

1                   A bill to be entitled  
2                   An act relating to retirement; amending s.  
3                   121.011, F.S.; providing for purchase of  
4                   retirement credit under the Florida Retirement  
5                   System following reinstatement after suspension  
6                   or dismissal under certain circumstances;  
7                   amending s. 121.021, F.S.; redefining the term  
8                   "military service"; defining the term "phased  
9                   retirement program"; amending s. 121.051, F.S.;  
10                  revising language with respect to optional  
11                  participation in the system; amending s.  
12                  121.052, F.S.; authorizing certain elected  
13                  officers to opt for membership in the Senior  
14                  Management Class under certain circumstances;  
15                  clarifying provisions relating to the purchase  
16                  of retirement credit for upgraded service by  
17                  certain elected officers and former elected  
18                  officers; amending s. 121.053, F.S.; allowing  
19                  Senior Management Service Class renewed  
20                  membership service to be used by members with  
21                  renewed membership in the Elected State and  
22                  County Officers' Class; amending s. 121.055,  
23                  F.S.; allowing certain elected officers to  
24                  participate in the Senior Management Service  
25                  Optional Annuity Program under certain  
26                  conditions; providing for payment only as a  
27                  lifetime annuity; providing exceptions;  
28                  providing for State Board of Administration  
29                  review of investment products; providing for  
30                  payment of certain creditable service;  
31                  providing for future repeal; authorizing local

1 agency employers to reassess designation of  
2 positions for inclusion in the Senior  
3 Management Service Class; providing for removal  
4 of certain positions; amending s. 121.091,  
5 F.S.; providing for forfeiture of benefits for  
6 a beneficiary who intentionally killed or  
7 procured the death of the member; clarifying  
8 the effective date of a joint annuitant change;  
9 providing certain reemployment exceptions for  
10 computer problems relating to the year 2000;  
11 amending s. 121.1115, F.S.; authorizing the  
12 purchase of retirement credit for certain  
13 out-of-state service; creating s. 121.1120,  
14 F.S.; providing for the purchase of retirement  
15 credit for certain in-state service; amending  
16 s. 121.121, F.S.; providing for authorized  
17 leave of absence credit after 1 month on an  
18 employer's payroll; amending s. 121.122, F.S.;  
19 providing for the enrollment of certain members  
20 in the Senior Management Service Class;  
21 amending s. 121.30 F.S., providing for  
22 inclusion of cost of living adjustments in the  
23 calculation of the federal maximum benefit  
24 limit; amending s. 121.23, F.S.; providing for  
25 reasonable attorney's fees for disability  
26 retirement orders issued by the State  
27 Retirement Commission under certain  
28 circumstances; amending s. 121.35, F.S.;  
29 providing that certain employees who are  
30 eligible to participate in the Optional  
31 Retirement Program shall become members of the

1 Regular Class of the Florida Retirement System  
2 under certain circumstances; providing that  
3 contributions accumulated in the Florida  
4 Retirement Trust Fund for certain members be  
5 applied towards retroactive membership in the  
6 Regular Class; limiting employee contributions  
7 in the Optional Retirement Program; providing  
8 that benefits in the Optional Retirement  
9 Program shall be paid only as a lifetime  
10 annuity; providing exceptions; providing for  
11 State Board of Administration review of  
12 investment products; repealing sections 25.101,  
13 25.112, 25.122, 25.131, 25.141, 25.161, 38.14,  
14 38.15, 38.16, 38.17, 38.19, and chapter 123,  
15 F.S., relating to the retirement system for  
16 Supreme Court justices, District Courts of  
17 Appeals judges, and Circuit judges; providing  
18 for rules; providing an appropriation; amending  
19 s. 121.021, F.S.; redefining the term  
20 "termination" for Deferred Retirement Option  
21 Program participants; defining the term "DROP  
22 participants"; amending s. 121.091, F.S.;  
23 specifying that benefits may be payable to a  
24 participant's Deferred Retirement Option  
25 Program; specifying that the option selection  
26 for payment of benefits shall be final at the  
27 time a benefit payment is assigned to the  
28 Deferred Retirement Option Program; specifying  
29 death benefits applicable to Deferred  
30 Retirement Option Program participants;  
31 specifying employment after retirement

1 limitations applicable to Deferred Retirement  
2 Option Program participants; providing overview  
3 of the Deferred Retirement Option Program;  
4 providing eligibility criteria; providing for  
5 procedures for election of participation;  
6 providing for benefits payable; providing for  
7 death benefits; providing for a cost-of-living  
8 adjustment; specifying that health insurance  
9 subsidy payments are not payable; specifying  
10 that Deferred Retirement Option Program  
11 participation does not qualify as renewed  
12 membership; providing limitations on employment  
13 after participation; specifying contribution  
14 rates; specifying that Deferred Retirement  
15 Option Program participation does not exempt  
16 such participants from the forfeiture of  
17 benefits under the provisions of ss. 112.3173  
18 and 121.091(5), F.S; providing for  
19 administration of the program; providing an  
20 appropriation; providing an effective date  
21 dependent upon the Division of Retirement's  
22 receipt of a favorable written determination  
23 letter and a favorable private letter ruling  
24 from the Internal Revenue Service; providing a  
25 legislative finding of important state  
26 interest; providing effective dates.

27  
28 Be It Enacted by the Legislature of the State of Florida:  
29  
30  
31

1           Section 1. Paragraph (e) of subsection (3) of section  
2 121.011, Florida Statutes, is amended, and paragraph (g) is  
3 added to said subsection, to read:

4           121.011 Florida Retirement System.--

5           (3) PRESERVATION OF RIGHTS.--

6           (e) Any member of the Florida Retirement System or any  
7 member of an existing system under this chapter on July 1,  
8 1975, who is not retired and who is, has been, or shall be,  
9 suspended and reinstated without compensation shall receive  
10 retirement service credit for the period of time from the date  
11 of suspension to the date of reinstatement, provided:

12           1. The creditable service claimed for the period of  
13 suspension does not exceed 24 months.

14           2. The member returns to active employment and remains  
15 on the employer's payroll for at least 30 calendar days.

16           3. upon The member pays ~~paying~~ into the Retirement  
17 System Trust Fund the total required ~~cost of providing said~~  
18 ~~retirement credit. The cost to the member shall be the total~~  
19 employer contributions plus the total employee contributions,  
20 if applicable, based on the member's monthly compensation in  
21 effect ~~paid to the Retirement Trust Fund~~ for the pay period  
22 immediately preceding the period of suspension, prorated for  
23 the said period of suspension, plus interest thereon at a rate  
24 of 4 percent per annum compounded annually until July 1, 1975,  
25 and 6.5 percent interest thereafter until paid.

26  
27 If permitted by federal law, the member may pay into the  
28 Social Security Trust Fund the total cost, if any, of  
29 providing social security coverage for the period of  
30 suspension if any social security payments have been made by  
31 the employer for the benefit of the member during such period.

1 Should there be any conflict as to payment for social security  
2 coverage, the payment for retirement service credit shall be  
3 made and retirement service credit granted regardless of such  
4 conflict.

5 (g) Any member of the Florida Retirement System or any  
6 member of an existing system under this chapter who is not  
7 retired and who is, has been, or shall be, dismissed from  
8 employment shall be considered terminated from active  
9 membership in such system.

10 1. In the event such dismissal is rescinded by proper  
11 authority or through legal proceedings, the member shall be  
12 eligible to receive retirement service credit for such period  
13 of dismissal provided:

14 a. The dismissal action taken against the member is  
15 determined to be incorrect and is negated, the employee is  
16 made whole for the period of the dismissal or any portion  
17 thereof, employment is reinstated.

18 b. The employer pays into the Retirement System Trust  
19 Fund the total required employer contributions for the period  
20 for which the employee is made whole, plus interest at 6.5  
21 percent compounded annually until full payment is made. The  
22 employee shall pay the total employee contributions, plus  
23 interest, if applicable.

24 2. In the event the dismissal action is subsequently  
25 changed to a suspension by proper authority or through legal  
26 proceedings, the member shall be eligible to receive  
27 retirement service credit provided the member's employment is  
28 reinstated, restoring the employee-employer relationship, and  
29 the employee pays the total required employer and employee  
30 contributions and complies with all requirements in paragraph  
31 (e).

1           Section 2. Paragraph (b) of subsection (20) of section  
2 121.021, Florida Statutes, 1996 Supplement, is amended and  
3 subsection (43) is added to said section to read:

4           121.021 Definitions.--The following words and phrases  
5 as used in this chapter have the respective meanings set forth  
6 unless a different meaning is plainly required by the context:

7           (20) "Military service" of any member means:

8           (b) Actual "wartime service" in the Armed Forces of  
9 the United States, as defined by s. 1.01(14), or 38 United  
10 States Code 101(29), or "wartime service" in the Allied  
11 Forces, not to exceed 4 years, if credit for such service has  
12 not been granted under any other federal or state system, and  
13 provided such service is not used in any other retirement  
14 system; however, this paragraph does not prohibit the use of  
15 such service as creditable service if granted and used in a  
16 pension system under chapter 67 of Title 10 of the United  
17 States Code.

18           (43) "Phased retirement program" means a program  
19 contracted by the governing board of a university or community  
20 college participating under this chapter in which retirees may  
21 be reemployed in faculty positions provided:

22           (a) The member retired and met the definition of  
23 termination under this section.

24           (b) The retired member is reemployed for not more than  
25 780 hours during the first 12 months of his retirement.

26           (c) The retired member is reemployed with the  
27 university or community college from which he or she retired.

28  
29 Renewed membership for a retiree participating in a phased  
30 retirement program shall be determined in accordance with s.  
31 121.122 or 121.053.

1           Section 3. Paragraph (e) of subsection (2) of section  
2 121.051, Florida Statutes, 1996 Supplement, is amended to  
3 read:

4           121.051 Participation in the system.--

5           (2) OPTIONAL PARTICIPATION.--

6           (e) Notwithstanding any other provision of this  
7 chapter to the contrary, any independent participating agency  
8 that has failed to report the employees of a dependent  
9 governmental entity within its jurisdiction for membership in  
10 the Florida Retirement System as required under this chapter  
11 shall enroll in the system, effective July 1, 1996, all  
12 employees filling a regularly established position who are not  
13 currently participating in a retirement plan provided by the  
14 dependent entity. ~~the~~ Employees of the dependent entity  
15 participating in such a retirement plan on July 1, 1996, may  
16 remain in that plan or participate in the Florida Retirement  
17 System and shall make such election in writing ~~into the system~~  
18 ~~effective July 1, 1996. The eligible employees of the~~  
19 ~~dependent entity shall be compulsory members of the Florida~~  
20 ~~Retirement System as of that date.~~ Such employees are eligible  
21 to claim past service as provided in s. 121.081. All eligible  
22 employees hired on or after July 1, 1996, by any such  
23 dependent entity shall be compulsory members of the Florida  
24 Retirement System. Any independent participating agency shall  
25 be responsible for identifying all such dependent governmental  
26 entities within its jurisdiction and for providing to the  
27 division a list of all employees of such entities as of July  
28 1, 1997.

29           Section 4. Subsections (3) and (5) of section 121.052,  
30 Florida Statutes, 1996 Supplement, are amended to read:

31



1           121.052 Membership class of elected state and county  
2 officers.--

3           (3) PARTICIPATION AND WITHDRAWAL,  
4 GENERALLY.--Effective July 1, 1990, participation in the  
5 Elected State and County Officers' Class shall be compulsory  
6 for elected officers listed in paragraphs (2)(a)-(d) assuming  
7 office on or after said date, unless the elected officer  
8 elects membership in another class or withdraws from the  
9 Florida Retirement System as follows:

10           (a) Any elected officer who is or becomes dually  
11 employed and a member of the Florida Retirement System or one  
12 of the existing systems may elect membership in any system or  
13 class for which he or she is eligible. Upon becoming dually  
14 employed, the elected officer shall have a period of 6 months  
15 to notify the administrator of his or her decision, as  
16 provided in subsection (6).

17           (b) Upon assuming office, any sheriff shall have a  
18 period of 6 months to notify the administrator of his or her  
19 decision to remain or elect membership in the Special Risk  
20 Class in lieu of membership in the Elected State and County  
21 Officers' Class.

22           (c) Any elected officer may, within 6 months of  
23 assuming office, or within 6 months of this act becoming law  
24 for serving elected officers, elect membership in the Senior  
25 Management Service Class as provided in s. 121.055 in lieu of  
26 membership in the Elected State and County Officers' Class.  
27 Any such election made by a county elected officer shall have  
28 no effect upon the statutory limit on the number of  
29 nonelective full-time positions which may be designated by a  
30 local agency employer for inclusion in the Senior Management  
31 Service Class under s. 121.055(1)(b)1.

1            ~~(c)~~(d)1. Any elected officer may elect to withdraw  
2 from participating in the Florida Retirement System in any  
3 manner whatsoever. Upon assuming office, the member shall have  
4 a period of 6 months to notify the administrator of his or her  
5 decision to withdraw from the Florida Retirement System  
6 altogether. Such election shall be made in writing and a copy  
7 shall be filed with the employer.

8            2. Upon receipt of a request from an elected officer  
9 to withdraw from the Florida Retirement System pursuant to  
10 subparagraph 1., the administrator shall refund all moneys  
11 contributed by the elected officer to the system during the  
12 period of participation in the system, unless the elected  
13 officer has a vested right under the Florida Retirement  
14 System, in which case he or she shall not receive a refund of  
15 contributions.

16            3. Any elected officer who has withdrawn from the  
17 Florida Retirement System pursuant to this paragraph shall be  
18 permitted to rejoin the Elected State and County Officers'  
19 Class upon written request to the administrator.

20            a. Credit for prior service based on the period for  
21 which refunds were received pursuant to subparagraph 2. shall  
22 be received by an elected officer who rejoins the system upon  
23 payment to the System Trust Fund of an amount equal to the  
24 contributions refunded to the elected officer pursuant to  
25 subparagraph 2., plus 4 percent interest compounded annually  
26 from the date of refund until July 1, 1975, and 6.5 percent  
27 interest, compounded annually thereafter until the date of  
28 payment.

29            b. Credit for prior service based on the period during  
30 which the elected officer had withdrawn from the system, and  
31 for which no contributions were made, shall be received by the

1 elected officer upon payment to the System Trust Fund of an  
2 amount equal to the contributions required, under the  
3 contribution rate in effect during the period of withdrawal  
4 for which credit is being purchased, plus 6.5 percent  
5 interest, compounded annually until the date of payment. The  
6 payment of the total of such amount shall be made by the  
7 employer and the elected officer in the relative proportions  
8 provided by law for contributions during the period of  
9 withdrawal.

10  
11 Failure to timely withdraw from the Elected State and County  
12 Officers' Class shall constitute an election to maintain  
13 membership in the Elected State and County Officers' Class.

