

# **Frequently Asked Questions – Employer**

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## **Contribution Reports**

### **When are the retirement contributions and payroll data due?**

Retirement contributions are due by the fifth business day of the month. If you transmit your data through the Department of Revenue/Global Payments, you must call to initiate the transfer by 3:45pm EST on the fourth business day of month for your money to reach the Division of Retirement by the fifth business day. Retirement contributions received after the due date will be considered delinquent and a 1 percent delinquent fee will be assessed. Along with your retirement contributions, your payroll detail must be received and processed by the fifth business day of the month. Payrolls received and/or not processed by the fifth business day will be considered delinquent and a 1 percent delinquent fee will be assessed. It is recommended that you submit your payroll detail prior to the due date to avoid any delays due to format errors.

### **Where do we send the retirement contributions and retirement reports?**

The retirement contributions and the monthly payroll reports should be sent to the Division of Retirement in the appropriate format as outlined in Chapter 4 of the FRS Employer Handbook.

### **What payments are not covered for retirement purposes?**

Lump sum sick leave payments, annual leave that was originally earned as sick leave, certain types of bonuses, the portion of a single payment annual leave payment in excess of 500 hours, fringe benefits, employer payments to deferred compensation programs, salaries exceeding federal limits. Refer to the FRS Employer Handbook for additional information on payments not covered for retirement purposes.

### **How should retroactive pay increases be reported?**

Retroactive pay increases that are within the same fiscal year (July 1 - June 30) should be reported in the month it is paid. Retroactive pay increases that cross fiscal years must be entered on the retirement report based on the fiscal year the increase covers. For example, a retroactive pay increase that is paid in November, but dates back to January, would need to be split based on fiscal year. The portion of the payment for January through June would be entered as a lump sum amount with a June check date and with adjustment code E; (refer to the FRS Employer Handbook for information on valid adjustment codes and when they should be used). The remainder would be reported with the regular salary for November.

Retroactive pay increases for employees that terminated or retired should be reported with the month of termination.

### **We just discovered that we omitted a pay date from last month's payroll. How should we report this salary?**

The missed payroll will need to be added to the next monthly retirement report, submitted as prior period adjustments and with an adjustment code E. A 1 percent delinquent fee will be assessed from the month the salary should have been reported to the month the salary was reported. The delinquent fee cannot be waived.

### **What if the contributions are submitted late?**

Pension Plan contributions not received by the due date will be charged a 1 percent per month delinquent assessment.

**What if we submit our monthly retirement report using the wrong format?**

All payrolls submitted with an invalid format will be rejected. If the payroll report is rejected, it could cause your file to be delinquent or delay the transmittal of the Investment Plan contributions, which could result in additional penalties.

**The retirement rate changed effective July 1. The first check paid in July is for time that was worked in June. Do I report this salary under the rate effective July 1 or the previous rate?**

All salary paid on or after July 1 should be paid at the retirement rate in effect July 1.

**I received a credit invoice with employee contributions for an employee who is no longer working with our agency. What happens to the employee contributions?**

The employer is responsible for refunding any overpaid employee contributions to the employee.

## **Delinquent Fee**

**We were charged a delinquent assessment on prior period adjustments for several employees that should have been enrolled in FRS when hired, but were not. Can this fee be waived?**

No.

## **Deferred Retirement Option Program (DROP)**

**Do lump sum annual leave payments paid when an employee terminates DROP need to be reported for retirement?**

Yes. Lump sum annual leave payments paid when an employee terminates DROP must be reported under the appropriate DROP plan as a work period 21 with the number of hours the payment represents.

**How should salary earned the first month of DROP be reported?**

All salary earned prior to the DROP begin date, which is always the first of the month, should be reported under the appropriate plan code and contribution rate for the class of membership. Salaries earned beginning with the DROP begin date should be reported under the DROP plan code and contribution rate.

## **Employee Eligibility for FRS Participation**

### **Are all employees eligible to be enrolled in the FRS?**

No. Only an employee who is filling a full-time or part-time regularly established position is eligible to be enrolled in the FRS. A regularly established position in a non-state agency is an employment position which will be in existence beyond six consecutive calendar months. A regularly established position in a state agency is a position authorized pursuant to section 216.262(1)(a) and (b), Florida Statutes, and is compensated from either a salaries appropriation as provided in section 216.011(1)(z)1. and 2., Florida Statutes, or a salaries account as provided in rule 3A-10.031, Florida Administrative Code.

Retirees of the FRS Pension Plan or the FRS Investment Plan who are initially reemployed in covered employment by June 30, 2010, will renew their membership in the FRS and earn service credit toward a subsequent retirement benefit until they retire. Renewed members may alternatively elect to participate in the FRS Investment Plan. Renewed members who retire again, including former DROP participants, are once more subject to termination requirements and reemployment limitations.

Renewed members are not eligible to participate in DROP and are not eligible for disability retirement. However, the surviving spouse and dependent children of a renewed member may qualify for survivor benefits.

Retirees with an initial reemployment in a regularly established position that occurs on or after July 1, 2010, through June 30, 2017, will not be eligible for renewed membership and will not earn creditable service toward a subsequent retirement benefit. This restriction from renewed membership includes retirees of the FRS Pension Plan, the FRS Investment Plan, the State University System Optional Retirement Program (SUSORP), the Senior Management Service Optional Annuity Program (SMSOAP), the State Community College System Optional Retirement Program (SCCSORP), and local government senior managers covered by a separate arrangement with their employers. Retirees of the SUSORP, the SMSOAP, the SCCSORP, and the FRS Investment Plan will become renewed members of the FRS Investment Plan, the SUSORP or the SCCSORP depending upon the plan covering the position held if employed in a regularly established position and initially enrolled on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership if initially reemployed on or after July 1, 2010.

### **Can an employee be reported under more than one retirement plan in the same month?**

No. The only time an employee can be reported under two different plans in the same month is during the first month they enter DROP or if they change employers.

## Miscellaneous

### **Is the fiscal year for retirement purposes the same as the calendar year?**

No. The fiscal year for retirement purposes is July 1 through June 30.

### **Does one calendar month mean 30 days?**

One calendar month means from the first of the month to the last day of the month. For example, June 1 - June 30 or July 1 - July 31.

### **Should an employee filling a regularly established position be enrolled on the first day of employment or after the probationary period?**

An employee filling a regularly established position shall be enrolled on the first day of employment, even if the employee is serving a probationary period.

## Security

### **How secure is the online transmission of payroll data? Are the payroll files encrypted?**

The payroll files themselves are not encrypted but 128 bit encryption (where available) over SSL (Secure sockets layer) is used to transmit any secure data including payroll files from the client browser to the web server. That makes the online transmission very secure. Most browser installations would already be using 128 bit encryption. For those that do not it may be downloaded for free. FRS Online will use whatever encryption is available.

## Toll Free Phone Number

### **Does the division have toll free phone numbers?**

Yes. The division offers toll free telephone access for members outside the Tallahassee local calling area. Information and telephone numbers posted on the [Contact Us](#) page of the division's website will help you reach the division.

## Workers' Compensation

### **When should workers' compensation payments be reported?**

Workers' compensation should be reported if the member is approved for and retires on disability retirement or returns for at least one calendar month to active employment in a regularly established position with an FRS participating employer. The employer is responsible for paying and reporting both the employee and employer contribution.

A 1 percent delinquent fee will be assessed from the month the salary should have been reported to the month the salary was reported for periods of workers' compensation that is not reported timely. The delinquent fee cannot be waived.