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Proposed Committee Substitute by the Committee on Governmental
Operations

1 A bill to be entitled
2 An act relating to retirement; amending s. 121.021, F.S.;
3 clarifying the definition of the term "compensation" for
4 purposes of the benefit retirement program or the Public
5 Employee Optional Retirement Program of the Florida
6 Retirement System; providing that such term does not
7 include fees or salary payments made from a faculty
8 practice plan authorized by the Board of Governors of the
9 State University System for clinical faculty at a state
10 university having a faculty practice plan; amending s.
11 121.051, F.S.; requiring that a person appointed to a
12 faculty position at a state university having a faculty
13 practice plan participate in the optional retirement
14 program of the State University System rather than the
15 Florida Retirement System; providing definitions; amending
16 s. 121.35, F.S.; requiring the participating employee in
17 the optional retirement program to execute a contract with
18 a designated company in order for certain purposes;
19 defining the term "participant's gross monthly
20 compensation" for purposes of the optional retirement
21 program for the State University System; creating s.
22 121.355, F.S.; authorizing certain former participants in
23 the Community College Optional Retirement Program or the
24 State University System Optional Retirement Program and
25 current mandatory participants in the Florida Retirement
26 System to receive a specified amount of service credit
27 under certain conditions; providing a specified time



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28 | period for the election of such transfer; limiting certain
29 | service credit; amending s. 121.021, F.S.; revising the
30 | definition of the term "termination" to account for
31 | retirements occurring before and after a specified date,
32 | as applicability to the Deferred Retirement Option
33 | Program; amending s. 121.053, F.S.; providing that
34 | retirees who initially served in an elected office are
35 | ineligible to participate in certain retirement programs;
36 | amending s. 121.091, F.S.; revising limitations on the
37 | payment of retirement contributions for certain retired
38 | persons who become reemployed by an entity participating
39 | in a state-administered retirement system; prohibiting
40 | certain persons holding public office from electing to
41 | retire while continuing employment in the elected office;
42 | providing certain limitations for DROP participants;
43 | amending s. 121.122, F.S.; providing that certain persons
44 | are ineligible for renewed membership in the system;
45 | amending s. 121.35, F.S.; clarifying the definition of
46 | "termination of employment"; amending s. 121.4501, F.S.;
47 | limiting the definition of "eligible employee"; excluding
48 | certain persons from classification as an "eligible
49 | employee"; amending s. 121.591, F.S.; clarifying the
50 | definition of "termination of employment"; providing an
51 | effective date.

52 |
53 | Be It Enacted by the Legislature of the State of Florida:

54 |
55 | Section 1. Paragraph (b) of subsection (22) of section
56 | 121.021, Florida Statutes, is amended to read:
57 | 121.021 Definitions.--The following words and phrases as



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58 | used in this chapter have the respective meanings set forth
59 | unless a different meaning is plainly required by the context:

60 | (22) "Compensation" means the monthly salary paid a member
61 | by his or her employer for work performed arising from that
62 | employment.

63 | (b) Under no circumstances shall compensation for a member
64 | participating in the defined benefit retirement program or the
65 | Public Employee Optional Retirement Program of the Florida
66 | Retirement System include:

67 | 1. Fees paid professional persons for special or particular
68 | services or include salary payments made from a faculty practice
69 | plan authorized by the Board of Governors of the State University
70 | System for eligible clinical faculty at a college at a state
71 | university with a faculty practice plan; or

72 | 2. Any bonuses or other payments prohibited from inclusion
73 | in the member's average final compensation and defined in
74 | subsection (47).

75 | Section 2. Paragraph (a) of subsection (1) of section
76 | 121.051, Florida Statutes, is amended to read:

77 | 121.051 Participation in the system.--

78 | (1) COMPULSORY PARTICIPATION.--

79 | (a) The provisions of this section are law ~~shall be~~
80 | compulsory for as to all officers and employees, except elected
81 | officers who meet the requirements of s. 121.052(3), who are
82 | employed on or after December 1, 1970, of an employer other than
83 | those referred to in paragraph (2)(b), and each officer or
84 | employee, as a condition of employment, shall become a member of
85 | the system as of his or her date of employment, except that a
86 | person who is retired from any state retirement system and is
87 | reemployed on or after December 1, 1970, may ~~shall~~ not be



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88 ~~permitted to~~ renew his or her membership in any state retirement
89 system except as provided in s. 121.091(4)(h) for a person who
90 recovers from disability, and as provided in s. 121.091(9)(b)8.
91 for a person who is elected to public office, and, effective July
92 1, 1991, as provided in s. 121.122 for all other retirees.
93 Officers and employees of the University Athletic Association,
94 Inc., a nonprofit association connected with the University of
95 Florida, employed on and after July 1, 1979, may ~~shall~~ not
96 participate in any state-supported retirement system.

97 1. Any person appointed on or after July 1, 1989, to a
98 faculty position in a college at the J. Hillis Miller Health
99 Center at the University of Florida or the Medical Center at the
100 University of South Florida which has a faculty practice plan
101 provided by rule adopted by the Board of Regents may ~~shall~~ not
102 participate in the Florida Retirement System.

103 2. Any person appointed on or after July 1, 2008, to a
104 faculty position, including clinical faculty, in a college at a
105 state university having a faculty practice plan authorized by the
106 Board of Governors may not participate in the Florida Retirement
107 System. A faculty member so appointed shall participate in the
108 optional retirement program for the State University System ~~on~~
109 ~~the basis of his or her state-funded compensation,~~
110 notwithstanding the provisions of s. 121.35(2)(a).

111 3. For purposes of this paragraph, the term:

112 a. "Faculty position" means a position assigned the
113 principal responsibility of teaching, research, or public service
114 activities or administrative responsibility directly related to
115 the academic mission of the college.

116 b. "Clinical faculty" means a faculty position appointment
117 in conjunction with a professional position in a hospital or



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118 other clinical environment at a college.

119 c. "Faculty practice plan" includes professional services
120 to patients, institutions, or other parties rendered by the
121 clinical faculty employed by a college with a faculty practice
122 plan at a state university authorized by the Board of Governors.

123 Section 3. Paragraph (a) of subsection (4) of section
124 121.35, Florida Statutes, is amended, and paragraph (g) is added
125 to that subsection, to read:

126 121.35 Optional retirement program for the State University
127 System.--

128 (4) CONTRIBUTIONS.--

129 (a) Through June 30, 2001, each employer shall contribute
130 on behalf of each participant in the optional retirement program
131 an amount equal to the normal cost portion of the employer
132 retirement contribution which would be required if the
133 participant were a regular member of the Florida Retirement
134 System defined benefit program, plus the portion of the
135 contribution rate required in s. 112.363(8) that would otherwise
136 be assigned to the Retiree Health Insurance Subsidy Trust Fund.
137 Effective July 1, 2001, each employer shall contribute on behalf
138 of each participant in the optional program an amount equal to
139 10.43 percent of the participant's gross monthly compensation.
140 The department shall deduct an amount approved by the Legislature
141 to provide for the administration of this program. The payment of
142 the contributions to the optional program which is required by
143 this paragraph for each participant shall be made by the employer
144 to the department, which shall forward the contributions to the
145 designated company or companies contracting for payment of
146 benefits for the participant under the program. However, such
147 contributions paid on behalf of an employee described in



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148 paragraph (3) (c) may ~~shall~~ not be forwarded to a company and does
149 ~~shall~~ not begin to accrue interest until the employee has
150 executed a ~~an annuity~~ contract and notified the department.

151 (g) Effective July 1, 2008, for purposes of paragraph (a)
152 and notwithstanding s. 121.021(22)(b)1., the term "participant's
153 gross monthly compensation" includes salary payments made to
154 eligible clinical faculty from a state university using funds
155 provided by a faculty practice plan authorized by the Board of
156 Governors of the State University System if:

157 1. There is no employer contribution from the state
158 university to any other retirement program with respect to such
159 salary payments; and

160 2. The employer contribution on behalf of the participant
161 in the optional retirement program with respect to such salary
162 payments is made using funds provided by the faculty practice
163 plan.

