

Amendment No. \_\_\_\_ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Cantens offered the following:

**Amendment to Amendment (143317) (with title amendment)**

On page 1, between lines 16 and 17,

insert:

Section 1. Paragraph (b) of subsection (39) of section 121.021, Florida Statutes, is amended to read:

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

(39)

(b)1. Except as provided in subparagraph 2.,

"Termination" for a member electing to participate under the Deferred Retirement Option Program occurs when the Deferred Retirement Option Program participant ceases all employment relationships with employers under this system in accordance with s. 121.091(13), but in the event the Deferred Retirement Option Program participant should be employed by any such employer within the next calendar month, termination will be deemed not to have occurred, except as provided in s.

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1 121.091(13)(b)4.c. A leave of absence shall constitute a  
2 continuation of the employment relationship.

3 2. With respect to any elected officer, as defined in  
4 s. 121.052(2), who is serving a term of elective office while  
5 participating in the Deferred Retirement Option Program  
6 (DROP), if the term of such elected office extends beyond the  
7 DROP termination date as selected under s. 121.091(13)(b)2.,  
8 "termination" occurs when the DROP participant receives  
9 distribution of his or her DROP accumulations as provided  
10 under s. 121.091(13)(c)5., but no later than the DROP  
11 termination date established under s. 121.091(13)(b)2. No  
12 monthly benefit shall be payable for the calendar month  
13 following termination.

14 Section 2. Paragraph (b) of subsection (9) and  
15 paragraph (c) of subsection (13) of section 121.091, Florida  
16 Statutes, are amended to read:

17 121.091 Benefits payable under the system.--Benefits  
18 may not be paid under this section unless the member has  
19 terminated employment as provided in s. 121.021(39)(a) or  
20 begun participation in the Deferred Retirement Option Program  
21 as provided in subsection (13), and a proper application has  
22 been filed in the manner prescribed by the department. The  
23 department may cancel an application for retirement benefits  
24 when the member or beneficiary fails to timely provide the  
25 information and documents required by this chapter and the  
26 department's rules. The department shall adopt rules  
27 establishing procedures for application for retirement  
28 benefits and for the cancellation of such application when the  
29 required information or documents are not received.

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

31 (b)1. Any person who is retired under this chapter,

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

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

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1 suspended until such repayment has been made. Benefits  
2 suspended beyond the reemployment limitation shall apply  
3 toward repayment of benefits received in violation of the  
4 reemployment limitation.

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

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

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

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

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

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

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

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

26           7. The employment by an employer of any retiree or  
27 DROP participant of any state-administered retirement system  
28 shall have no effect on the average final compensation or  
29 years of creditable service of the retiree or DROP  
30 participant. Prior to July 1, 1991, upon employment of any  
31 person, other than an elected officer as provided in s.



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

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

26       b. Any participant in the Deferred Retirement Option  
27 Program (DROP) who is holding an elective public office or an  
28 appointment to an elective public office eligible for the  
29 Elected Officers' Class on his or her DROP termination date  
30 shall be enrolled in the Florida Retirement system as provided  
31 in s. 121.053(1)(b) or, if holding an elective public office

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1 that does not qualify for the Elected Officers' Class on or  
2 after said date, shall be enrolled in the Florida Retirement  
3 System as provided in s. 121.122, and shall receive retirement  
4 benefits as provided in s. 121.021(39)(b)2., as well as  
5 compensation for the elected officer's service, for as long as  
6 he or she remains in elective office.

7           9. Any person who is holding an elective public office  
8 which is covered by the Florida Retirement System and who is  
9 concurrently employed in nonelected covered employment may  
10 elect to retire while continuing employment in the elective  
11 public office, provided that he or she shall be required to  
12 terminate his or her nonelected covered employment. Any  
13 person who exercises this election shall receive his or her  
14 retirement benefits in addition to the compensation of the  
15 elective office without regard to the time limitations  
16 otherwise provided in this subsection. No person who seeks to  
17 exercise the provisions of this subparagraph, as the same  
18 existed prior to May 3, 1984, shall be deemed to be retired  
19 under those provisions, unless such person is eligible to  
20 retire under the provisions of this subparagraph, as amended  
21 by chapter 84-11, Laws of Florida.

