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Proposed Committee Substitute by the Committee on Governmental
Operations

1 A bill to be entitled
2 An act relating to the Florida Retirement System; amending
3 s. 121.021, F.S.; redefining the terms "employer,"
4 "officer or employee," "past service," "normal retirement
5 date," "regularly established position," and temporary
6 position"; defining the terms "state board" and
7 "trustees"; amending s. 121.031, F.S.; requiring
8 promotional materials that refer to the Florida Retirement
9 System to include a disclaimer unless approval is obtained
10 from the Department of Management Services; amending s.
11 121.051, F.S.; conforming a cross-reference; revising
12 provisions relating to participation in the system;
13 excluding the participation of entities under a lease
14 agreement; amending s. 121.071, F.S.; expanding the
15 mechanisms for employees to pay contributions to the
16 system; amending s. 121.081, F.S.; revising provisions
17 relating to receiving credit for past or prior service;
18 prohibiting a member from receiving credit for service
19 covered and reported by both a public employer and a
20 private employer; amending s. 121.091, F.S.; revising
21 provisions relating to retirement benefits; deleting a
22 restriction on the reemployment of certain personnel by
23 the Florida School for the Deaf and the Blind; extending
24 the period of time that instructional personnel employed
25 by a developmental research school may participate in the
26 Deferred Retirement Option Program; clarifying that DROP
27 participation cannot be cancelled; providing for the



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28 suspension of DROP benefits to a participant who is
29 reemployed; deleting obsolete provisions; authorizing the
30 Division of Retirement to issue benefits pursuant to a
31 qualified domestic relations order directly to the
32 alternate payee; amending s. 121.1115, F.S.; revising
33 provisions relating to receiving retirement credit for
34 out-of-state service; providing that a member is not
35 eligible for and may not receive a benefit based on that
36 service; amending s. 121.1122, F.S.; revising provisions
37 relating to receiving retirement credit for in-state
38 service; providing that a member may not be eligible for
39 or receiving a benefit based on service; amending s.
40 121.136, F.S.; revising provisions relating to the annual
41 statement of benefits provided to certain active members
42 of the Florida Retirement System; amending s. 121.1905,
43 F.S.; deleting provision describing the mission of the
44 Division of Retirement; amending s. 121.23, F.S.;

45 requiring the State Retirement Commission to meet the same
46 requirements used by the Secretary of Management Services
47 before approving a disability retirement benefit; amending
48 s. 121.24, F.S.; requiring a quorum of three members for
49 all appeal hearings held by the State Retirement
50 Commission; amending s. 1012.33, F.S.; deleting the
51 provision preventing persons who have retired from the
52 public school system from renewing membership in the
53 Florida Retirement System upon reemployment by the school
54 system; repealing s. 121.093, F.S., relating to
55 instructional personnel reemployment after retirement from
56 the developmental research school or the Florida School
57 for the Deaf and the Blind; repealing s. 121.094, F.S.,



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58 relating to instructional personnel reemployment after
59 retirement from a charter school; repealing s. 121.45,
60 F.S., relating to interstate compacts relating to pension
61 portability; providing a declaration of important state
62 interest; providing an effective date.

63
64 Be It Enacted by the Legislature of the State of Florida:

65
66 Section 1. Subsections (10), (11), (18), (29), (52), and
67 (53) of section 121.021, Florida Statutes, are amended, and
68 subsections (63) and (64) are added to that section, to read:

69 121.021 Definitions.--The following words and phrases as
70 used in this chapter have the respective meanings set forth
71 unless a different meaning is plainly required by the context:

72 (10) "Employer" means any agency, branch, department,
73 institution, university, institution of higher education, or
74 board of the state, or any county agency, branch, department,
75 board, district school board, or special district of the state,
76 or any city of the state which participates in the system for the
77 benefit of certain of its employees, or a charter school or
78 charter technical career center that participates as provided in
79 s. 121.051(2)(d). Employers are not agents of the department, the
80 state board, or the Division of Retirement, and the department,
81 the state board, and the division are not responsible for
82 erroneous information provided by representatives of employers.

83 (11) "Officer or employee" means any person receiving
84 salary payments for work performed in a regularly established
85 position and, if employed by a city, a metropolitan planning
86 organization, or a special district, employed in a covered group.
87 The term does not apply to state employees covered by a leasing



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88 agreement under s. 110.191, other public employees covered by a
89 leasing agreement, or to a co-employer relationship.

