



Congratulations on participating in the Deferred Retirement Option Program (DROP)! As a State of Florida employee, are you taking advantage of the full benefits of the Florida Deferred Compensation Plan? Offered by the Department of Financial Services and the Bureau of Deferred Compensation, the Plan is a voluntary retirement program that supplements your Florida Retirement System (FRS) and Social Security benefits. As a DROP member, the 3% contribution to FRS is no longer deducted from each paycheck. Consider contributing all or part of that 3% into the Deferred Compensation Plan. DROP Participants, if not already enrolled, may enroll in Deferred Compensation, at any time, up to their DROP end date.

Key Benefits of the Plan:

- Easy to understand fee structure and low fund expense fees
- Excellent investment options, including Fixed Accounts, Target Date Funds, numerous Mutual Funds, and a Self-Directed Brokerage Account
- Penalty-free account modification, such as contribution change, investment reallocation, and Investment Provider addition/replacement
- 457b Pre-Tax and 457b Roth payroll contributions are allowed
- Consolidate other eligible retirement accounts
- Dedicated customer service and professional investment performance oversight from the Bureau of Deferred Compensation and the Plan's Investment Providers
- Immediate vesting

457b Pre-Tax Payroll Contributions:

- Payroll contributions that lower taxable income
- Distributions taxed as income
- Penalty-free withdrawals after 31 days of separation from employment

457b Roth Payroll Contributions:

- Post-tax payroll contributions
- Qualified distributions are not included in gross income
- 457b Roth qualified distribution rules apply

When you approach your DROP end date, the most important decision you will need to make is what to do with your DROP accumulation. When considering a lump-sum payout, please be aware, there may be a mandatory 20% income tax withholding and other tax implications. Unless you have an immediate financial need, another option is to receive a partial payout—or even no payout at all—and invest your DROP accumulation and any accrued annual and sick leave payout into the Florida Deferred Compensation Plan. In retirement, Participants can no longer contribute to the Plan; however, they continue to enjoy the full benefits of the Plan. Distributions from the Plan can be made 31 days after separation from employment but are not required until the mandated Required Minimum Distribution.

For assistance, please contact the Bureau of Deferred Compensation at 877-299-8002 or an Investment Provider below.



888-467-3726

FloridaDCP.CorebridgeFinancial.com



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800-949-4457

NRSFlorida.com



800-282-6295

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