

By Senator Wasserman Schultz

34-1493-03

1 A bill to be entitled
2 An act relating to the Florida Retirement
3 System; amending s. 121.091, F.S.; authorizing
4 DROP membership for specified employees of
5 school districts, charter schools, community
6 colleges, and state universities; providing an
7 effective date.

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

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11 Section 1. Paragraph (a) of subsection (13) of section
12 121.091, Florida Statutes, is amended to read:

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

26 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
27 and subject to the provisions of this section, the Deferred
28 Retirement Option Program, hereinafter referred to as the
29 DROP, is a program under which an eligible member of the
30 Florida Retirement System may elect to participate, deferring
31 receipt of retirement benefits while continuing employment

1 with his or her Florida Retirement System employer. The
2 deferred monthly benefits shall accrue in the System Trust
3 Fund on behalf of the participant, plus interest compounded
4 monthly, for the specified period of the DROP participation,
5 as provided in paragraph (c). Upon termination of employment,
6 the participant shall receive the total DROP benefits and
7 begin to receive the previously determined normal retirement
8 benefits. Participation in the DROP does not guarantee
9 employment for the specified period of DROP.

10 (a) Eligibility of member to participate in the
11 DROP.--All active Florida Retirement System members in a
12 regularly established position, and all active members of
13 either the Teachers' Retirement System established in chapter
14 238 or the State and County Officers' and Employees'
15 Retirement System established in chapter 122 which systems are
16 consolidated within the Florida Retirement System under s.
17 121.011, are eligible to elect participation in the DROP
18 provided that:

19 1. The member is not a renewed member of the Florida
20 Retirement System under s. 121.122, or a member of the State
21 Community College System Optional Retirement Program under s.
22 121.051, the Senior Management Service Optional Annuity
23 Program under s. 121.055, or the optional retirement program
24 for the State University System under s. 121.35.

25 2. Except as provided in subparagraph 6., election to
26 participate is made within 12 months immediately following the
27 date on which the member first reaches normal retirement date,
28 or, for a member who reaches normal retirement date based on
29 service before he or she reaches age 62, or age 55 for Special
30 Risk Class members, election to participate may be deferred to
31 the 12 months immediately following the date the member

1 attains 57, or age 52 for Special Risk Class members. For a
2 member who first reached normal retirement date or the
3 deferred eligibility date described above prior to the
4 effective date of this section, election to participate shall
5 be made within 12 months after the effective date of this
6 section. A member who fails to make an election within such
7 12-month limitation period shall forfeit all rights to
8 participate in the DROP. The member shall advise his or her
9 employer and the division in writing of the date on which the
10 DROP shall begin. Such beginning date may be subsequent to the
11 12-month election period, but must be within the 60-month
12 limitation period as provided in subparagraph (b)1. When
13 establishing eligibility of the member to participate in the
14 DROP for the 60-month maximum participation period, the member
15 may elect to include or exclude any optional service credit
16 purchased by the member from the total service used to
17 establish the normal retirement date. A member with dual
18 normal retirement dates shall be eligible to elect to
19 participate in DROP within 12 months after attaining normal
20 retirement date in either class.

21 3. The employer of a member electing to participate in
22 the DROP, or employers if dually employed, shall acknowledge
23 in writing to the division the date the member's participation
24 in the DROP begins and the date the member's employment and
25 DROP participation will terminate.

26 4. Simultaneous employment of a participant by
27 additional Florida Retirement System employers subsequent to
28 the commencement of participation in the DROP shall be
29 permissible provided such employers acknowledge in writing a
30 DROP termination date no later than the participant's existing
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1 termination date or the 60-month limitation period as provided
2 in subparagraph (b)1.

3 5. A DROP participant may change employers while
4 participating in the DROP, subject to the following:

5 a. A change of employment must take place without a
6 break in service so that the member receives salary for each
7 month of continuous DROP participation. If a member receives
8 no salary during a month, DROP participation shall cease
9 unless the employer verifies a continuation of the employment
10 relationship for such participant pursuant to s.
11 121.021(39)(b).

12 b. Such participant and new employer shall notify the
13 division on forms required by the division as to the identity
14 of the new employer.

15 c. The new employer shall acknowledge, in writing, the
16 participant's DROP termination date, which may be extended but
17 not beyond the original 60-month period provided in
18 subparagraph (b)1., shall acknowledge liability for any
19 additional retirement contributions and interest required if
20 the participant fails to timely terminate employment, and
21 shall be subject to the adjustment required in
22 sub-subparagraph (c)5.d.

23 6. Effective July 1, 2001, for instructional personnel
24 as defined in s. 1012.01(2), election to participate in the
25 DROP shall be made at any time following the date on which the
26 member first reaches normal retirement date. Effective July 1,
27 2003, any eligible employee, except administrative staff, of a
28 public school district, a charter school, a community college,
29 or a state university may elect to participate in the DROP at
30 any time following the date on which the member first reaches
31 normal retirement date.The member shall advise his or her

1 employer and the division in writing of the date on which the
2 Deferred Retirement Option Program shall begin. When
3 establishing eligibility of the member to participate in the
4 DROP for the 60-month maximum participation period, as
5 provided in subparagraph (b)1., the member may elect to
6 include or exclude any optional service credit purchased by
7 the member from the total service used to establish the normal
8 retirement date. A member with dual normal retirement dates
9 shall be eligible to elect to participate in either class.

10 Section 2. This act shall take effect July 1, 2003.

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SENATE SUMMARY

Authorizes eligible employees, except administrative staff, of school districts, charter schools, community colleges, and state universities to participate in the Deferred Option Retirement Plan.