90 (18) "Past service" of any member, as provided in s.
91 121.081(1), means the number of years and complete months and any
92 fractional part of a month, recognized and credited by an
93 employer and approved by the administrator, during which the
94 member was in the active employ of a governmental ~~an~~ employer and
95 for which the employee is not entitled to a benefit prior to his
96 or her date of participation.

97 (29) "Normal retirement date" means the ~~first day of any~~
98 ~~month following the~~ date a member attains normal retirement age
99 and is vested, which is determined as follows ~~one of the~~
100 ~~following statuses:~~

101 (a) If a Regular Class member, ~~the member:~~

102 1. The first day of the month the member completes 6 or
103 more years of creditable service and attains age 62; or

104 2. The first day of the month following the date the member
105 completes 30 years of creditable service, regardless of age,
106 which may include a maximum of 4 years of military service credit
107 as long as such credit is not claimed under any other system.

108 (b) If a Special Risk Class member, ~~the member:~~

109 1. The first day of the month the member completes 6 or
110 more years of creditable service in the Special Risk Class and
111 attains age 55;

112 2. The first day of the month following the date the member
113 completes 25 years of creditable service in the Special Risk
114 Class, regardless of age; or

115 3. The first day of the month following the date the member
116 completes 25 years of creditable service and attains age 52,
117 which service may include a maximum of 4 years of military



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118 service credit as long as such credit is not claimed under any
119 other system and the remaining years are in the Special Risk
120 Class.

121 (c) If a Senior Management Service Class member,~~the~~
122 ~~member~~:

123 1. The first day of the month the member completes 6 years
124 of creditable service in the Senior Management Service Class and
125 attains age 62; or

126 2. The first day of the month following the date the member
127 completes 30 years of any creditable service, regardless of age,
128 which may include a maximum of 4 years of military service credit
129 as long as such credit is not claimed under any other system.

130 (d) If an Elected Officers' Class member,~~the member~~:

131 1. The first day of the month the member completes 6 years
132 of creditable service in the Elected Officers' Class and attains
133 age 62; or

134 2. The first day of the month following the date the member
135 completes 30 years of any creditable service, regardless of age,
136 which may include a maximum of 4 years of military service credit
137 as long as such credit is not claimed under any other system.

138
139 "Normal retirement age" is attained on the "normal retirement
140 date."

141 (52) "Regularly established position" is defined as
142 follows:

143 (a) With respect to employment for ~~In~~ a state employer
144 agency, the term means a position that ~~which~~ is authorized and
145 established pursuant to law and is compensated from a salaries
146 appropriation pursuant to s. 216.011(1)(dd), or an established



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147 | position which is authorized pursuant to s. 216.262(1)(a) and (b)
148 | and is compensated from a salaries account as provided by rule.

149 | (b) With respect to employment for ~~In~~ a local employer
150 | agency (district school board, county agency, community college,
151 | city, metropolitan planning organization, or special district),
152 | the term means a regularly established position that ~~which~~ will
153 | be in existence for a period beyond 6 consecutive months, except
154 | as provided by rule.

155 | (53) "Temporary position" is defined as follows:

156 | (a) With respect to employment for ~~In~~ a state employer
157 | agency, the term means an employment position that ~~which~~ is
158 | compensated from an other personal services (OPS) account, as
159 | provided for in s. 216.011(1)(dd).

160 | (b) With respect to employment for ~~In~~ a local employer
161 | agency, the term means an employment position that ~~which~~ will
162 | exist for less than 6 consecutive months, or other employment
163 | position as determined by rule of the division, regardless of
164 | whether it will exist for 6 consecutive months or longer.

165 | (63) "State board" or "board" means the State Board of
166 | Administration.

167 | (64) "Trustees" means the Board of Trustees of the State
168 | Board of Administration.

169 | Section 2. Subsection (6) is added to section 121.031,
170 | Florida Statutes, to read:

171 | 121.031 Administration of system; appropriation; oaths;
172 | actuarial studies; public records.--

173 | (6) Unless prior written approval is obtained from the
174 | department or state board, any promotional materials or
175 | advertisements that, directly or indirectly, refer to the Florida
176 | Retirement System or the FRS, must contain a disclaimer that the



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177 information is not approved or endorsed by the Florida Retirement
178 System.