164 Section 4. Section 121.355, Florida Statutes, is created to
165 read:

166 121.355 Community College Optional Retirement Program and
167 State University System Optional Retirement Program member
168 transfer.--Effective January 1, 2009, through December 31, 2009,
169 an employee who is a former participant in the Community College
170 Optional Retirement Program or the State University System
171 Optional Retirement Program and is presently a mandatory
172 participant in the Florida Retirement System defined benefit plan
173 may receive service credit equal to his or her years of service
174 under the Community College Optional Retirement Program or the
175 State University System Optional Retirement Program under the
176 following conditions:



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177 (1) The cost for such credit shall be an amount
178 representing the actuarial accrued liability for the affected
179 period of service. The cost shall be calculated using the
180 discount rate and other relevant actuarial assumptions used to
181 value the Florida Retirement System defined benefit plan
182 liabilities in the most recent actuarial valuation. The
183 calculation shall include any service already maintained under
184 the defined benefit plan in addition to the years under the
185 Community College Optional Retirement Program or the State
186 University System Optional Retirement Program. The actuarial
187 accrued liability of any service already maintained under the
188 defined benefit plan shall be applied as a credit to total cost
189 resulting from the calculation. The division shall ensure that
190 the transfer sum is prepared using a formula and methodology
191 certified by an enrolled actuary.

192 (2) The employee must transfer from his or her Community
193 College Optional Retirement Program account or State University
194 System Optional Retirement Program account, subject to the terms
195 of the applicable optional retirement program contract, and from
196 other employee moneys as necessary, a sum representing the
197 actuarial accrued liability immediately following the time of
198 such movement, determined pursuant to the assumption that
199 attained service equals the sum of service in the defined benefit
200 program and service in the Community College Optional Retirement
201 Program or State University System Optional Retirement Program.

202 (3) The employee may not receive service credit for a
203 period of mandatory participation in the State University
204 Optional Retirement Program or for a period for which a
205 distribution was received from the Community College Optional



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206 Retirement Program or State University System Optional Retirement
207 Program.

208 Section 5. Subsection (39) of section 121.021, Florida
209 Statutes, is amended to read:

210 121.021 Definitions.--The following words and phrases as
211 used in this chapter have the respective meanings set forth
212 unless a different meaning is plainly required by the context:

213 (39) (a) "Termination" occurs, except as provided in
214 paragraph (b), when:

215 1. For retirements effective before October 1, 2008, a
216 member ceases all employment relationships with employers under
217 this system, as defined in subsection (10); however if, but in
218 the event a member is should be employed by any such employer
219 within the next calendar month, termination shall be deemed not
220 to have occurred. A leave of absence shall constitute a
221 continuation of the employment relationship, except that a leave
222 of absence without pay due to disability may constitute
223 termination for a member, if such member makes application for
224 and is approved for disability retirement in accordance with s.
225 121.091(4). The department or board may require other evidence of
226 termination as it deems necessary.

227 2. For retirements effective on or after October 1, 2008, a
228 member ceases all employment relationships with employers under
229 this system as provided in subsection (10); however, if a member
230 is employed by any such employer within the next 3 calendar
231 months, termination shall be deemed not to have occurred. A leave
232 of absence shall constitute a continuation of the employment
233 relationship, except that a leave of absence without pay due to a
234 disability may constitute termination for a member, if such
235 member makes application for and is approved for disability



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236 retirement in accordance with s. 121.091(4). The department or
237 board may require other evidence of termination as the department
238 or board deems necessary.

239 (b) "Termination" for a member electing to participate
240 under the Deferred Retirement Option Program occurs when the DROP
241 ~~Deferred Retirement Option Program~~ participant ceases all
242 employment relationships with employers under this system in
243 accordance with s. 121.091(13), but:

244 1. For DROP termination dates before October 1, 2008, if
245 the DROP in the event the Deferred Retirement Option Program
246 participant is should be employed by any such employer within the
247 next calendar month, termination will be deemed not to have
248 occurred, except as provided in s. 121.091(13)(b)4.c. A leave of
249 absence shall constitute a continuation of the employment
250 relationship.

251 2. For DROP termination dates on or after October 1, 2008,
252 if the DROP participant is employed by any such employer within
253 the next 3 calendar months, termination will be deemed not to
254 have occurred, except as provided in s. 121.091(13)(b)4.c. A
255 leave of absence shall constitute a continuation of the
256 employment relationship.

257 Section 6. Subsections (1) and (2) of section 121.053,
258 Florida Statutes, are amended to read:

259 121.053 Participation in the Elected Officers' Class for
260 retired members.--

261 (1)(a)1. Effective October 1, 2008, any retiree of a state-
262 administered retirement system who initially serves in an
263 elective office in a regularly established position with a
264 covered employer may not be enrolled in the Florida Retirement
265 System.



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266 2. An elected officer who is elected or appointed to an
267 elective office and is participating in the Deferred Retirement
268 Option Program is subject to termination as provided in s.
269 121.021(39)(b), and reemployment limitations as provided in s.
270 121.091(9), upon completion of his or her DROP participation
271 period.

272 (b) Before October 1, 2008, any member who retired under
273 any existing system as defined in s. 121.021(2), and receives a
274 benefit thereof, and who serves in an office covered by the
275 Elected Officers' Class for a period of at least 6 years, is
276 ~~shall be~~ entitled to receive an additional retirement benefit for
277 such elected officer service prior to July 1, 1990, under the
278 Elected Officers' Class of the Florida Retirement System, as
279 follows:

280 1. Upon completion of 6 or more years of creditable service
281 in an office covered by the Elected Officers' Class, s. 121.052,
282 such member shall notify the administrator of his or her intent
283 to purchase elected officer service prior to July 1, 1990, and
284 shall pay the member contribution applicable for the period being
285 claimed, plus 4 percent interest compounded annually from the
286 first year of service claimed until July 1, 1975, and 6.5 percent
287 interest compounded annually thereafter, until full payment is
288 made to the Florida Retirement System Trust Fund; however, such
289 member may purchase retirement credit under the Elected Officers'
290 Class only for such service as an elected officer.

291 2. Upon payment of the amount specified in subparagraph 1.,
292 the employer shall pay into the Florida Retirement System Trust
293 Fund the applicable employer contribution for the period of
294 elected officer service prior to July 1, 1990, being claimed by
295 the member, plus 4 percent interest compounded annually from the



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296 first year of service claimed until July 1, 1975, and 6.5 percent
297 interest compounded annually thereafter, until full payment is
298 made to the Florida Retirement System Trust Fund.

299 (c) ~~(b)~~ Any retired member of the Florida Retirement System,
300 or any existing system as defined in s. 121.021(2), who, on or
301 after July 1, 1990 and through September 30, 2008, is serving in,
302 or is elected or appointed to, an elective office covered by the
303 Elected Officers' Class shall be enrolled in the appropriate
304 subclass of the Elected Officers' Class of the Florida Retirement
305 System, and applicable contributions shall be paid into the
306 Florida Retirement System Trust Fund as provided in s.
307 121.052(7). ~~Pursuant thereto:~~

308 1. Any such retired member is ~~shall be~~ eligible to continue
309 to receive retirement benefits as well as compensation for the
310 elected officer service for as long as he or she remains in an
311 elective office covered by the Elected Officers' Class.

312 2. If any such member serves in an elective office covered
313 by the Elected Officers' Class and becomes vested under that
314 class, he or she is ~~shall be~~ entitled to receive an additional
315 retirement benefit for such elected officer service.

316 3. Such member is ~~shall be~~ entitled to purchase additional
317 retirement credit in the Elected Officers' Class for any
318 postretirement service performed in an elected position eligible
319 for the Elected Officers' Class prior to July 1, 1990, or in the
320 Regular Class for any postretirement service performed in any
321 other regularly established position prior to July 1, 1991, by
322 paying the applicable Elected Officers' Class or Regular Class
323 employee and employer contributions for the period being claimed,
324 plus 4 percent interest compounded annually from the first year
325 of service claimed until July 1, 1975, and 6.5 percent interest



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326 | compounded thereafter, until full payment is made to the Florida
327 | Retirement System Trust Fund. The contribution for postretirement
328 | Regular Class service between July 1, 1985, and July 1, 1991, for
329 | which the reemployed retiree contribution was paid, shall be the
330 | difference between such contribution and the total applicable
331 | contribution for the period being claimed, plus interest. The
332 | employer of such member may pay the applicable employer
333 | contribution in lieu of the member. If a member does not wish to
334 | claim credit for all of the postretirement service for which he
335 | or she is eligible, the service the member claims must be the
336 | most recent service.