14 (5) UPGRADED SERVICE; PURCHASE OF ADDITIONAL CREDIT.--

15 (a) As provided in paragraph (b), and subject to the  
16 provisions of subsection (6), if applicable, a current or  
17 former member of the Elected State and County Officers' Class  
18 ~~an elected officer~~, or former elected officer who held office  
19 after his subclass of the Elected State and County Officers'  
20 Class was established, and who opted for membership in a  
21 membership class of the Florida Retirement System other than  
22 the Elected State and County Officers' Class as described in  
23 ~~subparagraph (b)2.~~, may purchase at his or her own expense  
24 additional retirement credit in the Elected State and County  
25 Officers' Class for all creditable service as an officer  
26 within the purview of this class, and such other creditable  
27 service as authorized hereunder for which he or she has  
28 accumulated credit in the retirement system or class within  
29 the Florida Retirement System from which he or she transfers.  
30 Any member of the Elected State and County Officers' Class may  
31 purchase additional retirement credit for service prior to

1 January 1, 1973, as a county solicitor, elected county  
2 prosecuting attorney, county judge, judge of a court of  
3 record, judge of a criminal or civil court of record, judge of  
4 any metropolitan court established pursuant to s. 6, Art. VIII  
5 of the State Constitution, judge of a small claims court, or  
6 justice of the peace, or for service as a county court judge  
7 from January 1, 1973, to October 1, 1974.

8 (b) To receive additional retirement credit for  
9 service within the purview of the Elected State and County  
10 Officers' Class as provided ~~authorized~~ in paragraph (a), such  
11 member~~+~~

12 ~~1. A serving elected officer~~ shall pay a sum equal to  
13 the difference between the amounts derived under subparagraphs  
14 1. and 2.~~sub-subparagraphs a. and b.:~~

15 ~~1.a.~~ The total employee and employer contributions  
16 actually paid, based on the actual gross salary received and  
17 the contribution rates in effect for the period of his or her  
18 tenure in office; and

19 ~~2.b.~~ The total contributions which would have been  
20 required at the time the service was rendered for the subclass  
21 of elected state officers' service being purchased, based on  
22 the actual gross salary received or on a gross salary of  
23 \$1,000 per month, whichever is greater, multiplied by the  
24 contribution rates required, as follows:

25 ~~a.(I)~~ The contribution rates in effect at the time the  
26 service was rendered for the subclass of elected state  
27 officers' service being purchased; or

28 ~~b.(II)~~ The contribution rates in effect on July 1,  
29 1972, for such service rendered before July 1, 1972, by an  
30 elected officer who held an elective office included within  
31 the Elected State Officers' Class upon its creation; or

1           c.~~(III)~~ The contribution rates in effect for the  
2 appropriate subclass on the date of inclusion of the elective  
3 office within the Elected State and County Officers' Class, as  
4 set forth in subsection (2); or

5           d.~~(IV)~~ For service as an elected county officer before  
6 July 1, 1981, the contribution rate applicable for the  
7 legislative subclass of the Elected State Officers' Class,  
8  
9 plus interest thereon at the rate of 4 percent per year  
10 compounded annually each June 30 from the date of such service  
11 until July 1, 1975, and at the rate of 6.5 percent per year  
12 thereafter until the date of payment.

13           ~~2. A former elected officer who held office after his~~  
14 ~~or her subclass of the Elected State and County Officers'~~  
15 ~~Class was established, and who opted for membership in another~~  
16 ~~membership class of the Florida Retirement System rather than~~  
17 ~~the Elected State and County Officers' Class, shall pay a sum~~  
18 ~~equal to the difference between the amounts derived under~~  
19 ~~sub-subparagraphs a. and b.:~~

20           ~~a. The total employee and employer contributions~~  
21 ~~actually paid, based on the actual gross salary received and~~  
22 ~~the contribution rates in effect for the period of his or her~~  
23 ~~tenure in office within the purview of the class; and~~

24           ~~b. The total contributions which would have been~~  
25 ~~required at the time the service was rendered for the subclass~~  
26 ~~of elected state officers' service being purchased, based on~~  
27 ~~the actual gross salary received or on a gross salary of~~  
28 ~~\$1,000 per month, whichever is greater, multiplied by the~~  
29 ~~contribution rates required, as follows:~~

1       ~~(I) The contribution rates in effect at the time the~~  
2 ~~service was rendered for the subclass of elected state or~~  
3 ~~county officers' service being purchased; or~~

4       ~~(II) The contribution rates in effect on July 1, 1972,~~  
5 ~~for such service rendered before July 1, 1972, by an elected~~  
6 ~~officer who held an elective office included within the~~  
7 ~~Elected State Officers' Class upon its creation; or~~

8       ~~(III) The contribution rates in effect for the~~  
9 ~~appropriate subclass on the date of inclusion of the elective~~  
10 ~~office within the Elected State and County Officers' Class, as~~  
11 ~~set forth in subsection (2); or~~

12       ~~(IV) For service as an elected county officer before~~  
13 ~~July 1, 1981, the contribution rate applicable for the~~  
14 ~~legislative subclass of the Elected State Officers' Class,~~

15  
16 ~~plus interest thereon at the rate of 4 percent per year~~  
17 ~~compounded annually each June 30 from the date of such service~~  
18 ~~until July 1, 1975, and at the rate of 6.5 percent per year~~  
19 ~~thereafter until the date of payment.~~

20       (c) Notwithstanding any provision of this subsection  
21 to the contrary, a current or former member of the Elected  
22 State and County Officers' Class, or a former an elected state  
23 officer as described in paragraph (a), may elect to claim who  
24 purchases additional retirement credit in the Elected State  
25 and County Officers' Class pursuant to paragraph (a) upon  
26 payment of the required during the period from January 1,  
27 1991, to June 30, 1991, shall be required to pay one-half the  
28 contributions and interest due the Florida Retirement System  
29 Trust Fund, and an equal amount shall be paid by the employer.  
30 The current or former employer of such officer may elect to  
31 pay any portion of the total required employee and employer

1 contributions and interest due on behalf of such member,  
2 provided such payment is made prior to January 1, 1998. ~~No~~  
3 ~~contributions shall be paid by the employer on behalf of any~~  
4 ~~elected state officer who purchases such retirement credit~~  
5 ~~after June 30, 1991.~~

6 Section 5. Paragraph (b) of subsection (1) of section  
7 121.053, Florida Statutes, is amended to read:

8 121.053 Participation in the Elected State and County  
9 Officers' Class for retired members.--

10 (1)

11 (b) Any retired member of the Florida Retirement  
12 System, or any existing system as defined in s. 121.021(2),  
13 who, on or after July 1, 1990, is serving in, or is elected or  
14 appointed to, an elective office covered by the Elected State  
15 and County Officers' Class shall be enrolled in the  
16 appropriate subclass of the Elected State and County Officers'  
17 Class of the Florida Retirement System, and applicable  
18 contributions shall be paid into the Florida Retirement System  
19 Trust Fund as provided in s. 121.052(7). Pursuant thereto:

20 1. Any such retired member shall be eligible to  
21 continue to receive retirement benefits as well as  
22 compensation for the elected officer service for as long as he  
23 or she remains in an elective office covered by the Elected  
24 State and County Officers' Class.

25 2. If any such member serves in an elective office  
26 covered by the Elected State and County Officers' Class for a  
27 period of at least 8 years, he or she shall be entitled to  
28 receive an additional retirement benefit for such elected  
29 officer service.

30 3. Such member shall be entitled to purchase  
31 additional retirement credit in the Elected State and County

1 Officers' Class for any postretirement service performed in an  
2 elected position eligible for the Elected State and County  
3 Officers' Class prior to July 1, 1990, or in the Regular Class  
4 for any postretirement service performed in any other  
5 regularly established position prior to July 1, 1991, by  
6 paying the applicable Elected State and County Officers' Class  
7 or Regular Class employee and employer contributions for the  
8 period being claimed, plus 4 percent interest compounded  
9 annually from the first year of service claimed until July 1,  
10 1975, and 6.5 percent interest compounded thereafter, until  
11 full payment is made to the Florida Retirement System Trust  
12 Fund. The contribution for postretirement Regular Class  
13 service between July 1, 1985, and July 1, 1991, for which the  
14 reemployed retiree contribution was paid, shall be the  
15 difference between such contribution and the total applicable  
16 contribution for the period being claimed, plus interest. The  
17 employer of such member may pay the applicable employer  
18 contribution in lieu of the member.

19 4. No creditable service for which credit was  
20 received, or which remained unclaimed, at retirement may be  
21 claimed or applied toward service credit earned following  
22 renewed membership. However, service earned in accordance with  
23 the renewed membership provisions ~~for the Regular Class~~ in s.  
24 121.122 may be used in conjunction with creditable service  
25 earned under this paragraph, provided applicable vesting  
26 requirements and other existing statutory conditions required  
27 by this chapter are met.

28 Section 6. Paragraphs (f), (g), and (h) of subsection  
29 (1) of section 121.055, Florida Statutes, 1996 Supplement, are  
30 redesignated as paragraphs (g), (h), and (i), respectively,  
31 and a new paragraph (f) is added to said subsection, and



1 subsection (2) and paragraphs (e) and (f) of subsection (6),  
2 are amended to read:

3           121.055 Senior Management Service Class.--There is  
4 hereby established a separate class of membership within the  
5 Florida Retirement System to be known as the "Senior  
6 Management Service Class," which shall become effective  
7 February 1, 1987.

8           (1)

9           (f) Effective July 1, 1997:

10           1. Any elected state officer eligible for membership  
11 in the Elected State and County Officers' Class under s.  
12 121.052(2)(a), (b), or (c) who elects membership in the Senior  
13 Management Service Class under s. 121.052(3)(c) may, within 6  
14 months of assuming office or within 6 months of this act  
15 becoming law for serving elected state officers, elect to  
16 participate in the Senior Management Service Optional Annuity  
17 Program, as provided in subsection (6), in lieu of membership  
18 in the Senior Management Service Class.

19           2. Any elected county officer eligible for membership  
20 in the Elected State and County Officers' Class under s.  
21 121.052(2)(d) who elects membership in the Senior Management  
22 Service Class under s. 121.052(3)(c) may, within 6 months of  
23 assuming office, or within 6 months of this act becoming law  
24 for serving elected county officers, elect to participate in a  
25 lifetime monthly annuity program, as provided in subparagraph  
26 (1)(b)2., in lieu of membership in the Senior Management  
27 Service Class.

28           (2)(a) Participation in this class shall cease when  
29 the member terminates employment in an eligible position.  
30 Once a position is designated as eligible for inclusion in the  
31 class, that position shall not be removed from the class

1 unless the duties and responsibilities of the position change  
2 substantially and therefore no longer meet the requirements  
3 provided in this section for participation in the class,  
4 except as provided in paragraph (b).

5 (b) Effective July 1, 1997, each local agency employer  
6 may, between July 1, 1997, and December 31, 1997, reassess its  
7 designation of positions for inclusion in the Senior  
8 Management Service Class as provided in paragraph (b) of  
9 subsection (1), and may request removal from the class of any  
10 such positions that it deems appropriate. Such removal of any  
11 previously designated positions shall be effective on the  
12 first day of the month following written notification of  
13 removal to the division prior to January 1, 1998.

14 (6)

15 (e)1. Benefits shall be payable under the Senior  
16 Management Service Optional Annuity Program only to  
17 participants in the program or their beneficiaries, and such  
18 benefits shall be paid by the designated company in accordance  
19 with the terms of the annuity contract or contracts applicable  
20 to the participant. Benefits funded by employer contributions  
21 shall be payable only as a lifetime annuity to the  
22 participant, his beneficiary, or estate, except for:

23 a. A lump sum payment to the beneficiary upon the  
24 death of the participant; or

25 b. A cash-out of a de minimis account upon the request  
26 of a former participant who has been terminated for a minimum  
27 of 6 months from the employment that entitled him to Optional  
28 Retirement Program participation. A de minimis account is an  
29 account with a provider company containing employer  
30 contributions and accumulated earnings of not more than \$3,500  
31 made under the provisions of this chapter. Such cash-out must

1 be a complete liquidation of the account balance with that  
2 company and shall be subject to the provisions of the Internal  
3 Revenue Code.

4 2. The benefits payable to any person under the Senior  
5 Management Service Optional Annuity Program, and any  
6 contribution accumulated under such program, shall not be  
7 subject to assignment, execution, or attachment or to any  
8 legal process whatsoever.

9 (f)1. The Senior Management Service Optional Annuity  
10 Program authorized by this section shall be administered by  
11 the Division of Retirement. The division shall designate one  
12 or more provider companies from which annuity contracts may be  
13 purchased under the program and shall approve the form and  
14 content of the contracts.

15 2. Effective July 1, 1997, the State Board of  
16 Administration shall review and make recommendations to the  
17 division on the acceptability of all investment products  
18 proposed by provider companies of the optional annuity program  
19 before such products are offered through annuity contracts to  
20 the participants, and may advise the division of any changes  
21 deemed necessary to ensure that the optional annuity program  
22 offers an acceptable mix of investment products. The division  
23 shall make the final determination as to whether an investment  
24 product will be approved for the program.

25 ~~3.2.~~ The provisions of each contract applicable to a  
26 participant in the Senior Management Service Optional Annuity  
27 Program shall be contained in a written program description  
28 which shall include a report of pertinent financial and  
29 actuarial information on the solvency and actuarial soundness  
30 of the program and the benefits applicable to the participant.  
31 Such description shall be furnished by the company or

1 companies to each participant in the program and to the  
2 division upon commencement of participation in the program and  
3 annually thereafter.

4 ~~4.3.~~ The division shall ensure that each participant  
5 in the Senior Management Service Optional Annuity Program is  
6 provided an accounting of the total contribution and the  
7 annual contribution made by and on behalf of such  
8 participants.

9 Section 7. The current or former employer of the  
10 member claiming service credit as provided in s.  
11 121.052(5)(c), may elect to pay any portion of the required  
12 contributions provided such payment is made prior to January  
13 1, 1998. This section is repealed effective January 1, 1998.

14 Section 8. Paragraph (i) is added to subsection (5) of  
15 section 121.091, Florida Statutes, 1996 Supplement, and  
16 paragraph (d) of subsection (6) and paragraph (b) of  
17 subsection (9) of said section are amended, to read:

18 121.091 Benefits payable under the system.--No  
19 benefits shall be paid under this section unless the member  
20 has terminated employment as provided in s. 121.021(39) and a  
21 proper application has been filed in the manner prescribed by  
22 the division.

23 (5) TERMINATION BENEFITS.--

24 (i) Any beneficiary who is found guilty by a verdict  
25 of a jury, or by the court trying the case without a jury, or  
26 who has entered a plea of guilty or of nolo contendere, of  
27 unlawfully and intentionally killing or procuring the death of  
28 the member, shall forfeit all rights to the deceased member's  
29 benefits under this chapter and the benefits will be paid as  
30 if such beneficiary had predeceased the decedent. No benefits  
31

1 shall be paid by the division pending final resolution of such  
2 charges against the beneficiary.

3 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND  
4 DISABILITY RETIREMENT BENEFITS.--

5 (d) A member who elects the option in subparagraph  
6 (a)3. or subparagraph (a)4. shall, on a form provided for that  
7 purpose, designate a joint annuitant to receive the benefits  
8 which continue to be payable upon the death of the member.

9 After benefits have commenced under the option in subparagraph  
10 (a)3. or subparagraph (a)4., a retired member may change his  
11 or her designation of a joint annuitant only twice. If such a  
12 retired member desires to change his or her designation of a  
13 joint annuitant, he or she shall file with the division a  
14 notarized "change of joint annuitant" form and shall notify  
15 the former joint annuitant in writing of such change.