179 Section 3. Paragraph (a) of subsection (1) and paragraph
180 (f) of subsection (2) of section 121.051, Florida Statutes, are
181 amended to read:

182 121.051 Participation in the system.--

183 (1) COMPULSORY PARTICIPATION.--

184 (a) The provisions of this law are ~~shall be~~ compulsory as
185 to all officers and employees, except elected officers who meet
186 the requirements of s. 121.052(3), who are employed on or after
187 December 1, 1970, by ~~of~~ an employer other than those referred to
188 in paragraph (2)(b), and each officer or employee, as a condition
189 of employment, shall become a member of the system as of his or
190 her date of employment, except that a person who is retired from
191 any state retirement system and is reemployed on or after
192 December 1, 1970, may ~~shall not be permitted to~~ renew his or her
193 membership in any state retirement system except as provided in
194 s. 121.091(4)(h) for a person who recovers from disability, and
195 as provided in s. 121.091(9)(b)10. ~~s. 121.091(9)(b)8.~~ for a
196 person who is elected to public office, and, effective July 1,
197 1991, as provided in s. 121.122 for all other retirees. Officers
198 and employees of the University Athletic Association, Inc., a
199 nonprofit association connected with the University of Florida,
200 employed on and after July 1, 1979, may ~~shall~~ not participate in
201 any state-supported retirement system. Any person appointed on or
202 after July 1, 1989, to a faculty position in a college at the J.
203 Hillis Miller Health Center at the University of Florida or the
204 Medical Center at the University of South Florida which has a
205 faculty practice plan adopted ~~provided~~ by rule may ~~adopted by the~~
206 ~~Board of Regents shall~~ not participate in the Florida Retirement



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207 System. A faculty member so appointed shall participate in the
208 optional retirement program on the basis of his or her state-
209 funded compensation, notwithstanding the provisions of s.
210 121.35(2) (a).

211 (2) OPTIONAL PARTICIPATION.--

212 (f)1. If ~~Whenever~~ an employer that participates in the
213 Florida Retirement System undertakes the transfer, merger, or
214 consolidation of governmental services or assumes the functions
215 or activities of an employing governmental entity that was not an
216 employer under the system, the employer must notify the
217 department at least 60 days prior to such action and ~~shall~~
218 provide documentation as required by the department. The
219 transfer, merger, or consolidation of governmental services or
220 assumption of governmental functions and activities must occur
221 between public employers. The current or former employer may pay
222 the employees' past service cost unless prohibited under this
223 chapter. This paragraph does not apply to the transfer, merger,
224 or consolidation of governmental services or assumption of
225 functions and activities of a public entity under a leasing
226 agreement having a co-employer relationship. Employers and
227 employees of a public governmental employer whose service is
228 covered by a leasing agreement under s. 110.191, other leasing
229 agreement, or a co-employer relationship are not eligible to
230 participate in the Florida Retirement System.

231 2. If ~~When~~ the agency to which a member's employing unit is
232 transferred, merged, or consolidated does not participate in the
233 Florida Retirement System, a member may ~~shall~~ elect in writing to
234 remain in the Florida Retirement System or to transfer to the
235 local retirement system operated by the ~~such~~ agency. If such
236 agency does not participate in a local retirement system, the



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237 member shall continue membership in the Florida Retirement
238 System. In either case, ~~the membership continues shall continue~~
239 for as long as the member is employed by the agency to which his
240 or her unit was transferred, merged, or consolidated.

241 Section 4. Paragraph (a) of subsection (6) of section
242 121.071, Florida Statutes, is amended to read:

243 121.071 Contributions.--Contributions to the system shall
244 be made as follows:

245 (6) (a) Required employee contributions for all service
246 other than current service, including, but not limited to, prior
247 service, past service, military service, leave-of-absence
248 service, out-of-state service, and certain non-Florida Retirement
249 System in-state service, shall be paid by cash, personal check,
250 cashier's check, ~~or money order,~~ or a direct rollover or transfer
251 from a qualified plan as provided under the Internal Revenue
252 Code. The payment must only, shall be accompanied by a statement
253 identifying the service for which payment is made, and shall be
254 made in a lump sum for the total amount due or in annual payments
255 of not less than \$100, except for the final payment if less than
256 \$100, unless another method of payment is authorized by law or
257 rule.

