

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 certain  
 5           administrative personnel in grades K-12 may participate in  
 6           the Deferred Retirement Option Program; providing a  
 7           declaration of important state interest; providing an  
 8           effective date.

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

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

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

27           (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
 28           subject to the provisions of this section, the Deferred

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

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

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

57 State University System under s. 121.35.

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

85 the district school superintendent to participate in the DROP  
86 beyond 60 months, the 96-month limitation period as provided in  
87 subparagraph (b)1. When establishing eligibility of the member  
88 to participate in the DROP for the 60-month or, with respect to  
89 members who are instructional personnel employed by the Florida  
90 School for the Deaf and the Blind and who have received  
91 authorization by the Board of Trustees of the Florida School for  
92 the Deaf and the Blind to participate in the DROP beyond 60  
93 months, or who are instructional personnel as defined in s.  
94 1012.01(2)(a)-(d), administrative personnel as defined in s.  
95 1012.01(3)(c), or administrative personnel as defined in s.  
96 1012.01(3)(a) and (b) in school-board-designated areas of  
97 critical administrative shortage in grades K-12 and who have  
98 received authorization by the district school superintendent to  
99 participate in the DROP beyond 60 months, the 96-month maximum  
100 participation period, the member may elect to include or exclude  
101 any optional service credit purchased by the member from the  
102 total service used to establish the normal retirement date. A  
103 member with dual normal retirement dates shall be eligible to  
104 elect to participate in DROP within 12 months after attaining  
105 normal retirement date in either class.

106 3. The employer of a member electing to participate in the  
107 DROP, or employers if dually employed, shall acknowledge in  
108 writing to the division the date the member's participation in  
109 the DROP begins and the date the member's employment and DROP  
110 participation will terminate.

111 4. Simultaneous employment of a participant by additional  
112 Florida Retirement System employers subsequent to the

113 commencement of participation in the DROP shall be permissible  
114 provided such employers acknowledge in writing a DROP  
115 termination date no later than the participant's existing  
116 termination date or the 60-month limitation period as provided  
117 in subparagraph (b)1.

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

120 a. A change of employment must take place without a break  
121 in service so that the member receives salary for each month of  
122 continuous DROP participation. If a member receives no salary  
123 during a month, DROP participation shall cease unless the  
124 employer verifies a continuation of the employment relationship  
125 for such participant pursuant to s. 121.021(39)(b).

126 b. Such participant and new employer shall notify the  
127 division on forms required by the division as to the identity of  
128 the new employer.

129 c. The new employer shall acknowledge, in writing, the  
130 participant's DROP termination date, which may be extended but  
131 not beyond the original 60-month or, with respect to members who  
132 are instructional personnel employed by the Florida School for  
133 the Deaf and the Blind and who have received authorization by  
134 the Board of Trustees of the Florida School for the Deaf and the  
135 Blind to participate in the DROP beyond 60 months, or who are  
136 instructional personnel as defined in s. 1012.01(2)(a)-(d),  
137 administrative personnel as defined in s. 1012.01(3)(c), or  
138 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
139 in school-board-designated areas of critical administrative  
140 shortage in grades K-12 and who have received authorization by

141 the district school superintendent to participate in the DROP  
142 beyond 60 months, the 96-month period provided in subparagraph  
143 (b)1., shall acknowledge liability for any additional retirement  
144 contributions and interest required if the participant fails to  
145 timely terminate employment, and shall be subject to the  
146 adjustment required in sub-subparagraph (c)5.d.

147 6. Effective July 1, 2001, for instructional personnel as  
148 defined in s. 1012.01(2), election to participate in the DROP  
149 shall be made at any time following the date on which the member  
150 first reaches normal retirement date. The member shall advise  
151 his or her employer and the division in writing of the date on  
152 which the Deferred Retirement Option Program shall begin. When  
153 establishing eligibility of the member to participate in the  
154 DROP for the 60-month or, with respect to members who are  
155 instructional personnel employed by the Florida School for the  
156 Deaf and the Blind and who have received authorization by the  
157 Board of Trustees of the Florida School for the Deaf and the  
158 Blind to participate in the DROP beyond 60 months, or who are  
159 instructional personnel as defined in s. 1012.01(2)(a)-(d),  
160 administrative personnel as defined in s. 1012.01(3)(c), or  
161 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
162 in school-board-designated areas of critical administrative  
163 shortage in grades K-12 and who have received authorization by  
164 the district school superintendent to participate in the DROP  
165 beyond 60 months, the 96-month maximum participation period, as  
166 provided in subparagraph (b)1., the member may elect to include  
167 or exclude any optional service credit purchased by the member  
168 from the total service used to establish the normal retirement

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169 date. A member with dual normal retirement dates shall be  
170 eligible to elect to participate in either class.

