YOUR Money YOUR Choice

FRS EMPLOYER Newsletter

• April 2014 •

Investment Plan Fund Lineup Changes

Summary of Changes

Effective July 1, 2014, the Investment Plan fund lineup is changing. These changes, which have been approved by the State Board of Administration's Investment Advisory Council and Trustees (Governor, Chief Financial Officer, and Attorney General), are being made to simplify the existing fund lineup and offer you the opportunity to grow retirement assets over the long term. Some of the current funds are being combined to create new funds, and a slate of Retirement Date Funds is replacing the FRS Select Balanced Funds. The changes are summarized in the table below.

Affected Funds Prior to July 1, 2014	New Funds as of July 1, 2014
Inflation-Protected Security Fund	**Real Assets Fund**
• FRS Select U.S. Treasury Inflation-Protected Securities Index Fund (T10)	• FRS Real Assets Fund (300)
Bond Funds	
• FRS Select High Yield Fund (B50) • PIMCO Total Return Fund (B20)	• FRS Core Plus Fixed Income Fund (310)
U.S. Stock Funds	
• FRS Select U.S. Large Value Stock Active Fund (S25) • FRS Select U.S. Large Growth Stock Active Fund (S30) • Fidelity Growth Company Fund (S80)	• FRS U.S. Large Cap Equity Fund (320)
• Prudential Mid-Cap Quantitative Core Equity Fund (S40) • American Beacon Small-Cap Value Fund (S99) • T. Rowe Price Small-Cap Stock Fund (S97) • Fidelity Low-Priced Stock Fund (S90) (closed and assets transferred)	• FRS U.S. Small/Mid Cap Equity Fund (330)
Balanced Funds	**Retirement Date Funds**
Transferred based on date closest to normal retirement age	
• FRS Select Conservative Balanced Fund (A10) • FRS Select Moderate Balanced Fund (A20) • FRS Select Aggressive Balanced Fund (A30)	• FRS Retirement Income Fund (2000) • FRS 2015 Retirement Date Fund (2015) • FRS 2020 Retirement Date Fund (2020) • FRS 2025 Retirement Date Fund (2025) • FRS 2030 Retirement Date Fund (2030) • FRS 2035 Retirement Date Fund (2035) • FRS 2040 Retirement Date Fund (2040) • FRS 2045 Retirement Date Fund (2045) • FRS 2050 Retirement Date Fund (2050) • FRS 2055 Retirement Date Fund (2055)

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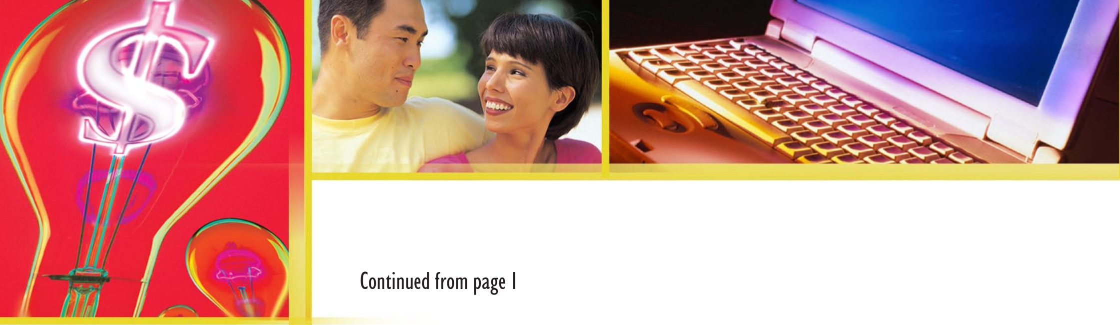

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Fidelity Low-Priced Stock Fund Closing

The Fidelity Low-Priced Stock Fund (S90) is being removed as an investment fund within the Investment Plan. This fund has been closed to new contributions since July 2004 and holds less than 0.03% of the total assets in the Investment Plan. If you have a balance in this fund as of June 30, 2014, your balance will automatically be transferred to the new FRS U.S. Small/Mid Cap Equity Fund.

