

Amendment No.

CHAMBER ACTION

Senate

House

.

---

1 Representative Bogdanoff offered the following:

2  
3 **Amendment (with title amendment)**

4 Between lines 124 and 125, insert:

5 Section 3. Paragraphs (a) and (b) of subsection (13) of  
6 section 121.091, Florida Statutes, are amended to read:

7 121.091 Benefits payable under the system.--Benefits may  
8 not be paid under this section unless the member has terminated  
9 employment as provided in s. 121.021(39) (a) or begun  
10 participation in the Deferred Retirement Option Program as  
11 provided in subsection (13), and a proper application has been  
12 filed in the manner prescribed by the department. The department  
13 may cancel an application for retirement benefits when the  
14 member or beneficiary fails to timely provide the information  
15 and documents required by this chapter and the department's  
16 rules. The department shall adopt rules establishing procedures

788203

4/21/2008 4:48 PM

Amendment No.

17 for application for retirement benefits and for the cancellation  
18 of such application when the required information or documents  
19 are not received.

20 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
21 subject to the provisions of this section, the Deferred  
22 Retirement Option Program, hereinafter referred to as the DROP,  
23 is a program under which an eligible member of the Florida  
24 Retirement System may elect to participate, deferring receipt of  
25 retirement benefits while continuing employment with his or her  
26 Florida Retirement System employer. The deferred monthly  
27 benefits shall accrue in the System Trust Fund on behalf of the  
28 participant, plus interest compounded monthly, for the specified  
29 period of the DROP participation, as provided in paragraph (c).  
30 Upon termination of employment, the participant shall receive  
31 the total DROP benefits and begin to receive the previously  
32 determined normal retirement benefits. Participation in the DROP  
33 does not guarantee employment for the specified period of DROP.  
34 Participation in the DROP by an eligible member beyond the  
35 initial 60-month period as authorized in this subsection shall  
36 be on an annual contractual basis for all participants.

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

788203

4/21/2008 4:48 PM

Amendment No.

45 1. The member is not a renewed member of the Florida  
46 Retirement System under s. 121.122, or a member of the State  
47 Community College System Optional Retirement Program under s.  
48 121.051, the Senior Management Service Optional Annuity Program  
49 under s. 121.055, or the optional retirement program for the  
50 State University System under s. 121.35.

51 2. Except as provided in subparagraph 6., election to  
52 participate is made within 12 months immediately following the  
53 date on which the member first reaches normal retirement date,  
54 or, for a member who reaches normal retirement date based on  
55 service before he or she reaches age 62, or age 55 for Special  
56 Risk Class members, election to participate may be deferred to  
57 the 12 months immediately following the date the member attains  
58 57, or age 52 for Special Risk Class members. For a member who  
59 first reached normal retirement date or the deferred eligibility  
60 date described above prior to the effective date of this  
61 section, election to participate shall be made within 12 months  
62 after the effective date of this section. A member who fails to  
63 make an election within such 12-month limitation period shall  
64 forfeit all rights to participate in the DROP. The member shall  
65 advise his or her employer and the division in writing of the  
66 date on which the DROP shall begin. Such beginning date may be  
67 subsequent to the 12-month election period, but must be within  
68 the 60-month or, with respect to members who are instructional  
69 personnel employed by the Florida School for the Deaf and the  
70 Blind and who have received authorization by the Board of  
71 Trustees of the Florida School for the Deaf and the Blind to  
72 participate in the DROP beyond 60 months, or who are

788203

4/21/2008 4:48 PM

Amendment No.

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

99 3. The employer of a member electing to participate in the  
100 DROP, or employers if dually employed, shall acknowledge in

788203

4/21/2008 4:48 PM

Amendment No.

101 writing to the division the date the member's participation in  
102 the DROP begins and the date the member's employment and DROP  
103 participation will terminate.

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

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

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

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

122 c. The new employer shall acknowledge, in writing, the  
123 participant's DROP termination date, which may be extended but  
124 not beyond the original 60-month or, with respect to members who  
125 are instructional personnel employed by the Florida School for  
126 the Deaf and the Blind and who have received authorization by  
127 the Board of Trustees of the Florida School for the Deaf and the  
128 Blind to participate in the DROP beyond 60 months, or who are

788203

4/21/2008 4:48 PM

Amendment No.

129 instructional personnel as defined in s. 1012.01(2)(a)-(d),  
130 administrative personnel as defined in s. 1012.01(3)(c), or  
131 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
132 in school-board-designated areas of critical administrative  
133 shortage in grades K-12 and who have received authorization by  
134 the district school superintendent to participate in the DROP  
135 beyond 60 months, the 96-month period provided in subparagraph  
136 (b)1., shall acknowledge liability for any additional retirement  
137 contributions and interest required if the participant fails to  
138 timely terminate employment, and shall be subject to the  
139 adjustment required in sub-subparagraph (c)5.d.

140 6. Effective July 1, 2001, for instructional personnel as  
141 defined in s. 1012.01(2), election to participate in the DROP  
142 shall be made at any time following the date on which the member  
143 first reaches normal retirement date. The member shall advise  
144 his or her employer and the division in writing of the date on  
145 which the Deferred Retirement Option Program shall begin. When  
146 establishing eligibility of the member to participate in the  
147 DROP for the 60-month or, with respect to members who are  
148 instructional personnel employed by the Florida School for the  
149 Deaf and the Blind and who have received authorization by the  
150 Board of Trustees of the Florida School for the Deaf and the  
151 Blind to participate in the DROP beyond 60 months, or who are  
152 instructional personnel as defined in s. 1012.01(2)(a)-(d),  
153 administrative personnel as defined in s. 1012.01(3)(c), or  
154 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
155 in school-board-designated areas of critical administrative  
156 shortage in grades K-12 and who have received authorization by

788203

4/21/2008 4:48 PM

Amendment No.

