

Choosing to retire will be one of the most important decisions you will ever make. This pamphlet provides a general overview of retirement policies and procedures. The information it contains is not intended to cover all provisions. For specific information about your retirement, contact Human Resources – Benefits and Retirement, extension 8045.

Membership in the Florida Retirement System (FRS)

Upon employment, all full-time employees in positions established for more than six months become members of the Regular Class of the Florida Retirement System (FRS) unless currently a member of another approved State of Florida retirement system. Part-time non-instructional employees who work a cumulative total of 2080 hours at the college are also enrolled in FRS. The college pays the entire cost of contributions to the Florida Retirement System and the employer's share of social security. FRS offers a defined benefit plan (Pension Plan) and a defined contribution plan (Investment Plan).

Community College Optional Retirement Program (CCORP)

The CCORP is a defined contribution annuity plan. Full-time instructional and administrative employees who are eligible for the Regular Class of the Florida Retirement System may elect to participate in CCORP in lieu of the FRS. Employees have 90 calendar days from their date of hire to make this decision. Participants are immediately and fully vested in this portable program. The college makes a retirement contribution to the annuity company on behalf of CCORP.

Retirement Age

There is no mandatory retirement age at Valencia Community College. An employee who is eligible may elect to retire at any time.

Retirement Incentive Program

In order to encourage normal retirement, a voluntary retirement incentive program has been established to provide additional benefits for those employees who elect to retire early or upon reaching normal retirement eligibility. See ***Helpful Definitions*** for the meaning of “early” and “normal” retirement. Participants of the Deferred Retirement Option Program (DROP) and the Community College Optional Retirement Program (CCORP) may also be eligible for retirement incentive benefits. Please refer to Policy 6Hx28:07-35 to determine your eligibility to receive benefits under the Retirement Incentive Program.

Terminal Pay Benefits

Terminal pay for unused sick leave and unused vacation leave will be paid to full-time employees who terminate their employment at the college in accordance with the provisions outlined in Policy 6Hx28:07-32.

401(a) & 403(b) Qualified Retirement Plan

The purpose of these plans is to exempt payments from the retirement incentive program and terminal sick and vacation leave from employer and employee FICA taxes and to defer employee income tax on these payments. These plans are mandatory for all eligible retiring employees. The 401(a) has a plan year that matches the college fiscal year of July 1 to June 30. The 403(b) operates on a calendar year.

Your FRS Account

Human Resources, Benefits and Retirement, can help FRS members access their personal retirement account through *Retirement Online** provided by the Division of Retirement. With *Retirement Online**, you can use the Internet to securely obtain information specific to your personal retirement account, such as your service history and service credit information, salary data, and beneficiary information. You can also perform unofficial benefit estimates (including Deferred Retirement

Option Program estimates). If you are within three years of being eligible to retire, you may want to schedule a meeting to discuss all of your retirement options. Call Jim Metz, Coordinator, Retirement, x8045 to schedule your appointment.

Completing Your Retirement Application

Submit an application for retirement through Human Resources as soon as you have determined your last work date. As provided by the 401(a) and 403(b) Plans, a letter of resignation and application for retirement may be completed and notarized in Human Resources up to one year and 30 days prior to your termination or separation date.

Retirement is usually effective on the first of the month following your termination of employment. Keep in mind that if you qualify for benefits under the Retirement Incentive Program, you are required to submit your application for retirement at least three months prior to the effective date of your retirement. To be eligible for retirement incentive benefits, teaching faculty must submit applications with an effective date of termination at the end of an academic session.

Deferred Retirement Option Program (DROP)

This program, offered to FRS members who qualify for normal retirement, allows you to accumulate retirement benefits in the FRS Trust Fund, without terminating your employment. Eligible participants can enroll in DROP and continue to work for up to 60 months. While enrolled in DROP, participants continue to receive their regular salary and benefits; meanwhile, they are accumulating a retirement “nest egg”. At the end of the DROP participation period, the employee must terminate all employment with any FRS employer. They will then begin receiving a monthly retirement benefit and payment for the accumulated DROP benefits. For more information on DROP, contact Human Resources to request a DROP brochure.

Insurance Benefits for Retirees

Florida public employers must offer their retired employees continued participation in group insurance plans. The premium cost of such insurance may not exceed the total (employee and employer) premium cost applicable to active employees. You will be given an opportunity to select an option on health and life insurance coverage for yourself and for your dependents, if you have dependent coverage at the time of retirement. Make an appointment to speak with the Retirement Coordinator in Human Resources for more details regarding retiree benefits.

