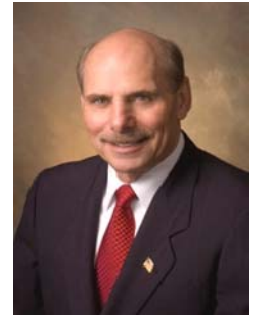




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PUBLIC SECTOR QUARTERLY NEWSLETTER

July 2009

2009 Florida Retirement System*- Legislation Update

Governor Crist recently signed HB 479 into law effective **July 1, 2009**. This particular legislation amends Chapter 121 FS - Florida Retirement System.

One of the most significant changes in this law essentially eliminates so called "double dipping", which has been a controversial issue in recent year(s).

FRS retirees could remain "out of the system" for the required period of time, then return to work for an FRS employer (often times the same employer in a similar position), and receive their salary and FRS retirement benefit and also earn a "second career retirement" in the Florida Retirement System.

Generally speaking, **any person** whose retirement is effective on or after **July 1, 2010** or whose participation in the Deferred Compensation Program terminates on or after **July 1, 2010** may be reemployed by an employer that participates in a state-administered

retirement system and receive retirement benefits and salary from that employer.

However, the person may **not** be reemployed by an employer participating in the Florida Retirement System **before** meeting the definition of retirement in s.121.021 and may **not receive both a salary from the employer and retirement benefits for six (6) calendar months after meeting the definition of termination.**

However, the DROP participant shall continue employment and receive a salary during the period of participation in the Deferred Retirement Option Program, as provided by law.

The reemployed retiree may **not renew membership in the Florida Retirement System**, (second career retirement).

This particular provision of the law also applies to retirees of the Public Employee Optional Retirement Program (Investment Plan) and other FRS retirement programs.

There have been numerous other changes to the FRS laws that affect all FRS members regardless of the FRS retirement program or individual class in which they may participate.

Obviously, the Florida Retirement System laws and administrative rules are voluminous and can be very confusing. Therefore, it is strongly recommended, that as an FRS member, you contact the Division of Retirement, at 888.738.2252 and discuss your particular situation with the appropriate FRS representative. You may also access FRS on-line at www.myfrs.com.

It is of critical importance that you are factually informed prior to making any decision that could adversely impact your FRS retirement benefits and thereby, your overall retirement/financial planning.

You should take the time to contact your trusted financial advisor and discuss these important issues. Retirement/financial planning should be an ongoing process throughout your lifetime.

If you have any questions regarding this most recent FRS legislation or Retirement Income Planning issues in general, please do not hesitate to contact me at CPS Investment Advisors, mlawton@cpalliance.com or 863-688-1725.

Conservative Investment Strategy

CPS Investment Advisors continues to manage portfolios primarily utilizing low cost index stock and bond funds. The current academic research strongly supports the benefit of this long term conservative strategy.

Financial Glossary: REBALANCING

The process of realigning the weightings of an index or portfolio.

Quote of the Quarter:

“Taking the time to educate yourself and invest your knowledge in planning for your financial future, costs you nothing.

Ensuring that you have financial security and peace of mind during your retirement years, is ‘priceless’.”

- M. L. Lawton

Sources: investopedia.com; Barron's Directory of Business Terms; Chapter 121, FS;

*Note: not approved or endorsed by the Florida Retirement System

