

By Senator Posey

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A bill to be entitled

An act relating to the Deferred Retirement Option Program; amending s. 121.091, F.S.; authorizing members of the Special Risk Class of the Florida Retirement System to participate in the DROP for an additional 36 months when those members are certified to do so by the administrator of the applicable employing agency; providing an effective date.

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

Section 1. Paragraphs (a) and (b) of subsection (13) of section 121.091, Florida Statutes, are amended to read:

121.091 Benefits payable under the system.--Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39)(a) or begun participation in the Deferred Retirement Option Program as provided in subsection (13), and a proper application has 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 information and documents required by this chapter and the department's rules. The department shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents are not received.

(13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the

1 Florida Retirement System may elect to participate, deferring
2 receipt of retirement benefits while continuing employment
3 with his or her Florida Retirement System employer. The
4 deferred monthly benefits shall accrue in the System Trust
5 Fund on behalf of the participant, plus interest compounded
6 monthly, for the specified period of the DROP participation,
7 as provided in paragraph (c). Upon termination of employment,
8 the participant shall receive the total DROP benefits and
9 begin to receive the previously determined normal retirement
10 benefits. Participation in the DROP does not guarantee
11 employment for the specified period of DROP. Participation in
12 the DROP by an eligible member beyond the initial 60-month
13 period as authorized in this subsection shall be on an annual
14 contractual basis for all participants.

15 (a) Eligibility of member to participate in the
16 DROP.--All active Florida Retirement System members in a
17 regularly established position, and all active members of
18 either the Teachers' Retirement System established in chapter
19 238 or the State and County Officers' and Employees'
20 Retirement System established in chapter 122 which systems are
21 consolidated within the Florida Retirement System under s.
22 121.011, are eligible to elect participation in the DROP
23 provided that:

24 1. The member is not a renewed member of the Florida
25 Retirement System under s. 121.122, or a member of the State
26 Community College System Optional Retirement Program under s.
27 121.051, the Senior Management Service Optional Annuity
28 Program under s. 121.055, or the optional retirement program
29 for the State University System under s. 121.35.

30 2. Except as provided in subparagraph 6., election to
31 participate is made within 12 months immediately following the

1 | date on which the member first reaches normal retirement date,
2 | or, for a member who reaches normal retirement date based on
3 | service before he or she reaches age 62, or age 55 for Special
4 | Risk Class members, election to participate may be deferred to
5 | the 12 months immediately following the date the member
6 | attains 57, or age 52 for Special Risk Class members. For a
7 | member who first reached normal retirement date or the
8 | deferred eligibility date described above prior to the
9 | effective date of this section, election to participate shall
10 | be made within 12 months after the effective date of this
11 | section. A member who fails to make an election within such
12 | 12-month limitation period shall forfeit all rights to
13 | participate in the DROP. The member shall advise his or her
14 | employer and the division in writing of the date on which the
15 | DROP shall begin. Such beginning date may be subsequent to the
16 | 12-month election period, but must be within the 60-month or,
17 | with respect to members who are instructional personnel
18 | employed by the Florida School for the Deaf and the Blind ~~and~~
19 | who have received authorization by the Board of Trustees of
20 | the Florida School for the Deaf and the Blind to participate
21 | in the DROP beyond 60 months, ~~or~~ who are instructional
22 | personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12
23 | ~~and~~ who have received authorization by the district school
24 | superintendent to participate in the DROP beyond 60 months, or
25 | who are members of the Special Risk Class who have been
26 | certified by the administrators of their respective employing
27 | agencies to participate in the DROP beyond 60 calendar months,
28 | the 96-month limitation period as provided in subparagraph
29 | (b)1. When establishing eligibility of the member to
30 | participate in the DROP for the 60-month or, with respect to
31 | members who are instructional personnel employed by the

