

Bill No. SB 1064

Barcode 914598

CHAMBER ACTION

Senate

House

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The Committee on Governmental Oversight and Productivity
(Constantine) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

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

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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), administrative
28 personnel as defined in s. 1012.01(3)(c), or administrative
29 personnel as defined in s. 1012.01(3)(a) and (b) in school
30 board designated areas of critical administrative shortage in
31 grades K-12 and who have received authorization by the

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1 district school superintendent to participate in the DROP
2 beyond 60 months, the 96-month limitation period as provided
3 in subparagraph (b)1. When establishing eligibility of the
4 member to participate in the DROP for the 60-month or, with
5 respect to members who are instructional personnel employed by
6 the Florida School for the Deaf and the Blind and who have
7 received authorization by the Board of Trustees of the Florida
8 School for the Deaf and the Blind to participate in the DROP
9 beyond 60 months, or who are instructional personnel as
10 defined in s. 1012.01(2)(a)-(d), administrative personnel as
11 defined in s. 1012.01(3)(c), or administrative personnel as
12 defined in s. 1012.01(3)(a) and (b) in school board designated
13 areas of critical administrative shortage in grades K-12 and
14 who have received authorization by the district school
15 superintendent to participate in the DROP beyond 60 months,
16 the 96-month maximum participation period, the member may
17 elect to include or exclude any optional service credit
18 purchased by the member from the total service used to
19 establish the normal retirement date. A member with dual
20 normal retirement dates shall be eligible to elect to
21 participate in DROP within 12 months after attaining normal
22 retirement date in either class.

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

28 4. Simultaneous employment of a participant by
29 additional Florida Retirement System employers subsequent to
30 the commencement of participation in the DROP shall be
31 permissible provided such employers acknowledge in writing a

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1 DROP termination date no later than the participant's existing
2 termination date or the 60-month limitation period as provided
3 in subparagraph (b)1.

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

6 a. A change of employment must take place without a
7 break in service so that the member receives salary for each
8 month of continuous DROP participation. If a member receives
9 no salary during a month, DROP participation shall cease
10 unless the employer verifies a continuation of the employment
11 relationship for such participant pursuant to s.
12 121.021(39)(b).

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

16 c. The new employer shall acknowledge, in writing, the
17 participant's DROP termination date, which may be extended but
18 not beyond the original 60-month or, with respect to members
19 who are instructional personnel employed by the Florida School
20 for the Deaf and the Blind and who have received authorization
21 by the Board of Trustees of the Florida School for the Deaf
22 and the Blind to participate in the DROP beyond 60 months, or
23 who are instructional personnel as defined in s.

24 1012.01(2)(a)-(d), administrative personnel as defined in s.
25 1012.01(3)(c), or administrative personnel as defined in s.
26 1012.01(3)(a) and (b) in school board designated areas of
27 critical administrative shortage in grades K-12 and who have
28 received authorization by the district school superintendent
29 to participate in the DROP beyond 60 months, the 96-month
30 period provided in subparagraph (b)1., shall acknowledge

31 liability for any additional retirement contributions and

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1 interest required if the participant fails to timely terminate
2 employment, and shall be subject to the adjustment required in
3 sub-subparagraph (c)5.d.

4 6. Effective July 1, 2001, for instructional personnel
5 as defined in s. 1012.01(2), election to participate in the
6 DROP shall be made at any time following the date on which the
7 member first reaches normal retirement date. The member shall
8 advise his or her employer and the division in writing of the
9 date on which the Deferred Retirement Option Program shall
10 begin. When establishing eligibility of the member to
11 participate in the DROP for the 60-month or, with respect to
12 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), administrative personnel as
18 defined in s. 1012.01(3)(c), or administrative personnel as
19 defined in s. 1012.01(3)(a) and (b) in school board designated
20 areas of critical administrative shortage in grades K-12 and
21 who have received authorization by the district school
22 superintendent to participate in the DROP beyond 60 months,
23 the 96-month maximum participation period, as provided in
24 subparagraph (b)1., the member may elect to include or exclude
25 any optional service credit purchased by the member from the
26 total service used to establish the normal retirement date. A
27 member with dual normal retirement dates shall be eligible to
28 elect to participate in either class.