337 | 4. Creditable service for which credit was received, or
338 | which remained unclaimed, at retirement may not be claimed or
339 | applied toward service credit earned following renewed
340 | membership. However, service earned in accordance with the
341 | renewed membership provisions in s. 121.122 may be used in
342 | conjunction with creditable service earned under this paragraph,
343 | provided applicable vesting requirements and other existing
344 | statutory conditions required by this chapter are met.

345 | 5. An elected officer who is elected or appointed to an
346 | elective office and is participating in the Deferred Retirement
347 | Option Program before October 1, 2008, is not subject to
348 | termination as provided in s. 121.021(39)(b), or reemployment
349 | limitations as provided in s. 121.091(9), until the end of his or
350 | her current term of office or, if the officer is consecutively
351 | elected or reelected to an elective office eligible for coverage
352 | under the Florida Retirement System, until he or she no longer
353 | holds ~~such~~ an elective office, as follows:

354 | a. At the end of the 60-month DROP period:



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355 (I) The officer's DROP account shall accrue no additional
356 monthly benefits, but shall continue to earn interest as provided
357 in s. 121.091(13).

358 (II) No retirement contributions shall be required of the
359 employer of the elected officer and no additional retirement
360 credit shall be earned under the Florida Retirement System.

361 b. Nothing herein shall prevent an elected officer from
362 voluntarily terminating his or her elective office at any time
363 and electing to receive his or her DROP proceeds. However, until
364 termination requirements are fulfilled as provided in s.
365 121.021(39), any elected officer whose termination limitations
366 are extended by this section is ~~shall be~~ ineligible for renewed
367 membership in the system and shall receive no pension payments,
368 DROP lump sum payments, or any other state payment other than the
369 statutorily determined salary, travel, and per diem for the
370 elective office.

371 c. Upon termination, the officer shall receive his or her
372 accumulated DROP account, plus interest, and shall accrue and
373 commence receiving monthly retirement benefits, which shall be
374 paid on a prospective basis only.

375
376 However, an officer electing to participate in the Deferred
377 Retirement Option Program on or before June 30, 2002, is ~~shall~~
378 not ~~be~~ required to terminate and remains ~~shall remain~~ subject to
379 the provisions of this subparagraph as adopted in section 1 of
380 chapter 2001-235, Laws of Florida.

381 (2) Upon attaining his or her normal retirement date and
382 payment of the amount specified in paragraphs (1) (b) ~~(a)~~ and (c)
383 ~~(b)~~, and upon application to the administrator of the intent to
384 retire, the member shall receive a monthly benefit under this



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385 | section, in addition to any benefits already being received,
386 | which shall commence on the last day of the month of retirement
387 | and be payable on the last day of the month thereafter during his
388 | or her lifetime. The amount of such monthly benefit shall be the
389 | total percentage of retirement credit purchased under this
390 | section multiplied by the member's average monthly compensation
391 | as an elected officer, adjusted according to the option selected
392 | at retirement under s. 121.091(6).

393 | Section 7. Paragraph (b) of subsection (9) and subsection
394 | (13) of section 121.091, Florida Statutes, are amended to read:

395 | 121.091 Benefits payable under the system.--Benefits may
396 | not be paid under this section unless the member has terminated
397 | employment as provided in s. 121.021(39) (a) or begun
398 | participation in the Deferred Retirement Option Program as
399 | provided in subsection (13), and a proper application has been
400 | filed in the manner prescribed by the department. The department
401 | may cancel an application for retirement benefits when the member
402 | or beneficiary fails to timely provide the information and
403 | documents required by this chapter and the department's rules.
404 | The department shall adopt rules establishing procedures for
405 | application for retirement benefits and for the cancellation of
406 | such application when the required information or documents are
407 | not received.

408 | (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

409 | (b)1. Any person who is retired under this chapter, except
410 | under the disability retirement provisions of subsection (4), may
411 | be reemployed by any private or public employer after retirement
412 | and receive retirement benefits and compensation from the ~~his or~~
413 | ~~her~~ employer without any limitations, except that a person may
414 | not receive ~~both~~ a salary from reemployment with any agency



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415 participating in the Florida Retirement System and retirement
416 benefits under this chapter for ~~a period of~~ 12 months immediately
417 subsequent to the date of retirement. However, a DROP participant
418 shall continue employment and receive a salary during the period
419 of participation in DROP ~~the Deferred Retirement Option Program,~~
420 as provided in subsection (13).

421 2. Any person to whom the limitation in subparagraph 1.
422 applies who violates such reemployment limitation and who is
423 reemployed with any agency participating in the Florida
424 Retirement System before completion of the 12-month limitation
425 period shall give timely notice of this fact in writing to the
426 employer and to the Division of Retirement and shall have his or
427 her retirement benefits suspended for the balance of the 12-month
428 limitation period. Any person employed in violation of this
429 paragraph and any employing agency that ~~which~~ knowingly employs
430 or appoints such person without notifying the division ~~of~~
431 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
432 and severally liable for reimbursement to the retirement trust
433 ~~fund of~~ any benefits paid during the reemployment limitation
434 period. To avoid liability, such employing agency shall have a
435 written statement from the retiree that he or she is not retired
436 from a state-administered retirement system. Any retirement
437 benefits received while reemployed during this reemployment
438 limitation period shall be repaid to the Florida Retirement
439 System Trust Fund, and retirement benefits shall remain suspended
440 until such repayment has been made. Benefits suspended beyond the
441 reemployment limitation shall apply toward repayment of benefits
442 received in violation of the reemployment limitation.

443 3. A district school board may reemploy a retired member as
444 a substitute or hourly teacher, education paraprofessional,



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445 transportation assistant, bus driver, or food service worker on a
446 noncontractual basis after he or she has ~~been~~ retired and met the
447 definition of termination in for 1 calendar month, in accordance
448 ~~with~~ s. 121.021(39). A district school board may reemploy a
449 retired member as instructional personnel, as defined in s.
450 1012.01(2)(a), on an annual contractual basis after he or she has
451 ~~been~~ retired and met the definition of termination in for 1
452 calendar month, in accordance with s. 121.021(39). Any other
453 retired member who is reemployed before meeting the definition of
454 termination within 1 calendar month after retirement shall void
455 his or her application for retirement benefits. District school
456 boards reemploying such teachers, education paraprofessionals,
457 transportation assistants, bus drivers, or food service workers
458 are subject to the retirement contribution required by
459 subparagraph 7.

460 4. A community college board of trustees may reemploy a
461 retired member as an adjunct instructor, that is, an instructor
462 who is noncontractual and part-time, or as a participant in a
463 phased retirement program within the Florida Community College
464 System, after he or she has ~~been~~ retired and met the definition
465 of termination in for 1 calendar month, in accordance with s.
466 121.021(39). Any retired member who is reemployed before meeting
467 the definition of termination within 1 calendar month after
468 retirement shall void his or her application for retirement
469 benefits. Boards of trustees reemploying such instructors are
470 subject to the retirement contribution required in subparagraph
471 7. A retired member may be reemployed as an adjunct instructor
472 for no more than 780 hours during the first 12 months of
473 retirement. Any retired member reemployed for more than 780 hours
474 during the first 12 months of retirement shall give timely notice



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475 | in writing to the employer and to the Division of Retirement of
476 | the date he or she will exceed the limitation. The division shall
477 | suspend his or her retirement benefits for the remainder of the
478 | first 12 months of retirement. Any person employed in violation
479 | of this subparagraph and any employing agency that ~~which~~
480 | knowingly employs or appoints such person without notifying the
481 | division ~~of Retirement~~ to suspend retirement benefits are ~~shall~~
482 | ~~be~~ jointly and severally liable for reimbursement to the
483 | retirement trust fund of any benefits paid during the
484 | reemployment limitation period. To avoid liability, such
485 | employing agency shall have a written statement from the retiree
486 | that he or she is not retired from a state-administered
487 | retirement system. Any retirement benefits received by a retired
488 | member while reemployed in excess of 780 hours during the first
489 | 12 months of retirement shall be repaid to the Florida Retirement
490 | System Trust Fund, and retirement benefits shall remain suspended
491 | until repayment is made. Benefits suspended beyond the end of the
492 | retired member's first 12 months of retirement shall apply toward
493 | repayment of benefits received in violation of the 780-hour
494 | reemployment limitation.

