

1                                   A bill to be entitled  
 2           An act relating to state-administered retirement  
 3           systems; amending s. 121.091, F.S.; authorizing  
 4           certain members to elect to participate in the  
 5           deferred retirement program for an additional 36  
 6           months; amending s. 121.71, F.S.; revising required  
 7           employer retirement contribution rates for each  
 8           membership class and subclass of the Florida  
 9           Retirement System; amending s. 121.72, F.S.; revising  
 10          allocations to investment plan member accounts;  
 11          providing a declaration of important state interest;  
 12          providing an effective date.

13  
 14 Be It Enacted by the Legislature of the State of Florida:

15  
 16           Section 1. Paragraph (b) of subsection (13) of section  
 17           121.091, Florida Statutes, is amended to read:

18           121.091 Benefits payable under the system.—Benefits may  
 19           not be paid under this section unless the member has terminated  
 20           employment as provided in s. 121.021(39) (a) or begun  
 21           participation in the Deferred Retirement Option Program as  
 22           provided in subsection (13), and a proper application has been  
 23           filed in the manner prescribed by the department. The department  
 24           may cancel an application for retirement benefits when the  
 25           member or beneficiary fails to timely provide the information

26 | and documents required by this chapter and the department's  
27 | rules. The department shall adopt rules establishing procedures  
28 | for application for retirement benefits and for the cancellation  
29 | of such application when the required information or documents  
30 | are not received.

31 |       (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and  
32 | subject to this section, the Deferred Retirement Option Program,  
33 | hereinafter referred to as DROP, is a program under which an  
34 | eligible member of the Florida Retirement System may elect to  
35 | participate, deferring receipt of retirement benefits while  
36 | continuing employment with his or her Florida Retirement System  
37 | employer. The deferred monthly benefits shall accrue in the  
38 | Florida Retirement System on behalf of the member, plus interest  
39 | compounded monthly, for the specified period of the DROP  
40 | participation, as provided in paragraph (c). Upon termination of  
41 | employment, the member shall receive the total DROP benefits and  
42 | begin to receive the previously determined normal retirement  
43 | benefits. Participation in the DROP does not guarantee  
44 | employment for the specified period of DROP. Participation in  
45 | DROP by an eligible member beyond the initial 60-month period as  
46 | authorized in this subsection shall be on an annual contractual  
47 | basis for all participants.

48 |       (b) Participation in DROP.—Except as provided in this  
49 | paragraph, an eligible member may elect to participate in DROP  
50 | for a period not to exceed a maximum of 60 calendar months.

51           1.a. ~~An eligible member may elect to participate in DROP~~  
52 ~~for a period not to exceed a maximum of 60 calendar months.~~  
53 ~~However,~~ Members who are instructional personnel employed by the  
54 Florida School for the Deaf and the Blind and authorized by the  
55 Board of Trustees of the Florida School for the Deaf and the  
56 Blind, who are instructional personnel as defined in s.  
57 1012.01(2)(a)-(d) in grades K-12 and authorized by the district  
58 school superintendent, or who are instructional personnel as  
59 defined in s. 1012.01(2)(a) employed by a developmental research  
60 school and authorized by the school's director, or if the school  
61 has no director, by the school's principal, may participate in  
62 DROP for up to 36 calendar months beyond the 60-month period.  
63 Effective July 1, 2018, instructional personnel who are  
64 authorized to extend DROP participation beyond the 60-month  
65 period must have a termination date that is the last day of the  
66 last calendar month of the school year within the DROP extension  
67 granted by the employer. If, on July 1, 2018, the member's DROP  
68 participation has already been extended for the maximum 36  
69 calendar months and the extension period concludes before the  
70 end of the school year, the member's DROP participation may be  
71 extended through the last day of the last calendar month of that  
72 school year. The employer shall notify the division of the  
73 change in termination date and the additional period of DROP  
74 participation for the affected instructional personnel.