Notifying the College

Upon receipt of a completed application for retirement or DROP participation, Human Resources will notify your immediate supervisor that you have officially applied. If your termination is within one year and 30 days, you will also be required to complete Human Resources Form #32 (*Resignation and Retirement Agreement*).

Re-Employment After Retirement

Due to certain re-employment limitations that affect employment with FRS employers, you should discuss your possible re-employment with Human Resources.

Social Security Coverage

As a member of the Florida Retirement System, you are automatically covered for Social Security. Although Social Security coverage is part of your overall benefit package, you must contact your local Social Security office or call 1-800-772-1213, for information concerning your Social Security account and benefits.

Other Resources

FRS has brochures, booklets, and videotapes available to assist you in your planning. Human Resources has a small collection of these videos that can be checked out. FRS also has web sites which may be helpful: www.myflorida.com/frs or www.myfrs.com.

Helpful Definitions

401(a) & 403(b) Qualified Retirement Plans

Defined contribution plans for eligible retiring employees. These are mandatory plans for all eligible retiring employees and are described in Policy Number 6Hx28:07-40 and 6Hx28:07-41.

Daily rate of pay An individual's annual contractual salary at the time of separation from the college divided by 228 for 12-month employees or 194 for 10-month employees.

Deferred Retirement Option Program (DROP)

A voluntary retirement program is available to Pension Plan members of the FRS who qualify for normal retirement. Under this program, you may retire and have your monthly retirement benefit deposited into the FRS Trust Fund, earning tax-deferred interest, while you continue to work for your employer for up to 60 months from your normal retirement date.

Early Retirement Vested FRS members, who have not reached normal retirement age, can take early retirement. The monthly FRS benefit is reduced 5% for each year the member is under age 62.

Full-Time Employees A person filling a position as defined in Policies 6Hx28:08-03 or 6Hx28:09-05.

Normal Retirement The date which the FRS allows the member to receive a retirement benefit without actuarial reduction for early retirement. Currently, FRS defines eligibility for normal retirement as 30 years of creditable service regardless of age, or a minimum of six (6) years of creditable service and 62 years of age. For the purposes of the policy regarding the Retirement

Incentive Program, normal retirement for Community College Optional Retirement Program (CCORP) participants is defined as 62 years of age and any combination of a minimum of six (6) years of service in a state of Florida retirement system plan or CCORP plan defined by the state of Florida retirement system, or 30 years of service regardless of age.

Retirement Incentive Benefits Those benefits provided under Policy 6Hx28:07-35 to employees with seven or more years of service with Valencia Community College, in a full-time, regularly-funded position who retire upon reaching normal retirement eligibility.

Terminal Pay Benefits Those benefits provided under Policy 6Hx28:07-32 to employees who resign, retire or otherwise terminate their employment with the college.

Year of Service For the purpose of determining eligibility for retirement incentive benefits, a full-time employee is credited with one year of service when the employee has served one day more than one-half the number of days in a contract/fiscal year or equivalent as defined in Policy 6Hx28:07-09. This differs from the way FRS calculates creditable service.

Preparing for Retirement:

Checklist of Things to Do

- Request a copy of all retirement related materials from Human Resources. Read and study them carefully.
- Decide whether you will enter the Deferred Retirement Option Program (DROP), retire early, or retire upon reaching normal retirement.
- Schedule an appointment with the Retirement Coordinator in Human Resources to discuss eligibility, dates, and tentative plans.
- Meet with a Financial Planner.

- Research the four (4) retirement benefit options (method of payment), available to FRS Pension Plan retirees, to determine which payment option is best for you.
- Obtain qualifying proof of age documents. Proof of age is also required for a joint annuitant if electing benefit payment option 3 or 4 on your retirement or DROP application.
- Request an estimate for terminal pay and retirement incentive benefits (if eligible) through the Retirement Coordinator in Human Resources.
- Learn about the health and life insurance benefits available to Valencia retirees. Contact the Social Security Administration to discuss applying for benefits. Apply if eligible and appropriate.
- Complete an application for retirement or DROP participation in Human Resources.

For more information, contact:

Jim Metz, Retirement Coordinator
Human Resources
Valencia Community College
8600 Valencia College Lane
Orlando, FL 32825

407-582-8045
407-582-8079 – fax

Equal Opportunity Employer

*Retirement Online –
<http://dms.myflorida.com>

GUIDE TO RETIREMENT PLANNING

**VALENCIA
Community College**

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