



**EARLY PAYOUT OF ANNUAL LEAVE – DROP ENROLLMENT**

When you elect to participate in DROP (Deferred Retirement Option Program) under the Florida Retirement System (FRS), you have the option to cash out a portion or all your accumulated annual (vacation) leave to enhance your Average Final Compensation (AFC). A maximum of 500 hours of annual leave cashout will be used when calculating your AFC. Employees covered by a Collective Bargaining Unit are subject to the provisions of the applicable labor agreement. *Review the Important Information on the next page for details on how your AFC affects your pension calculation.*

**IF YOU ELECT EARLY PAYOUT OF ANNUAL LEAVE**

- You must make your election and receive your annual leave payout prior to the start of your DROP period.
- You may elect to roll over all or a portion of your annual leave into your 457 Deferred Compensation account subject to IRS rules and limits.
- Electing to cash out your annual leave is optional and does not affect your DROP enrollment eligibility. If you decide not to cash out your annual leave, it will continue to accrue under the same conditions as before entering DROP.

**AFTER PAYOUT**

- You continue to earn annual leave and continue to use annual leave under the same conditions as before.
- Unused annual leave will accrue and will carry over from year to year subject to established County limits.
- When County employment terminates, you will receive a payout of any unused annual leave balance.

**WHAT SHOULD YOU DO?**

- Make an appointment with an HR Benefits Generalist and complete the required FRS DROP Enrollment forms.
- Submit this form with a copy of your completed FRS DP-ELE Form to Payroll Central by either  
Email: [PAYROLL@BROWARD.ORG](mailto:PAYROLL@BROWARD.ORG) | Fax: 954-357-5550 | Interoffice: Gov. Center (East), Room 203

Name \_\_\_\_\_ Employee Number \_\_\_\_\_

I am enrolling in DROP effective \_\_\_\_\_ and have elected to cash out my annual leave. I authorize Broward County to payout \_\_\_\_\_ hours, which is to be distributed as follows:

- Apply to my Paycheck \_\_\_\_\_ hours or \$ \_\_\_\_\_ (*I understand this cashout is subject applicable taxes*)
- Apply to my 457 Plan (*I understand this cashout is subject to applicable taxes*)

	\$ Amount
MissionSquare formerly ICMA (Traditional)	_____
MissionSquare formerly ICMA (Roth)	_____
Nationwide	_____
Brighthouse	_____
Equitable Life	_____

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

<b>FOR PAYROLL CENTRAL USE</b>			
Date Received _____	PPE: _____	Processor _____	Date Processed _____

## IMPORTANT INFORMATION

### **What is my Average Final Compensation (AFC)?**

Average Final Compensation is the average of the 5 or 8 highest years earned during the FRS fiscal year (July – June). If you were first enrolled in FRS prior to 7/1/2011, your AFC would be the average of the five highest years. If you were first employed to FRS on or after 7/1/2011, your AFC would be the average of the eight highest years. Your AFC may include a maximum of up to 500 hours of lumpsum annual leave if reported during the July through June fiscal year.

### **How is my pension calculated?**

Years of Service X Percent Value X AFC = Annual Benefit for Option 1 at Age 62

Example: A *Regular* Class member was first enrolled in FRS prior to 7/1/2011, has 13 years of service, and earned \$40,000 AFC:

Step 1:                    13 X 1.60% = .208  
Step 2:                    .208 X \$40,000 = \$8,320 Annual Benefits  
Step 3:                    \$8,320 ÷ 12 = \$693.33 Monthly Benefits

For more information about DROP, benefit options, and members' classification, refer to the FRS Member Handbook or call FRS at 1-844-377-1888. [https://employer.frs.fl.gov/forms/member\\_handbook.pdf](https://employer.frs.fl.gov/forms/member_handbook.pdf)

### **If I roll over my cashout into my 457 Plan, does it count towards my contribution limit?**

Yes. IRS determines how much can be contributed to your 457 Plan within a calendar year. Below is the 2021 contribution limit based on IRS guidelines:

Normal Limit: \$19,500                    "Age 50" Catch-up Limit: \$6,500                    Pre-retirement Catch-up Limit: \$19,500

### **How can I enroll in a 457 Plan?**

Speak with a vendor before enrolling in one of the 457 Plans. You can select a one-on-one virtual appointment by visiting the Events tab under the Benefits website or contact the representative by email or phone.

<https://www.broward.org/WellBeing/Pages/deferredcomp.aspx>

VENDOR	ACCOUNT REPRESENTATIVE	TELEPHONE
MISSIONSQUARE <a href="http://www.icmarc.org">http://www.icmarc.org</a>	Knickeita Vassell-Bullock   <a href="mailto:kbullock@icmarc.org">kbullock@icmarc.org</a>	(T) 800-669-7400 954-349-1349 (F) 954-349-1858
BRIGHTHOUSE	Richard Akirmaian   <a href="mailto:rakirmaina@financialguide.com">rakirmaina@financialguide.com</a> Delia Veliz   <a href="mailto:dveliz@financialguide.com">dveliz@financialguide.com</a>	(T) 954-434-0351 (C) 954-443-7599 (F) 954-206-0523
NATIONWIDE <a href="http://www.nrsforu.com">http://www.nrsforu.com</a>	Al Pinzon   <a href="mailto:pinzona@nationwide.com">pinzona@nationwide.com</a>	(T) 877-677-3678 (C) 954-232-7615

### **When should I submit this form?**

It is recommended that you meet with Employee Benefits staff at least two months prior to your DROP effective date. You must receive your annual leave cash out in your paycheck or your 457 Plan prior to the start of your DROP period.

### **How can I get an appointment with Employee Benefits?**

Call 954-357-6700 or email [benefits@broward.org](mailto:benefits@broward.org)