

1                                   A bill to be entitled  
 2           An act relating to the Florida Retirement System; amending  
 3           s. 121.091, F.S.; increasing the period of time in which  
 4           members of the system who are employed as administrative  
 5           personnel in grades K-12 may participate in the Deferred  
 6           Retirement Option Program; providing a declaration of  
 7           important state interest; providing an 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. Paragraphs (a) and (b) of subsection (13) of  
 12           section 121.091, Florida Statutes, are amended to read:

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

26           (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
 27           subject to the provisions of this section, the Deferred  
 28           Retirement Option Program, hereinafter referred to as the DROP,

29 is a program under which an eligible member of the Florida  
 30 Retirement System may elect to participate, deferring receipt of  
 31 retirement benefits while continuing employment with his or her  
 32 Florida Retirement System employer. The deferred monthly  
 33 benefits shall accrue in the System Trust Fund on behalf of the  
 34 participant, plus interest compounded monthly, for the specified  
 35 period of the DROP participation, as provided in paragraph (c).  
 36 Upon termination of employment, the participant shall receive  
 37 the total DROP benefits and begin to receive the previously  
 38 determined normal retirement benefits. Participation in the DROP  
 39 does not guarantee employment for the specified period of DROP.  
 40 Participation in the DROP by an eligible member beyond the  
 41 initial 60-month period as authorized in this subsection shall  
 42 be on an annual contractual basis for all participants.

43 (a) Eligibility of member to participate in the DROP.--All  
 44 active Florida Retirement System members in a regularly  
 45 established position, and all active members of either the  
 46 Teachers' Retirement System established in chapter 238 or the  
 47 State and County Officers' and Employees' Retirement System  
 48 established in chapter 122 which systems are consolidated within  
 49 the Florida Retirement System under s. 121.011, are eligible to  
 50 elect participation in the DROP provided that:

51 1. The member is not a renewed member of the Florida  
 52 Retirement System under s. 121.122, or a member of the State  
 53 Community College System Optional Retirement Program under s.  
 54 121.051, the Senior Management Service Optional Annuity Program  
 55 under s. 121.055, or the optional retirement program for the  
 56 State University System under s. 121.35.

57 | 2. Except as provided in subparagraph 6., election to  
58 | participate is made within 12 months immediately following the  
59 | date on which the member first reaches normal retirement date,  
60 | or, for a member who reaches normal retirement date based on  
61 | service before he or she reaches age 62, or age 55 for Special  
62 | Risk Class members, election to participate may be deferred to  
63 | the 12 months immediately following the date the member attains  
64 | 57, or age 52 for Special Risk Class members. For a member who  
65 | first reached normal retirement date or the deferred eligibility  
66 | date described above prior to the effective date of this  
67 | section, election to participate shall be made within 12 months  
68 | after the effective date of this section. A member who fails to  
69 | make an election within such 12-month limitation period shall  
70 | forfeit all rights to participate in the DROP. The member shall  
71 | advise his or her employer and the division in writing of the  
72 | date on which the DROP shall begin. Such beginning date may be  
73 | subsequent to the 12-month election period, but must be within  
74 | the 60-month or, with respect to members who are instructional  
75 | personnel employed by the Florida School for the Deaf and the  
76 | Blind and who have received authorization by the Board of  
77 | Trustees of the Florida School for the Deaf and the Blind to  
78 | participate in the DROP beyond 60 months, or who are  
79 | instructional personnel as defined in s. 1012.01(2)(a)-(d) or  
80 | administrative personnel as defined in s. 1012.01(3) in grades  
81 | K-12 and who have received authorization by the district school  
82 | superintendent to participate in the DROP beyond 60 months, the  
83 | 96-month limitation period as provided in subparagraph (b)1.  
84 | When establishing eligibility of the member to participate in

HB 659

2006

85 the DROP for the 60-month or, with respect to members who are  
86 instructional personnel employed by the Florida School for the  
87 Deaf and the Blind and who have received authorization by the  
88 Board of Trustees of the Florida School for the Deaf and the  
89 Blind to participate in the DROP beyond 60 months, or who are  
90 instructional personnel as defined in s. 1012.01(2)(a)-(d) or  
91 administrative personnel as defined in s. 1012.01(3) in grades  
92 K-12 and who have received authorization by the district school  
93 superintendent to participate in the DROP beyond 60 months, the  
94 96-month maximum participation period, the member may elect to  
95 include or exclude any optional service credit purchased by the  
96 member from the total service used to establish the normal  
97 retirement date. A member with dual normal retirement dates  
98 shall be eligible to elect to participate in DROP within 12  
99 months after attaining normal retirement date in either class.