Other Fund Lineup Changes

Except for the fund name changes and fund ID changes shown below, no other changes are being made to the Self-Directed Brokerage Account or to the following funds:

- FRS Money Market Fund (60) *(formerly FRS Select Yield Plus Money Market Active Fund M10)*
- FRS U.S. Bond Enhanced Index Fund (80) *(formerly FRS Select U.S. Bond Enhanced Index Fund B15)*
- Pyramis Intermediate Duration Pool Fund (90) *(formerly B35)*
- FRS Foreign Stock Index Fund (200) *(formerly FRS Select Foreign Stock Index Fund F10)*
- American Funds EuroPacific Growth Fund (220) *(formerly F20)*
- American Funds New Perspective Fund (210) *(formerly F40)*
- FRS U.S. Stock Market Index Fund (120) *(formerly FRS Select U.S. Stock Market Index Fund S10)*

What Happens When

NOW THROUGH JUNE 27, 2014

NOW until 4:00 p.m. ET June 27, 2014

- If you like, you can move your existing balances out of the affected funds into a current fund that is not being changed.

AFTER 4:00 p.m. ET June 27, 2014

- The affected funds will not accept any new contributions.

JUNE 30, 2014

AFTER 4:00 p.m. ET

- All balances in affected funds will automatically be transferred into the new funds as shown in the table on page 1.
- If you have money in the Balanced Funds as of this date, your balances in those funds will be transferred to the FRS Retirement Date Fund that is closest to the year you will reach normal retirement age as defined by the FRS (age 60 for Special Risk classes and age 65 for all other classes). Former Pension Plan members who rolled their DROP balances into one of the Balanced Funds will have their balances transferred to the FRS Retirement Income Fund.

JULY 1, 2014

New Fund Lineup Is Available

- Any automatic rebalancing or future contributions that you have directed to be invested into the affected funds will be transferred as of July 1, 2014 into the new funds as shown in the table on page 1.
- You can direct your existing balances and future contributions to the fund(s) of your choice.

What Are "Current," "Affected," and "Closed" Funds?

Current funds are the funds that are now available as investment options. Some of these funds will continue to be available after June 30, 2014. Others will close or be combined with other funds (multi-manager funds) to create new funds.

Affected funds are the current funds that are being closed or combined with other funds to create new funds as shown in the table on page 1.

Closed funds are current funds that will be closed and no longer available as an investment option.

Communicating the Fund Lineup Changes

Workshop for Employers

A special workshop for employers will be held on May 1, 2014 from 1:00 p.m. to 3:00 p.m. ET to discuss the investment fund changes. This workshop will be conducted both in person in Tallahassee and by live broadcast over the Internet. To register for the workshop, please call the toll-free FRS Employer Assistance Line (1-866-377-2121, Option 1) and ask for Marc Mancuso, Chad Stivers, or Scott Jennings. If you sign up to attend the online workshop, you will receive login and participation details a few days before the workshop.

"Investment Plan Fund Lineup Changes" Brochure

Additional information on these changes is available in a new brochure titled "Investment Plan Fund Lineup Changes," which is posted online in the "Investment Funds" section on *MyFRS.com*. A publication on the Retirement Date Funds will be posted online as soon as it is available.

How Members and New Hires Will Be Notified

- **April Investment Plan Newsletter.** We will include an article on the changes and a link to the "Investment Plan Fund Lineup Changes" brochure.
- **1st Notification Letter.** We will mail all active members an official notification letter on May 19, 2014. We also will include an updated Annual Fee Disclosure Statement and a link to the "Investment Plan Fund Lineup Changes" brochure.
- **2nd Notification Letter.** We will mail all active members a second and final notification letter on June 16, 2014.
- **Employee Workshop.** A special workshop for employees will be held on June 5, 2014 from 1:00 p.m. to 3:00 p.m. ET to discuss the investment fund changes. This workshop will be conducted both in person in Tallahassee and by live broadcast over the Internet. Registration details will be provided to employees in the "Investment Plan Quarterly Newsletter" and in the notification letters.
- **New Hire Kits.** New hires will be notified of the investment fund changes in a short summary included with their "New Employee FRS Enrollment Kit" and in their election deadline reminder letters.

