



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 (Plan)? The Plan is a voluntary retirement program that supplements your Florida Retirement System (FRS) and Social Security benefits. As a DROP member, the 3% mandatory 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.

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.

The Department of Financial Services, Bureau of Deferred Compensation, will be hosting two workshops for DROP participants who will be exiting DROP in 2026. The workshops will be webinars and are on February 19 and August 13, 2026. Meeting links for each date are located on our Events page (MyFloridaCFO.com/DeferredComp/Home/Events). Registration is not required.

Workshop Topics:

- What are State resources for deciding on entering or staying in the DROP?
- What employer-sponsored options are there for your DROP accumulation?
- How can the Plan serve retirees (at no additional cost)?
- ...and more.

For additional information, please contact the Bureau of Deferred Compensation at 877-299-8002 or an Investment Provider:

Corebridge Financial	888-467-3726	FloridaDCP.CorebridgeFinancial.com
Nationwide	800-949-4457	NRSFlorida.com
Voya	800-282-6295	Florida457.BeReady2Retire.com

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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