EMPLOYEE GUIDE FOR RETIRING UNDER
FRS PENSION PLAN –
DEFERRED RETIREMENT OPTION PROGRAM (DROP)

DROP ENTRY

1. Determine if the Deferred Retirement Option Program (DROP) is right for you. Generally, you must elect DROP participation within (12) twelve months after you reach your normal retirement date.

2. Contact the MyFRS Financial Guidance Line at 1-866-446-9377 to review your retirement account and estimate your income at retirement. Review the FRS Member Handbook, the DROP guide, and the Ready. Set. Retire. publications.

3. If you decide to join DROP, complete the forms included in the DROP Retirement Forms Packet up to 6 months prior to the date you enter DROP. The Division of Retirement must receive your application by the last working day of the calendar month in which you choose to begin DROP. Do not delay sending in your retirement application, you will not receive any retroactive benefits for any months before your effective date of retirement.

4. Return the completed application packet to the Benefits Department (benefits@fiu.edu). The packet should include the following forms:
   a. DP-11 – Application for Service Retirement and the Deferred Retirement Option Program (DROP)
   b. DP-ELE – Notice of Election to Participate in the Deferred Retirement Option Program (DROP) and Resignation of Employment
   c. FRS-110 – Option Selection for monthly benefit payment
   d. SA-1 – Spousal Acknowledgement form
   e. FST-12 – Beneficiary Designation form (Optional)
   f. Attach proof of age document(s), for yourself and spouse, and copy of marriage certificate, as applicable.

5. Complete the Election of Annual Leave form upon DROP Entry and submit to the Benefits Department (benefits@fiu.edu). You have the option to receive a lump-sum payment for your accrued annual leave earned. Such accumulated leave payment will be included in the average final compensation for your retirement benefit.

   a. Contact your 403b/457 provider company and follow necessary steps for tax-deferred payout.
   b. Elected option needs to be communicated to Benefits Administration prior to payroll processing of scheduled last payment.

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<td>FRS Retirement Application Received</td>
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<td>Forward completed Salary Certification FC-1 form to Division of Retirement</td>
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<td>Change payroll deduction code to “DP” a month after DROP entry date</td>
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<td>Upload paperwork to Image Now and route Election of Annual Leave upon DROP Entry to PayHR for Records and Payroll to process.</td>
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1. The Division of Retirement (DOR) will mail a DROP exit packet 90 days prior to the last day of employment (DROP end date). The following forms will be enclosed:
   a. **DP-TERM** – DROP Termination Notification is required to verify your employment termination. Please obtain a notarized signature and return this form to FIU Benefits Administration at benefits@fiu.edu.
   b. **DP-PAYT** – DROP selected payout method is required to select the method of payment of your accumulated DROP Benefits. Please follow instructions on the form and return directly to the Division of Retirement.

2. Courtesy notification to supervisor/department of retirement/drop end date. Employee must notify supervisor/department if ending DROP early.

3. After your DROP termination date, you must terminate ALL employment with FRS employers (including third-party and OPS appointments, paid or unpaid).

4. To be officially defined as a State of Florida retiree, you must receive a distribution from your Pension account. This distribution will make you eligible to convert your active health and life insurance from a State employee to State retiree. Please be advised you must establish Direct Deposit with the Division of Retirement.

5. The Division of Retirement will mail a packet of material to you at the end of your first month of retirement which will include the following forms, to complete and return directly to the Division of Retirement:
   a. **Withholding Certificate for Pension Payments Form (W-4P)** and
   b. **Health Insurance Subsidy Certification Form (HIS-1)**.

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<td>DROP Termination Notification (DP-TERM) Received</td>
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<td>Forward completed DP-TERM to DOR</td>
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<td>Upload paperwork to Image Now and route to PayHR for Records and Payroll to process.</td>
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### Leave Accrual Payout

Your leave cash-out will be submitted by your department and processed in accordance with FIU Leave policies and regulations. Only 12-month employees are eligible to receive payment for unused accrued vacation leave balance up to the lifetime maximum payout (including prior cash-outs).