258 Section 5. Paragraphs (f) and (h) of subsection (1) of
259 section 121.081, Florida Statutes, are amended to read:

260 121.081 Past service; prior service;
261 contributions.--Conditions under which past service or prior
262 service may be claimed and credited are:

263 (1)

264 (f) If ~~When~~ any person, ~~either prior to this act or~~
265 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~
266 in one of the retirement systems under ~~consolidated within or~~



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267 | ~~created by~~ this chapter through the consolidation or merger of
268 | governments or the transfer of functions between units of
269 | government, ~~either~~ at the state or local level or between state
270 | and local units, or through the assumption of functions or
271 | activities by a state or local unit from an employing
272 | governmental entity ~~that~~ ~~which~~ was not an employer under the
273 | system, and such person becomes a member of the Florida
274 | Retirement System, such person is ~~shall be~~ entitled to receive
275 | past-service credit ~~as defined in s. 121.021(18)~~ for the time the
276 | ~~such~~ person performed services for, and was an employee of, such
277 | state or local unit or other governmental employing entity prior
278 | to the transfer, merger, consolidation, or assumption of
279 | functions and activities. Past-service credit allowed by this
280 | paragraph is ~~shall~~ also ~~be~~ available to any person who becomes a
281 | member of an existing system, ~~as defined in s. 121.021(2)~~, prior
282 | to December 1, 1970, through the transfer, merger, consolidation,
283 | or assumption of functions and activities set forth in this
284 | paragraph and who subsequently becomes a member of the Florida
285 | Retirement System. However, credit for the past service may not
286 | be granted until contributions are made in the manner provided in
287 | this subsection. If a person rejected Florida Retirement System
288 | membership at the time of the transfer, merger, ~~or~~ consolidation,
289 | or assumption the required contributions shall be at total
290 | actuarial cost as specified in paragraph (e). Such contributions
291 | or accrued interest may not be paid from any public ~~state~~ funds.

292 | (h) The following provisions apply to the purchase of past
293 | service:

294 | 1. Notwithstanding any of the provisions of this
295 | subsection, past-service credit may not be purchased under this
296 | chapter for any service that is used to obtain a pension or



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297 | benefit from a any local retirement system. Eligibility to
298 | receive or the receipt of contributions to a retirement plan made
299 | by the employer on behalf of the employee is considered a
300 | benefit.

301 | 2. A member may not receive past service credit under
302 | paragraphs (a), (b), (e), or (f) for any leaves of absence
303 | without pay, except that credit for active military service
304 | leaves of absence may be claimed under paragraphs (a), (b), and
305 | (f), in accordance with s. 121.111(1).

306 | 3. A member may not receive past service credit for co-
307 | employer service. Co-employer service or a co-employer
308 | relationship is employment in a single position simultaneously
309 | covered and reported by both a public employer and a private
310 | employer.

311 | 4.3. If a member does not want ~~desire~~ to receive credit for
312 | all of his or her past service, the period the member claims must
313 | be the most recent past service prior to his or her participation
314 | in the Florida Retirement System.

315 | 5.4. The cost of past service purchased by an employing
316 | agency for its employees may be amortized over the ~~such~~ period of
317 | time ~~as is~~ provided in the agreement, but not to exceed 15 years,
318 | calculated in accordance with rule 60S-1.007(5)(f), Florida
319 | Administrative Code.

320 | 6.5. The retirement account of each member for whom past
321 | service is being provided by his or her employer shall be
322 | credited with all past service the employer agrees to purchase as
323 | soon as the agreement between the employer and the department is
324 | executed. ~~Pursuant thereto:~~

325 | a. Each ~~such~~ member's account shall also be posted with the
326 | total contribution his or her employer agrees to make on ~~in~~ the



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327 member's behalf for past service earned prior to October 1, 1975,
328 excluding those contributions representing the employer's
329 matching share and the compound interest calculation on the total
330 contribution. However, a portion of any contributions paid by an
331 employer for past service credit earned on and after October 1,
332 1975, may not be posted to the a member's account.