495 | 5. The State University System may reemploy a retired
496 | member as an adjunct faculty member or as a participant in a
497 | phased retirement program within the State University System
498 | after the retired member has ~~been~~ retired and met the definition
499 | of termination in for 1 calendar month, in accordance with s.
500 | 121.021(39). Any retired member who is reemployed before meeting
501 | the definition of termination within 1 calendar month after
502 | retirement shall void his or her application for retirement
503 | benefits. The State University System is subject to the retired
504 | contribution required in subparagraph 7., as appropriate. A



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505 | retired member may be reemployed as an adjunct faculty member or
506 | a participant in a phased retirement program for no more than 780
507 | hours during the first 12 months of his or her retirement. Any
508 | retired member reemployed for more than 780 hours during the
509 | first 12 months of retirement shall give timely notice in writing
510 | to the employer and to the Division of Retirement of the date he
511 | or she will exceed the limitation. The division shall suspend his
512 | or her retirement benefits for the remainder of the first 12
513 | months of retirement. Any person employed in violation of this
514 | subparagraph and any employing agency that ~~which~~ knowingly
515 | employs or appoints such person without notifying the division ~~of~~
516 | ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
517 | and severally liable for reimbursement to the retirement trust
518 | fund of any benefits paid during the reemployment limitation
519 | period. To avoid liability, such employing agency shall have a
520 | written statement from the retiree that he or she is not retired
521 | from a state-administered retirement system. Any retirement
522 | benefits received by a retired member while reemployed in excess
523 | of 780 hours during the first 12 months of retirement shall be
524 | repaid to the Florida Retirement System Trust Fund, and
525 | retirement benefits shall remain suspended until repayment is
526 | made. Benefits suspended beyond the end of the retired member's
527 | first 12 months of retirement shall apply toward repayment of
528 | benefits received in violation of the 780-hour reemployment
529 | limitation.

530 | 6. The Board of Trustees of the Florida School for the Deaf
531 | and the Blind may reemploy a retired member as a substitute
532 | teacher, substitute residential instructor, or substitute nurse
533 | on a noncontractual basis after he or she has been retired and
534 | met the definition of termination in ~~for 1 calendar month, in~~



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535 ~~accordance with~~ s. 121.021(39). Any retired member who is
536 reemployed before meeting the definition of termination ~~within 1~~
537 ~~calendar month~~ after retirement shall void his or her application
538 for retirement benefits. The Board of Trustees of the Florida
539 School for the Deaf and the Blind reemploying such teachers,
540 residential instructors, or nurses is subject to the retirement
541 contribution required by subparagraph 7. Reemployment of a
542 retired member as a substitute teacher, substitute residential
543 instructor, or substitute nurse is limited to 780 hours during
544 the first 12 months of his or her retirement. Any retired member
545 reemployed for more than 780 hours during the first 12 months of
546 retirement shall give timely notice in writing to the employer
547 and to the Division of Retirement of the date he or she will
548 exceed the limitation. The division shall suspend his or her
549 retirement benefits for the remainder of the first 12 months of
550 retirement. Any person employed in violation of this subparagraph
551 and any employing agency that ~~which~~ knowingly employs or appoints
552 such person without notifying the division ~~of Retirement~~ to
553 suspend retirement benefits are ~~shall be~~ jointly and severally
554 liable for reimbursement to the retirement trust fund of any
555 benefits paid during the reemployment limitation period. To avoid
556 liability, such employing agency shall have a written statement
557 from the retiree that he or she is not retired from a state-
558 administered retirement system. Any retirement benefits received
559 by a retired member while reemployed in excess of 780 hours
560 during the first 12 months of retirement shall be repaid to the
561 Florida Retirement System Trust Fund, and his or her retirement
562 benefits shall remain suspended until payment is made. Benefits
563 suspended beyond the end of the retired member's first 12 months



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564 of retirement shall apply toward repayment of benefits received
565 in violation of the 780-hour reemployment limitation.

566 7. The employment by an employer of any retiree or former
567 DROP participant of any state-administered retirement system
568 shall have no effect on the average final compensation or years
569 of creditable service of the retiree or DROP participant.

570 a. Prior to July 1, 1991, and for initial enrollment as a
571 renewed member through September 30, 2008, upon employment of any
572 person, other than an elected officer as provided in s. 121.053,
573 who has ~~been~~ retired under any state-administered retirement
574 program, the employer shall pay retirement contributions in an
575 amount equal to the unfunded actuarial liability portion of the
576 employer contribution which would be required for regular members
577 of the Florida Retirement System. Effective July 1, 1991,
578 contributions shall be made as provided in s. 121.122 for
579 retirees with renewed membership or subsection (13) with respect
580 to DROP participants.

581 b. Membership in the Florida Retirement System of any
582 person who has retired under any state-administered retirement
583 program and is initially reemployed may not be renewed, and the
584 employer shall pay retirement contributions in an amount equal to
585 the unfunded actuarial liability portion of the employer
586 contribution which would be required for regular members of the
587 Florida Retirement System.

588 8.a. Any person who ~~has~~ previously retired and who is
589 holding an elective public office or an appointment to an
590 elective public office initially eligible for the Elected
591 Officers' Class on or after July 1, 1990, through September 30,
592 2008, shall be enrolled in the Florida Retirement System as
593 provided in s. 121.053(1)(b) or, if holding an elective public



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594 office that does not qualify for the Elected Officers' Class on
595 or after July 1, 1991, shall be enrolled in the Florida
596 Retirement System as provided in s. 121.122, and shall continue
597 to receive retirement benefits as well as compensation for the
598 elected officer's service for as long as he or she remains in
599 elective office. However, any retired member who served in an
600 elective office prior to July 1, 1990, suspended his or her
601 retirement benefit, and had his or her Florida Retirement System
602 membership reinstated shall, upon retirement from such office,
603 have his or her retirement benefit recalculated to include the
604 additional service and compensation earned.

605 b. Any person who has previously retired and who holds an
606 elective public office or an appointment to an elective public
607 office initially eligible for the Elected Officers' Class on or
608 after October 1, 2008, shall not be enrolled in the Florida
609 Retirement System as provided in s. 121.053(1)(b) or, if holding
610 an elective public office that does not qualify for the Elected
611 Officers' Class and is initially eligible on or after October 1,
612 2008, shall not be enrolled in the Retirement System as provided
613 in s. 121.122, and shall not continue to receive retirement
614 benefits during the first 12 months of his or her retirement.

615 9.a. Any person who is holding an elective public office
616 which is covered by the Florida Retirement System and who is
617 concurrently employed in nonelected covered employment before
618 October 1, 2008, may elect to retire while continuing employment
619 in the elective public office, if provided that he or she shall
620 be required to terminate his or her nonelected covered
621 employment. Any person who exercises this election shall receive
622 his or her retirement benefits in addition to the compensation of
623 the elective office without regard to the time limitations



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624 otherwise provided in this subsection. No person who seeks to
625 exercise the provisions of this subparagraph, as they ~~the same~~
626 existed prior to May 3, 1984, shall be deemed to be retired under
627 those provisions, unless such person is eligible to retire under
628 the provisions of this subparagraph, as amended by chapter 84-11,
629 Laws of Florida.

630 b. Any person who is holding an elective public office
631 covered by the Florida Retirement System and who is concurrently
632 employed in nonelected covered employment on or after October 1,
633 2008, may not elect to retire while continuing employment in the
634 elective public office. Such person must meet the definition of
635 termination in s. 121.021(39) and is subject to the limitations
636 provided in this section.

637 10. The limitations of this paragraph apply to reemployment
638 in any capacity with an "employer" as defined in s. 121.021(10),
639 irrespective of the category of funds from which the person is
640 compensated.