75           b. Administrative personnel in grades K-12, as defined in

76 s. 1012.01(3), who have a DROP termination date on or after July  
77 1, 2018, may be authorized to extend DROP participation beyond  
78 the initial 60 calendar month period if the administrative  
79 personnel's termination date is before the end of the school  
80 year. Such administrative personnel may have DROP participation  
81 extended until the last day of the last calendar month of the  
82 school year in which their original DROP termination date  
83 occurred if a date other than the last day of the last calendar  
84 month of the school year is designated. The employer shall  
85 notify the division of the change in termination date and the  
86 additional period of DROP participation for the affected  
87 administrative personnel.

88 c. Effective July 1, 2022, a member of the Special Risk  
89 Class who is a law enforcement officer who meets the criteria in  
90 s. 121.0515(3) (a) and who is a DROP participant on or after July  
91 1, 2022, may participate in DROP for up to 36 calendar months  
92 beyond the 60-month period if he or she enters DROP on or before  
93 June 30, 2028.

94 2. Upon deciding to participate in DROP, the member shall  
95 submit, on forms required by the division:

- 96 a. A written election to participate in DROP;
- 97 b. Selection of DROP participation and termination dates  
98 that satisfy the limitations stated in paragraph (a) and  
99 subparagraph 1. The termination date must be in a binding letter  
100 of resignation to the employer establishing a deferred

101 termination date. The member may change the termination date  
 102 within the limitations of subparagraph 1., but only with the  
 103 written approval of the employer;

104 c. A properly completed DROP application for service  
 105 retirement as provided in this section; and

106 d. Any other information required by the division.

107 3. The DROP participant is a retiree under the Florida  
 108 Retirement System for all purposes, except for paragraph (5) (f)  
 109 and subsection (9) and ss. 112.3173, 112.363, 121.053, and  
 110 121.122. DROP participation is final and may not be canceled by  
 111 the participant after the first payment is credited during the  
 112 DROP participation period. However, participation in DROP does  
 113 not alter the participant's employment status, and the member is  
 114 not deemed retired from employment until his or her deferred  
 115 resignation is effective and termination occurs as defined in s.  
 116 121.021.

117 4. Elected officers are eligible to participate in DROP  
 118 subject to the following:

119 a. An elected officer who reaches normal retirement date  
 120 during a term of office may defer the election to participate  
 121 until the next succeeding term in that office. An elected  
 122 officer who exercises this option may participate in DROP for up  
 123 to 60 calendar months or no longer than the succeeding term of  
 124 office, whichever is less.

125 b. An elected or a nonelected participant may run for a

126 term of office while participating in DROP and, if elected,  
127 extend the DROP termination date accordingly; however, if such  
128 additional term of office exceeds the 60-month limitation  
129 established in subparagraph 1., and the officer does not resign  
130 from office within such 60-month limitation, the retirement and  
131 the participant's DROP is null and void as provided in sub-  
132 subparagraph (c)5.d.

133 c. An elected officer who is dually employed and elects to  
134 participate in DROP must terminate all employment relationships  
135 as provided in s. 121.021(39) for the nonelected position within  
136 the original 60-month period or maximum participation period as  
137 provided in subparagraph 1. For DROP participation ending:

138 (I) Before July 1, 2010, the officer may continue  
139 employment as an elected officer as provided in s. 121.053. The  
140 elected officer shall be enrolled as a renewed member in the  
141 Elected Officers' Class or the Regular Class, as provided in ss.  
142 121.053 and 121.122, on the first day of the month after  
143 termination of employment in the nonelected position and  
144 termination of DROP. Distribution of the DROP benefits shall be  
145 made as provided in paragraph (c).

146 (II) On or after July 1, 2010, the officer may continue  
147 employment as an elected officer but must defer termination as  
148 provided in s. 121.053.

