

By Senator Posey

15-1097-02

See HB 215

1 A bill to be entitled
2 An act relating to the Deferred Retirement
3 Option Program of the Florida Retirement
4 System; amending s. 121.053, F.S., relating to
5 participation in the Elected Officers' Class
6 for retired members to reinstitute the DROP
7 termination requirements; amending s. 121.091,
8 F.S., regarding retirement benefits, to
9 reinstitute the DROP termination requirements
10 for elected officers; providing an effective
11 date.

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

15 Section 1. Paragraph (b) of subsection (1) of section
16 121.053, Florida Statutes, is amended to read:

17 121.053 Participation in the Elected Officers' Class
18 for retired members.--

19 (1)

20 (b) Any retired member of the Florida Retirement
21 System, or any existing system as defined in s. 121.021(2),
22 who, on or after July 1, 1990, is serving in, or is elected or
23 appointed to, an elective office covered by the Elected
24 Officers' Class shall be enrolled in the appropriate subclass
25 of the Elected Officers' Class of the Florida Retirement
26 System, and applicable contributions shall be paid into the
27 Florida Retirement System Trust Fund as provided in s.
28 121.052(7). Pursuant thereto:

29 1. Any such retired member shall be eligible to
30 continue to receive retirement benefits as well as
31 compensation for the elected officer service for as long as he

1 or she remains in an elective office covered by the Elected
2 Officers' Class.

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

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

30 4. Creditable service for which credit was received,
31 or which remained unclaimed, at retirement may not be claimed

1 or applied toward service credit earned following renewed
2 membership. However, service earned in accordance with the
3 renewed membership provisions in s. 121.122 may be used in
4 conjunction with creditable service earned under this
5 paragraph, provided applicable vesting requirements and other
6 existing statutory conditions required by this chapter are
7 met.

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

14 Section 2. Paragraph (b) of subsection (13) of section
15 121.091, Florida Statutes, is amended to read:

16 121.091 Benefits payable under the system.--Benefits
17 may not be paid under this section unless the member has
18 terminated employment as provided in s. 121.021(39)(a) or
19 begun participation in the Deferred Retirement Option Program
20 as provided in subsection (13), and a proper application has
21 been filed in the manner prescribed by the department. The
22 department may cancel an application for retirement benefits
23 when the member or beneficiary fails to timely provide the
24 information and documents required by this chapter and the
25 department's rules. The department shall adopt rules
26 establishing procedures for application for retirement
27 benefits and for the cancellation of such application when the
28 required information or documents are not received.

29 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
30 and subject to the provisions of this section, the Deferred
31 Retirement Option Program, hereinafter referred to as the

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

13 (b) Participation in the DROP.--

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

31

1 2. Upon deciding to participate in the DROP, the
2 member shall submit, on forms required by the division:
3 a. A written election to participate in the DROP;
4 b. Selection of the DROP participation and termination
5 dates, which satisfy the limitations stated in paragraph (a)
6 and subparagraph 1. Such termination date shall be in a
7 binding letter of resignation with the employer, establishing
8 a deferred termination date. The member may change the
9 termination date within the limitations of subparagraph 1.,
10 but only with the written approval of his or her employer;
11 c. A properly completed DROP application for service
12 retirement as provided in this section; and
13 d. Any other information required by the division.
14 3. The DROP participant shall be a retiree under the
15 Florida Retirement System for all purposes, except for
16 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,
17 121.053, and 121.122. However, participation in the DROP does
18 not alter the participant's employment status and such
19 employee shall not be deemed retired from employment until his
20 or her deferred resignation is effective and termination
21 occurs as provided in s. 121.021(39).
22 4. Elected officers shall be eligible to participate
23 in the DROP subject to the following:
24 a. An elected officer who reaches normal retirement
25 date during a term of office may defer the election to
26 participate in the DROP until the next succeeding term in that
27 office. Such elected officer who exercises this option may
28 participate in the DROP for up to 60 calendar months or a
29 period of no longer than such succeeding term of office,
30 whichever is less.
31