641 11. An employing agency may reemploy a retired member as a
642 firefighter or paramedic after the retired member has ~~been~~
643 retired and met the definition of termination in for 1 calendar
644 month, in accordance with s. 121.021(39). Any retired member who
645 is reemployed before meeting the definition of termination within
646 1 calendar month after retirement shall void his or her
647 application for retirement benefits. The employing agency
648 reemploying such firefighter or paramedic is subject to the
649 retired contribution required in subparagraph 8. Reemployment of
650 a retired firefighter or paramedic is limited to no more than 780
651 hours during the first 12 months of his or her retirement. Any
652 retired member reemployed for more than 780 hours during the
653 first 12 months of retirement shall give timely notice in writing



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654 to the employer and to the Division of Retirement of the date he
655 or she will exceed the limitation. The division shall suspend his
656 or her retirement benefits for the remainder of the first 12
657 months of retirement. Any person employed in violation of this
658 subparagraph and any employing agency that ~~which~~ knowingly
659 employs or appoints such person without notifying the division ~~of~~
660 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
661 and severally liable for reimbursement to the retirement ~~System~~
662 trust fund of any benefits paid during the reemployment
663 limitation period. To avoid liability, such employing agency
664 shall have a written statement from the retiree that he or she is
665 not retired from a state-administered retirement system. Any
666 retirement benefits received by a retired member while reemployed
667 in excess of 780 hours during the first 12 months of retirement
668 shall be repaid to the Florida Retirement System Trust Fund, and
669 retirement benefits shall remain suspended until repayment is
670 made. Benefits suspended beyond the end of the retired member's
671 first 12 months of retirement shall apply toward repayment of
672 benefits received in violation of the 780-hour reemployment
673 limitation.

674 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
675 subject to the provisions of this section, the Deferred
676 Retirement Option Program, hereinafter referred to as ~~the~~ DROP,
677 is a program under which an eligible member of the Florida
678 Retirement System may elect to participate, deferring receipt of
679 retirement benefits while continuing employment with his or her
680 Florida Retirement System employer. The deferred monthly benefits
681 shall accrue in the System Trust Fund on behalf of the
682 participant, plus interest compounded monthly, for the specified
683 period of ~~the~~ DROP participation, as provided in paragraph (c).



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684 Upon termination of employment as required in s. 121.021(39)(b),
685 the participant shall receive the total DROP benefits and begin
686 to receive the previously determined normal retirement benefits.
687 Participation in ~~the~~ DROP does not guarantee employment for the
688 specified period of DROP. Participation in ~~the~~ DROP by an
689 eligible member beyond the initial 60-month period as authorized
690 in this subsection shall be on an annual contractual basis for
691 all participants.

692 (a) Eligibility of member to participate in ~~the~~ DROP.--All
693 active Florida Retirement System members in a regularly
694 established position, and all active members of either the
695 Teachers' Retirement System established in chapter 238 or the
696 State and County Officers' and Employees' Retirement System
697 established in chapter 122 which systems are consolidated within
698 the Florida Retirement System under s. 121.011, are eligible to
699 elect participation in ~~the~~ DROP if provided that:

700 1. The member is not a renewed member of the Florida
701 Retirement System under s. 121.122, or a member of the State
702 Community College System Optional Retirement Program under s.
703 121.051, the Senior Management Service Optional Annuity Program
704 under s. 121.055, or the optional retirement program for the
705 State University System under s. 121.35.

706 2. Except as provided in subparagraph 6., election to
707 participate is made within 12 months immediately following the
708 date on which the member first reaches normal retirement date,
709 or, for a member who reaches normal retirement date based on
710 service before he or she reaches age 62, or age 55 for Special
711 Risk Class members, election to participate may be deferred to
712 the 12 months immediately following the date the member attains
713 57, or age 52 for Special Risk Class members. For a member who



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714 first reached normal retirement date or the deferred eligibility
715 date described above prior to the effective date of this section,
716 election to participate shall be made within 12 months after the
717 effective date of this section. A member who fails to make an
718 election within such 12-month limitation period shall forfeit all
719 rights to participate in ~~the~~ DROP. The member shall advise his or
720 her employer and the division in writing of the date on which ~~the~~
721 DROP shall begin. Such beginning date may be subsequent to the
722 12-month election period, but must be within the 60-month or,
723 with respect to members who are instructional personnel employed
724 by the Florida School for the Deaf and the Blind and who have
725 received authorization by the Board of Trustees of the Florida
726 School for the Deaf and the Blind to participate in ~~the~~ DROP
727 beyond 60 months, or who are instructional personnel as defined
728 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
729 authorization by the district school superintendent to
730 participate in ~~the~~ DROP beyond 60 months, the 96-month limitation
731 period as provided in subparagraph (b)1. When establishing
732 eligibility of the member to participate in ~~the~~ DROP for the 60-
733 month or, with respect to members who are instructional personnel
734 employed by the Florida School for the Deaf and the Blind and who
735 have received authorization by the Board of Trustees of the
736 Florida School for the Deaf and the Blind to participate in ~~the~~
737 DROP beyond 60 months, or who are instructional personnel as
738 defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have
739 received authorization by the district school superintendent to
740 participate in ~~the~~ DROP beyond 60 months, the 96-month maximum
741 participation period, the member may elect to include or exclude
742 any optional service credit purchased by the member from the
743 total service used to establish the normal retirement date. A



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744 member with dual normal retirement dates shall be eligible to
745 elect to participate in DROP within 12 months after attaining
746 normal retirement date in either class.

747 3. The employer of a member electing to participate in ~~the~~
748 DROP, or employers if dually employed, shall acknowledge in
749 writing to the division the date the member's participation in
750 ~~the~~ DROP begins and the date the member's employment and DROP
751 participation will terminate.

752 4. Simultaneous employment of a participant by additional
753 Florida Retirement System employers subsequent to the
754 commencement of participation in ~~the~~ DROP shall be permissible
755 provided such employers acknowledge in writing a DROP termination
756 date no later than the participant's existing termination date or
757 the 60-month limitation period as provided in subparagraph (b)1.

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

760 a. A change of employment must take place without a break
761 in service so that the member receives salary for each month of
762 continuous DROP participation. If a member receives no salary
763 during a month, DROP participation shall cease unless the
764 employer verifies a continuation of the employment relationship
765 for such participant pursuant to s. 121.021(39)(b).

766 b. Such participant and new employer shall notify the
767 division on forms required by the division as to the identity of
768 the new employer.

769 c. The new employer shall acknowledge, in writing, the
770 participant's DROP termination date, which may be extended but
771 not beyond the original 60-month or, with respect to members who
772 are instructional personnel employed by the Florida School for
773 the Deaf and the Blind and who have received authorization by the



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774 Board of Trustees of the Florida School for the Deaf and the
775 Blind to participate in ~~the~~ DROP beyond 60 months, or who are
776 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
777 grades K-12 and who have received authorization by the district
778 school superintendent to participate in ~~the~~ DROP beyond 60
779 months, the 96-month period provided in subparagraph (b)1., shall
780 acknowledge liability for any additional retirement contributions
781 and interest required if the participant fails to timely
782 terminate employment, and shall be subject to the adjustment
783 required in sub-subparagraph (c)5.d.

784 6. Effective July 1, 2001, for instructional personnel as
785 defined in s. 1012.01(2), election to participate in ~~the~~ DROP
786 shall be made at any time following the date on which the member
787 first reaches normal retirement date. The member shall advise his
788 or her employer and the division in writing of the date on which
789 the Deferred Retirement Option Program shall begin. When
790 establishing eligibility of the member to participate in ~~the~~ DROP
791 for the 60-month or, with respect to members who are
792 instructional personnel employed by the Florida School for the
793 Deaf and the Blind and who have received authorization by the
794 Board of Trustees of the Florida School for the Deaf and the
795 Blind to participate in ~~the~~ DROP beyond 60 months, or who are
796 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
797 grades K-12 and who have received authorization by the district
798 school superintendent to participate in ~~the~~ DROP beyond 60
799 months, the 96-month maximum participation period, as provided in
800 subparagraph (b)1., the member may elect to include or exclude
801 any optional service credit purchased by the member from the
802 total service used to establish the normal retirement date. A



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803 member with dual normal retirement dates shall be eligible to
804 elect to participate in either class.