16 Effective the first day of the next month following ~~Upon~~  
17 receipt by the division of a completed change of joint  
18 annuitant form, the division shall adjust the member's monthly  
19 benefit by the application of actuarial tables and  
20 calculations developed to ensure that the benefit paid is the  
21 actuarial equivalent of the present value of the member's  
22 current benefit. The consent of a retired member's first  
23 designated joint annuitant to any such change shall not be  
24 required. However, if the member dies prior to the effective  
25 date of the request for change of joint annuitant, the  
26 requested change shall be void and survivor benefits, if any,  
27 shall be paid as if no request had been made.

28 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

29 (b)1. Any person who is retired under this chapter,  
30 except under the disability retirement provisions of  
31 subsection (4), may be reemployed by any private or public

1 employer after retirement and receive retirement benefits and  
2 compensation from his or her employer without any limitations,  
3 except that a person may not receive both a salary from  
4 reemployment with any agency participating in the Florida  
5 Retirement System and retirement benefits under this chapter  
6 for a period of 12 months immediately subsequent to the date  
7 of retirement.

8           2. Any person to whom the limitation in subparagraph  
9 1. applies who violates such reemployment limitation and who  
10 is reemployed with any agency participating in the Florida  
11 Retirement System before completion of the 12-month limitation  
12 period shall give timely notice of this fact in writing to the  
13 employer and to the division and shall have his or her  
14 retirement benefits suspended for the balance of the 12-month  
15 limitation period. Any person employed in violation of this  
16 paragraph and any employing agency which knowingly employs or  
17 appoints such person without notifying the Division of  
18 Retirement to suspend retirement benefits shall be jointly and  
19 severally liable for reimbursement to the retirement trust  
20 fund of any benefits paid during the reemployment limitation  
21 period. To avoid liability, such employing agency shall have  
22 a written statement from the retiree that he or she is not  
23 retired from a state-administered retirement system. Any  
24 retirement benefits received while reemployed during this  
25 reemployment limitation period shall be repaid to the  
26 retirement trust fund, and retirement benefits shall remain  
27 suspended until such repayment has been made. Benefits  
28 suspended beyond the reemployment limitation shall apply  
29 toward repayment of benefits received in violation of the  
30 reemployment limitation.

31

1           3. A district school board may reemploy a retired  
2 member as a substitute or hourly teacher, teacher aide,  
3 transportation assistant, bus driver, or food service worker  
4 on a noncontractual basis after he or she has been retired for  
5 1 calendar month, in accordance with s. 121.021(39). Any  
6 retired member who is reemployed within 1 calendar month after  
7 retirement shall void his or her application for retirement  
8 benefits. District school boards reemploying such teachers,  
9 teacher aides, transportation assistants, bus drivers, or food  
10 service workers are subject to the retirement contribution  
11 required by subparagraph 7. Reemployment of a retired member  
12 as a substitute or hourly teacher, teacher aide,  
13 transportation assistant, bus driver, or food service worker  
14 is limited to 780 hours during the first 12 months of his or  
15 her retirement. Any retired member reemployed for more than  
16 780 hours during his or her first 12 months of retirement  
17 shall give timely notice in writing to the employer and to the  
18 division of the date he or she will exceed the limitation.  
19 The division shall suspend his or her retirement benefits for  
20 the remainder of the first 12 months of retirement. Any  
21 person employed in violation of this subparagraph and any  
22 employing agency which knowingly employs or appoints such  
23 person without notifying the Division of Retirement to suspend  
24 retirement benefits shall be jointly and severally liable for  
25 reimbursement to the retirement trust fund of any benefits  
26 paid during the reemployment limitation period. To avoid  
27 liability, such employing agency shall have a written  
28 statement from the retiree that he or she is not retired from  
29 a state-administered retirement system. Any retirement  
30 benefits received by a retired member while reemployed in  
31 excess of 780 hours during the first 12 months of retirement

1 shall be repaid to the Retirement System Trust Fund, and his  
2 or her retirement benefits shall remain suspended until  
3 repayment is made. Benefits suspended beyond the end of the  
4 retired member's first 12 months of retirement shall apply  
5 toward repayment of benefits received in violation of the  
6 780-hour reemployment limitation.

7           4. A community college board of trustees may reemploy  
8 a retired member as an adjunct instructor, that is, an  
9 instructor who is noncontractual and part-time, or as a  
10 participant in a phased retirement program within the State  
11 Community College System, after he or she has been retired for  
12 1 calendar month, in accordance with s. 121.021(39). Any  
13 retired member who is reemployed within 1 calendar month after  
14 retirement shall void his or her application for retirement  
15 benefits. Boards of trustees reemploying such instructors are  
16 subject to the retirement contribution required in  
17 subparagraph 7. A retired member may be reemployed as an  
18 adjunct instructor for no more than 780 hours during the first  
19 12 months of retirement. Any retired member reemployed for  
20 more than 780 hours during the first 12 months of retirement  
21 shall give timely notice in writing to the employer and to the  
22 division of the date he or she will exceed the limitation.  
23 The division shall suspend his or her retirement benefits for  
24 the remainder of the first 12 months of retirement. Any  
25 person employed in violation of this subparagraph and any  
26 employing agency which knowingly employs or appoints such  
27 person without notifying the Division of Retirement to suspend  
28 retirement benefits shall be jointly and severally liable for  
29 reimbursement to the retirement trust fund of any benefits  
30 paid during the reemployment limitation period. To avoid  
31 liability, such employing agency shall have a written



1 statement from the retiree that he or she is not retired from  
2 a state-administered retirement system. Any retirement  
3 benefits received by a retired member while reemployed in  
4 excess of 780 hours during the first 12 months of retirement  
5 shall be repaid to the Retirement System Trust Fund, and  
6 retirement benefits shall remain suspended until repayment is  
7 made. Benefits suspended beyond the end of the retired  
8 member's first 12 months of retirement shall apply toward  
9 repayment of benefits received in violation of the 780-hour  
10 reemployment limitation.

11           5. The State University System may reemploy a retired  
12 member as an adjunct faculty member or as a participant in a  
13 phased retirement program within the State University System  
14 after the retired member has been retired for 1 calendar  
15 month, in accordance with s. 121.021(39). Any retired member  
16 who is reemployed within 1 calendar month after retirement  
17 shall void his or her application for retirement benefits.  
18 The State University System is subject to the retired  
19 contribution required in subparagraph 7., as appropriate. A  
20 retired member may be reemployed as an adjunct faculty member  
21 or a participant in a phased retirement program for no more  
22 than 780 hours during the first 12 months of his or her  
23 retirement. Any retired member reemployed for more than 780  
24 hours during the first 12 months of retirement shall give  
25 timely notice in writing to the employer and to the division  
26 of the date he or she will exceed the limitation. The  
27 division shall suspend his or her retirement benefits for the  
28 remainder of the first 12 months of retirement. Any person  
29 employed in violation of this subparagraph and any employing  
30 agency which knowingly employs or appoints such person without  
31 notifying the Division of Retirement to suspend retirement

1 benefits shall be jointly and severally liable for  
2 reimbursement to the retirement trust fund of any benefits  
3 paid during the reemployment limitation period. To avoid  
4 liability, such employing agency shall have a written  
5 statement from the retiree that he or she is not retired from  
6 a state-administered retirement system. Any retirement  
7 benefits received by a retired member while reemployed in  
8 excess of 780 hours during the first 12 months of retirement  
9 shall be repaid to the Retirement System Trust Fund, and  
10 retirement benefits shall remain suspended until repayment is  
11 made. Benefits suspended beyond the end of the retired  
12 member's first 12 months of retirement shall apply toward  
13 repayment of benefits received in violation of the 780-hour  
14 reemployment limitation.

15         6. The Board of Trustees of the Florida School for the  
16 Deaf and the Blind may reemploy a retired member as a  
17 substitute teacher, substitute residential instructor, or  
18 substitute nurse on a noncontractual basis after he or she has  
19 been retired for 1 calendar month, in accordance with s.  
20 121.021(39). Any retired member who is reemployed within 1  
21 calendar month after retirement shall void his or her  
22 application for retirement benefits. The Board of Trustees of  
23 the Florida School for the Deaf and the Blind reemploying such  
24 teachers, residential instructors, or nurses is subject to the  
25 retirement contribution required by subparagraph 7.  
26 Reemployment of a retired member as a substitute teacher,  
27 substitute residential instructor, or substitute nurse is  
28 limited to 780 hours during the first 12 months of his or her  
29 retirement. Any retired member reemployed for more than 780  
30 hours during the first 12 months of retirement shall give  
31 timely notice in writing to the employer and to the division

1 of the date he or she will exceed the limitation. The division  
2 shall suspend his or her retirement benefits for the remainder  
3 of the first 12 months of retirement. Any person employed in  
4 violation of this subparagraph and any employing agency which  
5 knowingly employs or appoints such person without notifying  
6 the Division of Retirement to suspend retirement benefits  
7 shall be jointly and severally liable for reimbursement to the  
8 retirement trust fund of any benefits paid during the  
9 reemployment limitation period. To avoid liability, such  
10 employing agency shall have a written statement from the  
11 retiree that he or she is not retired from a  
12 state-administered retirement system. Any retirement benefits  
13 received by a retired member while reemployed in excess of 780  
14 hours during the first 12 months of retirement shall be repaid  
15 to the Retirement System Trust Fund, and his or her retirement  
16 benefits shall remain suspended until payment is made.  
17 Benefits suspended beyond the end of the retired member's  
18 first 12 months of retirement shall apply toward repayment of  
19 benefits received in violation of the 780-hour reemployment  
20 limitation.

21           7. The employment by an employer of any retiree of any  
22 state-administered retirement system shall have no effect on  
23 the average final compensation or years of creditable service  
24 of the retiree. Prior to July 1, 1991, upon employment of any  
25 person, other than an elected officer as provided in s.  
26 121.053, who has been retired under any state-administered  
27 retirement program, the employer shall pay retirement  
28 contributions in an amount equal to the unfunded actuarial  
29 accrued liability portion of the employer contribution which  
30 would be required for regular members of the Florida  
31

1 Retirement System. Effective July 1, 1991, contributions shall  
2 be made as provided in s. 121.122 for renewed membership.

3         8. Any person who has previously retired and who is  
4 holding an elective public office or an appointment to an  
5 elective public office eligible for the Elected State and  
6 County Officers' Class on or after July 1, 1990, shall be  
7 enrolled in the Florida Retirement System as provided in s.  
8 121.053(1)(b) or, if holding an elective public office that  
9 does not qualify for the Elected State and County Officers'  
10 Class on or after July 1, 1991, shall be enrolled in the  
11 Florida Retirement System as provided in s. 121.122, and shall  
12 continue to receive retirement benefits as well as  
13 compensation for the elected officer's service for as long as  
14 he or she remains in elective office. However, any retired  
15 member who served in an elective office prior to July 1, 1990,  
16 suspended his or her retirement benefit, and had his or her  
17 Florida Retirement System membership reinstated shall, upon  
18 retirement from such office, have his or her retirement  
19 benefit recalculated to include the additional service and  
20 compensation earned.

21         9. Any person who is holding an elective public office  
22 which is covered by the Florida Retirement System and who is  
23 concurrently employed in nonelected covered employment may  
24 elect to retire while continuing employment in the elective  
25 public office, provided that he or she shall be required to  
26 terminate his or her nonelected covered employment. Any  
27 person who exercises this election shall receive his or her  
28 retirement benefits in addition to the compensation of the  
29 elective office without regard to the time limitations  
30 otherwise provided in this subsection. No person who seeks to  
31 exercise the provisions of this subparagraph, as the same

1 existed prior to May 3, 1984, shall be deemed to be retired  
2 under those provisions, unless such person is eligible to  
3 retire under the provisions of this subparagraph, as amended  
4 by chapter 84-11, Laws of Florida.

5 10. The limitations of this paragraph apply to  
6 reemployment in any capacity with an "employer" as defined in  
7 s. 121.021(10), irrespective of the category of funds from  
8 which the person is compensated.

9 11. From July 1, 1997, through December 31, 1998,  
10 notwithstanding the limitations of this subsection, except  
11 that any retiree who is reemployed within 1 calendar month  
12 after retirement shall void his or her application for  
13 retirement benefits, any retiree of the Florida Retirement  
14 System may be reemployed by a covered employer during the 2nd  
15 through 12th months of the reemployment limitation period  
16 without suspending his or her retirement benefits, provided  
17 that the reemployment is for the sole purpose of working on  
18 the technical aspects of correcting or replacing the computer  
19 systems and programs necessary to resolve the year 2000 date  
20 problem for computing which confronts all public employers  
21 covered by the Florida Retirement System.

22 Section 9. Section 121.1115, Florida Statutes, 1996  
23 Supplement, is amended to read:

24 121.1115 Purchase of retirement credit for  
25 out-of-state and federal service.--Effective January 1, 1995,  
26 a member of the Florida Retirement System may purchase  
27 creditable service for periods of public employment in another  
28 state and receive creditable service for such periods of  
29 employment. Service with the Federal Government, including  
30 any military service, may be claimed. Upon completion of each  
31 year of service earned under the Florida Retirement System, a

1 member may purchase up to 1 year of retirement credit for his  
2 or her out-of-state service, subject to the following  
3 provisions:

4 (1) LIMITATIONS AND CONDITIONS.--To receive credit for  
5 the out-of-state service:

6 (a) The out-of-state service being claimed must have  
7 been:

8 1. Performed in a position of employment with the  
9 state or a political subdivision thereof, or with the Federal  
10 Government;

11 2. Covered by a retirement or pension plan provided by  
12 the state or political subdivision or by the Federal  
13 Government, as appropriate; and

14 3. Performed prior to a period of membership in the  
15 Florida Retirement System.

16 (b) The member must have completed a minimum of 10  
17 years of creditable service under the Florida Retirement  
18 System, excluding out-of-state service and in-state service  
19 claimed and purchased under s. 121.1120.

20 (c) Not more than 5 years of creditable service may be  
21 claimed for creditable service aggregated under the provisions  
22 of this section.

23 (d) The out-of-state service credit claimed under this  
24 section shall be credited only as service in the Regular Class  
25 of membership, and any benefit or pension based thereon shall  
26 be subject to the limitations and restrictions of s. 112.65.

27 (e) A member shall be eligible to receive service  
28 credit for out-of-state service performed after leaving the  
29 Florida Retirement System only upon return to membership and  
30 completion of at least 1 year of creditable service in the  
31 Florida Retirement System following the out-of-state service.

1 ~~Military service may not be claimed under this section as~~  
2 ~~out-of-state service.~~

3 (2) COST.--For each year claimed, the member must pay  
4 into the System Trust Fund an amount equal to 20 percent of  
5 the member's annual compensation for the first full work year  
6 of creditable service earned under the Florida Retirement  
7 System, but not less than \$12,000, plus interest at 6.5  
8 percent compounded annually from the date of first annual  
9 salary earned until full payment is made. The employer may pay  
10 all or a portion of the cost of this service credit.

11 Section 10. Section 121.1120, Florida Statutes, is  
12 created to read:

13 121.1120 Purchase of retirement credit for in-state  
14 public service and in-state service in accredited nonpublic,  
15 nonsectarian schools and colleges, including charter  
16 schools.--Effective January 1, 1998, a member of the Florida  
17 Retirement System may purchase creditable service for periods  
18 of certain public or nonpublic, nonsectarian employment  
19 performed in Florida, as provided herein.

