



DAYTONA STATE COLLEGE

2023 Florida Retirement System (FRS) Changes – effective 07/01/23

Effective July 1, 2023, there are changes to the Florida Retirement System (FRS) benefits for DSC employees due to new state laws. The changes are positive for our employees and make our retirement plans even better.

Deferred Retirement Option Program (DROP) Expansion

DROP is a pension plan program for employees who have reached their normal retirement date which allows them to simultaneously earn a salary and retirement income in order to accumulate a tax-deferred “nest egg”.

DROP is expanded as follows:

- **Time Period:** The maximum time for eligible members to participate in DROP is **expanded from 5 years to 8 years**. This includes those currently participating in DROP.
- **Election Window:** The restricted 12-month election window has been removed. There are **no longer restrictions on when you can begin participating in DROP**. You may enter DROP any time after becoming fully vested and reaching your normal retirement date.
- **Interest Rate:** The **annual interest rate has tripled from 1.3% to 4%**, compounded monthly, for your accrued monthly DROP benefit.

See step-by-step instructions for enrolling or extending your time period by downloading the [DROP Retirement Forms Packet](#).

Health Insurance Subsidy Increase

The monthly retiree Health Insurance Subsidy is **increased by 50% from \$5 to \$7.50** for each year of creditable service. The maximum monthly benefit is adjusted from \$150 to \$225 and the minimum monthly benefit is adjusted from \$30 to \$45. This includes current retirees.

For example, the Health Insurance Subsidy for an employee who retires after 20 years is currently \$100 per month. As of July 1, 2023, the Health Insurance Subsidy for the same employee would be \$150 per month.

Pension and Investment Plan Employer Contribution Rates

The contribution rates increased from 6.3% to 9.3% on July 1, 2022, increasing again to **11.3%** effective July 1, 2023. This includes the 3% employee contribution.

More Information

For questions or detailed information on retirement, contact Benefits@daytonastate.edu, visit the Florida Retirement System (FRS) website at www.myfrs.com, or call (866) 446-9377 to speak with an FRS representative.