1 Florida School for the Deaf and the Blind ~~and~~ who have
2 received authorization by the Board of Trustees of the Florida
3 School for the Deaf and the Blind to participate in the DROP
4 beyond 60 months, ~~or~~ who are instructional personnel as
5 defined in s. 1012.01(2)(a)-(d) in grades K-12 ~~and~~ who have
6 received authorization by the district school superintendent
7 to participate in the DROP beyond 60 months, or who are
8 members of the Special Risk Class who have been certified by
9 the administrators of their respective employing agencies to
10 participate in the DROP beyond 60 calendar months, the
11 96-month maximum participation period, the member may elect to
12 include or exclude any optional service credit purchased by
13 the member from the total service used to establish the normal
14 retirement date. A member with dual normal retirement dates
15 shall be eligible to elect to participate in DROP within 12
16 months after attaining normal retirement date in either class.

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

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

29 5. A DROP participant may change employers while
30 participating in the DROP, subject to the following:
31

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

8 b. Such participant and new employer shall notify the
9 division on forms required by the division as to the identity
10 of the new employer.

11 c. The new employer shall acknowledge, in writing, the
12 participant's DROP termination date, which may be extended but
13 not beyond the original 60-month or, with respect to members
14 who are instructional personnel employed by the Florida School
15 for the Deaf and the Blind ~~and~~ who have received authorization
16 by the Board of Trustees of the Florida School for the Deaf
17 and the Blind to participate in the DROP beyond 60 months, ~~or~~
18 who are instructional personnel as defined in s.
19 1012.01(2)(a)-(d) in grades K-12 ~~and~~ who have received
20 authorization by the district school superintendent to
21 participate in the DROP beyond 60 months, or who are members
22 of the Special Risk Class who have been certified by the
23 administrators of their respective employing agencies to
24 participate in the DROP beyond 60 calendar months, the
25 96-month period provided in subparagraph (b)1., shall
26 acknowledge liability for any additional retirement
27 contributions and interest required if the participant fails
28 to timely terminate employment, and shall be subject to the
29 adjustment required in sub-subparagraph (c)5.d.

30 6. Effective July 1, 2001, for instructional personnel
31 as defined in s. 1012.01(2), election to participate in the

1 DROP shall be made at any time following the date on which the
2 member first reaches normal retirement date. The member shall
3 advise his or her employer and the division in writing of the
4 date on which the Deferred Retirement Option Program shall
5 begin. When establishing eligibility of the member to
6 participate in the DROP for the 60-month or, with respect to
7 members who are instructional personnel employed by the
8 Florida School for the Deaf and the Blind ~~and~~ who have
9 received authorization by the Board of Trustees of the Florida
10 School for the Deaf and the Blind to participate in the DROP
11 beyond 60 months, or who are instructional personnel as
12 defined in s. 1012.01(2)(a)-(d) in grades K-12 ~~and~~ who have
13 received authorization by the district school superintendent
14 to participate in the DROP beyond 60 months, the 96-month
15 maximum participation period, as provided in subparagraph
16 (b)1., the member may elect to include or exclude any optional
17 service credit purchased by the member from the total service
18 used to establish the normal retirement date. A member with
19 dual normal retirement dates shall be eligible to elect to
20 participate in either class.

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 or, with respect to members who are instructional
25 personnel employed by the Florida School for the Deaf and the
26 Blind ~~and~~ who have received authorization by the Board of
27 Trustees of the Florida School for the Deaf and the Blind to
28 participate in the DROP beyond 60 months, ~~or~~ who are
29 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
30 grades K-12 ~~and~~ who have received authorization by the
31 district school superintendent to participate in the DROP