171 (b) Participation in the DROP.--

172 1. An eligible member may elect to participate in the DROP  
173 for a period not to exceed a maximum of 60 calendar months or,  
174 with respect to members who are instructional personnel employed  
175 by the Florida School for the Deaf and the Blind and who have  
176 received authorization by the Board of Trustees of the Florida  
177 School for the Deaf and the Blind to participate in the DROP  
178 beyond 60 months, or who are instructional personnel as defined  
179 in s. 1012.01(2)(a)-(d), administrative personnel as defined in  
180 s. 1012.01(3)(c), or administrative personnel as defined in s.  
181 1012.01(3)(a) and (b) in school-board-designated areas of  
182 critical administrative shortage in grades K-12 and who have  
183 received authorization by the district school superintendent to  
184 participate in the DROP beyond 60 calendar months, 96 calendar  
185 months immediately following the date on which the member first  
186 reaches his or her normal retirement date or the date to which  
187 he or she is eligible to defer his or her election to  
188 participate as provided in subparagraph (a)2. However, a member  
189 who has reached normal retirement date prior to the effective  
190 date of the DROP shall be eligible to participate in the DROP  
191 for a period of time not to exceed 60 calendar months or, with  
192 respect to members who are instructional personnel employed by  
193 the Florida School for the Deaf and the Blind and who have  
194 received authorization by the Board of Trustees of the Florida  
195 School for the Deaf and the Blind to participate in the DROP  
196 beyond 60 months, or who are instructional personnel as defined

197 in s. 1012.01(2)(a)-(d), administrative personnel as defined in  
198 s. 1012.01(3)(c), or administrative personnel as defined in s.  
199 1012.01(3)(a) and (b) in school-board-designated areas of  
200 critical administrative shortage in grades K-12 and who have  
201 received authorization by the district school superintendent to  
202 participate in the DROP beyond 60 calendar months, 96 calendar  
203 months immediately following the effective date of the DROP,  
204 except a member of the Special Risk Class who has reached normal  
205 retirement date prior to the effective date of the DROP and  
206 whose total accrued value exceeds 75 percent of average final  
207 compensation as of his or her effective date of retirement shall  
208 be eligible to participate in the DROP for no more than 36  
209 calendar months immediately following the effective date of the  
210 DROP.

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

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

214 b. Selection of the DROP participation and termination  
215 dates, which satisfy the limitations stated in paragraph (a) and  
216 subparagraph 1. Such termination date shall be in a binding  
217 letter of resignation with the employer, establishing a deferred  
218 termination date. The member may change the termination date  
219 within the limitations of subparagraph 1., but only with the  
220 written approval of his or her employer;

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

223 d. Any other information required by the division.

224 3. The DROP participant shall be a retiree under the



225 Florida Retirement System for all purposes, except for paragraph  
226 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
227 and 121.122. However, participation in the DROP does not alter  
228 the participant's employment status and such employee shall not  
229 be deemed retired from employment until his or her deferred  
230 resignation is effective and termination occurs as provided in  
231 s. 121.021(39).

232 4. Elected officers shall be eligible to participate in  
233 the DROP subject to the following:

234 a. An elected officer who reaches normal retirement date  
235 during a term of office may defer the election to participate in  
236 the DROP until the next succeeding term in that office. Such  
237 elected officer who exercises this option may participate in the  
238 DROP for up to 60 calendar months or a period of no longer than  
239 such succeeding term of office, whichever is less.

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

248 c. An elected officer who is dually employed and elects to  
249 participate in DROP shall be required to satisfy the definition  
250 of termination within the 60-month or, with respect to members  
251 who are instructional personnel employed by the Florida School  
252 for the Deaf and the Blind and who have received authorization

253 by the Board of Trustees of the Florida School for the Deaf and  
 254 the Blind to participate in the DROP beyond 60 months, or who  
 255 are instructional personnel as defined in s. 1012.01(2)(a)-(d),  
 256 administrative personnel as defined in s. 1012.01(3)(c), or  
 257 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
 258 in school-board-designated areas of critical administrative  
 259 shortage in grades K-12 and who have received authorization by  
 260 the district school superintendent to participate in the DROP  
 261 beyond 60 months, the 96-month limitation period as provided in  
 262 subparagraph 1. for the nonelected position and may continue  
 263 employment as an elected officer as provided in s. 121.053. The  
 264 elected officer will be enrolled as a renewed member in the  
 265 Elected Officers' Class or the Regular Class, as provided in ss.  
 266 121.053 and 121.122, on the first day of the month after  
 267 termination of employment in the nonelected position and  
 268 termination of DROP. Distribution of the DROP benefits shall be  
 269 made as provided in paragraph (c).

270 Section 2. The Legislature finds that a proper and  
 271 legitimate state purpose is served when employees and retirees  
 272 of the state and of its political subdivisions, and the  
 273 dependents, survivors, and beneficiaries of such employees and  
 274 retirees, are extended the basic protections afforded by  
 275 governmental retirement systems that provide fair and adequate  
 276 benefits and that are managed, administered, and funded in an  
 277 actuarially sound manner as required by s. 14, Art. X of the  
 278 State Constitution and part VII of chapter 112, Florida  
 279 Statutes. Therefore, the Legislature determines and declares  
 280 that the provisions of this act fulfill an important state

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281 | interest.

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