157 the district school superintendent to participate in the DROP  
158 beyond 60 months, the 96-month maximum participation period, as  
159 provided in subparagraph (b)1., the member may elect to include  
160 or exclude any optional service credit purchased by the member  
161 from the total service used to establish the normal retirement  
162 date. A member with dual normal retirement dates shall be  
163 eligible to elect to participate in either class.

164 (b) Participation in the DROP.--

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

788203

4/21/2008 4:48 PM

Amendment No.

185 respect to members who are instructional personnel employed by  
186 the Florida School for the Deaf and the Blind and who have  
187 received authorization by the Board of Trustees of the Florida  
188 School for the Deaf and the Blind to participate in the DROP  
189 beyond 60 months, or who are instructional personnel as defined  
190 in s. 1012.01(2)(a)-(d), administrative personnel as defined in  
191 s. 1012.01(3)(c), or administrative personnel as defined in s.  
192 1012.01(3)(a) and (b) in school-board-designated areas of  
193 critical administrative shortage in grades K-12 and who have  
194 received authorization by the district school superintendent to  
195 participate in the DROP beyond 60 calendar months, 96 calendar  
196 months immediately following the effective date of the DROP,  
197 except a member of the Special Risk Class who has reached normal  
198 retirement date prior to the effective date of the DROP and  
199 whose total accrued value exceeds 75 percent of average final  
200 compensation as of his or her effective date of retirement shall  
201 be eligible to participate in the DROP for no more than 36  
202 calendar months immediately following the effective date of the  
203 DROP.

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

- 206 a. A written election to participate in the DROP;  
207 b. Selection of the DROP participation and termination  
208 dates, which satisfy the limitations stated in paragraph (a) and  
209 subparagraph 1. Such termination date shall be in a binding  
210 letter of resignation with the employer, establishing a deferred  
211 termination date. The member may change the termination date

788203  
4/21/2008 4:48 PM



Amendment No.

212 within the limitations of subparagraph 1., but only with the  
213 written approval of his or her employer;

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

216 d. Any other information required by the division.

217 3. The DROP participant shall be a retiree under the  
218 Florida Retirement System for all purposes, except for paragraph  
219 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
220 and 121.122. However, participation in the DROP does not alter  
221 the participant's employment status and such employee shall not  
222 be deemed retired from employment until his or her deferred  
223 resignation is effective and termination occurs as provided in  
224 s. 121.021(39).

225 4. Elected officers shall be eligible to participate in  
226 the DROP subject to the following:

227 a. An elected officer who reaches normal retirement date  
228 during a term of office may defer the election to participate in  
229 the DROP until the next succeeding term in that office. Such  
230 elected officer who exercises this option may participate in the  
231 DROP for up to 60 calendar months or a period of no longer than  
232 such succeeding term of office, whichever is less.

233 b. An elected or a nonelected participant may run for a  
234 term of office while participating in DROP and, if elected,  
235 extend the DROP termination date accordingly, except, however,  
236 if such additional term of office exceeds the 60-month  
237 limitation established in subparagraph 1., and the officer does  
238 not resign from office within such 60-month limitation, the

Amendment No.

239 retirement and the participant's DROP shall be null and void as  
240 provided in sub-subparagraph (c)5.d.

241 c. An elected officer who is dually employed and elects to  
242 participate in DROP shall be required to satisfy the definition  
243 of termination within the 60-month or, with respect to members  
244 who are instructional personnel employed by the Florida School  
245 for the Deaf and the Blind and who have received authorization  
246 by the Board of Trustees of the Florida School for the Deaf and  
247 the Blind to participate in the DROP beyond 60 months, or who  
248 are instructional personnel as defined in s. 1012.01(2)(a)-(d),  
249 administrative personnel as defined in s. 1012.01(3)(c), or  
250 administrative personnel as defined in s. 1012.01(3)(a) and (b)  
251 in school-board-designated areas of critical administrative  
252 shortage in grades K-12 and who have received authorization by  
253 the district school superintendent to participate in the DROP  
254 beyond 60 months, the 96-month limitation period as provided in  
255 subparagraph 1. for the nonelected position and may continue  
256 employment as an elected officer as provided in s. 121.053. The  
257 elected officer will be enrolled as a renewed member in the  
258 Elected Officers' Class or the Regular Class, as provided in ss.  
259 121.053 and 121.122, on the first day of the month after  
260 termination of employment in the nonelected position and  
261 termination of DROP. Distribution of the DROP benefits shall be  
262 made as provided in paragraph (c).

263 Section 4. The Legislature finds that a proper and  
264 legitimate state purpose is served when employees and retirees  
265 of the state and of its political subdivisions, and the  
266 dependents, survivors, and beneficiaries of such employees and

788203

4/21/2008 4:48 PM

Amendment No.

267 retirees, are extended the basic protections afforded by  
268 governmental retirement systems that provide fair and adequate  
269 benefits and that are managed, administered, and funded in an  
270 actuarially sound manner as required by s. 14, Art. X of the  
271 State Constitution and part VII of chapter 112, Florida  
272 Statutes. Therefore, the Legislature determines and declares  
273 that the provisions of this act fulfill an important state  
274 interest.

275

276

-----  
**T I T L E   A M E N D M E N T**

277

278       Remove line 12 and insert:

279       Service Class; amending s. 121.091, F.S.; increasing the period  
280       of time in which members of the system who are employed as  
281       certain administrative personnel in grades K-12 may participate  
282       in the Deferred Retirement Option Program; providing a  
283       declaration of important state interest; providing an effective  
284       date.

285