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

26           11. From July 1, 1997, through December 31, 1998,  
27 notwithstanding the limitations of this subsection, except  
28 that any retiree who is reemployed within 1 calendar month  
29 after retirement shall void his or her application for  
30 retirement benefits, any retiree of the Florida Retirement  
31 System may be reemployed by a covered employer during the 2nd

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1 through 12th months of the reemployment limitation period  
2 without suspending his or her retirement benefits, provided  
3 that the reemployment is for the sole purpose of working on  
4 the technical aspects of correcting or replacing the computer  
5 systems and programs necessary to resolve the year 2000 date  
6 problem for computing which confronts all public employers  
7 covered by the Florida Retirement System.

8 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,  
9 and subject to the provisions of this section, the Deferred  
10 Retirement Option Program, hereinafter referred to as the  
11 DROP, is a program under which an eligible member of the  
12 Florida Retirement System may elect to participate, deferring  
13 receipt of retirement benefits while continuing employment  
14 with his or her Florida Retirement System employer. The  
15 deferred monthly benefits shall accrue in the System Trust  
16 Fund on behalf of the participant, plus interest compounded  
17 monthly, for the specified period of the DROP participation,  
18 as provided in paragraph (c). Upon termination of employment,  
19 the participant shall receive the total DROP benefits and  
20 begin to receive the previously determined normal retirement  
21 benefits. Participation in the DROP does not guarantee  
22 employment for the specified period of DROP.

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

24 1. Effective with the date of DROP participation, the  
25 member's initial normal monthly benefit, including creditable  
26 service, optional form of payment, and average final  
27 compensation, and the effective date of retirement shall be  
28 fixed. The beneficiary established under the Florida  
29 Retirement System shall be the beneficiary eligible to receive  
30 any DROP benefits payable if the DROP participant dies prior  
31 to the completion of the period of DROP participation. In the

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1 event a joint annuitant predeceases the member, the member may  
2 name a beneficiary to receive accumulated DROP benefits  
3 payable. Such retirement benefit, the annual cost of living  
4 adjustments provided in s. 121.101, and interest shall accrue  
5 monthly in the System Trust Fund. Such interest shall accrue  
6 at an effective annual rate of 6.5 percent compounded monthly,  
7 on the prior month's accumulated ending balance, up to the  
8 month of termination or death.

9           2. Each employee who elects to participate in the DROP  
10 shall be allowed to elect to receive a lump-sum payment for  
11 accrued annual leave earned in accordance with agency policy  
12 upon beginning participation in the DROP. Such accumulated  
13 leave payment certified to the division upon commencement of  
14 DROP shall be included in the calculation of the member's  
15 average final compensation. The employee electing such  
16 lump-sum payment upon beginning participation in DROP will not  
17 be eligible to receive a second lump-sum payment upon  
18 termination, except to the extent the employee has earned  
19 additional annual leave which combined with the original  
20 payment does not exceed the maximum lump-sum payment allowed  
21 by the employing agency's policy or rules. Such early  
22 lump-sum payment shall be based on the hourly wage of the  
23 employee at the time he or she begins participation in the  
24 DROP. If the member elects to wait and receive such lump-sum  
25 payment upon termination of DROP and termination of employment  
26 with the employer, any accumulated leave payment made at that  
27 time cannot be included in the member's retirement benefit,  
28 which was determined and fixed by law when the employee  
29 elected to participate in the DROP.

30           3. The effective date of DROP participation and the  
31 effective date of retirement of a DROP participant shall be

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1 the first day of the month selected by the member to begin  
2 participation in the DROP, provided such date is properly  
3 established, with the written confirmation of the employer,  
4 and the approval of the division, on forms required by the  
5 division.