333 b. A refund of contributions payable after an employer has
334 made a written agreement to purchase past service for employees
335 of the covered group includes ~~shall include~~ contributions for
336 past service which are posted to a member's account. However,
337 contributions for past service earned on and after October 1,
338 1975, are not refundable.

339 Section 6. Paragraph (b) of subsection (9), paragraphs (a),
340 (b), and (c) of subsection (13), and paragraphs (b) through (f)
341 of subsection (14) of section 121.091, Florida Statutes, are
342 amended to read:

343 121.091 Benefits payable under the system.--Benefits may
344 not be paid under this section unless the member has terminated
345 employment as provided in s. 121.021(39) (a) or begun
346 participation in the Deferred Retirement Option Program as
347 provided in subsection (13), and a proper application has been
348 filed in the manner prescribed by the department. The department
349 may cancel an application for retirement benefits when the member
350 or beneficiary fails to timely provide the information and
351 documents required by this chapter and the department's rules.
352 The department shall adopt rules establishing procedures for
353 application for retirement benefits and for the cancellation of
354 such application when the required information or documents are
355 not received.

356 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--



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357 (b)1. Any person who is retired under this chapter, except
358 under the disability retirement provisions of subsection (4), may
359 be reemployed by any private or public employer after retirement
360 and receive retirement benefits and compensation from the ~~his or~~
361 ~~her~~ employer without limitation ~~any limitations~~, except that the
362 a person may not receive ~~both~~ a salary from reemployment with any
363 agency participating in the Florida Retirement System and
364 retirement benefits under this chapter for ~~a period of~~ 12 months
365 immediately after ~~subsequent to~~ the date of retirement. However,
366 a DROP participant may ~~shall~~ continue employment and receive a
367 salary during the period of participation in DROP ~~the Deferred~~
368 ~~Retirement Option Program~~, as provided in subsection (13).

369 2. Any person to whom the limitation in subparagraph 1.
370 applies who ~~violates such reemployment limitation and who is~~
371 reemployed with any agency participating in the Florida
372 Retirement System after he or she has been retired for 1 calendar
373 month but before completion of the 12-month limitation period
374 must ~~shall~~ give timely notice of this fact in writing to the
375 employer and to the Division of Retirement and shall have his or
376 her retirement benefits suspended while employed during ~~for~~ the
377 balance of the 12-month limitation period unless the person
378 exceeds the 780-hour limitation in subparagraph 4., subparagraph
379 5., or subparagraph 11. Any person employed in violation of this
380 paragraph and any employing agency that ~~which~~ knowingly employs
381 or appoints such person without notifying the division of
382 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
383 and severally liable for ~~reimbursement to the retirement trust~~
384 ~~fund of~~ any benefits paid during the reemployment limitation
385 period. To avoid liability, the ~~such~~ employing agency must ~~shall~~
386 have a written statement from the retiree that he or she is not



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387 | retired from a state-administered retirement system. Any
388 | retirement benefits received while reemployed during this
389 | reemployment limitation period must ~~shall~~ be repaid to the
390 | Florida Retirement System Trust Fund, and retirement benefits
391 | ~~shall~~ remain suspended until such repayment has been made.
392 | Benefits suspended beyond the reemployment limitation shall apply
393 | toward repayment of benefits received in violation of the
394 | reemployment limitation.

395 | 3. A district school board may reemploy a retired member as
396 | a substitute or hourly teacher, education paraprofessional,
397 | transportation assistant, bus driver, or food service worker on a
398 | noncontractual basis after he or she has been retired for 1
399 | calendar month, in accordance with s. 121.021(39). A district
400 | school board may reemploy a retired member as instructional
401 | personnel, as defined in s. 1012.01(2)(a), on an annual
402 | contractual basis after he or she has been retired for 1 calendar
403 | month, in accordance with s. 121.021(39). Any other retired
404 | member who is reemployed within 1 calendar month after retirement
405 | voids ~~shall void~~ his or her application for retirement benefits.
406 | District school boards reemploying such teachers, education
407 | paraprofessionals, transportation assistants, bus drivers, or
408 | food service workers are subject to the retirement contribution
409 | required by subparagraph 9. 7.