20 (1) PURCHASE OF RETIREMENT CREDIT AUTHORIZED.--Subject  
21 to the provisions of subsections (2) and (3), a member of the  
22 Florida Retirement System may purchase up to 5 years of  
23 retirement credit for:

- 24 (a) Periods of public employment in Florida; or  
25 (b) Periods of employment in charter schools or in any  
26 nonpublic, nonsectarian school or college in Florida that is  
27 accredited by the Southern Association of Colleges and  
28 Schools.

1 Credit for 1 year of such service may be purchased for each  
2 year of creditable service a member completes under the  
3 Florida Retirement System.

4 (2) LIMITATIONS AND CONDITIONS.--

5 (a) No member shall be eligible to receive credit for  
6 in-state service under this section until he or she has  
7 completed 10 years of creditable service under the Florida  
8 Retirement System, excluding service purchased under this  
9 section and out-of-state service claimed and purchased under  
10 s. 121.1115.

11 (b) No member shall be permitted to purchase and  
12 receive credit for more than 5 years of creditable service  
13 aggregated under the provisions of this section and s.  
14 121.1115.

15 (c) Service credit claimed under this section shall be  
16 credited only as service in the Regular Class of membership  
17 and shall be subject to the provisions of s. 112.65.

18 (d) A member shall be eligible to receive service  
19 credit for in-state service performed after leaving the  
20 Florida Retirement System only upon returning to membership  
21 and completing at least 1 year of creditable service in the  
22 Florida Retirement System following the in-state service.

23 (e) The service claimed must have been service covered  
24 by a retirement or pension plan provided by the employer.

25 (3) COST.--The cost to purchase retirement credit  
26 under this section shall be calculated in the same manner as  
27 set forth in s. 121.1115(2), for purchase of credit for  
28 out-of-state service.

29 Section 11. Section 121.121, Florida Statutes, is  
30 amended to read:

31



1           121.121 Future service to include authorized leaves of  
2 absence.--Future service of any member as defined in s.

3 121.021(21) shall also include up to 2 work years of  
4 creditable service for authorized leaves of absence if:

5           (1) The member has completed a minimum of 10 years of  
6 creditable service, excluding periods of leave of absence.

7           (2) The leave of absence is authorized in writing by  
8 the employer of the member and approved by the administrator.

9           (3) The member returns to active employment performing  
10 service with a Florida Retirement System employer in a  
11 regularly established position immediately upon termination of  
12 the leave of absence and remains on the employer's payroll for  
13 1 calendar month, except that a member who retires on  
14 disability while on a medical leave of absence shall not be  
15 required to return to employment.

16           ~~(4)~~~~(3)~~ The member makes the required contributions for  
17 service credit during the leave of absence, which shall be 8  
18 percent until January 1, 1975, and 9 percent thereafter of his  
19 or her rate of monthly compensation in effect immediately  
20 prior to the commencement of such leave for each month of such  
21 period, plus 4 percent interest until July 1, 1975, and 6.5  
22 percent interest thereafter on such contributions, compounded  
23 annually each June 30 from the due date of the contribution to  
24 date of payment. Effective July 1, 1980, any leave of absence  
25 purchased pursuant to this section shall be at the  
26 contribution rates specified in s. 121.071 in effect at the  
27 time the leave is granted for the class of membership from  
28 which the leave of absence was granted; however, any member  
29 who purchased leave-of-absence credit prior to July 1, 1980,  
30 for a leave of absence from a position in a class other than  
31 the regular membership class, may pay the appropriate

1 additional contributions plus compound interest thereon and  
2 receive creditable service for such leave of absence in the  
3 membership class from which the member was granted the leave  
4 of absence.

5 Section 12. Section 121.122, Florida Statutes, is  
6 amended to read:

7 121.122 Renewed membership in system.--Except as  
8 provided in s. 121.053, effective July 1, 1991, any retiree of  
9 a state-administered retirement system who is employed in a  
10 regularly established position with a covered employer shall  
11 be enrolled as a compulsory member of the Regular Class of the  
12 Florida Retirement System, or, effective July 1, 1997, any  
13 retiree of a state-administered retirement system who is  
14 employed in a position included in the Senior Management  
15 Service Class shall be enrolled as a compulsory member of the  
16 Senior Management Service Class of the Florida Retirement  
17 System as provided in s. 121.055, and shall be entitled to  
18 receive an additional retirement benefit, subject to the  
19 following conditions:

20 (1)(a) Such member shall resatisfy the age and service  
21 requirements as provided in this chapter for initial  
22 membership under the system, unless such member elects to  
23 participate in the Senior Management Service Optional Annuity  
24 Program in lieu of the Senior Management Service Class as  
25 provided in s. 121.055(6).

26 (b) Such member shall not be entitled to disability  
27 benefits as provided in s. 121.091(4).

28 (c) Such member must meet the reemployment after  
29 retirement limitations as provided in s. 121.091(9), as  
30 applicable.

31

1           (2) Upon renewed membership, the employer of such  
2 member shall pay the applicable employer contributions as  
3 required by s. 121.055(3) and s. 121.071(1)(a) and (4).

4           (3) Such member shall be entitled to purchase  
5 additional retirement credit in the Regular Class for any  
6 postretirement service performed in a regularly established  
7 position prior to July 1, 1991, by paying the Regular Class  
8 applicable employee and employer contributions for the period  
9 being claimed, plus 4 percent interest compounded annually  
10 from first year of service claimed until July 1, 1975, and 6.5  
11 percent interest compounded thereafter, until full payment is  
12 made to the Florida Retirement System Trust Fund. The  
13 contribution for postretirement service between July 1, 1985,  
14 and July 1, 1991, for which the reemployed retiree  
15 contribution was paid, shall be the difference between such  
16 contribution and the total applicable contribution for the  
17 period being claimed, plus interest. The employer of such  
18 member may pay the applicable employer contribution in lieu of  
19 the member.

20           (4) No creditable service for which credit was  
21 received, or which remained unclaimed, at retirement may be  
22 claimed or applied toward service credit earned following  
23 renewed membership. However, service earned as an elected  
24 officer with renewed membership in the Elected State and  
25 County Officers' Class may be used in conjunction with  
26 creditable service earned under this section, provided the  
27 applicable vesting requirements and other existing statutory  
28 conditions required by this chapter are met.

29           (5) Notwithstanding any other limitations provided in  
30 this section, a participant of the State University System  
31 Optional Retirement Program or the Senior Management Service

1 Optional Annuity Program who terminated employment and  
2 commenced receiving an annuity under the provisions of the  
3 optional program, who renews membership in the Regular Class  
4 as required by this section upon reemployment after  
5 retirement, and who had previously earned creditable Florida  
6 Retirement System service that was not included in any  
7 retirement benefit may include such previous service toward  
8 vesting and service credit in the second career benefit  
9 provided under renewed membership.

10 (6) Any renewed member who is not receiving the  
11 maximum health insurance subsidy provided in s. 112.363 shall  
12 be entitled to earn additional credit toward the maximum  
13 health insurance subsidy. Any additional subsidy due because  
14 of such additional credit shall be received only at the time  
15 of payment of the second career retirement benefit. In no  
16 case shall the total health insurance subsidy received by a  
17 retiree receiving benefits from initial and renewed membership  
18 exceed the maximum allowed in s. 112.363.

19 (Substantial rewording of section. See s. 121.30,  
20 F.S., for present text)

21 Section 13. /Subsections (5) and (7) of section  
22 121.30, F.S., 1996 Supplement, are amended, and subsection (9)  
23 is added to that section, to read:

24 121.30 statements of purpose and intent and other  
25 provisions required for qualification under the Internal  
26 Revenue Code of the United States.-

27 Any other provisions in this chapter to the contrary  
28 notwithstanding, it is specifically provided that:

29 (5) No benefit payable hereunder for any limitation  
30 year shall exceed the maximum amount, including cost of living  
31 adjustments, allowable by law for qualified pension plans

1 under applicable provisions of the Internal Revenue Code of  
2 the United States.

3 (7) Any provision of this chapter relating to an  
4 optional annuity or retirement program must be construed and  
5 administered in such manner that such program will qualify as  
6 a qualified pension plan under applicable provisions of the  
7 Internal Revenue Code of the United States.

8 (9) The division may adopt any rule necessary to  
9 accomplish the purpose of this section not inconsistent with  
10 this chapter.

11 Section 14. Paragraph (a) of subsection (2) of section  
12 121.23, Florida Statutes, 1996 Supplement, is amended to read:

13 121.23 Disability retirement and special risk  
14 membership applications; Retirement Commission; powers and  
15 duties; judicial review.--The provisions of this section apply  
16 to all proceedings in which the administrator has made a  
17 written final decision on the merits respecting applications  
18 for disability retirement, reexamination of retired members  
19 receiving disability benefits, applications for special risk  
20 membership, and reexamination of special risk members in the  
21 Florida Retirement System. The jurisdiction of the State  
22 Retirement Commission under this section shall be limited to  
23 written final decisions of the administrator on the merits.

24 (2) A member shall be entitled to a hearing before the  
25 State Retirement Commission pursuant to ss. 120.569 and  
26 120.57(1) on the merits of any written adverse decision of the  
27 administrator, if he or she files with the commission a  
28 written request for such hearing within 21 days after receipt  
29 of such written decision from the administrator. For the  
30 purpose of such hearings, the commission shall be an "agency  
31 head" as defined by s. 120.52.

1           (a) The commission shall have the authority to issue  
2 orders as a result of a hearing that shall be binding on all  
3 parties to the dispute. The commission may order any action  
4 that it deems appropriate. Any disability retirement order of  
5 the commission issued pursuant to this subsection which  
6 sustains the application of the member may include an amount,  
7 to be determined by the commission, for reasonable attorney's  
8 fees and taxable cost which shall be calculated in accordance  
9 with the statewide uniform guidelines for taxation of cost in  
10 civil actions. The amount of the attorney's fee shall not  
11 exceed 50 percent of the initial yearly benefit awarded under  
12 s. 121.091(4).In cases involving disability retirement, the  
13 State Retirement Commission shall require the member to  
14 present competent medical evidence and may require vocational  
15 evidence before awarding disability retirement benefits.

16           Section 15. Paragraph (b) of subsection (3),  
17 paragraphs (a) and (d) of subsection (4), and paragraph (a) of  
18 subsection (5) of section 121.35, Florida Statutes, are  
19 amended, and paragraphs (c) and (d) of subsection (6) are  
20 redesignated as paragraphs (d) and (e), respectively, and a  
21 new paragraph (c) is added to said subsection, to read:

22           121.35 Optional retirement program for the State  
23 University System.--

24           (3) ELECTION OF OPTIONAL PROGRAM.--

25           (a) Any eligible employee who is employed on or before  
26 March 1, 1984, may elect to participate in the optional  
27 retirement program in lieu of participation in the Florida  
28 Retirement System. Such election shall be made in writing and  
29 filed with the division and the personnel officer of the  
30 employer on or before June 1, 1984. Upon such election,  
31 participation in the optional program will take effect July 1,

1 1984, and election to so participate will terminate the  
2 membership of the employee in the Florida Retirement System.  
3 Any eligible employee who is employed on or before March 1,  
4 1984, and who fails to make an election to participate in the  
5 optional program by June 1, 1984, shall be deemed to have  
6 elected to retain membership in the Florida Retirement System.

7 (b)1. Any employee who becomes eligible to participate  
8 in the optional retirement program by reason of initial  
9 employment commencing after March 1, 1984, but before January  
10 1, 1993, may, within 90 days after the date of commencement of  
11 employment, elect to participate in the optional program. Such  
12 election shall be made in writing and filed with the personnel  
13 officer of the employer. The eligible employees described in  
14 this subparagraph shall be enrolled in the Florida Retirement  
15 System at the commencement of employment, with the exception  
16 of those employees who file an election with the personnel  
17 officer of the employer prior to the submission of the initial  
18 payroll for the employee. For such employees, participation  
19 will be effective on the first day of employment or on July 1,  
20 1984, whichever is later. If an eligible employee, as  
21 described in this subparagraph, files an election to  
22 participate in the optional program within 90 days after the  
23 commencement of employment, but after the submission by the  
24 employer of the initial payroll for the employee, the  
25 employee's participation in the optional program will not be  
26 effective until the first day of the month for which a full  
27 month's employer contribution may be made, or until July 1,  
28 1984, whichever is later. Any eligible employee who does not  
29 within 90 days after commencement of such employment elect to  
30 participate in the optional program shall be deemed to have  
31 elected to retain membership in the Florida Retirement System.

1           2. Any employee who after March 1, 1984, but before  
2 January 1, 1993, becomes eligible to participate in the  
3 optional program by reason of a change in status due to the  
4 subsequent designation of the employee's position as one of  
5 those specified in paragraph (2)(a) or due to the employee's  
6 appointment, promotion, transfer, or reclassification to a  
7 position specified in paragraph (2)(a) may elect to  
8 participate in the optional program. Such employee shall be  
9 notified by the employer of the change in his or her  
10 eligibility status. Such employee may, within 90 days after  
11 the date of such notification, file with the personnel officer  
12 of the employer an election in writing to participate in the  
13 optional program in lieu of participation in the Florida  
14 Retirement System. Upon such election, participation in the  
15 optional program will be effective on the first day of the  
16 month for which a full month's employer contribution may be  
17 made or on July 1, 1984, whichever is later. Election to so  
18 participate shall terminate the membership of the employee in  
19 the Florida Retirement System. Any eligible employee who does  
20 not within 90 days after notification of his or her  
21 eligibility to participate in the optional program elect to  
22 participate in the program shall be deemed to have elected to  
23 retain membership in the Florida Retirement System.

24           3. Notwithstanding the provisions of paragraph (c),  
25 effective July 1, 1997, any employee who is eligible to  
26 participate in the Optional Retirement Program and who fails  
27 to execute an annuity contract with one of the approved  
28 companies and to notify the division in writing as provided in  
29 subsection (4) within 90 days of the date of eligibility shall  
30 be deemed to have elected membership in the Florida Retirement  
31 System, except as provided in s. 121.051(1)(a). This



1 provision shall also apply to any employee who terminates  
2 employment in an eligible position prior to executing the  
3 required annuity contract and notifying the division. Such  
4 membership shall be retroactive to the date of eligibility and  
5 all appropriate contributions shall be transferred to the  
6 Florida Retirement System Trust Fund and the Health Insurance  
7 Subsidy Trust Fund.

