

565-228AX-06

Bill No. CS/HB 807

Amendment No. 1 (for drafter's use only)

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

Amendment (with title amendment)

On page 2, line 31,

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

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

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

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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

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

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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