

By Senator Fasano

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1 A bill to be entitled

2 An act relating to the Deferred Retirement Option Program;
3 amending s. 121.091, F.S.; restricting the eligibility of
4 an elected officer to receive a monthly benefit earned
5 under prior service while participating in the DROP;
6 providing an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

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10 Section 1. Paragraph (b) of subsection (13) of section
11 121.091, Florida Statutes, is amended to read:

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

25 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
26 subject to the provisions of this section, the Deferred
27 Retirement Option Program, hereinafter referred to as the DROP,
28 is a program under which an eligible member of the Florida
29 Retirement System may elect to participate, deferring receipt of

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

42 (b) Participation in the DROP.--

43 1. An eligible member may elect to participate in the DROP
44 for a period not to exceed a maximum of 60 calendar months or,
45 with respect to members who are instructional personnel employed
46 by the Florida School for the Deaf and the Blind and who have
47 received authorization by the Board of Trustees of the Florida
48 School for the Deaf and the Blind to participate in the DROP
49 beyond 60 months, or who are instructional personnel as defined
50 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received
51 authorization by the district school superintendent to
52 participate in the DROP beyond 60 calendar months, 96 calendar
53 months immediately following the date on which the member first
54 reaches his or her normal retirement date or the date to which he
55 or she is eligible to defer his or her election to participate as
56 provided in subparagraph (a)2. However, a member who has reached
57 normal retirement date prior to the effective date of the DROP
58 shall be eligible to participate in the DROP for a period of time

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59 | not to exceed 60 calendar months or, with respect to members who
60 | are instructional personnel employed by the Florida School for
61 | the Deaf and the Blind and who have received authorization by the
62 | Board of Trustees of the Florida School for the Deaf and the
63 | Blind to participate in the DROP beyond 60 months, or who are
64 | instructional personnel as defined in s. 1012.01(2)(a)-(d) in
65 | grades K-12 and who have received authorization by the district
66 | school superintendent to participate in the DROP beyond 60
67 | calendar months, 96 calendar months immediately following the
68 | effective date of the DROP, except a member of the Special Risk
69 | Class who has reached normal retirement date prior to the
70 | effective date of the DROP and whose total accrued value exceeds
71 | 75 percent of average final compensation as of his or her
72 | effective date of retirement shall be eligible to participate in
73 | the DROP for no more than 36 calendar months immediately
74 | following the effective date of the DROP.

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

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

78 | b. Selection of the DROP participation and termination
79 | dates, which satisfy the limitations stated in paragraph (a) and
80 | subparagraph 1. Such termination date shall be in a binding
81 | letter of resignation with the employer, establishing a deferred
82 | termination date. The member may change the termination date
83 | within the limitations of subparagraph 1., but only with the
84 | written approval of his or her employer;

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

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

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88 3. The DROP participant shall be a retiree under the
89 Florida Retirement System for all purposes, except for paragraph
90 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and
91 121.122. However, participation in the DROP does not alter the
92 participant's employment status and such employee shall not be
93 deemed retired from employment until his or her deferred
94 resignation is effective and termination occurs as provided in s.
95 121.021(39).

96 4. Elected officers shall be eligible to participate in the
97 DROP subject to the following:

98 a. An elected officer who reaches normal retirement date
99 during a term of office may defer the election to participate in
100 the DROP until the next succeeding term in that office. Such
101 elected officer who exercises this option may participate in the
102 DROP for up to 60 calendar months or a period of no longer than
103 such succeeding term of office, whichever is less.

104 b. An elected or a nonelected participant may run for a
105 term of office while participating in DROP and, if elected,
106 extend the DROP termination date accordingly, except, however, if
107 such additional term of office exceeds the 60-month limitation
108 established in subparagraph 1., and the officer does not resign
109 from office within such 60-month limitation, the retirement and
110 the participant's DROP shall be null and void as provided in sub-
111 subparagraph (c)5.d.

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

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117 | the Board of Trustees of the Florida School for the Deaf and the
118 | Blind to participate in the DROP beyond 60 months, or who are
119 | instructional personnel as defined in s. 1012.01(2)(a)-(d) in
120 | grades K-12 and who have received authorization by the district
121 | school superintendent to participate in the DROP beyond 60
122 | months, the 96-month limitation period as provided in
123 | subparagraph 1. for the nonelected position and may continue
124 | employment as an elected officer as provided in s. 121.053. The
125 | elected officer will be enrolled as a renewed member in the
126 | Elected Officers' Class or the Regular Class, as provided in ss.
127 | 121.053 and 121.122, on the first day of the month after
128 | termination of employment in the nonelected position and
129 | termination of DROP. Distribution of the DROP benefits shall be
130 | made as provided in paragraph (c).

131 | d. Effective July 1, 2008, an elected officer who is
132 | reemployed or reappointed to an elective office after termination
133 | of employment or office and whose benefit is suspended for the
134 | required 30 days may return to covered employment or office, but
135 | is not eligible to receive a monthly benefit earned under prior
136 | service from which the officer is retired until cessation of his
137 | or her subsequent employment or office. This restriction applies
138 | to successive terminations and the resumption of employment or
139 | office, regardless of the retirement class.

140 | Section 2. This act shall take effect July 1, 2008.