I am comfortable relying on long-term investment returns to forecast my retirement benefit
<input type="checkbox"/> I am uncomfortable with short-term fluctuations in the value of my account (due to financial market changes)	or	<input type="checkbox"/> I am comfortable experiencing short-term fluctuations in order to possibly earn higher long-term benefits
<input type="checkbox"/> I prefer that my benefit be paid as lifetime monthly checks with no lump-sum options	or	<input type="checkbox"/> I prefer the flexibility to decide how much of my retirement account is taken as a lump-sum or lifetime monthly benefits
<input type="checkbox"/> I am comfortable with 1 of the 4 lifetime annuity payment options guaranteed by the Pension Plan	or	<input type="checkbox"/> I am comfortable with an annuity payment option (if purchased) guaranteed by a highly rated private insurance company
<input type="checkbox"/> I expect to use the DROP program to build a nest egg to meet special or unanticipated spending needs	or	<input type="checkbox"/> I prefer a customized benefit payment schedule to meet my special retirement situation/needs
<input type="checkbox"/> I expect to retire in my 50s with full or reduced monthly benefits (the reduction is 5% per year for each year prior to normal retirement age of age 62 or 65 for Regular Class and age 55 or 60 for Special Risk)	or	<input type="checkbox"/> I am willing to receive my benefit as an annuity to avoid tax penalties when drawing this benefit before age 55; or can live on other savings or income until age 55 or don't expect to draw benefits until later in life
<input type="checkbox"/> I prefer that my HIS benefit begins immediately upon retirement	or	<input type="checkbox"/> I am comfortable deferring my HIS until normal retirement age
<input type="checkbox"/> I prefer that my surviving beneficiaries receive lifetime monthly benefits guaranteed by the FRS	or	<input type="checkbox"/> I prefer that my survivors have the flexibility to receive a lump-sum benefit or lifetime benefits guaranteed by a private insurance company
<input type="checkbox"/> I expect that only my spouse or other dependents need to be named as beneficiaries	or	<input type="checkbox"/> I expect to name non-family heirs
<input type="checkbox"/> I want to purchase military or other service credit such as out-of-state service or a leave of absence to increase benefits	or	<input type="checkbox"/> I have no need to purchase military or other service credit to increase benefits (or have already made this purchase under the Pension Plan)

*If you answered....*

**Mostly Column 1**  
**The Pension Plan might be better for you.**

**Mostly Column 2**  
**The Investment Plan might be better for you.**

Toll-Free: 855-201-5700      Invest@SuncoastCreditUnion.com

**Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC).** Insurance products are offered through LPL or its licensed affiliates. Suncoast Credit Union and Suncoast Investment Services **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using Suncoast Investment Services, and may also be employees of Suncoast Credit Union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Suncoast Credit Union or Suncoast Investment Services. Securities and insurance offered through LPL or its affiliates are:

<b>Not Insured by NCUA or Any Other Government Agency</b>	<b>Not Credit Union Guaranteed</b>	<b>Not Credit Union Deposits or Obligations</b>	<b>May Lose Value</b>
---	------------------------------------	---	-----------------------