8 (4) CONTRIBUTIONS.--

9 (a) Each employer shall contribute on behalf of each  
10 participant in the optional retirement program an amount equal  
11 to the normal cost portion of the employer retirement  
12 contribution which would be required if the participant were a  
13 regular member of the Florida Retirement System, plus the  
14 portion of the contribution rate required in s. 112.363(8)  
15 that would otherwise be assigned to the Retiree Health  
16 Insurance Subsidy Trust Fund, less an amount approved by the  
17 Legislature which shall be deducted by the division to provide  
18 for the administration of this program. The payment of the  
19 contributions to the optional program which is required by  
20 this paragraph for each participant shall be made by the  
21 employer to the division, which shall forward the  
22 contributions to the designated company or companies  
23 contracting for payment of benefits for the participant under  
24 the program. However, such contributions paid on behalf of an  
25 employee described in paragraph (3)(c) shall not be forwarded  
26 to a company and shall not begin to accrue interest until the  
27 employee has executed an annuity contract and notified the  
28 division. ~~The contributions required by this paragraph and~~  
29 ~~paid on behalf of an employee described in paragraph (3)(c)~~  
30 ~~who fails to execute an annuity contract prior to termination~~  
31

1 ~~of employment shall be retained by the division for the~~  
2 ~~administration of this program.~~

3 (d) Each participant in the optional retirement  
4 program who has executed an annuity contract may contribute by  
5 way of salary reduction or deduction a percentage amount of  
6 the participant's gross compensation not to exceed the  
7 percentage amount contributed by the employer to the optional  
8 program, but in no case shall such contributions exceed  
9 federal limitations. Payment of the participant's  
10 contributions shall be made by the financial officer of the  
11 employer to the division which shall forward the contributions  
12 to the designated company or companies contracting for payment  
13 of benefits for the participant under the program.

14 (5) BENEFITS.--

15 (a) Benefits shall be payable under the optional  
16 retirement program only to vested participants in the program  
17 or their beneficiaries, and such benefits shall be paid only  
18 by the designated company in accordance with the terms of the  
19 annuity contract or contracts applicable to the participant.  
20 Benefits funded by employer contributions shall be payable  
21 only as a lifetime annuity to the participant, his  
22 beneficiary, or estate, except for:

23 1. A lump sum payment to the beneficiary upon the  
24 death of the participant; or

25 2. A cash-out of a de minimis account upon the request  
26 of a former participant who has been terminated for a minimum  
27 of 6 months from the employment that entitled him to Optional  
28 Retirement Program participation. A de minimis account is an  
29 account with a provider company containing employer  
30 contributions and accumulated earnings of not more than \$3,500  
31 made under the provisions of this chapter. Such cash-out must

1 be a complete liquidation of the account balance with that  
2 company and shall be subject to the provisions of the Internal  
3 Revenue Code.

4 (6) ADMINISTRATION OF PROGRAM.--

5 (c) Effective July 1, 1997, the State Board of  
6 Administration shall review and make recommendations to the  
7 division on the acceptability of all investment products  
8 proposed by provider companies of the Optional Retirement  
9 Program before they are offered through annuity contracts to  
10 the participants, and may advise the division of any changes  
11 deemed necessary to ensure that the Optional Retirement  
12 Program offers an acceptable mix of investment products. The  
13 division shall make the final determination as to whether an  
14 investment product will be approved for the program.

15 Section 16. Sections 25.101, 25.112, 25.122, 25.131,  
16 25.141, 25.161, 38.14, 38.15, 38.16, 38.17, 38.19, 123.10,  
17 123.12, 123.16, 123.18, 123.21, 123.22, 123.23, 123.27,  
18 123.28, 123.30, 123.31, 123.32, 123.33, 123.34, 123.35,  
19 123.37, 123.38, 123.39, 123.41, 123.42, 123.43, 123.44, and  
20 123.45, all Florida Statutes; sections 123.02, 123.03, 123.04,  
21 123.05, 123.051, 123.06, 123.08, 123.13, 123.14, 123.15,  
22 123.17, 123.19, 123.26, 123.29, and 123.40, Florida Statutes,  
23 as amended by chapter 95-147; sections 123.11, 123.24, 123.25,  
24 and 123.36, Florida Statutes, as amended by chapter 95-154,  
25 Laws of Florida; section 123.01, Florida Statutes, as amended  
26 by chapter 94-249, Laws of Florida; and section 123.07,  
27 Florida Statutes, as amended by chapters 95-147 and 95-154,  
28 Laws of Florida, are hereby repealed.

29 Section 17. The Division of Retirement shall have  
30 rulemaking authority for implementing all the provisions of  
31 this act.

1           Section 18. There is hereby appropriated from the  
2 Florida Retirement System Trust Fund sufficient funds, not to  
3 exceed \$300,000 annually, to pay attorney's fees and taxable  
4 costs as directed by the State Retirement Commission in  
5 accordance with s. 121.123(2)(a).

6           Section 19. Effective July 1, 1998, subsection (39) of  
7 section 121.021, Florida Statutes, 1996 Supplement, is  
8 amended, and subsection (43) is added to said section, to  
9 read:

10           121.021 Definitions.--The following words and phrases  
11 as used in this chapter have the respective meanings set forth  
12 unless a different meaning is plainly required by the context:

13           (39)(a) "Termination" occurs, except as provided in  
14 paragraph (b), when a member ceases all employment  
15 relationships with employers under this system, as defined in  
16 subsection (10), but in the event a member should be employed  
17 by any such employer within the next calendar month,  
18 termination shall be deemed not to have occurred. A leave of  
19 absence shall constitute a continuation of the employment  
20 relationship, except that a leave of absence without pay due  
21 to disability may constitute termination for a member, if such  
22 member makes application for and is approved for disability  
23 retirement in accordance with s. 121.091(4). The division may  
24 require other evidence of termination as it deems necessary.

25           (b) "Termination" for a member electing to participate  
26 under the Deferred Retirement Option Program occurs when the  
27 Deferred Retirement Option Program participant ceases all  
28 employment relationships with employers under this system in  
29 accordance with s. 121.091(13), but in the event the Deferred  
30 Retirement Option Program participant should be employed by  
31 any such employer within the next calendar month, termination

1 will be deemed not to have occurred, except as provided in s.  
2 121.091(13)(b)5.b. A leave of absence shall constitute a  
3 continuation of the employment relationship.

4 (43) "DROP participant" means any member who elects to  
5 retire and participate in the Deferred Retirement Option  
6 Program as provided in s. 121.091(13).

7 Section 20. Effective July 1, 1998, section 121.091,  
8 Florida Statutes, 1996 Supplement, is amended to read:

9 121.091 Benefits payable under the system.--No  
10 benefits shall be paid under this section unless the member  
11 has terminated employment as provided in s. 121.021(39)(a) or  
12 begun participation in the Deferred Retirement Option Program  
13 as provided in subsection (13),and a proper application has  
14 been filed in the manner prescribed by the division.

15 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or  
16 her normal retirement date, the member, upon application to  
17 the administrator, shall receive a monthly benefit which shall  
18 begin to accrue on the first day of the month of retirement  
19 and be payable on the last day of that month and each month  
20 thereafter during his or her lifetime. The amount of monthly  
21 benefit shall be determined as the product of A and B, subject  
22 to the adjustment of C, if applicable, when:

23 (a) A is 1.60 percent of the member's average monthly  
24 compensation, up to normal retirement age. The first year  
25 after normal retirement age, A is 1.63 percent of the member's  
26 average monthly compensation. The second year after normal  
27 retirement age, A is 1.65 percent of the member's average  
28 monthly compensation. The third year after normal retirement  
29 age, A is 1.68 percent of the member's average monthly  
30 compensation. A shall not exceed 1.68 percent of the member's  
31

1 average monthly compensation, except that, for all creditable  
2 years of special risk service, A is:  
3       1. Two percent of the member's average monthly  
4 compensation for all creditable years prior to October 1,  
5 1974;  
6       2. Three percent of the member's average monthly  
7 compensation for all creditable years after September 30,  
8 1974, and before October 1, 1978;  
9       3. Two percent of the member's average monthly  
10 compensation for all creditable years after September 30,  
11 1978, and before January 1, 1989;  
12       4. Two and two-tenths percent of the member's average  
13 monthly compensation for all creditable years after December  
14 31, 1988, and before January 1, 1990;  
15       5. Two and four-tenths percent of the member's average  
16 monthly compensation for all creditable years after December  
17 31, 1989, and before January 1, 1991;  
18       6. Two and six-tenths percent of the member's average  
19 monthly compensation for all creditable years after December  
20 31, 1990, and before January 1, 1992;  
21       7. Two and eight-tenths percent of the member's  
22 average monthly compensation for all creditable years after  
23 December 31, 1991, and before January 1, 1993; and  
24       8. Three percent of the member's average monthly  
25 compensation for all creditable years after December 31, 1992;  
26  
27 however, the normal retirement benefit, including any past or  
28 additional retirement credit, may not exceed 100 percent of  
29 the average final compensation;  
30  
31

1           (b) B is the number of the member's years and any  
2 fractional part of a year of creditable service earned  
3 subsequent to November 30, 1970; and

4           (c) C is the normal retirement benefit credit brought  
5 forward as of November 30, 1970, by a former member of an  
6 existing system. Such normal retirement benefit credit shall  
7 be determined as the product of A and B when A is the  
8 percentage of average final compensation which the member  
9 would have been eligible to receive if the member had attained  
10 his or her normal retirement date as of November 30, 1970, all  
11 in accordance with the existing system under which the member  
12 is covered on November 30, 1970, and B is average monthly  
13 compensation as defined in s. 121.021(25). However, any  
14 member of an existing retirement system who is eligible to  
15 retire and who does retire, become disabled, or die prior to  
16 April 15, 1971, may have his or her retirement benefits  
17 calculated on the basis of the best 5 of the last 10 years of  
18 service.

19           (2) BENEFITS PAYABLE FOR DUAL NORMAL RETIREMENT

20 AGES.--In the event a member accumulates retirement benefits  
21 to commence at different normal retirement ages by virtue of  
22 having performed duties for an employer which would entitle  
23 him or her to benefits as both a regular member and special  
24 risk member, the amount of benefits payable shall be computed  
25 separately with respect to each such age and the sum of such  
26 computed amounts shall be paid as provided in this section.

27           (3) EARLY RETIREMENT BENEFIT.--Upon retirement on his

28 or her early retirement date, the member shall receive an  
29 immediate monthly benefit which shall begin to accrue on the  
30 first day of the month of the retirement date and be payable  
31 on the last day of that month and each month thereafter during

1 his or her lifetime. The amount of each monthly payment shall  
2 be computed in the same manner as for a normal retirement  
3 benefit, in accordance with subsection (1), but based on  
4 average monthly compensation and creditable service as of the  
5 member's early retirement date. The benefit so computed shall  
6 be reduced by five-twelfths of 1 percent for each complete  
7 month by which the early retirement precedes the normal  
8 retirement date of age 62 for a regular member or a member of  
9 the Elected State and County Officers' Class, and age 55 for a  
10 special risk member or age 52 if a special risk member has  
11 completed 25 years of creditable service in accordance with s.  
12 121.021(29)(c)3. However, if the employment of a member is  
13 terminated by reason of death subsequent to the completion of  
14 20 years of creditable service, the monthly benefit payable to  
15 the member's beneficiary shall be calculated in accordance  
16 with subsection (1), but based on average monthly compensation  
17 and creditable service as of the date of death. The benefit  
18 so computed shall be reduced by five-twelfths of 1 percent for  
19 each complete month by which death precedes the normal  
20 retirement date specified above or the date on which the  
21 member would have attained 30 years of creditable service had  
22 he or she survived and continued his or her employment,  
23 whichever provides a higher benefit.

24 (4) DISABILITY RETIREMENT BENEFIT.--

25 (a) Disability retirement date.--A member who becomes  
26 totally and permanently disabled, as defined in paragraph (b),  
27 after completing 5 years of creditable service, or a member  
28 who becomes totally and permanently disabled in the line of  
29 duty regardless of service, shall be entitled to a monthly  
30 disability benefit; except that any member with less than 5  
31 years of creditable service on July 1, 1980, or any person who



1 becomes a member of the Florida Retirement System on or after  
2 such date must have completed 10 years of creditable service  
3 prior to becoming totally and permanently disabled in order to  
4 receive disability retirement benefits for any disability  
5 which occurs other than in the line of duty. But in the event  
6 that any member employed on July 1, 1980, with less than 5  
7 years of creditable service as of that date, becomes totally  
8 and permanently disabled after completing 5 years of  
9 creditable service and is found not to have attained fully  
10 insured status for benefits under the federal Social Security  
11 Act, such member shall be entitled to a monthly disability  
12 benefit. The disability retirement date shall be the first  
13 day of the month which coincides with or next follows the date  
14 the administrator approves payment of disability retirement  
15 benefits to the member.

16 (b) Total and permanent disability.--A member shall be  
17 considered totally and permanently disabled if, in the opinion  
18 of the administrator, he or she is prevented, by reason of a  
19 medically determinable physical or mental impairment, from  
20 rendering useful and efficient service as an officer or  
21 employee.

22 (c) Proof of disability.--The administrator, before  
23 approving payment of any disability retirement benefit, shall  
24 require proof that the member is totally and permanently  
25 disabled as provided herein, which proof shall include the  
26 certification of the member's total and permanent disability  
27 by two licensed physicians of the state and such other  
28 evidence of disability as the administrator may require,  
29 including reports from vocational rehabilitation, evaluation,  
30 or testing specialists who have evaluated the applicant for  
31 employment.

1           (d) Disability retirement benefit.--Upon the  
2 retirement of a member on his or her disability retirement  
3 date, the member shall receive a monthly benefit which shall  
4 begin to accrue on the first day of the month of disability  
5 retirement and shall be payable on the last day of that month  
6 and each month thereafter during his or her lifetime and  
7 continued disability. The amount of each monthly payment shall  
8 be computed in the same manner as for a normal retirement  
9 benefit, in accordance with subsection (1), but based on  
10 disability option actuarial equivalency tables and the average  
11 monthly compensation and creditable service of the member as  
12 of the disability retirement date, subject to the following  
13 conditions:

14           1. If the member's disability occurred in the line of  
15 duty, the monthly Option 1 benefit shall not be less than 42  
16 percent of average monthly compensation as of the disability  
17 retirement date; or

18           2. If the member's disability occurred other than in  
19 the line of duty, the monthly Option 1 benefit shall not be  
20 less than 25 percent of average monthly compensation as of the  
21 disability retirement date.

22           (e) Recovery from disability.--The administrator may  
23 require periodic reexaminations at the expense of the  
24 retirement fund, and:

25           1. If the administrator finds that a member who is  
26 receiving disability benefits is, at any time prior to his or  
27 her normal retirement date, no longer disabled, the  
28 administrator shall direct that the benefits be discontinued.  
29 The decision of the administrator on this question shall be  
30 final and binding.

31

1           2. If the member, described in subparagraph 1., who  
2 recovers from such disability prior to the normal retirement  
3 date does not reenter the employ of an employer and had not  
4 completed 10 years of creditable service as of the disability  
5 retirement date, he or she shall be entitled to the excess, if  
6 any, of his or her accumulated contributions over the total  
7 disability benefits received up to the date of recovery.

8           3. If the member, described in subparagraph 1., who  
9 recovers from such disability prior to the normal retirement  
10 date does not reenter the employ of an employer but had  
11 completed 10 or more years of creditable service as of the  
12 disability retirement date, he or she may elect to receive:

13           a. The excess, if any, of his or her accumulated  
14 contributions over the total disability benefits received up  
15 to the date of recovery, or

16           b. A deferred benefit commencing on the last day of  
17 the month of the normal retirement date which shall be payable  
18 on the last day of the month thereafter during his or her  
19 lifetime. The amount of such monthly benefit shall be  
20 computed in the same manner as for a normal retirement  
21 benefit, in accordance with subsection (1), but based on  
22 average monthly compensation and creditable service as of the  
23 member's disability retirement date.

