

By the Council for Smarter Government and Representatives
Fasano and Cantens

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 termination requirements and benefits of
6 elected officers participating in the Deferred
7 Retirement Option Program; amending s. 121.091,
8 F.S., regarding Deferred Retirement Option
9 Program termination requirements for elected
10 officers; providing an effective date.

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

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

16 121.053 Participation in the Elected Officers' Class
17 for retired members.--

18 (1)

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

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

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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. An elected officer who is elected or appointed to
9 an elective office and is participating in the Deferred
10 Retirement Option Program is not subject to termination as
11 provided in s. 121.021(39)(b), or reemployment limitations as
12 provided in s. 121.091(9), until the end of his or her current
13 term of office or, if the officer is consecutively elected or
14 reelected to an elective office eligible for coverage under
15 the Florida Retirement System, until he or she no longer holds
16 such an elective office, as follows:

17 a. At the end of the 60-month DROP period:

18 (I) The officer's DROP account shall accrue no
19 additional monthly benefits, but shall continue to earn
20 interest as provided in s. 121.091(13).

21 (II) No retirement contributions shall be required of
22 the employer of the elected officer and no additional
23 retirement credit shall be earned under the Florida Retirement
24 System.

25 b. Nothing herein shall prevent an elected officer
26 from voluntarily terminating his or her elective office at any
27 time and electing to receive his or her DROP proceeds.
28 However, until termination requirements are fulfilled as
29 provided in s. 121.021(39), any elected officer whose
30 termination limitations are extended by this section shall be
31 ineligible for renewed membership in the system and shall

1 receive no pension payments, DROP lump sum payments, or any
2 other state payment other than the statutorily determined
3 salary, travel, and per diem for the elective office.

4 c. Upon termination, the officer shall receive his or
5 her accumulated DROP account, plus interest, and shall accrue
6 and commence receiving monthly retirement benefits, which
7 shall be paid on a prospective basis only.

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9 However, an officer electing to participate in the Deferred
10 Retirement Option Program on or before June 30, 2002, shall
11 not be required to terminate and shall remain subject to the
12 provisions of this subparagraph as adopted in section 1 of
13 chapter 2001-235, Laws of Florida ~~Any elected officer who is a~~
14 ~~participating member of DROP may terminate participation at~~
15 ~~any time during the 60-month DROP participation period and~~
16 ~~elect to enroll in the appropriate subclass of the Elected~~
17 ~~Officers' Class, including participating in the Senior~~
18 ~~Management Service Class, effective the first day of the~~
19 ~~following month.~~

20 Section 2. Paragraph (b) of subsection (13) of section
21 121.091, Florida Statutes, is amended to read:

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

1 establishing procedures for application for retirement
2 benefits and for the cancellation of such application when the
3 required information or documents are not received.

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

19 (b) Participation in the DROP.--

20 1. An eligible member may elect to participate in the
21 DROP for a period not to exceed a maximum of 60 calendar
22 months immediately following the date on which the member
23 first reaches his or her normal retirement date or the date to
24 which he or she is eligible to defer his or her election to
25 participate as provided in subparagraph (a)2. However, a
26 member who has reached normal retirement date prior to the
27 effective date of the DROP shall be eligible to participate in
28 the DROP for a period of time not to exceed 60 calendar months
29 immediately following the effective date of the DROP, except a
30 member of the Special Risk Class who has reached normal
31 retirement date prior to the effective date of the DROP and

1 whose total accrued value exceeds 75 percent of average final
2 compensation as of his or her effective date of retirement
3 shall be eligible to participate in the DROP for no more than
4 36 calendar months immediately following the effective date of
5 the DROP.

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

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

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

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

18 d. Any other information required by the division.

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

27 4. Elected officers shall be eligible to participate
28 in the DROP subject to the following:

29 a. An elected officer who reaches normal retirement
30 date during a term of office may defer the election to
31 participate in the DROP until the next succeeding term in that

1 office. Such elected officer who exercises this option may
2 participate in the DROP for up to 60 calendar months or a
3 period of no longer than such succeeding term of office,
4 whichever is less.

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

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

24 ~~d. An elected officer who is elected or appointed to~~
25 ~~an elective office is not subject to termination limitations~~
26 ~~as provided in chapter 121.~~

27 Section 3. This act shall take effect upon becoming a
28 law.

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