Financial Planners Not Endorsed by FRS

On January 2, 2014, the FRS Investment Plan began offering members access to a Self-Directed Brokerage Account (SDBA). This option allows members access to different investment choices in addition to the Investment Plan's investment funds.

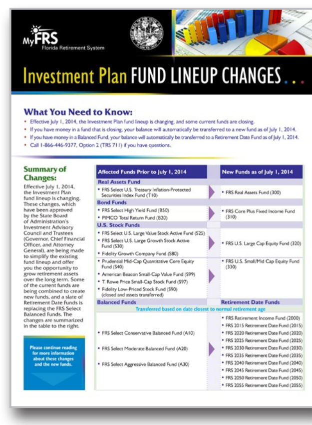
It has come to our attention that some members are providing their personal financial planners with trading authorization for their SDBA. Such agreements, which are permissible, are made directly between the member and the financial planner.

Planners have also contacted some FRS agencies offering to assist Investment Plan members with their SDBA. These financial planners are not affiliated with nor endorsed by the Florida Retirement System, by Hewitt Financial Services, or by Aon Hewitt, the Investment Plan Administrator. If you are approached by anyone claiming such an association, please notify us via an email to *walter.kelleher@sbafla.com*.

FRS Employer Workshops

The next Investment Plan workshop will be held on September 9, 2014. To register, call the toll-free FRS Employer Assistance Line (1-866-377-2121, Option 1) and ask for Marc Mancuso, Chad Stivers, or Scott Jennings.

The next Pension Plan workshop will be held on September 11, 2014. To register, call Pegah Bowman in the Division of Retirement's Bureau of Retirement Calculations (toll-free at 1-888-738-2252 or 850-778-4463 in the Tallahassee area).



MyFRS
Florida Retirement System

Investment Plan FUND LINEUP CHANGES . . .

What You Need to Know:

- Effective July 1, 2014, the Investment Plan fund lineup is changing, and some current funds are closing.
- If you have money in a fund that is closing, your balance will automatically be transferred to a new fund as of July 1, 2014.
- If you have money in a Balanced Fund, your balance will automatically be transferred to a Retirement Date Fund as of July 1, 2014.
- Call 1-866-446-9377, Option 2 (TRS 711) if you have questions.

Summary of Changes:

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Affected Funds Prior to July 1, 2014	New Funds as of July 1, 2014
Real Assets Fund	
FRS Select U.S. Treasury Inflation-Protected Securities Index Fund (T10)	FRS Real Assets Fund (300)
Bond Funds	
FRS Select High Yield Fund (B50); PIMCO Total Return Fund (B20)	FRS Core Plus Fixed Income Fund (310)
U.S. Stock Funds	
FRS Select U.S. Large Value Stock Active Fund (S25); FRS Select U.S. Large Growth Stock Active Fund (S30); Fidelity Growth Company Fund (S80)	FRS U.S. Large Cap Equity Fund (320)
Prudential Mid-Cap Quantitative Core Equity Fund (S40); American Beacon Small-Cap Value Fund (S99); T. Rowe Price Small-Cap Stock Fund (S97); Fidelity Low-Priced Stock Fund (S90) (closed and assets transferred)	FRS U.S. Small/Mid Cap Equity Fund (330)
Balanced Funds	**Retirement Date Funds**
Transferred based on date closest to normal retirement age	
FRS Select Conservative Balanced Fund (A10); FRS Select Moderate Balanced Fund (A20); FRS Select Aggressive Balanced Fund (A30)	FRS Retirement Income Fund (2000); FRS 2015 Retirement Date Fund (2015); FRS 2020 Retirement Date Fund (2020); FRS 2025 Retirement Date Fund (2025); FRS 2030 Retirement Date Fund (2030); FRS 2035 Retirement Date Fund (2035); FRS 2040 Retirement Date Fund (2040); FRS 2045 Retirement Date Fund (2045); FRS 2050 Retirement Date Fund (2050); FRS 2055 Retirement Date Fund (2055)

Please continue reading for more information about these changes and the new funds.