24           4. If the member recovers from disability and reenters  
25 employment of an employer within 6 months after recovery, the  
26 member's service will be deemed to have been continuous, but  
27 the period beginning with the first month for which he or she  
28 received a disability benefit payment and ending with the date  
29 he or she reentered employment will not be considered as  
30 creditable service for the purpose of computing benefits  
31 except as provided in subparagraph 5. The term "accumulated

1 contributions" for such member wherever used in this section  
2 after such recovery means the excess of a member's accumulated  
3 contributions as of the disability retirement date over total  
4 disability benefits received under paragraph (d).

5         5. If the member recovers from disability, has his or  
6 her disability benefit terminated, reenters covered  
7 employment, and is continuously employed for a minimum of 1  
8 year of creditable service, he or she may claim as creditable  
9 service the months during which he or she was receiving a  
10 disability benefit, upon payment of the required  
11 contributions. Contributions shall equal the total required  
12 employee and employer contribution rate during the period the  
13 retiree received retirement benefits, multiplied times his or  
14 her rate of monthly compensation prior to the commencement of  
15 disability retirement for each month of the period claimed,  
16 plus 4 percent interest until July 1, 1975, and 6.5 percent  
17 interest thereafter on such contributions, compounded annually  
18 each June 30 to the date of payment. If the member does not  
19 claim credit for all of the months he or she received  
20 disability benefits, the months claimed must be the most  
21 recent months of retirement.

22         6. If after recovery of disability and reentry into  
23 covered employment, the member again becomes disabled and is  
24 again approved for disability retirement, the Option 1 monthly  
25 retirement benefit shall not be less than the Option 1 monthly  
26 benefit calculated at the time of the previous disability,  
27 plus any cost of living increases up to the time the  
28 disability benefit was terminated upon his or her reentry into  
29 covered employment.

30  
31

1 (f) Nonadmissible causes of disability.--A member  
2 shall not be entitled to receive any disability retirement  
3 benefit if the disability is a result of any of the following:

4 1. Injury or disease sustained by the member while  
5 willfully participating in a riot, civil insurrection, or  
6 other act of violence or while committing a felony;

7 2. Injury or disease sustained by the member after his  
8 or her employment has terminated; or

9 3. Intentional, self-inflicted injury.

10 (g) Disability retirement of justice or judge by order  
11 of Supreme Court.--

12 1. If a member is a justice of the Supreme Court,  
13 judge of a district court of appeal, circuit judge, or judge  
14 of a county court who has served for 10 years or more as an  
15 elected constitutional judicial officer, including service as  
16 a judicial officer in any court abolished pursuant to Art. V  
17 of the State Constitution, and who is retired for disability  
18 by order of the Supreme Court upon recommendation of the  
19 Judicial Qualifications Commission pursuant to the provisions  
20 of Art. V of the State Constitution, the member's Option 1  
21 monthly benefit as provided in subparagraph (6)(a)1. shall not  
22 be less than two-thirds of his or her monthly compensation as  
23 of the member's disability retirement date. Such a member may  
24 alternatively elect to receive a disability retirement benefit  
25 under any other option as provided in paragraph (6)(a).

26 2. Should any justice or judge who is a member of the  
27 Florida Retirement System be retired for disability by order  
28 of the Supreme Court upon recommendation of the Judicial  
29 Qualifications Commission pursuant to the provisions of Art. V  
30 of the State Constitution, then all contributions to his or  
31 her account and all contributions made on his or her behalf by

1 the employer shall be transferred to and deposited in the  
2 General Revenue Fund of the state, and there is hereby  
3 appropriated annually out of the General Revenue Fund, to be  
4 paid into the Florida Retirement System Fund, an amount  
5 necessary to pay the benefits of all justices and judges  
6 retired from the Florida Retirement System pursuant to Art. V  
7 of the State Constitution.

8 (5) TERMINATION BENEFITS.--

9 (a) A member whose employment is terminated for any  
10 reason other than death or retirement prior to the completion  
11 of 10 years of creditable service shall be entitled to the  
12 return of his or her accumulated contributions as of the date  
13 of termination.

14 (b) A member whose employment is terminated for any  
15 reason other than death or retirement after the completion of  
16 10 years of creditable service may elect to receive a deferred  
17 monthly benefit which shall begin to accrue on the first day  
18 of the month of normal or early retirement and shall be  
19 payable on the last day of that month and each month  
20 thereafter during his or her lifetime. The amount of monthly  
21 benefit shall be computed in the same manner as for a normal  
22 retirement benefit in accordance with subsection (1) or early  
23 retirement benefit in accordance with s. 121.021(30), but  
24 based on average monthly compensation and creditable service  
25 as of the date of termination.

26 (c) In lieu of the deferred monthly benefit provided  
27 in paragraph (b), the terminated member may elect to receive a  
28 lump-sum amount equal to his or her accumulated contributions  
29 as of the date of termination.

30 (d) If any retired member dies without having received  
31 in benefit payments an amount equal to his or her accumulated

1 contributions, there shall be payable to his or her designated  
2 beneficiary an amount equal to the excess, if any, of the  
3 member's accumulated contributions over the total monthly  
4 payments made to the member prior to the date of death.

5 (e) A member shall be deemed a terminated member when  
6 termination of employment has occurred as provided in s.  
7 121.021(39).

8 (f) Any member who has been found guilty by a verdict  
9 of a jury, or by the court trying the case without a jury, of  
10 committing, aiding, or abetting any embezzlement or theft from  
11 his or her employer, bribery in connection with the  
12 employment, or other felony specified in chapter 838, except  
13 ss. 838.15 and 838.16, committed prior to retirement, or who  
14 has entered a plea of guilty or of nolo contendere to such  
15 crime, or any member whose employment is terminated by reason  
16 of the member's admitted commitment, aiding, or abetting of an  
17 embezzlement or theft from his or her employer, bribery, or  
18 other felony specified in chapter 838, except ss. 838.15 and  
19 838.16, shall forfeit all rights and benefits under this  
20 chapter, except the return of his or her accumulated  
21 contributions as of the date of termination.

22 (g) Any elected official who is convicted by the  
23 Senate of an impeachable offense shall forfeit all rights and  
24 benefits under this chapter, except the return of his or her  
25 accumulated contributions as of the date of the conviction.

26 (h) Any member who, prior to retirement, is adjudged  
27 by a court of competent jurisdiction to have violated any  
28 state law against strikes by public employees, or who has been  
29 found guilty by such court of violating any state law  
30 prohibiting strikes by public employees, shall forfeit all  
31 rights and benefits under this chapter, except the return of

1 his or her accumulated contributions as of the date of the  
2 conviction.

3 (6) OPTIONAL FORMS OF RETIREMENT BENEFITS AND  
4 DISABILITY RETIREMENT BENEFITS.--

5 (a) Prior to the receipt of the first monthly  
6 retirement payment, a member shall elect to receive the  
7 retirement benefits to which he or she is entitled under  
8 subsection (1), subsection (2), subsection (3), or subsection  
9 (4) in accordance with one of the following options:

10 1. The maximum retirement benefit payable to the  
11 member during his or her lifetime.

12 2. A decreased retirement benefit payable to the  
13 member during his or her lifetime and, in the event of his or  
14 her death within a period of 10 years after retirement, the  
15 same monthly amount payable for the balance of such 10-year  
16 period to his or her beneficiary or, in case the beneficiary  
17 is deceased, in accordance with subsection (8) as though no  
18 beneficiary had been named.

19 3. A decreased retirement benefit payable during the  
20 joint lifetime of both the member and his or her joint  
21 annuitant and which, after the death of either, shall continue  
22 during the lifetime of the survivor in the same amount,  
23 subject to the provisions of subsection (12).

24 4. A decreased retirement benefit payable during the  
25 joint lifetime of the member and his or her joint annuitant  
26 and which, after the death of either, shall continue during  
27 the lifetime of the survivor in an amount equal to  $66 \frac{2}{3}$   
28 percent of the amount that was payable during the joint  
29 lifetime of the member and his or her joint annuitant, subject  
30 to the provisions of subsection (12).

31



1 The spouse of any member who elects to receive the benefit  
2 provided under subparagraph 1. or subparagraph 2. shall be  
3 notified of and shall acknowledge any such election.

4 (b) The benefit payable under any option stated above  
5 shall be the actuarial equivalent, based on tables adopted by  
6 the administrator for this purpose, of the amount to which the  
7 member was otherwise entitled.

8 (c) A member who elects the option in subparagraph  
9 (a)2. shall, in accordance with subsection (8), designate one  
10 or more persons to receive the benefits payable in the event  
11 of his or her death. Such persons shall be the beneficiaries  
12 of the member. The member may also designate one or more  
13 contingent beneficiaries to receive any benefits remaining  
14 upon the death of the primary beneficiary.

15 (d) A member who elects the option in subparagraph  
16 (a)3. or subparagraph (a)4. shall, on a form provided for that  
17 purpose, designate a joint annuitant to receive the benefits  
18 which continue to be payable upon the death of the member.  
19 After benefits have commenced under the option in subparagraph  
20 (a)3. or subparagraph (a)4., a retired member may change his  
21 or her designation of a joint annuitant only twice. If such a  
22 retired member desires to change his or her designation of a  
23 joint annuitant, he or she shall file with the division a  
24 notarized "change of joint annuitant" form and shall notify  
25 the former joint annuitant in writing of such change. Upon  
26 receipt of a completed change of joint annuitant form, the  
27 division shall adjust the member's monthly benefit by the  
28 application of actuarial tables and calculations developed to  
29 ensure that the benefit paid is the actuarial equivalent of  
30 the present value of the member's current benefit. The  
31

1 consent of a retired member's first designated joint annuitant  
2 to any such change shall not be required.

3 (e) The election of an option shall be null and void  
4 if the member dies before the effective date of retirement.

5 (f) A member who elects to receive benefits under the  
6 option in subparagraph (a)3. may designate one or more  
7 qualified persons, either a spouse or other dependent, as his  
8 or her joint annuitant to receive the benefits after the  
9 member's death in whatever proportion he or she so assigns to  
10 each person named as joint annuitant. The division shall adopt  
11 appropriate actuarial tables and calculations necessary to  
12 ensure that the benefit paid is the actuarial equivalent of  
13 the benefit to which the member is otherwise entitled under  
14 the option in subparagraph (a)1.

15 (g) Upon the death of a retired member or beneficiary  
16 receiving monthly benefits under this chapter, the monthly  
17 benefits shall be paid through the last day of the month of  
18 death and shall terminate, or be adjusted, if applicable, as  
19 of that date in accordance with the optional form of benefit  
20 selected at the time of retirement.

21 (h) The option selected or determined for payment of  
22 benefits as provided in this section shall be final and  
23 irrevocable at the time a benefit payment is cashed or  
24 deposited or credited to the Deferred Retirement Option  
25 Program as provided in subsection (13).

26 (7) DEATH BENEFITS.--

27 (a) If the employment of a member is terminated by  
28 reason of his or her death prior to the completion of 10 years  
29 of creditable service, there shall be payable to his or her  
30 designated beneficiary the member's accumulated contributions.  
31

1 (b) If the employment of an active member who may or  
2 may not have applied for retirement is terminated by reason of  
3 his or her death subsequent to the completion of 10 years of  
4 creditable service and prior to his or her effective date of  
5 retirement, if established, it shall be assumed that the  
6 member retired as of the date of death in accordance with  
7 subsection (1) if eligible for normal retirement benefits,  
8 subsection (2) if eligible for benefits payable for dual  
9 normal retirement, or subsection (3) if eligible for early  
10 retirement benefits. Benefits payable to the designated  
11 beneficiary shall be as follows:

12 1. For a beneficiary who qualifies as a joint  
13 annuitant, the optional form of payment provided in accordance  
14 with subparagraph (6)(a)3. shall be paid for the joint  
15 annuitant's lifetime.

16 2. For a beneficiary who does not qualify as a joint  
17 annuitant, no continuing monthly benefit shall be paid and the  
18 beneficiary shall be entitled only to the return of the  
19 member's personal contributions.

20 (c) If a retiring member dies on or after the  
21 effective date of retirement, but prior to a benefit payment  
22 being cashed or deposited or credited to the Deferred  
23 Retirement Option Program, benefits shall be paid as follows:

24 1. For a designated beneficiary who qualifies as a  
25 joint annuitant, benefits shall be paid in the optional form  
26 of payment provided in subparagraph (6)(a)3. for the joint  
27 annuitant's lifetime or, if the member chose the optional form  
28 of payment provided in subparagraph (6)(a)2., the joint  
29 annuitant may select the form provided in either subparagraph  
30 (6)(a)2. or subparagraph (6)(a)3.

31

1           2. For a designated beneficiary who does not qualify  
2 as a joint annuitant, any benefits payable shall be paid as  
3 provided in the option selected by the member; or if the  
4 member has not selected an option, benefits shall be paid in  
5 the optional form of payment provided in subparagraph (6)(a)1.

6           (d)~~1~~. Notwithstanding any other provision in this  
7 chapter to the contrary, with the exception of the Deferred  
8 Retirement Option Program as provided in subsection (13):

9           1. The surviving spouse of any member killed in the  
10 line of duty may receive a monthly pension equal to one-half  
11 of the monthly salary being received by the member at the time  
12 of death for the rest of the surviving spouse's lifetime.  
13 Benefits provided by this paragraph shall supersede any other  
14 distribution that may have been provided by the member's  
15 designation of beneficiary.

16           2. If the surviving spouse of a member killed in the  
17 line of duty dies, the monthly payments which would have been  
18 payable to such surviving spouse had such surviving spouse  
19 lived shall be paid for the use and benefit of such member's  
20 child or children under 18 years of age and unmarried until  
21 the 18th birthday of the member's youngest child.

22           3. If a member killed in the line of duty leaves no  
23 surviving spouse but is survived by a child or children under  
24 18 years of age, the benefits provided by subparagraph 1.,  
25 normally payable to a surviving spouse, shall be paid for the  
26 use and benefit of such member's child or children under 18  
27 years of age and unmarried until the 18th birthday of the  
28 member's youngest child.

29           4. The surviving spouse of a member whose benefit  
30 terminated because of remarriage shall have the benefit  
31

1 reinstated beginning July 1, 1993, at an amount that would  
2 have been payable had the benefit not been terminated.

3 (e) The surviving spouse or other dependent of any  
4 member, except a member who participated in the Deferred  
5 Retirement Option Program, whose employment is terminated by  
6 death shall, upon application to the administrator, be  
7 permitted to pay the required contributions for any service  
8 performed by the member which could have been claimed by the  
9 member at the time of his or her death. Such service shall be  
10 added to the creditable service of the member and shall be  
11 used in the calculation of any benefits which may be payable  
12 to the surviving spouse or other surviving dependent.

13 (f) Notwithstanding any other provisions in this  
14 chapter to the contrary, if any member who has accumulated at  
15 least 10 years of creditable service dies and the surviving  
16 spouse receives a refund of the accumulated contributions made  
17 to the retirement trust fund, such spouse may pay to the  
18 Division of Retirement an amount equal to the sum of the  
19 amount of the deceased member's accumulated contributions  
20 previously refunded plus interest at 4 percent compounded  
21 annually each June 30 from the date of refund until July 1,  
22 1975, and 6.5 percent interest compounded annually thereafter,  
23 until full payment is made, and receive the monthly retirement  
24 benefit as provided in paragraph (b).