805 (b) Participation in ~~the~~ DROP.--

806 1. An eligible member may elect to participate in ~~the~~ DROP
807 for a period not to exceed a maximum of 60 calendar months or,
808 with respect to members who are instructional personnel employed
809 by the Florida School for the Deaf and the Blind and who have
810 received authorization by the Board of Trustees of the Florida
811 School for the Deaf and the Blind to participate in ~~the~~ DROP
812 beyond 60 months, or who are instructional personnel as defined
813 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
814 authorization by the district school superintendent to
815 participate in ~~the~~ DROP beyond 60 calendar months, 96 calendar
816 months immediately following the date on which the member first
817 reaches his or her normal retirement date or the date to which he
818 or she is eligible to defer his or her election to participate as
819 provided in subparagraph (a)2. However, a member who has reached
820 normal retirement date prior to the effective date of ~~the~~ DROP
821 shall be eligible to participate in ~~the~~ DROP for a period of time
822 not to exceed 60 calendar months or, with respect to members who
823 are instructional personnel employed by the Florida School for
824 the Deaf and the Blind and who have received authorization by the
825 Board of Trustees of the Florida School for the Deaf and the
826 Blind to participate in ~~the~~ DROP beyond 60 months, or who are
827 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
828 grades K-12 and who have received authorization by the district
829 school superintendent to participate in ~~the~~ DROP beyond 60
830 calendar months, 96 calendar months immediately following the
831 effective date of ~~the~~ DROP, except a member of the Special Risk
832 Class who has reached normal retirement date prior to the



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833 | effective date of ~~the~~ DROP and whose total accrued value exceeds
834 | 75 percent of average final compensation as of his or her
835 | effective date of retirement shall be eligible to participate in
836 | ~~the~~ DROP for no more than 36 calendar months immediately
837 | following the effective date of ~~the~~ DROP.

838 | 2. Upon deciding to participate in ~~the~~ DROP, the member
839 | shall submit, on forms required by the division:

840 | a. A written election to participate in ~~the~~ DROP;

841 | b. Selection of ~~the~~ DROP participation and termination
842 | dates, which satisfy the limitations stated in paragraph (a) and
843 | subparagraph 1. Such termination date shall be in a binding
844 | letter of resignation with the employer, establishing a deferred
845 | termination date. The member may change the termination date
846 | within the limitations of subparagraph 1., but only with the
847 | written approval of his or her employer;

848 | c. A properly completed DROP application for service
849 | retirement as provided in this section; and

850 | d. Any other information required by the division.

851 | 3. The DROP participant shall be a retiree under the
852 | Florida Retirement System for all purposes, except for paragraph
853 | (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and
854 | 121.122. However, participation in ~~the~~ DROP does not alter the
855 | participant's employment status and such employee shall not be
856 | deemed retired from employment until his or her deferred
857 | resignation is effective and termination occurs as provided in s.
858 | 121.021(39).

859 | 4. Elected officers shall be eligible to participate in ~~the~~
860 | DROP subject to the following:

861 | a. An elected officer who reaches normal retirement date
862 | during a term of office may defer the election to participate in



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863 ~~the~~ DROP until the next succeeding term in that office. Such
864 elected officer who exercises this option may participate in ~~the~~
865 DROP for up to 60 calendar months or a period of no longer than
866 such succeeding term of office, whichever is less.

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

875 c. (I) For DROP participation beginning before October 1,
876 2008, an elected officer who is dually employed and elects to
877 participate in DROP shall be required to satisfy the definition
878 of termination within the 60-month or, with respect to members
879 who are instructional personnel employed by the Florida School
880 for the Deaf and the Blind and who have received authorization by
881 the Board of Trustees of the Florida School for the Deaf and the
882 Blind to participate in ~~the~~ DROP beyond 60 months, or who are
883 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
884 grades K-12 and who have received authorization by the district
885 school superintendent to participate in ~~the~~ DROP beyond 60
886 months, the 96-month limitation period as provided in
887 subparagraph 1. for the nonelected position and may continue
888 employment as an elected officer as provided in s. 121.053. The
889 elected officer will be enrolled as a renewed member in the
890 Elected Officers' Class or the Regular Class, as provided in ss.
891 121.053 and 121.122, on the first day of the month after
892 termination of employment in the nonelected position and



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893 termination of DROP. Distribution of ~~the~~ DROP benefits shall be
894 made as provided in paragraph (c).

895 (II) For DROP participation beginning on or after October
896 1, 2008, an elected officer who is dually employed and elects to
897 participate in DROP is required to satisfy the definition of
898 termination in s. 121.021(39) within the original 60-month period
899 or, with respect to members who are instructional personnel
900 employed by the Florida School for the Deaf and the Blind and who
901 have received authorization by the Board of Trustees of the
902 Florida School for the Deaf and the Blind to participate in DROP
903 beyond 60 months, or who are instructional personnel as defined
904 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
905 authorization by the district school superintendent to
906 participate in DROP beyond 60 months, the 96-month limitation
907 period as provided in subparagraph 1.

908 (c) Benefits payable under ~~the~~ DROP.--

909 1. Effective with the date of DROP participation, the
910 member's initial normal monthly benefit, including creditable
911 service, optional form of payment, and average final
912 compensation, and the effective date of retirement shall be
913 fixed. The beneficiary established under the Florida Retirement
914 System shall be the beneficiary eligible to receive any DROP
915 benefits payable if the DROP participant dies prior to the
916 completion of the period of DROP participation. If ~~In the event~~ a
917 joint annuitant predeceases the member, the member may name a
918 beneficiary to receive accumulated DROP benefits payable. Such
919 retirement benefit, the annual cost of living adjustments
920 provided in s. 121.101, and interest shall accrue monthly in the
921 Florida Retirement System Trust Fund. Such interest shall accrue
922 at an effective annual rate of 6.5 percent compounded monthly, on



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923 | the prior month's accumulated ending balance, up to the month of
924 | termination or death.

925 | 2. Each employee who elects to participate in ~~the~~ DROP
926 | shall be allowed to elect to receive a lump-sum payment for
927 | accrued annual leave earned in accordance with agency policy upon
928 | beginning participation in ~~the~~ DROP. Such accumulated leave
929 | payment certified to the division upon commencement of DROP shall
930 | be included in the calculation of the member's average final
931 | compensation. The employee electing such lump-sum payment upon
932 | beginning participation in DROP will not be eligible to receive a
933 | second lump-sum payment upon termination, except to the extent
934 | the employee has earned additional annual leave which combined
935 | with the original payment does not exceed the maximum lump-sum
936 | payment allowed by the employing agency's policy or rules. Such
937 | early lump-sum payment shall be based on the hourly wage of the
938 | employee at the time he or she begins participation in ~~the~~ DROP.
939 | If the member elects to wait and receive such lump-sum payment
940 | upon termination of DROP and termination of employment with the
941 | employer, any accumulated leave payment made at that time may not
942 | ~~cannot~~ be included in the member's retirement benefit, which was
943 | determined and fixed by law when the employee elected to
944 | participate in ~~the~~ DROP.

945 | 3. The effective date of DROP participation and the
946 | effective date of retirement of a DROP participant shall be the
947 | first day of the month selected by the member to begin
948 | participation in ~~the~~ DROP, provided such date is properly
949 | established, with the written confirmation of the employer, and
950 | the approval of the division, on forms required by the division.

951 | 4. Normal retirement benefits and interest thereon shall
952 | continue to accrue in ~~the~~ DROP until the established termination



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953 | date of ~~the~~ DROP, or until the participant terminates employment
954 | or dies prior to such date. Although individual DROP accounts
955 | shall not be established, a separate accounting of each
956 | participant's accrued benefits under ~~the~~ DROP shall be calculated
957 | and provided to participants.

958 | 5. At the conclusion of the participant's DROP, the
959 | division shall distribute the participant's total accumulated
960 | DROP benefits, subject to the following provisions:

961 | a. The division shall receive verification by the
962 | participant's employer or employers that such participant has
963 | terminated employment as provided in s. 121.021(39)(b).

964 | b. The terminated DROP participant or, if deceased, such
965 | participant's named beneficiary, shall elect on forms provided by
966 | the division to receive payment of ~~the~~ DROP benefits in
967 | accordance with one of the options listed below. For a
968 | participant or beneficiary who fails to elect a method of payment
969 | within 60 days of termination of ~~the~~ DROP, the division will pay
970 | a lump sum as provided in sub-sub-subparagraph (I).

971 | (I) Lump sum.--All accrued DROP benefits, plus interest,
972 | less withholding taxes remitted to the Internal Revenue Service,
973 | shall be paid to the DROP participant or surviving beneficiary.

974 | (II) Direct rollover.--All accrued DROP benefits, plus
975 | interest, shall be paid from ~~the~~ DROP directly to the custodian
976 | of an eligible retirement plan as defined in s. 402(c)(8)(B) of
977 | the Internal Revenue Code. However, in the case of an eligible
978 | rollover distribution to the surviving spouse of a deceased
979 | participant, an eligible retirement plan is an individual
980 | retirement account or an individual retirement annuity as
981 | described in s. 402(c)(9) of the Internal Revenue Code.