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

13 5. At the conclusion of the participant's DROP, the  
14 division shall distribute the participant's total accumulated  
15 DROP benefits, subject to the following provisions:

16 a. The division shall receive verification by the  
17 participant's employer or employers that such participant has  
18 terminated employment as provided in s. 121.021(39)(b).  
19 However, an elected officer participating in DROP whose term  
20 of office will not have ended upon the conclusion of his or  
21 her DROP period may, on a form provided by the Division of  
22 Retirement, elect to complete the term of office to which he  
23 or she was elected or appointed and receive distribution of  
24 his or her total accumulated DROP benefits, subject to the  
25 provisions of s. 121.021(39)(b)2. Any such elected officer  
26 shall be considered to be a terminated DROP participant for  
27 purposes of this subparagraph.

28 b. The terminated DROP participant or, if deceased,  
29 such participant's named beneficiary, shall elect on forms  
30 provided by the division to receive payment of the DROP  
31 benefits in accordance with one of the options listed below.

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1 For a participant or beneficiary who fails to elect a method  
2 of payment within 60 days of termination of the DROP, the  
3 division will pay a lump sum as provided in  
4 sub-sub-subparagraph (I).

5 (I) Lump sum.--All accrued DROP benefits, plus  
6 interest, less withholding taxes remitted to the Internal  
7 Revenue Service, shall be paid to the DROP participant or  
8 surviving beneficiary.

9 (II) Direct rollover.--All accrued DROP benefits, plus  
10 interest, shall be paid from the DROP directly to the  
11 custodian of an eligible retirement plan as defined in s.  
12 402(c)(8)(B) of the Internal Revenue Code. However, in the  
13 case of an eligible rollover distribution to the surviving  
14 spouse of a deceased participant, an eligible retirement plan  
15 is an individual retirement account or an individual  
16 retirement annuity as described in s. 402(c)(9) of the  
17 Internal Revenue Code.

18 (III) Partial lump sum.--A portion of the accrued DROP  
19 benefits shall be paid to the DROP participant or surviving  
20 spouse, less withholding taxes remitted to the Internal  
21 Revenue Service, and the remaining DROP benefits shall be  
22 transferred directly to the custodian of an eligible  
23 retirement plan as defined in s. 402(c)(8)(B) of the Internal  
24 Revenue Code. However, in the case of an eligible rollover  
25 distribution to the surviving spouse of a deceased  
26 participant, an eligible retirement plan is an individual  
27 retirement account or an individual retirement annuity as  
28 described in s. 402(c)(9) of the Internal Revenue Code. The  
29 proportions shall be specified by the DROP participant or  
30 surviving beneficiary.

31 c. The form of payment selected by the DROP

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1 participant or surviving beneficiary complies with the minimum  
2 distribution requirements of the Internal Revenue Code.

3 d. A DROP participant who fails to terminate  
4 employment as defined in s. 121.021(39)(b) shall be deemed not  
5 to be retired, and the DROP election shall be null and void.  
6 Florida Retirement System membership shall be reestablished  
7 retroactively to the date of the commencement of the DROP, and  
8 each employer with whom the participant continues employment  
9 shall be required to pay to the System Trust Fund the  
10 difference between the DROP contributions paid in paragraph  
11 (i) and the contributions required for the applicable Florida  
12 Retirement System class of membership during the period the  
13 member participated in the DROP, plus 6.5 percent interest  
14 compounded annually.

15 6. The accrued benefits of any DROP participant, and  
16 any contributions accumulated under such program, shall not be  
17 subject to assignment, execution, attachment, or to any legal  
18 process whatsoever, except for qualified domestic relations  
19 orders by a court of competent jurisdiction, income deduction  
20 orders as provided in s. 61.1301, and federal income tax  
21 levies.

22 7. DROP participants shall not be eligible for  
23 disability retirement benefits as provided in subsection (4).  
24  
25

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

27 And the title is amended as follows:

28 On page 9, line 8, of the amendment  
29 remove:

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31 after "Program;" insert:

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amending s. 121.021, F.S.; modifying the  
definition of "termination" for certain elected  
officer participants in the Deferred Retirement  
Option Program (DROP); amending s. 121.091,  
F.S.; to clarify reemployment restrictions and  
provide for distribution of DROP accumulations  
under certain circumstances;