25 (g) The designated beneficiary who is the surviving  
26 spouse or other dependent of a member whose employment is  
27 terminated by death subsequent to the completion of 10 years  
28 of creditable service but prior to actual retirement may elect  
29 to receive a deferred monthly benefit as if the member had  
30 lived and had elected a deferred monthly benefit, as provided  
31 in paragraph (5)(b), calculated on the basis of the average

1 final compensation and creditable service of the member at his  
2 or her death and the age the member would have attained on the  
3 commencement date of the deferred benefit elected by the  
4 beneficiary, paid in accordance with option 3 of paragraph  
5 (6)(a).

6 (8) DESIGNATION OF BENEFICIARIES.--Each member may, on  
7 a form provided for that purpose, signed and filed with the  
8 division, designate a choice of one or more persons, named  
9 sequentially or jointly, as his or her beneficiary who shall  
10 receive the benefits, if any, which may be payable in the  
11 event of the member's death pursuant to the provisions of this  
12 chapter. If no beneficiary is named in the manner provided  
13 above, or if no beneficiary designated by the member survives  
14 the member, the beneficiary shall be the spouse of the  
15 deceased, if living. If the member's spouse is not alive at  
16 his or her death, the beneficiary shall be the living children  
17 of the member. If no children survive, the beneficiary shall  
18 be the member's father or mother, if living; otherwise, the  
19 beneficiary shall be the member's estate. The beneficiary  
20 most recently designated by a member on a form or letter filed  
21 with the division shall be the beneficiary entitled to any  
22 benefits payable at the time of the member's death, except  
23 benefits shall be paid as provided in paragraph (7)(d) when  
24 death occurs in the line of duty.

25 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

26 (a) Any person who is retired under this chapter,  
27 except under the disability retirement provisions of  
28 subsection (4), may be employed by an employer that does not  
29 participate in a state-administered retirement system and may  
30 receive compensation from that employment without limiting or  
31

1 restricting in any way the retirement benefits payable to that  
2 person.

3 (b)1. Any person who is retired under this chapter,  
4 except under the disability retirement provisions of  
5 subsection (4), may be reemployed by any private or public  
6 employer after retirement and receive retirement benefits and  
7 compensation from his or her employer without any limitations,  
8 except that a person may not receive both a salary from  
9 reemployment with any agency participating in the Florida  
10 Retirement System and retirement benefits under this chapter  
11 for a period of 12 months immediately subsequent to the date  
12 of retirement. However, a DROP participant shall continue  
13 employment and receive a salary during the period of  
14 participation in the Deferred Retirement Option Program, as  
15 provided in subsection (13).

16 2. Any person to whom the limitation in subparagraph  
17 1. applies who violates such reemployment limitation and who  
18 is reemployed with any agency participating in the Florida  
19 Retirement System before completion of the 12-month limitation  
20 period shall give timely notice of this fact in writing to the  
21 employer and to the division and shall have his or her  
22 retirement benefits suspended for the balance of the 12-month  
23 limitation period. Any person employed in violation of this  
24 paragraph and any employing agency which knowingly employs or  
25 appoints such person without notifying the Division of  
26 Retirement to suspend retirement benefits shall be jointly and  
27 severally liable for reimbursement to the retirement trust  
28 fund of any benefits paid during the reemployment limitation  
29 period. To avoid liability, such employing agency shall have  
30 a written statement from the retiree that he or she is not  
31 retired from a state-administered retirement system. Any

1 retirement benefits received while reemployed during this  
2 reemployment limitation period shall be repaid to the  
3 retirement trust fund, and retirement benefits shall remain  
4 suspended until such repayment has been made. Benefits  
5 suspended beyond the reemployment limitation shall apply  
6 toward repayment of benefits received in violation of the  
7 reemployment limitation.

8           3. A district school board may reemploy a retired  
9 member as a substitute or hourly teacher, teacher aide,  
10 transportation assistant, bus driver, or food service worker  
11 on a noncontractual basis after he or she has been retired for  
12 1 calendar month, in accordance with s. 121.021(39). Any  
13 retired member who is reemployed within 1 calendar month after  
14 retirement shall void his or her application for retirement  
15 benefits. District school boards reemploying such teachers,  
16 teacher aides, transportation assistants, bus drivers, or food  
17 service workers are subject to the retirement contribution  
18 required by subparagraph 7. Reemployment of a retired member  
19 as a substitute or hourly teacher, teacher aide,  
20 transportation assistant, bus driver, or food service worker  
21 is limited to 780 hours during the first 12 months of his or  
22 her retirement. Any retired member reemployed for more than  
23 780 hours during his or her first 12 months of retirement  
24 shall give timely notice in writing to the employer and to the  
25 division of the date he or she will exceed the limitation.  
26 The division shall suspend his or her retirement benefits for  
27 the remainder of the first 12 months of retirement. Any  
28 person employed in violation of this subparagraph and any  
29 employing agency which knowingly employs or appoints such  
30 person without notifying the Division of Retirement to suspend  
31 retirement benefits shall be jointly and severally liable for



1 reimbursement to the retirement trust fund of any benefits  
2 paid during the reemployment limitation period. To avoid  
3 liability, such employing agency shall have a written  
4 statement from the retiree that he or she is not retired from  
5 a state-administered retirement system. Any retirement  
6 benefits received by a retired member while reemployed in  
7 excess of 780 hours during the first 12 months of retirement  
8 shall be repaid to the Retirement System Trust Fund, and his  
9 or her retirement benefits shall remain suspended until  
10 repayment is made. Benefits suspended beyond the end of the  
11 retired member's first 12 months of retirement shall apply  
12 toward repayment of benefits received in violation of the  
13 780-hour reemployment limitation.

14           4. A community college board of trustees may reemploy  
15 a retired member as an adjunct instructor, that is, an  
16 instructor who is noncontractual and part-time, or as a  
17 participant in a phased retirement program within the State  
18 Community College System, after he or she has been retired for  
19 1 calendar month, in accordance with s. 121.021(39). Any  
20 retired member who is reemployed within 1 calendar month after  
21 retirement shall void his or her application for retirement  
22 benefits. Boards of trustees reemploying such instructors are  
23 subject to the retirement contribution required in  
24 subparagraph 7. A retired member may be reemployed as an  
25 adjunct instructor for no more than 780 hours during the first  
26 12 months of retirement. Any retired member reemployed for  
27 more than 780 hours during the first 12 months of retirement  
28 shall give timely notice in writing to the employer and to the  
29 division of the date he or she will exceed the limitation.  
30 The division shall suspend his or her retirement benefits for  
31 the remainder of the first 12 months of retirement. Any

1 person employed in violation of this subparagraph and any  
2 employing agency which knowingly employs or appoints such  
3 person without notifying the Division of Retirement to suspend  
4 retirement benefits shall be jointly and severally liable for  
5 reimbursement to the retirement trust fund of any benefits  
6 paid during the reemployment limitation period. To avoid  
7 liability, such employing agency shall have a written  
8 statement from the retiree that he or she is not retired from  
9 a state-administered retirement system. Any retirement  
10 benefits received by a retired member while reemployed in  
11 excess of 780 hours during the first 12 months of retirement  
12 shall be repaid to the Retirement System Trust Fund, and  
13 retirement benefits shall remain suspended until repayment is  
14 made. Benefits suspended beyond the end of the retired  
15 member's first 12 months of retirement shall apply toward  
16 repayment of benefits received in violation of the 780-hour  
17 reemployment limitation.

18           5. The State University System may reemploy a retired  
19 member as an adjunct faculty member or as a participant in a  
20 phased retirement program within the State University System  
21 after the retired member has been retired for 1 calendar  
22 month, in accordance with s. 121.021(39). Any retired member  
23 who is reemployed within 1 calendar month after retirement  
24 shall void his or her application for retirement benefits.  
25 The State University System is subject to the retired  
26 contribution required in subparagraph 7., as appropriate. A  
27 retired member may be reemployed as an adjunct faculty member  
28 or a participant in a phased retirement program for no more  
29 than 780 hours during the first 12 months of his or her  
30 retirement. Any retired member reemployed for more than 780  
31 hours during the first 12 months of retirement shall give

1 timely notice in writing to the employer and to the division  
2 of the date he or she will exceed the limitation. The  
3 division shall suspend his or her retirement benefits for the  
4 remainder of the first 12 months of retirement. Any person  
5 employed in violation of this subparagraph and any employing  
6 agency which knowingly employs or appoints such person without  
7 notifying the Division of Retirement to suspend retirement  
8 benefits shall be jointly and severally liable for  
9 reimbursement to the retirement trust fund of any benefits  
10 paid during the reemployment limitation period. To avoid  
11 liability, such employing agency shall have a written  
12 statement from the retiree that he or she is not retired from  
13 a state-administered retirement system. Any retirement  
14 benefits received by a retired member while reemployed in  
15 excess of 780 hours during the first 12 months of retirement  
16 shall be repaid to the Retirement System Trust Fund, and  
17 retirement benefits shall remain suspended until repayment is  
18 made. Benefits suspended beyond the end of the retired  
19 member's first 12 months of retirement shall apply toward  
20 repayment of benefits received in violation of the 780-hour  
21 reemployment limitation.

22         6. The Board of Trustees of the Florida School for the  
23 Deaf and the Blind may reemploy a retired member as a  
24 substitute teacher, substitute residential instructor, or  
25 substitute nurse on a noncontractual basis after he or she has  
26 been retired for 1 calendar month, in accordance with s.  
27 121.021(39). Any retired member who is reemployed within 1  
28 calendar month after retirement shall void his or her  
29 application for retirement benefits. The Board of Trustees of  
30 the Florida School for the Deaf and the Blind reemploying such  
31 teachers, residential instructors, or nurses is subject to the

1 retirement contribution required by subparagraph 7.  
2 Reemployment of a retired member as a substitute teacher,  
3 substitute residential instructor, or substitute nurse is  
4 limited to 780 hours during the first 12 months of his or her  
5 retirement. Any retired member reemployed for more than 780  
6 hours during the first 12 months of retirement shall give  
7 timely notice in writing to the employer and to the division  
8 of the date he or she will exceed the limitation. The division  
9 shall suspend his or her retirement benefits for the remainder  
10 of the first 12 months of retirement. Any person employed in  
11 violation of this subparagraph and any employing agency which  
12 knowingly employs or appoints such person without notifying  
13 the Division of Retirement to suspend retirement benefits  
14 shall be jointly and severally liable for reimbursement to the  
15 retirement trust fund of any benefits paid during the  
16 reemployment limitation period. To avoid liability, such  
17 employing agency shall have a written statement from the  
18 retiree that he or she is not retired from a  
19 state-administered retirement system. Any retirement benefits  
20 received by a retired member while reemployed in excess of 780  
21 hours during the first 12 months of retirement shall be repaid  
22 to the Retirement System Trust Fund, and his or her retirement  
23 benefits shall remain suspended until payment is made.  
24 Benefits suspended beyond the end of the retired member's  
25 first 12 months of retirement shall apply toward repayment of  
26 benefits received in violation of the 780-hour reemployment  
27 limitation.

28           7. The employment by an employer of any retiree or  
29 DROP participant of any state-administered retirement system  
30 shall have no effect on the average final compensation or  
31 years of creditable service of the retiree or DROP

1 participant. Prior to July 1, 1991, upon employment of any  
2 person, other than an elected officer as provided in s.  
3 121.053, who has been retired under any state-administered  
4 retirement program, the employer shall pay retirement  
5 contributions in an amount equal to the unfunded actuarial  
6 ~~accrued~~ liability portion of the employer contribution which  
7 would be required for regular members of the Florida  
8 Retirement System. Effective July 1, 1991, contributions shall  
9 be made as provided in s. 121.122 for retirees with renewed  
10 membership or subsection (13) for DROP participants.

11 8. Any person who has previously retired and who is  
12 holding an elective public office or an appointment to an  
13 elective public office eligible for the Elected State and  
14 County Officers' Class on or after July 1, 1990, shall be  
15 enrolled in the Florida Retirement System as provided in s.  
16 121.053(1)(b) or, if holding an elective public office that  
17 does not qualify for the Elected State and County Officers'  
18 Class on or after July 1, 1991, shall be enrolled in the  
19 Florida Retirement System as provided in s. 121.122, and shall  
20 continue to receive retirement benefits as well as  
21 compensation for the elected officer's service for as long as  
22 he or she remains in elective office. However, any retired  
23 member who served in an elective office prior to July 1, 1990,  
24 suspended his or her retirement benefit, and had his or her  
25 Florida Retirement System membership reinstated shall, upon  
26 retirement from such office, have his or her retirement  
27 benefit recalculated to include the additional service and  
28 compensation earned.

29 9. Any person who is holding an elective public office  
30 which is covered by the Florida Retirement System and who is  
31 concurrently employed in nonelected covered employment may

1 elect to retire while continuing employment in the elective  
2 public office, provided that he or she shall be required to  
3 terminate his or her nonelected covered employment. Any  
4 person who exercises this election shall receive his or her  
5 retirement benefits in addition to the compensation of the  
6 elective office without regard to the time limitations  
7 otherwise provided in this subsection. No person who seeks to  
8 exercise the provisions of this subparagraph, as the same  
9 existed prior to May 3, 1984, shall be deemed to be retired  
10 under those provisions, unless such person is eligible to  
11 retire under the provisions of this subparagraph, as amended  
12 by chapter 84-11, Laws of Florida.

13       10. The limitations of this paragraph apply to  
14 reemployment in any capacity with an "employer" as defined in  
15 s. 121.021(10), irrespective of the category of funds from  
16 which the person is compensated.

17       (10) FUTURE BENEFITS BASED ON ACTUARIAL DATA.--It is  
18 the intent of the Legislature that future benefit increases  
19 enacted into law in this chapter shall be financed  
20 concurrently by increased contributions or other adequate  
21 funding, and such funding shall be based on sound actuarial  
22 data as developed by the actuary or state retirement actuary,  
23 as provided in ss. 121.021(6) and 121.192.

24       (11) A member who becomes eligible to retire and has  
25 accumulated the maximum benefit of 100 percent of average  
26 final compensation may continue in active service, and, if  
27 upon the member's retirement the member elects to receive a  
28 retirement compensation pursuant to subsection (2), subsection  
29 (6), or subsection (7), the actuarial equivalent percentage  
30 factor applicable to the age of such member at the time the  
31 member reached the maximum benefit and to the age, at that

1 time, of the member's spouse shall determine the amount of  
2 benefits to be paid.

3 (12) SPECIAL PROVISIONS FOR PAYMENT OF CERTAIN  
4 SURVIVOR BENEFITS.--Notwithstanding any provision of this  
5 chapter to the contrary, for members with an effective date of  
6 retirement, or date of death if prior to retirement, on or  
7 after January 1, 1996, the named joint annuitant, as defined  
8 in s. 121.021(28)(b), who is eligible to receive benefits  
9 under subparagraph (6)(a)3. or subparagraph (6)(a)4., shall  
10 receive the maximum monthly retirement benefit that would have  
11 been payable to the member under subparagraph (6)(a)1.;  
12 however, payment of such benefit shall cease the month the  
13 joint annuitant attains age 25 unless such joint annuitant is  
14 disabled and incapable of self-support, in which case,  
15 benefits shall cease when the joint annuitant is no longer  
16 disabled. The administrator may require proof of disability  
17 or continued disability in the same manner as is provided for  
18 a member seeking or receiving a disability retirement benefit  
19 under subsection (4).