29 (b) Participation in the DROP.--

30 1. An eligible member may elect to participate in the
31 DROP for a period not to exceed a maximum of 60 calendar

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1 months or, with respect to members who are instructional
2 personnel employed by the Florida School for the Deaf and the
3 Blind and who have received authorization by the Board of
4 Trustees of the Florida School for the Deaf and the Blind to
5 participate in the DROP beyond 60 months, or who are
6 instructional personnel as defined in s. 1012.01(2)(a)-(d),
7 administrative personnel as defined in s. 1012.01(3)(c), or
8 administrative personnel as defined in s. 1012.01(3)(a) and
9 (b) in school board designated areas of critical
10 administrative shortage in grades K-12 and who have received
11 authorization by the district school superintendent to
12 participate in the DROP beyond 60 calendar months, 96 calendar
13 months immediately following the date on which the member
14 first reaches his or her normal retirement date or the date to
15 which he or she is eligible to defer his or her election to
16 participate as provided in subparagraph (a)2. However, a
17 member who has reached normal retirement date prior to the
18 effective date of the DROP shall be eligible to participate in
19 the DROP for a period of time not to exceed 60 calendar months
20 or, with respect to members who are instructional personnel
21 employed by the Florida School for the Deaf and the Blind and
22 who have received authorization by the Board of Trustees of
23 the Florida School for the Deaf and the Blind to participate
24 in the DROP beyond 60 months, or who are instructional
25 personnel as defined in s. 1012.01(2)(a)-(d), administrative
26 personnel as defined in s. 1012.01(3)(c), or administrative
27 personnel as defined in s. 1012.01(3)(a) and (b) in school
28 board designated areas of critical administrative shortage in
29 grades K-12 and who have received authorization by the
30 district school superintendent to participate in the DROP
31 beyond 60 calendar months, 96 calendar months immediately

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

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

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

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

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

21 d. Any other information required by the division.

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

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

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

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

16 c. An elected officer who is dually employed and
 17 elects to participate in DROP shall be required to satisfy the
 18 definition of termination within the 60-month or, with respect
 19 to members who are instructional personnel employed by the
 20 Florida School for the Deaf and the Blind and who have
 21 received authorization by the Board of Trustees of the Florida
 22 School for the Deaf and the Blind to participate in the DROP
 23 beyond 60 months, or who are instructional personnel as
 24 defined in s. 1012.01(2)(a)-(d), administrative personnel as
 25 defined in s. 1012.01(3)(c), or administrative personnel as
 26 defined in s. 1012.01(3)(a) and (b) in school board designated
 27 areas of critical administrative shortage in grades K-12 and
 28 who have received authorization by the district school
 29 superintendent to participate in the DROP beyond 60 months,
 30 the 96-month limitation period as provided in subparagraph 1.
 31 for the nonelected position and may continue employment as an

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1 | elected officer as provided in s. 121.053. The elected officer
 2 | will be enrolled as a renewed member in the Elected Officers'
 3 | Class or the Regular Class, as provided in ss. 121.053 and
 4 | 121.122, on the first day of the month after termination of
 5 | employment in the nonelected position and termination of DROP.
 6 | Distribution of the DROP benefits shall be made as provided in
 7 | paragraph (c).

8 | Section 2. The Legislature finds that a proper and
 9 | legitimate state purpose is served when employees and retirees
 10 | of the state and of its political subdivisions, and the
 11 | dependents, survivors, and beneficiaries of such employees and
 12 | retirees, are extended the basic protections afforded by
 13 | governmental retirement systems that provide fair and adequate
 14 | benefits and that are managed, administered, and funded in an
 15 | actuarially sound manner as required by s. 14, Art. X of the
 16 | State Constitution and part VII of chapter 112, Florida
 17 | Statutes. Therefore, the Legislature determines and declares
 18 | that the provisions of this act fulfill an important state
 19 | interest.

20 | Section 3. This act shall take effect upon becoming a
 21 | law.

22 |
 23 |

24 | ===== T I T L E A M E N D M E N T =====

25 | And the title is amended as follows:

26 | Delete everything before the enacting clause

27 |

28 | and insert:

29 | A bill to be entitled

30 | An act relating to the Florida Retirement

31 | System; amending s. 121.091, F.S.; increasing

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1 the period of time in which members of the
2 system who are employed as certain
3 administrative personnel in grades K-12 may
4 participate in the Deferred Retirement Option
5 Program; providing a declaration of important
6 state interest; providing an effective date.

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