410 | 4. A community college board of trustees may reemploy a
411 | retired member as an adjunct instructor, ~~that is, an instructor~~
412 | ~~who is noncontractual and part-time~~, or as a participant in a
413 | phased retirement program within the Florida Community College
414 | System, after he or she has been retired for 1 calendar month, in
415 | accordance with s. 121.021(39). Any retired member who is
416 | reemployed within 1 calendar month after retirement voids ~~shall~~



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417 ~~void~~ his or her application for retirement benefits. Boards of
418 trustees reemploying such instructors are subject to the
419 retirement contribution required in subparagraph 7. A retired
420 member may be reemployed as an adjunct instructor for no more
421 than 780 hours during the first 12 months of retirement. Any
422 retired member reemployed for more than 780 hours during the
423 first 12 months of retirement must ~~shall~~ give timely notice in
424 writing to the employer and to the Division of Retirement of the
425 date he or she will exceed the limitation. The division shall
426 suspend his or her retirement benefits for the remainder of the
427 first 12 months of retirement. Any person employed in violation
428 of this subparagraph and any employing agency that ~~which~~
429 knowingly employs or appoints such person without notifying the
430 division ~~of Retirement~~ to suspend retirement benefits are ~~shall~~
431 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
432 ~~retirement trust fund of~~ any benefits paid during the
433 reemployment limitation period. To avoid liability, the ~~such~~
434 employing agency must ~~shall~~ have a written statement from the
435 retiree that he or she is not retired from a state-administered
436 retirement system. Any retirement benefits received by a retired
437 member while reemployed in excess of 780 hours during the first
438 12 months of retirement must ~~shall~~ be repaid to the Florida
439 Retirement System Trust Fund, and retirement benefits ~~shall~~
440 remain suspended until repayment is made. Benefits suspended
441 beyond the end of the retired member's first 12 months of
442 retirement shall apply toward repayment of benefits received in
443 violation of the 780-hour reemployment limitation.

444 5. The State University System may reemploy a retired
445 member as an adjunct faculty member or as a participant in a
446 phased retirement program within the State University System



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447 | after the retired member has been retired for 1 calendar month,
448 | in accordance with s. 121.021(39). A ~~Any~~ retired member who is
449 | reemployed within 1 calendar month after retirement voids ~~shall~~
450 | ~~void~~ his or her application for retirement benefits. The State
451 | University System is subject to the retired contribution required
452 | in subparagraph 9. ~~7.~~, as appropriate. A retired member may be
453 | reemployed as an adjunct faculty member or a participant in a
454 | phased retirement program for no more than 780 hours during the
455 | first 12 months of his or her retirement. Any retired member
456 | reemployed for more than 780 hours during the first 12 months of
457 | retirement must ~~shall~~ give timely notice in writing to the
458 | employer and to the Division of Retirement of the date he or she
459 | will exceed the limitation. The division shall suspend his or her
460 | retirement benefits for the remainder of the first 12 months of
461 | retirement. Any person employed in violation of this subparagraph
462 | and any employing agency that ~~which~~ knowingly employs or appoints
463 | such person without notifying the division ~~of Retirement~~ to
464 | suspend retirement benefits are ~~shall be~~ jointly and severally
465 | liable for ~~reimbursement to the retirement trust fund of~~ any
466 | benefits paid during the reemployment limitation period. To avoid
467 | liability, such employing agency must ~~shall~~ have a written
468 | statement from the retiree that he or she is not retired from a
469 | state-administered retirement system. Any retirement benefits
470 | received by a retired member while reemployed in excess of 780
471 | hours during the first 12 months of retirement must ~~shall~~ be
472 | repaid to the Florida Retirement System Trust Fund, and
473 | retirement benefits ~~shall~~ remain suspended until repayment is
474 | made. Benefits suspended beyond the end of the retired member's
475 | first 12 months of retirement shall apply toward repayment of



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476 benefits received in violation of the 780-hour reemployment
477 limitation.

