

# Plan Highlights

## State of Florida Optional Retirement Program



The State of Florida Optional Retirement Program (ORP) is an alternative to the Florida Retirement System Pension Plan (FRS Plan), and provides you with greater control over your retirement plan assets. As a participant, you contribute pretax dollars automatically by convenient payroll reduction, which lowers current taxable income. In addition, the State of Florida will contribute to the plan on your behalf as outlined below. Your account also benefits from the opportunity for tax-advantaged growth.

This is not your plan document. The administration of each plan is governed by the actual plan document. If discrepancies arise between this brochure and the plan document, the plan document will govern.

### Eligibility

The State of Florida Optional Retirement Program is available to State University System Faculty and Administrative and Professional (A&P) employees. Enrollment must occur within 90 days from the date of hire or you will automatically be enrolled in the FRS Pension Plan. Employees who work fewer than 20 hours per week and student teachers are not eligible to participate.

### Enrolling is easy! Here's how ...

Simply decide how much you want to save and how you want to invest contributions to your account. There are two convenient ways to enroll:

- **Online** at [VALIC.com/floridaorp](http://VALIC.com/floridaorp)
- **By phone** at our Enrollment Center at 1-888-569-7055

For additional enrollment assistance, call 1-800-448-2542 for a local financial advisor

### Contributions

- **State contributions.** When you participate in the ORP, the state automatically makes a contribution for you. The current state contribution amount is 5.14% of compensation, in accordance with Section 121.35(4), Florida Statutes.
- **Employee mandatory contributions.** As a participant in the ORP, you must contribute 3% of compensation on a pretax basis. The State of Florida will automatically deduct the employee contributions.
- **Voluntary contributions.** You may supplement your employer and mandatory employee contributions by making pretax contributions to your voluntary ORP account. Employees may contribute by salary reduction an amount not to exceed the percentage contributed by the state (currently 5.14%).

The Internal Revenue Code (IRC) limits your employee contribution to \$18,500 in 2018. You may also be eligible to contribute up to \$3,000 more if you have 15 or more years of service with your employer. If age 50 or older, you are eligible to contribute up to an additional \$6,000 in 2018. Please consult with your VALIC financial advisor to discuss your personal voluntary contribution limit. If you are eligible for both catch-up contributions, you must exhaust the 15-year catch-up first.

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#### Vesting

You are always 100% vested in contributions made to the plan.

#### Account consolidation

You might be able to transfer your vested retirement account balance from a prior employer's plan to your State of Florida Optional Retirement Program account. This may be a way to simplify your financial profile and to ensure your overall investments are suitably diversified and consistent with your investment preferences. However, before moving funds, check with your other provider to determine if your account has any restrictions, imposes a withdrawal penalty or provides favorable terms.

#### Fee disclosure information

Obtain specific fee disclosure and fund performance information by visiting [VALIC.com/floridaorp](http://VALIC.com/floridaorp) and clicking on "Fee Disclosure" in the dark box at the bottom of the screen.

#### Investment flexibility

You decide how to invest all contributions among the mutual funds and the Fixed-Interest Option\* offered under the plan.

Remember, this plan represents a long-term investment. Investment values of the mutual funds you choose will fluctuate, and there is no assurance that the objective of any fund will be achieved. Mutual fund shares are redeemable at the then-current net asset value, which may be more or less than the original cost. Bear in mind investment involves risk, including possible loss of principal.

\* Policy Form GFA-504, a group fixed allocated annuity, issued by The Variable Annuity Life Insurance Company, Houston, Texas.

#### Fixed-Interest Option withdrawal / transfer restrictions

You may withdraw up to 20% from the Fixed-Interest Option annually. There is no withdrawal charge for this transaction. In-service transfers from the Fixed-Interest Option to another funding entity can be accomplished over a five-year period. There are no transfer or withdrawal restrictions if one of the following conditions is met:

- Annuity payout option is selected
- Your death
- Total and permanent disability
- Withdrawal taken as a hardship under the terms of the plan
- Retirement or severance from employment from the State of Florida

This restriction includes money transferred to mutual funds or to another provider.

#### Withdrawal restrictions

The ORP was established to encourage long-term savings, so withdrawals prior to age 59½ may be subject to federal restrictions and a 10% federal early withdrawal tax penalty.

Generally, you may withdraw your vested account balance after you have been severed from employment for three calendar months, and if you meet one of the following requirements:

- Early retirement (at or after age 55) or severance from employment
- Your death or total disability

The following are some events upon which you may withdraw vested amounts without incurring a 10% federal early withdrawal tax penalty:

- Reaching age 59½
- Severance from employment at or after age 55
- Your death or total disability
- Taking substantially equal payments for a period of five years or reaching age 59½, whichever is later

In addition, you must begin taking distributions once you reach age 70½ or you retire, whichever is later.

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#### Distribution options

Generally, if you are eligible for a distribution, your withdrawal options include:

- Electing systematic or partial withdrawals
- Taking a lump-sum distribution
- Deferring distributions until the later of age 70½ or severance of employment, and allowing your account to continue to grow on a tax-deferred basis
- Transferring or rolling your vested account balance over to another tax-advantaged plan that accepts transfers of rollovers
- Choosing one of the many options available

#### Administrative fee

No administrative charge will be applied to this plan. Each fund's annual operating expenses apply based on the funds chosen and are described in the prospectus.

#### Account statement

VALIC sends all active participants a comprehensive account statement every calendar quarter. This account statement documents all activity for the preceding period, including total contributions and transfers among investment options.

You can choose to "go paperless" if you wish. Receive secure, paperless, electronic notification when your retirement account statements, transaction confirmations and certain regulatory documents are available online through our secure connection, Personal**Deliver-@**®. Managing these items electronically is faster and more secure than paper mail. Simply log in to your account at [VALIC.com/floridaorp](http://VALIC.com/floridaorp) to sign up for this free service.

#### Account access

Once enrolled, you can access account information 24 hours a day, seven days a week:

- **Online** — [VALIC.com/floridaorp](http://VALIC.com/floridaorp)
- **By phone** — 1-800-448-2542

Access anywhere 24/7 on your mobile device to track your account, get industry news, and contact your financial advisor and more.

- VALIC Mobile for iPad®, iPhone® or Android™-based phones
- VALIC Mobile Access for web-enabled devices at [my.valic.com/mobility](http://my.valic.com/mobility)

#### Personal service

**Contact Center** — 1-800-448-2542

**Retirement Education Center** — 1-877-244-3234

Mon.- Fri., 9 a.m. - 7 p.m. ET

Sat., 9:30 a.m. - 5 p.m. ET

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Investors should carefully consider the investment objectives, risks, fees, charges and expenses before investing. This and other important information is contained in the prospectus, which can be obtained from your financial professional or at [www.valic.com/floridaorp](http://www.valic.com/floridaorp). You can also request a copy by calling 1-800-428-2542. Read the prospectuses carefully before investing.

**Your Future is Calling. Meet It with Confidence.**

**CLICK** [VALIC.com/floridaorp](http://VALIC.com/floridaorp) **CALL** 1-800-426-3753 **VISIT** your financial advisor

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Securities and investment advisory services offered through VALIC Financial Advisors, Inc. ("VFA"), member FINRA, SIPC and an SEC-registered investment advisor. VFA registered representatives offer securities and other products under retirement plans and IRAs, and to clients outside of such arrangements.

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