

565-220AX-06

Bill No. CS/CS/HB 259

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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2		.	
3		.	
4		.	

ORIGINAL STAMP BELOW

11 Representative(s) Fasano offered the following:

**Amendment (with title amendment)**

On page 1, line 15,

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

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.

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

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

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

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

27           b. Nothing herein shall prevent an elected officer  
28 from voluntarily terminating his or her elective office at any  
29 time and electing to receive his or her DROP proceeds.  
30 However, until termination requirements are fulfilled as  
31 provided in s. 121.021(39), any elected officer whose

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1 termination limitations are extended by this section shall be  
2 ineligible for renewed membership in the system and shall  
3 receive no pension payments, DROP lump sum payments, or any  
4 other state payment other than the statutorily determined  
5 salary, travel, and per diem for the elective office.

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

10

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

22

23 Section 2. Paragraph (b) of subsection (13) of section  
24 121.091, Florida Statutes, is amended to read:

25

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

1 information and documents required by this chapter and the  
2 department's rules. The department shall adopt rules  
3 establishing procedures for application for retirement  
4 benefits and for the cancellation of such application when the  
5 required information or documents are not received.

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

21 (b) Participation in the DROP.--

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

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1 member of the Special Risk Class who has reached normal  
2 retirement date prior to the effective date of the DROP and  
3 whose total accrued value exceeds 75 percent of average final  
4 compensation as of his or her effective date of retirement  
5 shall be eligible to participate in the DROP for no more than  
6 36 calendar months immediately following the effective date of  
7 the DROP.

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

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

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

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

20           d. Any other information required by the division.

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

29           4. Elected officers shall be eligible to participate  
30 in the DROP subject to the following:

31           a. An elected officer who reaches normal retirement

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

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

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

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

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

2 And the title is amended as follows:

3 On page 1, line 3, after "system;"

4

5 insert:

6 amending s. 121.053, F.S., relating to  
7 termination requirements and benefits of  
8 elected officers participating in the Deferred  
9 Retirement Option Program; amending s. 121.091,  
10 F.S., regarding Deferred Retirement Option  
11 Program termination requirements for elected  
12 officers;

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