100 3. The employer of a member electing to participate in the  
101 DROP, or employers if dually employed, shall acknowledge in  
102 writing to the division the date the member's participation in  
103 the DROP begins and the date the member's employment and DROP  
104 participation will terminate.

105 4. Simultaneous employment of a participant by additional  
106 Florida Retirement System employers subsequent to the  
107 commencement of participation in the DROP shall be permissible  
108 provided such employers acknowledge in writing a DROP  
109 termination date no later than the participant's existing  
110 termination date or the 60-month limitation period as provided  
111 in subparagraph (b)1.

112 5. A DROP participant may change employers while

113 participating in the DROP, subject to the following:

114 a. A change of employment must take place without a break  
115 in service so that the member receives salary for each month of  
116 continuous DROP participation. If a member receives no salary  
117 during a month, DROP participation shall cease unless the  
118 employer verifies a continuation of the employment relationship  
119 for such participant pursuant to s. 121.021(39)(b).

120 b. Such participant and new employer shall notify the  
121 division on forms required by the division as to the identity of  
122 the new employer.

123 c. The new employer shall acknowledge, in writing, the  
124 participant's DROP termination date, which may be extended but  
125 not beyond the original 60-month or, with respect to members who  
126 are instructional personnel employed by the Florida School for  
127 the Deaf and the Blind and who have received authorization by  
128 the Board of Trustees of the Florida School for the Deaf and the  
129 Blind to participate in the DROP beyond 60 months, or who are  
130 instructional personnel as defined in s. 1012.01(2)(a)-(d) or  
131 administrative personnel as defined in s. 1012.01(3) in grades  
132 K-12 and who have received authorization by the district school  
133 superintendent to participate in the DROP beyond 60 months, the  
134 96-month period provided in subparagraph (b)1., shall  
135 acknowledge liability for any additional retirement  
136 contributions and interest required if the participant fails to  
137 timely terminate employment, and shall be subject to the  
138 adjustment required in sub-subparagraph (c)5.d.

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

141 shall be made at any time following the date on which the member  
 142 first reaches normal retirement date. The member shall advise  
 143 his or her employer and the division in writing of the date on  
 144 which the Deferred Retirement Option Program shall begin. When  
 145 establishing eligibility of the member to participate in the  
 146 DROP for the 60-month or, with respect to members who are  
 147 instructional personnel employed by the Florida School for the  
 148 Deaf and the Blind and who have received authorization by the  
 149 Board of Trustees of the Florida School for the Deaf and the  
 150 Blind to participate in the DROP beyond 60 months, or who are  
 151 instructional personnel as defined in s. 1012.01(2)(a)-(d) or  
 152 administrative personnel as defined in s. 1012.01(3) in grades  
 153 K-12 and who have received authorization by the district school  
 154 superintendent to participate in the DROP beyond 60 months, the  
 155 96-month maximum participation period, as provided in  
 156 subparagraph (b)1., the member may elect to include or exclude  
 157 any optional service credit purchased by the member from the  
 158 total service used to establish the normal retirement date. A  
 159 member with dual normal retirement dates shall be eligible to  
 160 elect to participate in either class.

161 (b) Participation in the DROP.--

162 1. An eligible member may elect to participate in the DROP  
 163 for a period not to exceed a maximum of 60 calendar months or,  
 164 with respect to members who are instructional personnel employed  
 165 by the Florida School for the Deaf and the Blind and who have  
 166 received authorization by the Board of Trustees of the Florida  
 167 School for the Deaf and the Blind to participate in the DROP  
 168 beyond 60 months, or who are instructional personnel as defined