1 beyond 60 calendar months, or who are members of the Special
2 Risk Class who have been certified by the administrators of
3 their respective employing agencies to participate in the DROP
4 beyond 60 calendar months, 96 calendar months immediately
5 following the date on which the member first reaches his or
6 her normal retirement date or the date to which he or she is
7 eligible to defer his or her election to participate as
8 provided in subparagraph (a)2. However, a member who has
9 reached normal retirement date prior to the effective date of
10 the DROP shall be eligible to participate in the DROP for a
11 period of time not to exceed 60 calendar months or, with
12 respect to members who are instructional personnel employed by
13 the Florida School for the Deaf and the Blind ~~and~~ who have
14 received authorization by the Board of Trustees of the Florida
15 School for the Deaf and the Blind to participate in the DROP
16 beyond 60 months, or who are instructional personnel as
17 defined in s. 1012.01(2)(a)-(d) in grades K-12 ~~and~~ who have
18 received authorization by the district school superintendent
19 to participate in the DROP beyond 60 calendar months, 96
20 calendar months immediately following the effective date of
21 the DROP, except a member of the Special Risk Class who has
22 reached normal retirement date prior to the effective date of
23 the DROP and whose total accrued value exceeds 75 percent of
24 average final compensation as of his or her effective date of
25 retirement shall be eligible to participate in the DROP for no
26 more than 36 calendar months immediately following the
27 effective date of the DROP.

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

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

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1 b. Selection of the DROP participation and termination
2 dates, which satisfy the limitations stated in paragraph (a)
3 and subparagraph 1. Such termination date shall be in a
4 binding letter of resignation with the employer, establishing
5 a deferred termination date. The member may change the
6 termination date within the limitations of subparagraph 1.,
7 but only with the written approval of his or her employer;

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

10 d. Any other information required by the division.

11 3. The DROP participant shall be a retiree under the
12 Florida Retirement System for all purposes, except for
13 paragraph (5)(f) and subsection (9) and ss. 112.3173, 112.363,
14 121.053, and 121.122. However, participation in the DROP does
15 not alter the participant's employment status and such
16 employee shall not be deemed retired from employment until his
17 or her deferred resignation is effective and termination
18 occurs as provided in s. 121.021(39).

19 4. Elected officers shall be eligible to participate
20 in the DROP subject to the following:

21 a. An elected officer who reaches normal retirement
22 date during a term of office may defer the election to
23 participate in the DROP until the next succeeding term in that
24 office. Such elected officer who exercises this option may
25 participate in the DROP for up to 60 calendar months or a
26 period of no longer than such succeeding term of office,
27 whichever is less.

28 b. An elected or a nonelected participant may run for
29 a term of office while participating in DROP and, if elected,
30 extend the DROP termination date accordingly, except, however,
31 if such additional term of office exceeds the 60-month

1 | limitation established in subparagraph 1., and the officer
2 | does not resign from office within such 60-month limitation,
3 | the retirement and the participant's DROP shall be null and
4 | void as provided in sub-subparagraph (c)5.d.

5 | c. An elected officer who is dually employed and
6 | elects to participate in DROP shall be required to satisfy the
7 | definition of termination within the 60-month or, with respect
8 | to members who are instructional personnel employed by the
9 | Florida School for the Deaf and the Blind ~~and~~ who have
10 | received authorization by the Board of Trustees of the Florida
11 | School for the Deaf and the Blind to participate in the DROP
12 | beyond 60 months, ~~or~~ who are instructional personnel as
13 | defined in s. 1012.01(2)(a)-(d) in grades K-12 ~~and~~ who have
14 | received authorization by the district school superintendent
15 | to participate in the DROP beyond 60 months, or who are
16 | members of the Special Risk Class who have been certified by
17 | the administrators of their respective employing agencies to
18 | participate in the DROP beyond 60 calendar months, the
19 | 96-month limitation period as provided in subparagraph 1. for
20 | the nonelected position and may continue employment as an
21 | elected officer as provided in s. 121.053. The elected officer
22 | will be enrolled as a renewed member in the Elected Officers'
23 | Class or the Regular Class, as provided in ss. 121.053 and
24 | 121.22, on the first day of the month after termination of
25 | employment in the nonelected position and termination of DROP.
26 | Distribution of the DROP benefits shall be made as provided in
27 | paragraph (c).

28 | Section 2. This act shall take effect upon becoming a
29 | law.

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SENATE SUMMARY

Provides for an additional 36 months of participation in the Deferred Retirement Option Program for members of the Special Risk Class of the Florida Retirement System when the administrators of the respective members' employing agencies certify such extended participation.