

By Senator Burt

16-557-01

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A bill to be entitled  
An act relating to retirement; amending s.  
121.091, F.S.; increasing the time for  
participation in the Deferred Retirement Option  
Program for members of the elected officers  
class of the Florida Retirement System;  
providing a finding of important state  
interest; providing an effective date.

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

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

121.091 Benefits payable under the system.--Benefits  
may not be paid under this section unless the member has  
terminated employment as provided in s. 121.021(39)(a) or  
begun participation in the Deferred Retirement Option Program  
as provided in subsection (13), and a proper application has  
been filed in the manner prescribed by the department. The  
department may cancel an application for retirement benefits  
when the member or beneficiary fails to timely provide the  
information and documents required by this chapter and the  
department's rules. The department shall adopt rules  
establishing procedures for application for retirement  
benefits and for the cancellation of such application when the  
required information or documents are not received.

(13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
and subject to the provisions of this section, the Deferred  
Retirement Option Program, hereinafter referred to as the  
DROP, is a program under which an eligible member of the  
Florida Retirement System may elect to participate, deferring

1 receipt of retirement benefits while continuing employment  
2 with his or her Florida Retirement System employer. The  
3 deferred monthly benefits shall accrue in the System Trust  
4 Fund on behalf of the participant, plus interest compounded  
5 monthly, for the specified period of the DROP participation,  
6 as provided in paragraph (c). Upon termination of employment,  
7 the participant shall receive the total DROP benefits and  
8 begin to receive the previously determined normal retirement  
9 benefits. Participation in the DROP does not guarantee  
10 employment for the specified period of DROP.

11 (b) Participation in the DROP.--

12 1. An eligible member may elect to participate in the  
13 DROP for a period not to exceed a maximum of 60 calendar  
14 months immediately following the date on which the member  
15 first reaches his or her normal retirement date or the date to  
16 which he or she is eligible to defer his or her election to  
17 participate as provided in subparagraph (a)2. However, a  
18 member who has reached normal retirement date prior to the  
19 effective date of the DROP shall be eligible to participate in  
20 the DROP for a period of time not to exceed 60 calendar months  
21 immediately following the effective date of the DROP, except a  
22 member of the Special Risk Class who has reached normal  
23 retirement date prior to the effective date of the DROP and  
24 whose total accrued value exceeds 75 percent of average final  
25 compensation as of his or her effective date of retirement  
26 shall be eligible to participate in the DROP for no more than  
27 36 calendar months immediately following the effective date of  
28 the DROP.

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

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

1           b. Selection of the DROP participation and termination  
2 dates, which satisfy the limitations stated in paragraph (a)  
3 and subparagraph 1. Such termination date shall be in a  
4 binding letter of resignation with the employer, establishing  
5 a deferred termination date. The member may change the  
6 termination date within the limitations of subparagraph 1.,  
7 but only with the written approval of his or her employer;

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

10           d. Any other information required by the division.

11           3. The DROP participant shall be a retiree under the  
12 Florida Retirement System for all purposes, except for  
13 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,  
14 121.053, and 121.122. However, participation in the DROP does  
15 not alter the participant's employment status and such  
16 employee shall not be deemed retired from employment until his  
17 or her deferred resignation is effective and termination  
18 occurs as provided in s. 121.021(39).

19           4. Elected officers shall be eligible to participate  
20 in the DROP subject to the following:

21           a. An elected officer who reaches normal retirement  
22 date during a term of office may defer the election to  
23 participate in the DROP until the next succeeding term in that  
24 office. Such elected officer who exercises this option may  
25 participate in the DROP for up to 60 calendar months or a  
26 period of no longer than such succeeding term of office,  
27 whichever is greater ~~less~~.

28           b. An elected or a nonelected participant may run for  
29 a term of office while participating in DROP and, if elected,  
30 extend the DROP termination date accordingly, except, however,  
31 if such additional term of office exceeds the 60-month

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

6 c. 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 Officers' Class or the  
13 Regular Class, as provided in ss. 121.053 and 121.22, on the  
14 first day of the month after termination of employment in the  
15 nonelected position and termination of DROP. Distribution of  
16 the DROP benefits shall be made as provided in paragraph (c).

17 Section 2. The Legislature finds that a proper and  
18 legitimate state purpose is served when employees and retirees  
19 of the state and of its political subdivisions, and the  
20 dependents, survivors, and beneficiaries of such employees and  
21 retirees, are extended the basic protections afforded by  
22 governmental retirement systems that provide fair and adequate  
23 benefits that are managed, administered, and funded in an  
24 actuarially sound manner, as required by section 14 of Article  
25 X of the State Constitution and part VII of chapter 112,  
26 Florida Statutes. Therefore, the Legislature determines and  
27 declares that this act fulfills an important state interest.

28 Section 3. This act shall take effect July 1, 2001.  
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SENATE SUMMARY

Increases the period an elected officer may participate in the Deferred Retirement Option Program when he or she defers participation until the next succeeding term in that office.