



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.

Key Benefits of the Plan:

- Easy to understand fee structure
- Penalty-free withdrawals after separation from employment
- Lower current taxable income through automatic pre-tax payroll contribution
- Excellent investment options, including Guaranteed Principal and Interest Accounts, Target Date Funds, and numerous Mutual Funds
- Penalty-free account modification, such as contribution change, investment reallocation, and Investment Provider addition/replacement
- Rollover other pre-tax retirement accounts into the Plan
- Dedicated customer service and professional investment performance oversight from the Bureau of Deferred Compensation and the Plan's Investment Providers
- Immediate vesting

Are you approaching your DROP exit date? The most important decision to make is what to do with your DROP accumulation. If you are 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.

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



888-467-3726

FloridaDCP.CorebridgeFinancial.com



800-949-4457

NRSFlorida.com



800-282-6295

Florida457.BeReady2Retire.com

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