

Bill No. CS for SB 2

Amendment No. Barcode 971096

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Senator Burt moved the following amendment:

13 **Senate Amendment (with title amendment)**

14 On page 3, line 24, through
15 page 7, line 5, delete those lines

17 and insert:

18 Section 3. Paragraph (b) of subsection (1) of section
19 121.053, Florida Statutes, is amended to read:

20 121.053 Participation in the Elected Officers' Class
21 for retired members.--

22 (1)

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

31 121.052(7). Pursuant thereto:

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

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

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

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

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

1 service the member claims must be the most recent service.

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

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

17 Section 4. Subsection (1) and paragraph (b) of
18 subsection (13) of section 121.091, Florida Statutes, are
19 amended to read:

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

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

1 required information or documents are not received.

2 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or
3 her normal retirement date, the member, upon application to
4 the administrator, shall receive a monthly benefit which shall
5 begin to accrue on the first day of the month of retirement
6 and be payable on the last day of that month and each month
7 thereafter during his or her lifetime. The normal retirement
8 benefit, including any past or additional retirement credit,
9 may not exceed 100 percent of the average final compensation.
10 The amount of monthly benefit shall be calculated as the
11 product of A and B, subject to the adjustment of C, if
12 applicable, as set forth below:

13 (a)1. For creditable years of Regular Class service, A
14 is 1.60 percent of the member's average final compensation, up
15 to the member's normal retirement date. Upon completion of the
16 first year after the normal retirement date, A is 1.63 percent
17 of the member's average final compensation. Following the
18 second year after the normal retirement date, A is 1.65
19 percent of the member's average final compensation. Following
20 the third year after the normal retirement date, and for
21 subsequent years, A is 1.68 percent of the member's average
22 final compensation.

23 2. For creditable years of special risk service, A is:

24 a. Two percent of the member's average final
25 compensation for all creditable years prior to October 1,
26 1974;

27 b. Three percent of the member's average final
28 compensation for all creditable years after September 30,
29 1974, and before October 1, 1978;

30 c. Two percent of the member's average final
31 compensation for all creditable years after September 30,

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

1 1978, and before January 1, 1989;

2 d. Two and two-tenths percent of the member's final
3 monthly compensation for all creditable years after December
4 31, 1988, and before January 1, 1990;

5 e. Two and four-tenths percent of the member's average
6 final compensation for all creditable years after December 31,
7 1989, and before January 1, 1991;

8 f. Two and six-tenths percent of the member's average
9 final compensation for all creditable years after December 31,
10 1990, and before January 1, 1992;

11 g. Two and eight-tenths percent of the member's
12 average final compensation for all creditable years after
13 December 31, 1991, and before January 1, 1993;

14 h. Three percent of the member's average final
15 compensation for all creditable years after December 31, 1992;
16 and

17 i. Three percent of the member's average final
18 compensation for all creditable years of service after
19 September 30, 1978, and before January 1, 1993, for any
20 special risk member who retires after July 1, 2000, or any
21 member of the Special Risk Administrative Support Class
22 entitled to retain the special risk normal retirement date who
23 was a member of the Special Risk Class during the time period
24 and who retires after July 1, 2000. The provisions of this
25 sub-subparagraph shall extend also to those members with
26 creditable service in these classes who have served between
27 these dates and who have retired, are participants in the
28 deferred retirement option program, or have terminated
29 employment with vested rights before July 1, 2000.

30 3. For creditable years of Senior Management Service
31 Class service after January 31, 1987, A is 2 percent;

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

1 4. For creditable years of Elected Officers' Class
2 service as a Supreme Court Justice, district court of appeal
3 judge, circuit judge, or county court judge, A is $3 \frac{1}{3}$
4 percent of the member's average final compensation, and for
5 all other creditable service in such class, A is 3 percent of
6 average final compensation;

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

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

25 (d) A member's average final compensation shall be
26 determined by formula to obtain the coverage for the 5 highest
27 fiscal years' salaries, calculated as provided by rule.

28 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
29 and subject to the provisions of this section, the Deferred
30 Retirement Option Program, hereinafter referred to as the
31 DROP, is a program under which an eligible member of the

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

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

12 (b) Participation in the DROP.--

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

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

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

- 1 a. A written election to participate in the DROP;
- 2 b. Selection of the DROP participation and termination
- 3 dates, which satisfy the limitations stated in paragraph (a)
- 4 and subparagraph 1. Such termination date shall be in a
- 5 binding letter of resignation with the employer, establishing
- 6 a deferred termination date. The member may change the
- 7 termination date within the limitations of subparagraph 1.,
- 8 but only with the written approval of his or her employer;
- 9 c. A properly completed DROP application for service
- 10 retirement as provided in this section; and
- 11 d. Any other information required by the division.
- 12 3. The DROP participant shall be a retiree under the
- 13 Florida Retirement System for all purposes, except for
- 14 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,
- 15 121.053, and 121.122. However, participation in the DROP does
- 16 not alter the participant's employment status and such
- 17 employee shall not be deemed retired from employment until his
- 18 or her deferred resignation is effective and termination
- 19 occurs as provided in s. 121.021(39).
- 20 4. Elected officers shall be eligible to participate
- 21 in the DROP subject to the following:
- 22 a. An elected officer who reaches normal retirement
- 23 date during a term of office may defer the election to
- 24 participate in the DROP until the next succeeding term in that
- 25 office. Such elected officer who exercises this option may
- 26 participate in the DROP for up to 60 calendar months or a
- 27 period of no longer than such succeeding term of office,
- 28 whichever is greater less.
- 29 b. 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,

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

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 sub-subparagraph (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 d. An elected officer who is elected or appointed to
18 an elective office is not subject to reemployment limitations
19 as provided in chapter 121.

20
21 (Redesignate subsequent sections.)

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

25 And the title is amended as follows:

26 On page 1, lines 6-12, delete those lines

27
28 and insert:

29 as part of the funding process; amending s.
30 121.053, F.S.; authorizing elected officers
31 participating in DROP to terminate

Bill No. CS for SB 2

Amendment No. ____ Barcode 971096

1 participation in DROP and enroll in a subclass
2 of the Elected Officers' Class; amending s.
3 121.091, F.S.; providing for a repurchase of
4 prior service credit for certain members of the
5 Special Risk Class or Special Risk
6 Administrative Support Class of the Florida
7 Retirement System who retired or terminated
8 employment before July 1, 2000; increasing the
9 time for participation in the Deferred
10 Retirement Option Program for members of the
11 elected officers class of the Florida
12 Retirement System; providing that elected
13 officers are not subject to reemployment
14 limitations; providing for

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