Please note that all leave payments have a lifetime maximum limit, meaning if you have previously received a cash out up to the maximum hours covered by your salary plan, you will be ineligible for any additional cash out of hours. To ensure cash outs are processed accurately, a prior leave cash out audit will be conducted once we receive the request to ensure you receive the Cash Out Lifetime Maximum payout.

Payment is generally issued approximately 4-6 weeks after your last paycheck. Payments are directly deposited into the account on file. For payment information contact the Payroll Department.

Sick leave accruals may be eligible for payout. Please contact the Payroll Department for confirmation.

### State Health Insurance and Medicare A/B

If you are enrolled in a State Health Insurance Plan, your coverage will end **the last day of the month after your retirement date**; for example, if your retirement (termination) date is June 7, your coverage ends July 31. People First will mail a State of Florida Retiree Packet two weeks following your termination. If you do not receive it within this timeframe, please contact the People First Service Center at 866-663-4735. Your action is required and time sensitive, you will need to either accept or decline coverage by returning the retiree packet to People First. The monthly premium rate table can be found via this link. Please note you will not be allowed to elect state retiree health insurance at a later date.

MEDICARE A/B will become your primary health coverage on **the first of the month following the end of the State Health Insurance coverage**. Contact the Social Security Administration at 1-800-772-1213 to discuss your Social Security benefits and to complete enrollment.
Medicare enrollment may be done upon retirement or at any time while eligible and active with FIU. While employed, the State’s insurance through FIU is primary, hence the employee is not obligated to sign up and pay for Medicare, which would be considered “secondary”.

- Medicare A – Covers hospitals and premiums are usually free
- Medicare B – Covers doctors/providers and premiums are based on earnings / income tax information

Please be advised it is your responsibility to ensure Medicare A/B is your Primary Health Insurance when you retire. Neither our office nor the State interface with the Social Security Administration to provide employment and retirement details. Please contact SHINE (Florida Department of Elder Affairs) at 1-800-963-5337 for additional information on coverage options. Please note that this is a free, unbiased, and confidential counseling assistance to Medicare beneficiaries, their families, and caregiver.

**Flexible Spending Account**

If you are currently enrolled in the Flexible Spending Account, you can continue this plan after retirement and into the end of the year in which you are retiring pending you pay the remaining pledged contributions at your time of termination. You have the option to issue a check or designate part of your leave cash-out. Contact People First at 1-866-663-4735 and complete the form prior to your termination date. A copy of the form should also be submitted to the FIU Benefits office via email, no later than the date of termination, if you wish to allocate your leave cash-out funds to pay the balance.

**Basic Term Life**

Upon retirement, choose either the $2,500 or the $10,000 benefit. Please be advised you will be automatically enrolled into $2,500 retiree life insurance coverage, unless you make an active change within sixty (60) calendar days from your last day worked.

**Gabor Supplemental Plans (non-State)**

For questions on the policy(s), you may contact Gabor Financial Solutions directly.

**FIU 403(b) & 457 Voluntary Savings Plans**

Once employment has terminated, you may take a distribution from your voluntary retirement account(s). You can contact your provider company directly at any time, to discuss investment and distribution options.

**FIU Retiree Association**

As a member of the FIU Retiree Association, you can expand your horizons through a variety of discount programs that provide access to some of the university’s best arts, entertainment, and athletic events. There’s a rich array of programming available to our university’s retirees. Obtain your FIU Retiree OneCard or contact 305-348-0101.

**Reemployment Rules**

The reemployment laws are very complex, and returning to work for an FRS-participating employer after you’ve retired may have significant financial consequences. Before retiring or returning to work for an FRS-participating employer, we strongly recommend you call the MyFRS Financial Guidance Line at 1-866-446-9377. For more details, review Reemployment Rules for Pension Plan Members.

**Address Updates**

Prior to retiring, address changes must be processed via My.FIU.edu.

**FIU Email Access**

Login access is through panthermail.fiu.edu. If you need assistance logging in, please contact the Division of Information Technology Customer Support Center at 305-348-2284.

**W-2 Access**

Employees who have separated from FIU, retain limited access to Employee Self Service for two (2) years after their last date of employment. You will need to log into My.FIU.edu and print out the W2 at your convenience. If you need assistance logging in to the system, please contact the Division of Information Technology Customer Support Center at 305-348-2284.