

Bill No. CS for SB 688

Barcode 951282

CHAMBER ACTION

Senate

House

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The Committee on Ways and Means (Alexander) recommended the following amendment:

Senate Amendment (with title amendment)

On page 4, between lines 11 and 12,

insert:

Section 2. 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

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1 required information or documents are not received.

2 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general,
3 and subject to the provisions of this section, the Deferred
4 Retirement Option Program, hereinafter referred to as the
5 DROP, is a program under which an eligible member of the
6 Florida Retirement System may elect to participate, deferring
7 receipt of retirement benefits while continuing employment
8 with his or her Florida Retirement System employer. The
9 deferred monthly benefits shall accrue in the System Trust
10 Fund on behalf of the participant, plus interest compounded
11 monthly, for the specified period of the DROP participation,
12 as provided in paragraph (c). Upon termination of employment,
13 the participant shall receive the total DROP benefits and
14 begin to receive the previously determined normal retirement
15 benefits. Participation in the DROP does not guarantee
16 employment for the specified period of DROP. Participation in
17 the DROP by an eligible member beyond the initial 60-month
18 period as authorized in this subsection shall be on an annual
19 contractual basis for all participants.

20 (a) Eligibility of member to participate in the
21 DROP.--All active Florida Retirement System members in a
22 regularly established position, and all active members of
23 either the Teachers' Retirement System established in chapter
24 238 or the State and County Officers' and Employees'
25 Retirement System established in chapter 122 which systems are
26 consolidated within the Florida Retirement System under s.
27 121.011, are eligible to elect participation in the DROP
28 provided that:

- 29 1. The member is not a renewed member of the Florida
30 Retirement System under s. 121.122, or a member of the State
31 Community College System Optional Retirement Program under s.

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1 121.051, the Senior Management Service Optional Annuity
 2 Program under s. 121.055, or the optional retirement program
 3 for the State University System under s. 121.35.

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

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1 defined in s. 1012.01(2), at the developmental research school
2 of that state university and who have received authorization
3 from both the state university's board of trustees and the
4 developmental research school's director or, if the school has
5 no director, the school's principal, to participate in the
6 DROP beyond 60 months, the 96-month limitation period as
7 provided in subparagraph (b)1. When establishing eligibility
8 of the member to participate in the DROP for the 60-month or,
9 with respect to members who are instructional personnel
10 employed by the Florida School for the Deaf and the Blind and
11 who have received authorization by the Board of Trustees of
12 the Florida School for the Deaf and the Blind to participate
13 in the DROP beyond 60 months, ~~or~~ who are instructional
14 personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12
15 and who have received authorization by the district school
16 superintendent to participate in the DROP beyond 60 months, or
17 who are employed as faculty or staff at a state university
18 while also being employed as instructional personnel, as
19 defined in s. 1012.01(2), at the developmental research school
20 of that state university and who have received authorization
21 from both the state university's board of trustees and the
22 developmental research school's director or, if the school has
23 no director, the school's principal, to participate in the
24 DROP beyond 60 months, the 96-month maximum participation
25 period, the member may elect to include or exclude any
26 optional service credit purchased by the member from the total
27 service used to establish the normal retirement date. A member
28 with dual normal retirement dates shall be eligible to elect
29 to participate in DROP within 12 months after attaining normal
30 retirement date in either class.

31 3. The employer of a member electing to participate in

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1 the DROP, or employers if dually employed, shall acknowledge
2 in writing to the division the date the member's participation
3 in the DROP begins and the date the member's employment and
4 DROP participation will terminate.

5 4. Simultaneous employment of a participant by
6 additional Florida Retirement System employers subsequent to
7 the commencement of participation in the DROP shall be
8 permissible provided such employers acknowledge in writing a
9 DROP termination date no later than the participant's existing
10 termination date or the 60-month limitation period as provided
11 in subparagraph (b)1.

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

14 a. A change of employment must take place without a
15 break in service so that the member receives salary for each
16 month of continuous DROP participation. If a member receives
17 no salary during a month, DROP participation shall cease
18 unless the employer verifies a continuation of the employment
19 relationship for such participant pursuant to s.
20 121.021(39)(b).

21 b. Such participant and new employer shall notify the
22 division on forms required by the division as to the identity
23 of the new employer.

24 c. The new employer shall acknowledge, in writing, the
25 participant's DROP termination date, which may be extended but
26 not beyond the original 60-month or, with respect to members
27 who are instructional personnel employed by the Florida School
28 for the Deaf and the Blind and who have received authorization
29 by the Board of Trustees of the Florida School for the Deaf
30 and the Blind to participate in the DROP beyond 60 months, ~~or~~
31 who are instructional personnel as defined in s.

