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Bill No. SB 2, 2nd Eng.

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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4		.	

ORIGINAL STAMP BELOW

Representative(s) Cantens offered the following:

Amendment (with title amendment)

On page 1, line 20,

insert:

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

121.053 Participation in the Elected Officers' Class for retired members.--

(1)

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

1. Any such retired member shall be eligible to

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1 continue to receive retirement benefits as well as
2 compensation for the elected officer service for as long as he
3 or she remains in an elective office covered by the Elected
4 Officers' Class.

5 2. If any such member serves in an elective office
6 covered by the Elected Officers' Class and becomes vested
7 under that class, he or she shall be entitled to receive an
8 additional retirement benefit for such elected officer
9 service.

10 3. Such member shall be entitled to purchase
11 additional retirement credit in the Elected Officers' Class
12 for any postretirement service performed in an elected
13 position eligible for the Elected Officers' Class prior to
14 July 1, 1990, or in the Regular Class for any postretirement
15 service performed in any other regularly established position
16 prior to July 1, 1991, by paying the applicable Elected
17 Officers' Class or Regular Class employee and employer
18 contributions for the period being claimed, plus 4 percent
19 interest compounded annually from the first year of service
20 claimed until July 1, 1975, and 6.5 percent interest
21 compounded thereafter, until full payment is made to the
22 Florida Retirement System Trust Fund. The contribution for
23 postretirement Regular Class service between July 1, 1985, and
24 July 1, 1991, for which the reemployed retiree contribution
25 was paid, shall be the difference between such contribution
26 and the total applicable contribution for the period being
27 claimed, plus interest. The employer of such member may pay
28 the applicable employer contribution in lieu of the member. If
29 a member does not wish to claim credit for all of the
30 postretirement service for which he or she is eligible, the
31 service the member claims must be the most recent service.

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1 4. Creditable service for which credit was received,
2 or which remained unclaimed, at retirement may not be claimed
3 or applied toward service credit earned following renewed
4 membership. However, service earned in accordance with the
5 renewed membership provisions in s. 121.122 may be used in
6 conjunction with creditable service earned under this
7 paragraph, provided applicable vesting requirements and other
8 existing statutory conditions required by this chapter are
9 met.

10 5. Any elected officer who is a participating member
11 of DROP may terminate participation at any time during the
12 60-month DROP participation period and elect to enroll in the
13 appropriate subclass of the Elected Officers' Class, including
14 participating in the Senior Management Service Class,
15 effective the first day of the following month.

16 Section 2. Paragraph (b) of subsection (13) of section
17 121.091, Florida Statutes, is amended to read:

18 121.091 Benefits payable under the system.--Benefits
19 may not be paid under this section unless the member has
20 terminated employment as provided in s. 121.021(39)(a) or
21 begun participation in the Deferred Retirement Option Program
22 as provided in subsection (13), and a proper application has
23 been filed in the manner prescribed by the department. The
24 department may cancel an application for retirement benefits
25 when the member or beneficiary fails to timely provide the
26 information and documents required by this chapter and the
27 department's rules. The department shall adopt rules
28 establishing procedures for application for retirement
29 benefits and for the cancellation of such application when the
30 required information or documents are not received.

31 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,

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1 and subject to the provisions of this section, the Deferred
2 Retirement Option Program, hereinafter referred to as the
3 DROP, is a program under which an eligible member of the
4 Florida Retirement System may elect to participate, deferring
5 receipt of retirement benefits while continuing employment
6 with his or her Florida Retirement System employer. The
7 deferred monthly benefits shall accrue in the System Trust
8 Fund on behalf of the participant, plus interest compounded
9 monthly, for the specified period of the DROP participation,
10 as provided in paragraph (c). Upon termination of employment,
11 the participant shall receive the total DROP benefits and
12 begin to receive the previously determined normal retirement
13 benefits. Participation in the DROP does not guarantee
14 employment for the specified period of DROP.

15 (b) Participation in the DROP.--

16 1. An eligible member may elect to participate in the
17 DROP for a period not to exceed a maximum of 60 calendar
18 months immediately following the date on which the member
19 first reaches his or her normal retirement date or the date to
20 which he or she is eligible to defer his or her election to
21 participate as provided in subparagraph (a)2. However, a
22 member who has reached normal retirement date prior to the
23 effective date of the DROP shall be eligible to participate in
24 the DROP for a period of time not to exceed 60 calendar months
25 immediately following the effective date of the DROP, except a
26 member of the Special Risk Class who has reached normal
27 retirement date prior to the effective date of the DROP and
28 whose total accrued value exceeds 75 percent of average final
29 compensation as of his or her effective date of retirement
30 shall be eligible to participate in the DROP for no more than
31 36 calendar months immediately following the effective date of

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1 the DROP.

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

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

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

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

14 d. Any other information required by the division.

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

23 4. Elected officers shall be eligible to participate
24 in the DROP subject to the following:

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

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1 b. An elected or a nonelected participant may run for
 2 a term of office while participating in DROP and, if elected,
 3 extend the DROP termination date accordingly, except, however,
 4 if such additional term of office exceeds the 60-month
 5 limitation established in subparagraph 1., and the officer
 6 does not resign from office within such 60-month limitation,
 7 the retirement and the participant's DROP shall be null and
 8 void as provided in sub-subparagraph (c)5.d.

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

20 d. An elected officer who is elected or appointed to
 21 an elective office is not subject to termination limitations
 22 as provided in chapter 121.

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25 ===== T I T L E A M E N D M E N T =====

26 And the title is amended as follows:

27 On page 1, line 2, after "disabilities;"

28

29 insert:

30 amending s. 121.053, F.S.; authorizing elected
 31 officers participating in DROP to terminate

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1 participation in DROP and enroll in a subclass
 2 of the Elected Officers' Class; amending s.
 3 121.091, F.S.; increasing the time for
 4 participation in the Deferred Retirement Option
 5 Program for members of the elected officers
 6 class of the Florida Retirement System;
 7 providing that elected officers are not subject
 8 to termination limitations;

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