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982 (III) Partial lump sum.--A portion of the accrued DROP
983 benefits shall be paid to the DROP participant or surviving
984 spouse, less withholding taxes remitted to the Internal Revenue
985 Service, and the remaining DROP benefits shall be transferred
986 directly to the custodian of an eligible retirement plan as
987 defined in s. 402(c)(8)(B) of the Internal Revenue Code. However,
988 in the case of an eligible rollover distribution to the surviving
989 spouse of a deceased participant, an eligible retirement plan is
990 an individual retirement account or an individual retirement
991 annuity as described in s. 402(c)(9) of the Internal Revenue
992 Code. The proportions shall be specified by the DROP participant
993 or surviving beneficiary.

994 c. The form of payment selected by the DROP participant or
995 surviving beneficiary complies with the minimum distribution
996 requirements of the Internal Revenue Code.

997 d. A DROP participant who fails to terminate employment as
998 defined in s. 121.021(39)(b) shall be deemed not to be retired,
999 and the DROP election shall be null and void. Florida Retirement
1000 System membership shall be reestablished retroactively to the
1001 date of the commencement of ~~the~~ DROP, and each employer with whom
1002 the participant continues employment must ~~shall be required to~~
1003 pay to the Florida Retirement System Trust Fund the difference
1004 between the DROP contributions paid in paragraph (i) and the
1005 contributions required for the applicable Florida Retirement
1006 System class of membership during the period the member
1007 participated in ~~the~~ DROP, plus 6.5 percent interest compounded
1008 annually.

1009 6. The accrued benefits of any DROP participant, and any
1010 contributions accumulated under such program, shall not be
1011 subject to assignment, execution, attachment, or to any legal



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1012 process whatsoever, except for qualified domestic relations
1013 orders by a court of competent jurisdiction, income deduction
1014 orders as provided in s. 61.1301, and federal income tax levies.

1015 7. DROP participants shall not be eligible for disability
1016 retirement benefits as provided in subsection (4).

1017 (d) Death benefits under ~~the~~ DROP.--

1018 1. Upon the death of a DROP participant, the named
1019 beneficiary shall be entitled to apply for and receive the
1020 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
1021 (c)5.b.

1022 2. The normal retirement benefit accrued to ~~the~~ DROP during
1023 the month of a participant's death shall be the final monthly
1024 benefit credited for such DROP participant.

1025 3. Eligibility to participate in ~~the~~ DROP terminates upon
1026 death of the participant. If the participant dies on or after the
1027 effective date of enrollment in ~~the~~ DROP, but prior to the first
1028 monthly benefit being credited to ~~the~~ DROP, Florida Retirement
1029 System benefits shall be paid in accordance with subparagraph
1030 (7) (c)1. or subparagraph 2.

1031 4. A DROP participants' survivors shall not be eligible to
1032 receive Florida Retirement System death benefits as provided in
1033 paragraph (7) (d).

1034 (e) Cost-of-living adjustment.--On each July 1, the
1035 participants' normal retirement benefit shall be increased as
1036 provided in s. 121.101.

1037 (f) Retiree health insurance subsidy.--DROP participants
1038 are not eligible to apply for the retiree health insurance
1039 subsidy payments as provided in s. 112.363 until such
1040 participants have terminated employment and participation in ~~the~~
1041 DROP.



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1042 (g) Renewed membership.--DROP participants must meet the
1043 definition of termination in s. 121.021(39)(b) and the
1044 eligibility requirements ~~shall not be eligible~~ for renewed
1045 membership in the Florida Retirement System under ss. 121.053 and
1046 121.122 ~~until termination of employment is effectuated as~~
1047 ~~provided in s. 121.021(39)(b).~~

1048 (h) Employment limitation after DROP participation.--Upon
1049 satisfying the definition of termination of employment as
1050 provided in s. 121.021(39)(b), DROP participants shall be subject
1051 to such reemployment limitations as other retirees. Reemployment
1052 restrictions applicable to retirees as provided in subsection (9)
1053 shall not apply to DROP participants until their employment and
1054 participation in ~~the~~ DROP are terminated.

1055 (i) Contributions.--

1056 1. All employers paying the salary of a DROP participant
1057 filling a regularly established position shall contribute 8.0
1058 percent of such participant's gross compensation for the period
1059 of July 1, 2002, through June 30, 2003, and 11.56 percent of such
1060 compensation thereafter, which shall constitute the entire
1061 employer DROP contribution with respect to such participant. Such
1062 contributions, payable to the System Trust Fund in the same
1063 manner as required in s. 121.071, shall be made as appropriate
1064 for each pay period and are in addition to contributions required
1065 for social security and the Retiree Health Insurance Subsidy
1066 Trust Fund. Such employer, social security, and health insurance
1067 subsidy contributions are not included in ~~the~~ DROP.

1068 2. The employer shall, in addition to subparagraph 1., also
1069 withhold one-half of the entire social security contribution
1070 required for the participant. Contributions for social security
1071 by each participant and each employer, in the amount required for



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1072 | social security coverage as now or hereafter provided by the
1073 | federal Social Security Act, shall be in addition to
1074 | contributions specified in subparagraph 1.

1075 | 3. All employers paying the salary of a DROP participant
1076 | filling a regularly established position shall contribute the
1077 | percent of such participant's gross compensation required in s.
1078 | 121.071(4), which shall constitute the employer's health
1079 | insurance subsidy contribution with respect to such participant.
1080 | Such contributions shall be deposited by the administrator in the
1081 | Retiree Health Insurance Subsidy Trust Fund.

1082 | (j) Forfeiture of retirement benefits.--Nothing in this
1083 | section shall be construed to remove DROP participants from the
1084 | scope of s. 8(d), Art. II of the State Constitution, s. 112.3173,
1085 | and paragraph (5)(f). DROP participants who commit a specified
1086 | felony offense while employed will be subject to forfeiture of
1087 | all retirement benefits, including DROP benefits, pursuant to
1088 | those provisions of law.

1089 | (k) Administration of program.--The division shall make
1090 | such rules as are necessary for the effective and efficient
1091 | administration of this subsection. The division shall not be
1092 | required to advise members of the federal tax consequences of an
1093 | election related to ~~the~~ DROP but may advise members to seek
1094 | independent advice.

1095 | Section 8. Section 121.122, Florida Statutes, is amended to
1096 | read:

1097 | 121.122 Renewed membership in system.--

1098 | (1) The retiree of a state-administered retirement system
1099 | who is initially reemployed on or after October 1, 2008, is not
1100 | eligible for renewed membership.



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1101 (2) Except as provided in s. 121.053, effective July 1,
1102 1991, through September 30, 2008, any retiree of a state-
1103 administered retirement system who is initially reemployed
1104 ~~employed~~ in a regularly established position with a covered
1105 employer shall be enrolled as a compulsory member of the Regular
1106 Class of the Florida Retirement System or, effective July 1,
1107 1997, through September 30, 2008, any retiree of a state-
1108 administered retirement system who is initially reemployed
1109 employed in a position included in the Senior Management Service
1110 Class shall be enrolled as a compulsory member of the Senior
1111 Management Service Class of the Florida Retirement System as
1112 provided in s. 121.055, and shall be entitled to receive an
1113 additional retirement benefit, subject to the following
1114 conditions:

1115 ~~(1)~~(a) Such member shall resatisfy the age and service
1116 requirements as provided in this chapter for initial membership
1117 under the system, unless such member elects to participate in the
1118 Senior Management Service Optional Annuity Program in lieu of the
1119 Senior Management Service Class, as provided in s. 121.055(6).

1120 (b) Such member shall not be entitled to disability
1121 benefits as provided in s. 121.091(4).

1122 (c) Such member must meet the reemployment after retirement
1123 limitations as provided in s. 121.091(9), as applicable.

1124 (3)~~(2)~~ Upon renewed membership or employment of a retiree,
1125 the employer of such member shall pay the applicable employer
1126 contributions as required by ss. 121.055(3) and 121.071(1)(a) and
1127 (4).

