

Retirement
Coordinators Play a
Key Role

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What Is the Default Retirement Plan for New Hires with Prior FRS Service?

The current defaults (shown in the table to the right) apply to all FRS members initially enrolled on or after January 1, 2018. This could also apply to employees initially enrolled in the FRS prior to January 1, 2018 if:

- They did not have a plan choice prior to the establishment of the Investment Plan;
- OR
- They terminated employment during their initial choice election window without making an election.

Members who did not make an election during their previous employment or who were not employed at the time the Investment Plan was established still have two elections remaining, contrary to an increase in FRS members who mistakenly believe they do not need to make a retirement plan election.

For example, Mary was an FRS employee from January 1998 to July 2001. She was enrolled in the Pension Plan (which was the only retirement plan available at that time). Mary returned to FRS employment in October 2023 and, because she never had an opportunity to choose between the Pension Plan and Investment Plan, she receives an election window, a new hire kit, and seven election deadline reminders. Since Mary was previously enrolled in the Pension Plan, she thinks this election does not apply to her. So, she ignores the reminders, does not make an election, and is defaulted into the Investment Plan. When Mary is notified that she is an Investment Plan member, she files a complaint, claiming she should not have had to make an election to remain in the Pension Plan.

New hires and rehires with no active retirement plan election on file will have an election choice period, even members who were FRS participants in the past. They will be sent a new hire kit and receive election reminder notifications. These members must make an active election or they will be defaulted into the Investment Plan (or Pension Plan, if they are in the Special Risk Class).

If an employee reaches out to your office with any questions on whether an election is required, please have them call the MyFRS Financial Guidance Line toll-free at 1-866-446-9377, Option 2 to speak with an EY financial planner.

FRS Defaults as of January 1, 2018

| Membership Class | Plan Default |
|---|-----------------|
| Special Risk Class | Pension Plan |
| All classes (except Special Risk Class) | Investment Plan |



Include New Employee Email Addresses in Your Retirement Report

When reporting new hires on the monthly retirement report to the Division of Retirement, be sure to provide their valid email addresses on your agency's retirement report. Multiple email reminders are sent to new hires during their initial choice period in addition to the hard-copy reminder letters mailed to their postal mailing address. By receiving members' email addresses, we are also able to target specific correspondence to members.