478 6. The Board of Trustees of the Florida School for the Deaf
479 and the Blind may reemploy a retired member as a substitute
480 teacher, substitute residential instructor, or substitute nurse
481 on a noncontractual basis after he or she has been retired for 1
482 calendar month, in accordance with s. 121.021(39). The Board of
483 Trustees of the Florida School for the Deaf and the Blind may
484 reemploy a retired member as instructional personnel, as defined
485 in s. 1012.01(2)(a), on an annual contractual basis after he or
486 she has been retired for 1 calendar month, in accordance with s.
487 121.021(39). Any retired member who is reemployed within 1
488 calendar month after retirement voids ~~shall void~~ his or her
489 application for retirement benefits. The Board of Trustees of the
490 Florida School for the Deaf and the Blind reemploying such
491 teachers, residential instructors, or nurses is subject to the
492 retirement contribution required by subparagraph 9. 7-
493 ~~Reemployment of a retired member as a substitute teacher,~~
494 ~~substitute residential instructor, or substitute nurse is limited~~
495 ~~to 780 hours during the first 12 months of his or her retirement.~~
496 ~~Any retired member reemployed for more than 780 hours during the~~
497 ~~first 12 months of retirement shall give timely notice in writing~~
498 ~~to the employer and to the division of the date he or she will~~
499 ~~exceed the limitation. The division shall suspend his or her~~
500 ~~retirement benefits for the remainder of the first 12 months of~~
501 ~~retirement. Any person employed in violation of this subparagraph~~
502 ~~and any employing agency which knowingly employs or appoints such~~
503 ~~person without notifying the Division of Retirement to suspend~~
504 ~~retirement benefits shall be jointly and severally liable for~~
505 ~~reimbursement to the retirement trust fund of any benefits paid~~



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506 ~~during the reemployment limitation period. To avoid liability,~~
507 ~~such employing agency shall have a written statement from the~~
508 ~~retiree that he or she is not retired from a state-administered~~
509 ~~retirement system. Any retirement benefits received by a retired~~
510 ~~member while reemployed in excess of 780 hours during the first~~
511 ~~12 months of retirement shall be repaid to the Retirement System~~
512 ~~Trust Fund, and his or her retirement benefits shall remain~~
513 ~~suspended until payment is made. Benefits suspended beyond the~~
514 ~~end of the retired member's first 12 months of retirement shall~~
515 ~~apply toward repayment of benefits received in violation of the~~
516 ~~780-hour reemployment limitation.~~

517 7. A developmental research school may reemploy a retired
518 member as a substitute or hourly teacher or an education
519 paraprofessional as defined in s. 1012.01(2) on a noncontractual
520 basis after he or she has been retired for 1 calendar month, in
521 accordance with s. 121.021(39). A developmental research school
522 may reemploy a retired member as instructional personnel, as
523 defined in s. 1012.01(2)(a), on an annual contractual basis after
524 he or she has been retired for 1 calendar month, in accordance
525 with s. 121.021(39). Any other retired member who is reemployed
526 within 1 calendar month after retirement voids his or her
527 application for retirement benefits. A developmental research
528 school that reemploys retired teachers and education
529 paraprofessionals are subject to the retirement contribution
530 required by subparagraph 9.

531 8. A charter school may reemploy a retired member as a
532 substitute or hourly teacher on a noncontractual basis after he
533 or she has been retired for 1 calendar month, in accordance with
534 s. 121.021(39). A charter school may reemploy a retired member as
535 instructional personnel, as defined in s. 1012.01(2)(a), on an



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536 annual contractual basis after he or she has been retired for 1
537 calendar month, in accordance with s. 121.021(39). Any other
538 retired member who is reemployed within 1 calendar month after
539 retirement voids his or her application for retirement benefits.
540 A charter school that reemploys such teachers is subject to the
541 retirement contribution required by subparagraph 9.

542 9.7- The employment ~~by an employer~~ of a any retiree or DROP
543 participant of a any state-administered retirement system does
544 not affect ~~shall have no effect~~ on the average final compensation
545 or years of creditable service of the retiree or DROP
546 participant. Prior to July 1, 1991, upon employment of any
547 person, other than an elected officer as provided in s. 121.053,
548 who is ~~has been~~ retired under a any state-administered retirement
549 program, the employer shall pay retirement contributions in an
550 amount equal to the unfunded actuarial liability portion of the
551 employer contribution which would be required for regular members
552 of the Florida Retirement System. Effective July 1, 1991,
553 contributions shall be made as provided in s. 121.122 for
554 retirees who have ~~with~~ renewed membership or, as provided in
555 subsection (13), for ~~with respect to~~ DROP participants.