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1 1012.01(2)(a)-(d) in grades K-12 and who have received
2 authorization by the district school superintendent to
3 participate in the DROP beyond 60 months, or who are employed
4 as faculty or staff at a state university while also being
5 employed as instructional personnel, as defined in s.
6 1012.01(2), at the developmental research school of that state
7 university and who have received authorization from both the
8 state university's board of trustees and the developmental
9 research school's director or, if the school has no director,
10 the school's principal, to participate in the DROP beyond 60
11 months, the 96-month period provided in subparagraph (b)1.,
12 shall acknowledge liability for any additional retirement
13 contributions and interest required if the participant fails
14 to timely terminate employment, and shall be subject to the
15 adjustment required in sub-subparagraph (c)5.d.

16 6. Effective July 1, 2001, for instructional personnel
17 as defined in s. 1012.01(2), election to participate in the
18 DROP shall be made at any time following the date on which the
19 member first reaches normal retirement date. The member shall
20 advise his or her employer and the division in writing of the
21 date on which the Deferred Retirement Option Program shall
22 begin. When establishing eligibility of the member to
23 participate in the DROP for the 60-month or, with respect to
24 members who are instructional personnel employed by the
25 Florida School for the Deaf and the Blind and who have
26 received authorization by the Board of Trustees of the Florida
27 School for the Deaf and the Blind to participate in the DROP
28 beyond 60 months, ~~or~~ who are instructional personnel as
29 defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have
30 received authorization by the district school superintendent
31 to participate in the DROP beyond 60 months, or who are

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1 employed as faculty or staff at a state university while also
 2 being employed as instructional personnel, as defined in s.
 3 1012.01(2), at the developmental research school of that state
 4 university and who have received authorization from both the
 5 state university's board of trustees and the developmental
 6 research school's director or, if the school has no director,
 7 the school's principal, to participate in the DROP beyond 60
 8 months, the 96-month maximum participation period, as provided
 9 in subparagraph (b)1., the member may elect to include or
 10 exclude any optional service credit purchased by the member
 11 from the total service used to establish the normal retirement
 12 date. A member with dual normal retirement dates shall be
 13 eligible to elect to participate in either class.

14 (b) Participation in the DROP.--

15 1. An eligible member may elect to participate in the
 16 DROP for a period not to exceed a maximum of 60 calendar
 17 months or, with respect to members who are instructional
 18 personnel employed by the Florida School for the Deaf and the
 19 Blind and who have received authorization by the Board of
 20 Trustees of the Florida School for the Deaf and the Blind to
 21 participate in the DROP beyond 60 months, ~~or~~ who are
 22 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
 23 grades K-12 and who have received authorization by the
 24 district school superintendent to participate in the DROP
 25 beyond 60 calendar months, or who are employed as faculty or
 26 staff at a state university while also being employed as
 27 instructional personnel, as defined in s. 1012.01(2), at the
 28 developmental research school of that state university and who
 29 have received authorization from both the state university's
 30 board of trustees and the developmental research school's
 31 director or, if the school has no director, the school's

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

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1 effective date of the DROP.

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

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

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

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

14 d. Any other information required by the division.

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

23 4. Elected officers shall be eligible to participate
24 in the DROP subject to the following:

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

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

9 c. An elected officer who is dually employed and
 10 elects to participate in DROP shall be required to satisfy the
 11 definition of termination within the 60-month or, with respect
 12 to members who are instructional personnel employed by the
 13 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 months, or who are
 20 employed as faculty or staff at a state university while also
 21 being employed as instructional personnel, as defined in s.
 22 1012.01(2), at the developmental research school of that state
 23 university and who have received authorization from both the
 24 state university's board of trustees and the developmental
 25 research school's director or, if the school has no director,
 26 the school's principal, to participate in the DROP beyond 60
 27 months, the 96-month limitation period as provided in
 28 subparagraph 1. for the nonelected position and may continue
 29 employment as an elected officer as provided in s. 121.053.
 30 The elected officer will be enrolled as a renewed member in
 31 the Elected Officers' Class or the Regular Class, as provided

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1 in ss. 121.053 and 121.22, on the first day of the month after
 2 termination of employment in the nonelected position and
 3 termination of DROP. Distribution of the DROP benefits shall
 4 be made as provided in paragraph (c).

5
 6 (Redesignate subsequent sections.)

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

10 And the title is amended as follows:

11 On page 1, line 12, following the semicolon

12

13 insert:

14 amending s. 121.091, F.S.; authorizing extended
 15 participation in the DROP program for certain
 16 instructional personnel at state university
 17 developmental research schools;

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