1128 (4)~~(3)~~ The retiree of a state-administered retirement
1129 system who is initially reemployed before October 1, 2008, ~~Such~~
1130 ~~member~~ shall be entitled to purchase additional retirement credit



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1131 | in the Regular Class or the Senior Management Service Class, as
1132 | applicable, for any postretirement service performed in a
1133 | regularly established position as follows:

1134 | (a) For regular class service prior to July 1, 1991, by
1135 | paying the Regular Class applicable employee and employer
1136 | contributions for the period being claimed, plus 4 percent
1137 | interest compounded annually from first year of service claimed
1138 | until July 1, 1975, and 6.5 percent interest compounded
1139 | thereafter, until full payment is made to the Florida Retirement
1140 | System Trust Fund; or

1141 | (b) For Senior Management Service Class prior to June 1,
1142 | 1997, as provided in s. 121.055(1)(j).

1143 |
1144 | The contribution for postretirement service between July 1, 1985,
1145 | and July 1, 1991, for which the reemployed retiree contribution
1146 | was paid, shall be the difference between such contribution and
1147 | the total applicable contribution for the period being claimed,
1148 | plus interest. The employer of such member may pay the applicable
1149 | employer contribution in lieu of the member. If a member does not
1150 | wish to claim credit for all of the postretirement service for
1151 | which he or she is eligible, the service the member claims must
1152 | be the most recent service.

1153 | ~~(5)~~(4) No creditable service for which credit was received,
1154 | or which remained unclaimed, at retirement may be claimed or
1155 | applied toward service credit earned following renewed
1156 | membership. However, for retirees initially reemployed before
1157 | October 1, 2008, service earned as an elected officer with
1158 | renewed membership in the Elected Officers' Class may be used in
1159 | conjunction with creditable service earned under this section,



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1160 provided the applicable vesting requirements and other existing
1161 statutory conditions required by this chapter are met.

1162 ~~(6)-(5)~~ Notwithstanding any other limitations provided in
1163 this section, a participant of the State University System
1164 Optional Retirement Program or the Senior Management Service
1165 Optional Annuity Program who terminated employment and received a
1166 distribution ~~commenced receiving an annuity~~ under the provisions
1167 of the optional program, who initially renews membership in the
1168 Regular Class before October 1, 2008, as required by this section
1169 upon reemployment after retirement, and who had previously earned
1170 creditable Florida Retirement System service that was not
1171 included in any retirement benefit may include such previous
1172 service toward vesting and service credit in the second career
1173 benefit provided under renewed membership.

1174 ~~(7)-(6)~~ Any renewed member who is not receiving the maximum
1175 health insurance subsidy provided in s. 112.363 shall be entitled
1176 to earn additional credit toward the maximum health insurance
1177 subsidy. Any additional subsidy due because of such additional
1178 credit shall be received only at the time of payment of the
1179 second career retirement benefit. In no case shall the total
1180 health insurance subsidy received by a retiree receiving benefits
1181 from initial and renewed membership exceed the maximum allowed in
1182 s. 112.363.

1183 Section 9. Paragraph (a) of subsection (2) and paragraph
1184 (e) of subsection (5) of section 121.35, Florida Statutes, are
1185 amended to read:

1186 121.35 Optional retirement program for the State University
1187 System.--

1188 (2) ELIGIBILITY FOR PARTICIPATION IN OPTIONAL PROGRAM.--



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1189 (a) Participation in the optional retirement program
1190 provided by this section shall be limited to persons who are
1191 otherwise eligible for membership or renewed membership in the
1192 Florida Retirement System before October 1, 2008, and who are
1193 employed in one of the following State University System
1194 positions:

1195 1. Positions classified as instructional and research
1196 faculty which are exempt from the career service under the
1197 provisions of s. 110.205(2) (d).

1198 2. Positions classified as administrative and professional
1199 which are exempt from the career service under the provisions of
1200 s. 110.205(2) (d).

1201 3. The Chancellor and the university presidents.

1202 (5) BENEFITS.--

1203 (e) A participant who chooses to receive his or her
1204 benefits upon termination of employment as defined in s.
1205 121.021(39) shall have responsibility to notify the provider
1206 company of the date on which he or she wishes benefits funded by
1207 employer contributions to begin. Benefits may be deferred until
1208 such time as the participant chooses to make such application.

1209 Section 10. Paragraph (f) of subsection (2) of section
1210 121.4501, Florida Statutes, is amended to read:

1211 121.4501 Public Employee Optional Retirement Program.--

1212 (2) DEFINITIONS.--As used in this part, the term:

1213 (f) "Eligible employee" means an officer or employee, as
1214 defined in s. 121.021(11), who:

1215 1. Is a member of, or is eligible for membership in, the
1216 Florida Retirement System, including any renewed member of the
1217 Florida Retirement System initially enrolled before October 1,
1218 2008; or



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1219 2. Participates in, or is eligible to participate in, the
1220 Senior Management Service Optional Annuity Program as established
1221 under s. 121.055(6), the State Community College Optional
1222 Retirement Program as established under s. 121.051(2)(c), or the
1223 State University System Optional Retirement Program established
1224 under s. 121.35.

1225
1226 The term does not include any member participating in the
1227 Deferred Retirement Option Program established under s.
1228 121.091(13), a retiree of a state-administered retirement system
1229 initially employed on or after October 1, 2008, or a mandatory
1230 participant of the State University System Optional Retirement
1231 Program established under s. 121.35.

1232 Section 11. Paragraph (b) of subsection (1) of section
1233 121.591, Florida Statutes, is amended to read:

1234 121.591 Benefits payable under the Public Employee Optional
1235 Retirement Program of the Florida Retirement System.--Benefits
1236 may not be paid under this section unless the member has
1237 terminated employment as provided in s. 121.021(39)(a) or is
1238 deceased and a proper application has been filed in the manner
1239 prescribed by the state board or the department. The state board
1240 or department, as appropriate, may cancel an application for
1241 retirement benefits when the member or beneficiary fails to
1242 timely provide the information and documents required by this
1243 chapter and the rules of the state board and department. In
1244 accordance with their respective responsibilities as provided
1245 herein, the State Board of Administration and the Department of
1246 Management Services shall adopt rules establishing procedures for
1247 application for retirement benefits and for the cancellation of
1248 such application when the required information or documents are



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1249 | not received. The State Board of Administration and the
1250 | Department of Management Services, as appropriate, are authorized
1251 | to cash out a de minimis account of a participant who has been
1252 | terminated from Florida Retirement System covered employment for
1253 | a minimum of 6 calendar months. A de minimis account is an
1254 | account containing employer contributions and accumulated
1255 | earnings of not more than \$5,000 made under the provisions of
1256 | this chapter. Such cash-out must either be a complete lump-sum
1257 | liquidation of the account balance, subject to the provisions of
1258 | the Internal Revenue Code, or a lump-sum direct rollover
1259 | distribution paid directly to the custodian of an eligible
1260 | retirement plan, as defined by the Internal Revenue Code, on
1261 | behalf of the participant. If any financial instrument issued for
1262 | the payment of retirement benefits under this section is not
1263 | presented for payment within 180 days after the last day of the
1264 | month in which it was originally issued, the third-party
1265 | administrator or other duly authorized agent of the State Board
1266 | of Administration shall cancel the instrument and credit the
1267 | amount of the instrument to the suspense account of the Public
1268 | Employee Optional Retirement Program Trust Fund authorized under
1269 | s. 121.4501(6). Any such amounts transferred to the suspense
1270 | account are payable upon a proper application, not to include
1271 | earnings thereon, as provided in this section, within 10 years
1272 | after the last day of the month in which the instrument was
1273 | originally issued, after which time such amounts and any earnings
1274 | thereon shall be forfeited. Any such forfeited amounts are assets
1275 | of the Public Employee Optional Retirement Program Trust Fund and
1276 | are not subject to the provisions of chapter 717.

1277 | (1) NORMAL BENEFITS.--Under the Public Employee Optional
1278 | Retirement Program:



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1279 (b) If a participant elects to receive his or her benefits
1280 upon termination of employment as defined in s. 121.021(39), the
1281 participant must submit a written application or an equivalent
1282 form to the third-party administrator indicating his or her
1283 preferred distribution date and selecting an authorized method of
1284 distribution as provided in paragraph (c). The participant may
1285 defer receipt of benefits until he or she chooses to make such
1286 application, subject to federal requirements.

1287 Section 12. This act shall take effect July 1, 2008.