



1 contract must provide for a private vendor to administer the  
2 plan. The plan must provide retirement benefits in a manner  
3 that minimizes the tax liability of the participants. The plan  
4 must be funded by employer contributions of payments for  
5 accumulated sick leave or annual leave. The plan must have  
6 received all necessary federal and state approval as required  
7 by law and must comply with the provisions of section 112.65,  
8 Florida Statutes. The department's request for proposals by  
9 vendors for such a plan may require that the vendor provide  
10 market-risk or volatility ratings from recognized rating  
11 agencies for each of its investment products. The proposal  
12 must be reviewed by the State Board of Administration, which  
13 shall advise the department with respect to the findings of  
14 that review. The department shall provide for a system of  
15 continuous quality-assurance oversight to ensure that the  
16 program objectives are achieved and that the program is  
17 prudently managed.

18 (2) Within 30 days after termination from employment,  
19 an employee may elect to withdraw the moneys without penalty  
20 by the plan administrator and shall be held harmless by the  
21 state with regard to any early withdrawal penalties imposed by  
22 the Internal Revenue Service.

23 (3) Notwithstanding the terminal-pay provisions of  
24 section 110.122, Florida Statutes, the department shall  
25 develop and contract for a tax-sheltered plan for sick-leave  
26 payments for employees participating in the Deferred  
27 Retirement Option Program. These payments shall be paid into a  
28 tax-sheltered plan during the time the employee participates  
29 in the DROP program and shall be distributed to the employee  
30 upon termination of the DROP program.

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