HB 659

2006

169 in s. 1012.01(2)(a)-(d) or administrative personnel as defined  
170 in s. 1012.01(3) in grades K-12 and who have received  
171 authorization by the district school superintendent to  
172 participate in the DROP beyond 60 calendar months, 96 calendar  
173 months immediately following the date on which the member first  
174 reaches his or her normal retirement date or the date to which  
175 he or she is eligible to defer his or her election to  
176 participate as provided in subparagraph (a)2. However, a member  
177 who has reached normal retirement date prior to the effective  
178 date of the DROP shall be eligible to participate in the DROP  
179 for a period of time not to exceed 60 calendar months or, with  
180 respect to members who are instructional personnel employed by  
181 the Florida School for the Deaf and the Blind and who have  
182 received authorization by the Board of Trustees of the Florida  
183 School for the Deaf and the Blind to participate in the DROP  
184 beyond 60 months, or who are instructional personnel as defined  
185 in s. 1012.01(2)(a)-(d) or administrative personnel as defined  
186 in s. 1012.01(3) in grades K-12 and who have received  
187 authorization by the district school superintendent to  
188 participate in the DROP beyond 60 calendar months, 96 calendar  
189 months immediately following the effective date of the DROP,  
190 except a member of the Special Risk Class who has reached normal  
191 retirement date prior to the effective date of the DROP and  
192 whose total accrued value exceeds 75 percent of average final  
193 compensation as of his or her effective date of retirement shall  
194 be eligible to participate in the DROP for no more than 36  
195 calendar months immediately following the effective date of the  
196 DROP.

197           2. Upon deciding to participate in the DROP, the member  
 198 shall submit, on forms required by the division:  
 199           a. A written election to participate in the DROP;  
 200           b. Selection of the DROP participation and termination  
 201 dates, which satisfy the limitations stated in paragraph (a) and  
 202 subparagraph 1. Such termination date shall be in a binding  
 203 letter of resignation with the employer, establishing a deferred  
 204 termination date. The member may change the termination date  
 205 within the limitations of subparagraph 1., but only with the  
 206 written approval of his or her employer;  
 207           c. A properly completed DROP application for service  
 208 retirement as provided in this section; and  
 209           d. Any other information required by the division.  
 210           3. The DROP participant shall be a retiree under the  
 211 Florida Retirement System for all purposes, except for paragraph  
 212 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
 213 and 121.122. However, participation in the DROP does not alter  
 214 the participant's employment status and such employee shall not  
 215 be deemed retired from employment until his or her deferred  
 216 resignation is effective and termination occurs as provided in  
 217 s. 121.021(39).  
 218           4. Elected officers shall be eligible to participate in  
 219 the DROP subject to the following:  
 220           a. An elected officer who reaches normal retirement date  
 221 during a term of office may defer the election to participate in  
 222 the DROP until the next succeeding term in that office. Such  
 223 elected officer who exercises this option may participate in the  
 224 DROP for up to 60 calendar months or a period of no longer than



225 such succeeding term of office, whichever is less.

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

234       c. An elected officer who is dually employed and elects to  
235 participate in DROP shall be required to satisfy the definition  
236 of termination within the 60-month or, with respect to members  
237 who are instructional personnel employed by the Florida School  
238 for the Deaf and the Blind and who have received authorization  
239 by the Board of Trustees of the Florida School for the Deaf and  
240 the Blind to participate in the DROP beyond 60 months, or who  
241 are instructional personnel as defined in s. 1012.01(2)(a)-(d)  
242 or administrative personnel as defined in s. 1012.01(3) in  
243 grades K-12 and who have received authorization by the district  
244 school superintendent to participate in the DROP beyond 60  
245 months, the 96-month limitation period as provided in  
246 subparagraph 1. for the nonelected position and may continue  
247 employment as an elected officer as provided in s. 121.053. The  
248 elected officer will be enrolled as a renewed member in the  
249 Elected Officers' Class or the Regular Class, as provided in ss.  
250 121.053 and 121.122, on the first day of the month after  
251 termination of employment in the nonelected position and  
252 termination of DROP. Distribution of the DROP benefits shall be

HB 659

2006

253 made as provided in paragraph (c).

254       Section 2. The Legislature finds that a proper and  
255 legitimate state purpose is served when employees and retirees  
256 of the state and of its political subdivisions, and the  
257 dependents, survivors, and beneficiaries of such employees and  
258 retirees, are extended the basic protections afforded by  
259 governmental retirement systems that provide fair and adequate  
260 benefits and that are managed, administered, and funded in an  
261 actuarially sound manner as required by s. 14, Art. X of the  
262 State Constitution and part VII of chapter 112, Florida  
263 Statutes. Therefore, the Legislature determines and declares  
264 that the provisions of this act fulfill an important state  
265 interest.

266       Section 3. This act shall take effect upon becoming a law.