149 Section 2. Subsections (4) and (5) of section 121.71,  
150 Florida Statutes, are amended to read:

151 121.71 Uniform rates; process; calculations; levy.—  
 152 (4) Required employer retirement contribution rates for  
 153 each membership class and subclass of the Florida Retirement  
 154 System for both retirement plans are as follows:  
 155

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2022</u> <del>2021</del>
156	
157 Regular Class	<u>5.96%</u> <del>4.91%</del>
158 Special Risk Class	<u>16.44%</u> <del>15.27%</del>
159 Special Risk	
Administrative	
Support Class	<u>10.77%</u> <del>9.73%</del>
160 Elected Officers' Class—	
Legislators, Governor,	
Lt. Governor,	
Cabinet Officers,	

161	State Attorneys, Public Defenders	<u>9.31%</u> <del>8.49%</del>
162	Elected Officers' Class— Justices, Judges	<u>14.41%</u> <del>13.38%</del>
163	Elected Officers' Class— County Elected Officers	<u>11.30%</u> <del>10.28%</del>
164	Senior Management <u>Service</u> Class	<u>7.70%</u> <del>6.49%</del>
165	DROP	<u>7.79%</u> <del>7.23%</del>
166	(5) In order to address unfunded actuarial liabilities of	
167	the system, the required employer retirement contribution rates	
168	for each membership class and subclass of the Florida Retirement	
169	System for both retirement plans are as follows:	
170		
171	Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2022</u> <del>2021</del>



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172	Regular Class	<u>4.23%</u> <del>4.19%</del>
173	Special Risk Class	<u>9.67%</u> <del>8.90%</del>
174	Special Risk Administrative Support Class	<u>26.16%</u> <del>26.31%</del>
175	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>56.76%</u> <del>53.52%</del>
176	Elected Officers' Class— Justices, Judges	<u>27.64%</u> <del>25.81%</del>
177	Elected Officers' Class— County Elected Officers	<u>43.98%</u> <del>39.42%</del>
178	Senior Management Service Class	<u>22.15%</u> <del>20.80%</del>
179	DROP	<u>9.15%</u> <del>9.45%</del>

180  
 181 Section 3. Subsection (5) of section 121.72, Florida  
 182 Statutes, is amended and subsection (6) is added to that section  
 183 to read:

184 121.72 Allocations to investment plan member accounts;  
 185 percentage amounts.—

186 (5) Effective July 1, 2012, through June 30, 2022,  
 187 allocations from the Florida Retirement System Contributions  
 188 Clearing Trust Fund to investment plan member accounts are as  
 189 follows:

190

Membership Class	Percentage of Gross Compensation
191	
192 Regular Class	6.30%
193 Special Risk Class	14.00%
194 Special Risk Administrative Support Class	7.95%
195 Elected Officers' Class— Legislators, Governor,	

196	Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	9.38%
197	Elected Officers' Class— Justices, Judges	13.23%
198	Elected Officers' Class— County Elected Officers	11.34%
199	Senior Management Service Class	7.67%
200	<u>(6) Effective July 1, 2022, allocations from the Florida</u>	
201	<u>Retirement System Contributions Clearing Trust Fund to</u>	
202	<u>investment plan member accounts are as follows:</u>	
203		
204	<u>Membership Class</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation</u>
205	<u>Regular Class</u>	<u>9.30%</u>
206	<u>Special Risk Class</u>	<u>17.00%</u>
207		

208	<u>Special Risk Administrative Support Class</u>	<u>10.95%</u>
	<u>Elected Officers' Class—</u>	
	<u>Legislators, Governor,</u>	
	<u>Lt. Governor, Cabinet Officers,</u>	
209	<u>State Attorneys, Public Defenders</u>	<u>12.38%</u>
	<u>Elected Officers' Class—</u>	
210	<u>Justices, Judges</u>	<u>16.23%</u>
	<u>Elected Officers' Class—</u>	
211	<u>County Elected Officers</u>	<u>14.34%</u>
212	<u>Senior Management Service Class</u>	<u>10.67%</u>

213           Section 4. The Legislature finds that a proper and  
 214 legitimate state purpose is served when employees, officers, and  
 215 retirees of the state and its political subdivisions, and the  
 216 dependents, survivors, and beneficiaries of such employees,  
 217 officers, and retirees, are extended the basic protections  
 218 afforded by governmental retirement systems. These persons must  
 219 be provided benefits that are fair and adequate and that are  
 220 managed, administered, and funded in an actuarially sound manner  
 221 as required by s. 14, Article X of the State Constitution and  
 222 part VII of chapter 112, Florida Statutes. Therefore, the

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223 | Legislature determines and declares that this act fulfills an  
224 | important state interest.

225 |       Section 5. This act shall take effect July 1, 2022.