20 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
21 and subject to the provisions of this section, the Deferred  
22 Retirement Option Program, hereinafter referred to as the  
23 DROP, is a program under which an eligible member of the  
24 Florida Retirement System may elect to participate, deferring  
25 receipt of retirement benefits while continuing employment  
26 with his or her Florida Retirement System employer. The  
27 deferred monthly benefits shall accrue in the System Trust  
28 Fund on behalf of the participant, plus interest compounded  
29 monthly, for the specified period of the DROP participation,  
30 as provided in paragraph (c). Upon termination of employment,  
31 the participant shall receive the total DROP benefits and

1 begin to receive the previously determined normal retirement  
2 benefits. Employment in the DROP does not guarantee employment  
3 for the specified period of DROP.

4 (a) Eligibility of member to participate in the  
5 DROP.--All Florida Retirement System members are eligible to  
6 elect participation in the DROP provided that:

7 1. Election to participate is made within 12 months  
8 following the date on which the member first reaches normal  
9 retirement date or age, or for a member who first reached  
10 normal retirement date or age prior to the effective date of  
11 this section, election to participate is made within 12 months  
12 of the effective date of this section. A member who fails to  
13 make an election within such 12-month limitation period shall  
14 forfeit all rights to participate in the DROP. The member  
15 shall advise his employer and the division in writing of the  
16 date on which the DROP shall begin. Such beginning date may be  
17 subsequent to the 12-month election period but must be within  
18 the 60-month limitation period as provided in subparagraph

19 (b)1.

20 2. The retiring member's employer, or employers if  
21 dually employed, shall acknowledge in writing to the division  
22 the date the member's participation in the DROP begins and the  
23 date the member's employment and DROP participation will  
24 terminate.

25 3. Employment of a participant by additional Florida  
26 Retirement System employers subsequent to the commencement of  
27 participation in the DROP shall be permissible provided such  
28 employers acknowledge in writing a DROP termination date no  
29 later than the participant's existing termination date or the  
30 60-month limitation period as provided in subparagraph (b)1.

31 (b) Participation in the DROP.--



1           1. An eligible member may elect to participate in the  
2 DROP for a period not to exceed a maximum of 60 months  
3 following the date on which the member first reaches normal  
4 retirement age or date, including a member who first reaches  
5 normal retirement age or date prior to the effective date of  
6 this section. Any member who has exceeded the 60-month  
7 limitation shall not be eligible to participate in the DROP.

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

10           a. A written election to participate in the DROP;

11           b. Selection of the DROP participation and termination  
12 dates, which satisfy the limitations stated in paragraph (a)  
13 and subparagraph 1. Such termination date shall be in a  
14 binding letter of resignation with the employer, establishing  
15 a deferred termination date. The member may change the  
16 termination date within the limitations of subparagraph 1.,  
17 but only with the written approval of his employer;

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

20           d. Any other information required by the division.

21           3. The DROP participant shall be a retiree under the  
22 Florida Retirement System for all purposes, except for  
23 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,  
24 121.053, and 121.122.

25           4. A reemployed retiree with renewed membership is not  
26 eligible for DROP participation.

27           5. Elected officers shall be eligible to participate  
28 in the DROP subject to the following:

29           a. An elected or a nonelected participant may run for  
30 a term of office while participating in DROP and, if elected,  
31 extend the DROP termination date accordingly, except, however,

1 if such additional term of office exceeds the 60-month  
2 limitation established in subparagraph 1., and the officer  
3 does not resign from office within such 60-month limitation,  
4 the retirement and the participant's DROP shall be null and  
5 void as provided in subparagraph (c)4.d.

6 b. An elected officer who is dually employed and  
7 elects to participate in DROP shall be required to satisfy the  
8 definition of termination within the 60-month limitation  
9 period as provided in subparagraph 1. for the nonelected  
10 position and may continue employment as an elected officer as  
11 provided in s. 121.053. The elected officer will be enrolled  
12 as a renewed member in the Elected State and County Officers'  
13 Class or the Regular Class, as provided in ss. 121.053 and  
14 121.22, on the first day of the month after termination of  
15 employment in the nonelected position and termination of DROP.  
16 Distribution of the DROP benefits shall be made as provided in  
17 paragraph (c).

18 (c) Benefits payable under the DROP.--

19 1. Effective with the date of DROP participation, the  
20 member's initial normal monthly benefit, including creditable  
21 service and average final compensation, and the effective date  
22 of retirement shall be fixed. Such retirement benefit, the  
23 annual cost of living adjustments provided in s. 121.101, and  
24 interest shall accrue monthly in the System Trust Fund. Such  
25 interest shall accrue at an effective annual rate of 6.5  
26 percent compounded monthly, on the prior month's accumulated  
27 ending balance, up to the month of termination or death.

28 2. The effective date of retirement of a DROP  
29 participant shall be the first day of the month selected by  
30 the member to begin participation in the DROP.

31

1           3. Normal retirement benefits and interest thereon  
2 shall continue to accrue in the DROP until the established  
3 termination date of the DROP, or until the participant  
4 terminates employment or dies prior to such date. Although  
5 individual DROP accounts shall not be established, a separate  
6 accounting of each participant's accrued benefits under the  
7 DROP shall be calculated and provided to participants  
8 annually.

9           4. At the conclusion of the participant's DROP, the  
10 division shall distribute the participant's total accumulated  
11 DROP benefits, subject to the following provisions:

12           a. The division shall receive verification by the  
13 participant's employer or employers that such participant has  
14 terminated employment as provided in s. 121.021(39)(b).

15           b. The terminated DROP participant or if deceased,  
16 such participant's named beneficiary, shall elect on forms  
17 provided by the division to receive payment of the DROP  
18 benefits in accordance with one of the options listed below.  
19 For a participant or beneficiary who fails to elect a method  
20 of payment within 60 days of termination of the DROP, the  
21 division will pay a lump sum as provided in (I).

22           (I) Lump sum.--All accrued DROP benefits, plus  
23 interest, less withholding taxes remitted to the Internal  
24 Revenue Service, shall be paid to the DROP participant or  
25 surviving beneficiary.

26           (II) Direct rollover.--All accrued DROP benefits, plus  
27 interest, shall be paid from the DROP directly to the  
28 custodian of an eligible retirement plan as defined in s.  
29 402(c)(8)(B) of the Internal Revenue Code. However, in the  
30 case of an eligible rollover distribution to the surviving  
31 spouse of a deceased participant, an eligible retirement plan

1 is an individual retirement account or an individual  
2 retirement annuity as described in s. 402(c)(9) of the  
3 Internal Revenue Code.

4 (III) Partial lump sum.--A portion of the accrued DROP  
5 benefits shall be paid to the DROP participant or surviving  
6 spouse, less withholding taxes remitted to the Internal  
7 Revenue Service, and the remaining DROP benefits shall be  
8 transferred directly to the custodian of an eligible  
9 retirement plan as defined in s. 402(c)(8)(B) of the Internal  
10 Revenue Code. However, in the case of an eligible rollover  
11 distribution to the surviving spouse of a deceased  
12 participant, an eligible retirement plan is an individual  
13 retirement account or an individual retirement annuity as  
14 described in s. 402(c)(9) of the Internal Revenue Code. The  
15 proportions shall be specified by the DROP participant or  
16 surviving beneficiary.

17 c. The form of payment selected by the DROP  
18 participant or surviving beneficiary complies with the minimum  
19 distribution requirements of the Internal Revenue Code and  
20 payments begin no later than the date on which the participant  
21 reaches age 70 years and 6 months.

22 d. For a DROP participant who fails to terminate  
23 employment as defined in s. 121.021(39)(b), the member shall  
24 be deemed not to be retired and the DROP election shall be  
25 null and void. Florida Retirement System membership shall be  
26 reestablished retroactively to the date of the commencement of  
27 the DROP, and the employer shall be required to pay to the  
28 System Trust Fund the difference between the DROP  
29 contributions paid in paragraph (i) and the contributions  
30 required for the applicable Florida Retirement System class of  
31

1 membership during the period the member participated in the  
2 DROP, plus 6.5 percent interest compounded annually.

3 5. The accrued benefits of any DROP participant, and  
4 any contributions accumulated under such program, shall not be  
5 subject to assignment, execution, attachment, or to any legal  
6 process whatsoever, except for qualified domestic relations  
7 orders by a court of competent jurisdiction, income deduction  
8 orders as provided in s. 61.1301, and federal income tax  
9 levies.

10 6. DROP participants shall not be eligible for  
11 disability retirement benefits as provided in subsection (4).

12 (d) Death benefits under the DROP.--

13 1. Upon the death of a DROP participant, the named  
14 beneficiary shall be entitled to apply for and receive the  
15 accrued benefits in the DROP as provided in sub-subparagraph  
16 (c)4.b.

17 2. The normal retirement benefit accrued to the DROP  
18 during the month of a participant's death shall be the final  
19 monthly benefit credited for such DROP participant.

20 3. Eligibility to participate in the DROP terminates  
21 upon death of the participant. If the participant dies on or  
22 after the effective date of enrollment in the DROP, but prior  
23 to the first monthly benefit being credited to the DROP,  
24 Florida Retirement System benefits shall be paid in accordance  
25 with subparagraph (7)(c)1. or subparagraph 2.

26 4. A DROP participants' survivors shall not be  
27 eligible to receive Florida Retirement System death benefits  
28 as provided in paragraph (7)(d).

29 (e) Cost-of-living adjustment.--On each July 1, the  
30 participants' normal retirement benefit shall be increased as  
31 provided in s. 121.101.

1           (f) Retiree health insurance subsidy.--DROP  
2 participants are not eligible to apply for the retiree health  
3 insurance subsidy payments as provided in s. 112.363 until  
4 such participants have terminated employment and participation  
5 in the DROP.

6           (g) Renewed membership.--DROP participants shall not  
7 be eligible for renewed membership in the Florida Retirement  
8 System under ss. 121.053 and 121.122 until termination of  
9 employment is effectuated as provided in s. 121.021(39)(b).

10           (h) Employment limitation after DROP  
11 participation.--Upon satisfying the definition of termination  
12 of employment as provided in s. 121.021(39)(b) DROP  
13 participants shall be subject to such reemployment limitations  
14 as other retirees. Reemployment restrictions applicable to  
15 retirees as provided in subsection (9) shall not apply to DROP  
16 participants until their employment and participation in the  
17 DROP are terminated.

18           (i) Contributions.--

19           1. All employers paying the salary of a DROP  
20 participant filling a regularly established position shall  
21 contribute 11.56 percent of such participant's gross  
22 compensation, which shall constitute the entire employer DROP  
23 contribution with respect to such participant. Such  
24 contributions, payable to the System Trust Fund in the same  
25 manner as required in s. 121.071, shall be made as appropriate  
26 for each pay period and are in addition to contributions  
27 required for Social Security and the Retiree Health Insurance  
28 Subsidy Trust Fund. Such employer, Social Security, and  
29 health insurance subsidy contributions are not included in the  
30 DROP.

31

1           2. The employer shall, in addition to subparagraph 1.,  
2 also withhold one-half of the entire Social Security  
3 contribution required for the participant. Contributions for  
4 Social Security by each participant and each employer, in the  
5 amount required for Social Security coverage as now or  
6 hereafter provided by the federal Social Security Act, shall  
7 be in addition to contributions specified in subparagraph 1.

8           3. All employers paying the salary of a DROP  
9 participant filling a regularly established position shall  
10 contribute 0.66 percent of such participant's gross  
11 compensation, which shall constitute the employer's health  
12 insurance subsidy contribution with respect to such  
13 participant. Such contributions shall be deposited by the  
14 administrator in the Retiree Health Insurance Subsidy Trust  
15 Fund.

16           (j) Forfeiture of Retirement Benefits.--Nothing in  
17 this section shall be construed to remove DROP participants  
18 from the scope of Article II, s. 8(d), State Constitution, s.  
19 112.3173, and paragraph (5)(f) of this section. DROP  
20 participants who commit a specified felony offense while  
21 employed will be subject to forfeiture of all retirement  
22 benefits, including DROP benefits, pursuant to those  
23 provisions of law.

24           (k) Administration of Program.--The division shall  
25 make such rules as are necessary for the effective and  
26 efficient administration of this subsection. The division  
27 shall not be required to advise members of the federal tax  
28 consequences of an election related to the DROP but may advise  
29 members to seek independent advice.

30           Section 21. Effective July 1, 1998, there is hereby  
31 appropriated to the Division of Retirement from the Florida

1 Retirement System Trust Fund the sum of \$813,923 and 14  
2 positions for the purposes of advanced planning and systems  
3 development associated with development of the Deferred  
4 Retirement Option Plan.

5 Section 22. Effective July 1, 1998, and contingent  
6 upon the Division of Retirement receiving a favorable  
7 determination letter and a favorable private letter ruling,  
8 hereinafter referred to as favorable letters, from the  
9 Internal Revenue Service, as provided below prior to the end  
10 of the 1998 legislative session. The division shall request  
11 from the Internal Revenue Service, within 90 days of the  
12 passage of this act:

13 (1) A written determination letter stating that the  
14 Florida Retirement System, as amended to include the DROP,  
15 continues to be a facially qualified plan; and

16 (2) A private letter ruling stating:

17 (a) That the Florida Retirement System, as amended to  
18 include the DROP, is not a "defined contribution plan" as  
19 defined in ss. 414(i) and 415(k)(1) of the Internal Revenue  
20 Code, is not subject to the separate limitations contained  
21 within s. 415(c) and (e) of the Internal Revenue Code, and is  
22 not a "hybrid plan" as defined in s. 414(k) of the Internal  
23 Revenue Code;

24 (b) That the Florida Retirement System, as amended to  
25 include the DROP, is not a "cash or deferred arrangement"  
26 within the meaning of s. 401(k) of the Internal Revenue Code;  
27 and

28 (c) That the monthly retirement benefits paid into the  
29 DROP are not deemed to be constructive receipt of income under  
30 s. 402(a) of the Internal Revenue Code and shall not be  
31 taxable until actual distribution to the retiree.



1  
2 The division shall notify the Speaker of the House of  
3 Representatives and the President of the Senate within 30 days  
4 of receipt of the favorable or unfavorable letters. If no  
5 favorable letters are received by July 1, 1998, sections 18,  
6 19, 20, and this section shall take effect January 1, 1999,  
7 provided the division receives the favorable letters prior to  
8 such date. In the event favorable letters are not received,  
9 sections 18, 19, 20, and this section shall not take effect.

10           Section 23. The Legislature finds that a proper and  
11 legitimate state purpose is served when employees and retirees  
12 of the state and of its political subdivisions, and the  
13 dependents, survivors, and beneficiaries of such employees and  
14 retirees, are extended the basic protections afforded by  
15 governmental retirement systems that provide fair and adequate  
16 benefits and that are managed, administered, and funded in an  
17 actuarially sound manner, as required by section 14, Article X  
18 of the State Constitution and part VII of chapter 112 of the  
19 Florida Statutes. Therefore, the Legislature hereby  
20 determines and declares that the provisions of this act  
21 fulfill an important state interest.

22           Section 24. Except as otherwise provided herein, this  
23 act shall take effect upon becoming a law.  
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