"Investment Plan Fund Lineup Changes" Brochure

MyFRS.com Redesign

The *MyFRS.com* website is currently being redesigned and will soon have a new look. The purpose of this change is to modernize the site and make it easier to find important items. We are using a responsive Web design approach, so the site's appearance will adjust automatically depending on the device that is being used to view the site (e.g., laptop, iPad, mobile phone). Because the traffic on *MyFRS.com* is high (exceeding 1.5 million visits and 800,000 unique visitors yearly), these changes should make the site easier for all FRS members who visit.

Keep Employees' Names and Addresses Current

Encourage your employees to report any changes to their names or mailing addresses to ensure they continue to receive important information from you and the FRS.

Active FRS Pension Plan and Investment Plan members' information is updated in the FRS database after you submit your agency's monthly payroll report.

Inactive or retired Investment Plan members can:

Make address changes online. For instructions, visit *MyFRS.com*, click the "?" icon on the home page, then "Knowledge Base," and then enter "address change" in the search box.

Make name changes by submitting a signed form or letter. The form or letter must be accompanied by a copy of the court order, marriage certificate, or driver license reflecting the member's new name. Name change requests can be mailed (P.O. Box 785027, Orlando, FL 32878-5027) or faxed (1-888-310-5559) to Aon Hewitt.

- *To request a name change form*, call the toll-free MyFRS Financial Guidance Line at 1-866-446-9377 and select Option 4 (Aon Hewitt).
- *If sending a letter,* the letter must include the member's old name, new name, and last four digits of their Social Security number.

Inactive Pension Plan members can:
Make address changes by mailing an address change form to P.O. Box 9000, Tallahassee, FL 32315-9000 or by contacting the Division of Retirement's Calculations Section at 1-888-738-2252 (toll-free) or 850-488-6491 (in the Tallahassee area).

Retired Pension Plan members can:
Make address changes from their FRS Online account or by contacting the Division's Retired Payroll Section at 1-888-377-7687 (toll-free) or 850-488-4742 (in the Tallahassee area).

Important New Hire Enrollment Deadlines

Investment Plan enrollment forms must be received by 4:00 p.m. ET on the last business day of an employee's enrollment deadline month. (See deadlines below.) Enrollment forms must be sent directly to Aon Hewitt, the FRS Plan Choice Administrator, in either of the following ways:

- **By mail:** P.O. Box 785027, Orlando, FL 32878-5027
- **By fax:** 1-888-310-5559

The 4:00 p.m. deadline is also applicable to Regular and Special Risk Class members who make their elections electronically on *MyFRS.com* or by calling the MyFRS Financial Guidance Line at 1-866-446-9377, Option 4 (TRS 711). You should confirm a member's deadline by reviewing the date on their Benefit Comparison Statement or by calling the MyFRS Employer Assistance Line at 1-866-377-2121, Option 3.

Enrollment Deadlines

If Hired in This Month ...	Retirement Plan Choice Deadline Is 4:00 p.m. ET on ...
November 2013	April 30, 2014
December 2013	May 30, 2014
January 2014	June 30, 2014
February 2014	July 31, 2014
March 2014	August 29, 2014
April 2014	September 30, 2014
May 2014	October 31, 2014
June 2014	November 26, 2014
July 2014	December 31, 2014
August 2014	January 30, 2015
September 2014	February 27, 2015
October 2014	March 31, 2015

Employer Resources

- *MyFRS.com* website.
- Toll-free FRS Employer Assistance Line at 1-866-377-2121.
  - Ernst & Young and Aon Hewitt representatives are available from 9:00 a.m. to 8:00 p.m. ET, Monday through Friday, except holidays.
  - Division of Retirement staff are available from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, except holidays.