556 10.8- Any person who has ~~previously~~ retired and who is
557 holding an elective public office or an appointment to an
558 elective public office eligible for the Elected Officers' Class
559 on or after July 1, 1990, shall be enrolled in the Florida
560 Retirement System as provided in s. 121.053(1)(b) or, if holding
561 an elective public office that does not qualify for the Elected
562 Officers' Class on or after July 1, 1991, shall be enrolled in
563 the Florida Retirement System as provided in s. 121.122, and
564 shall continue to receive retirement benefits as well as
565 compensation for the elected officer's service for as long as he



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566 or she remains in elective office. However, any retired member
567 who served in an elective office prior to July 1, 1990, suspended
568 his or her retirement benefit, and had his or her Florida
569 Retirement System membership reinstated shall, upon retirement
570 from such office, have his or her retirement benefit recalculated
571 to include the additional service and compensation earned.

572 ~~11.9.~~ Any person who is holding an elective public office
573 which is covered by the Florida Retirement System and who is
574 concurrently employed in nonelected covered employment may elect
575 to retire while continuing employment in the elective public
576 office, ~~if provided that~~ he or she terminates ~~shall be required~~
577 ~~to terminate~~ his or her nonelected covered employment. Any person
578 who exercises this election shall receive his or her retirement
579 benefits in addition to the compensation of the elective office
580 without regard to the time limitations otherwise provided in this
581 subsection. A ~~No~~ person who seeks to exercise the provisions of
582 this subparagraph, as they ~~the same~~ existed prior to May 3, 1984,
583 may not shall be deemed to be retired under those provisions,
584 unless such person is eligible to retire under the provisions of
585 this subparagraph, as amended by chapter 84-11, Laws of Florida.

586 ~~10.~~ ~~The limitations of this paragraph apply to reemployment~~
587 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~
588 ~~irrespective of the category of funds from which the person is~~
589 ~~compensated.~~

590 ~~12.11.~~ An employing agency may reemploy a retired member as
591 a firefighter or paramedic after the retired member has been
592 retired for 1 calendar month, in accordance with s. 121.021(39).
593 Any retired member who is reemployed within 1 calendar month
594 after retirement voids ~~shall void~~ his or her application for
595 retirement benefits. The employing agency reemploying such



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596 firefighter or paramedic is subject to the retired contribution
597 required in subparagraph 9. ~~8.~~ Reemployment of a retired
598 firefighter or paramedic is limited to no more than 780 hours
599 during the first 12 months of his or her retirement. Any retired
600 member reemployed for more than 780 hours during the first 12
601 months of retirement must ~~shall~~ give timely notice in writing to
602 the employer and to the Division of Retirement of the date he or
603 she will exceed the limitation. The division shall suspend his or
604 her retirement benefits for the remainder of the first 12 months
605 of retirement. Any person employed in violation of this
606 subparagraph and any employing agency that ~~which~~ knowingly
607 employs or appoints such person without notifying the division ~~of~~
608 ~~Retirement~~ to suspend retirement benefits shall be jointly and
609 severally liable for ~~reimbursement to the Retirement System Trust~~
610 ~~Fund of~~ any benefits paid during the reemployment limitation
611 period. To avoid liability, such employing agency must ~~shall~~ have
612 a written statement from the retiree that he or she is not
613 retired from a state-administered retirement system. Any
614 retirement benefits received by a retired member while reemployed
615 in excess of 780 hours during the first 12 months of retirement
616 must ~~shall~~ be repaid to the Florida Retirement System Trust Fund,
617 and retirement benefits ~~shall~~ remain suspended until repayment is
618 made. Benefits suspended beyond the end of the retired member's
619 first 12 months of retirement shall apply toward repayment of
620 benefits received in violation of the 780-hour reemployment
621 limitation.

622 13. The limitations of this paragraph apply to reemployment
623 in any capacity with an employer, as defined in s. 121.021,
624 irrespective of the category of funds from which the person is
625 compensated.



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626 14. The reemployment after retirement provisions of this
627 paragraph apply to DROP participants effective upon termination
628 from employment and the end of DROP participation.

629 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
630 subject to the provisions of this section, the Deferred
631 Retirement Option Program, hereinafter referred to as the DROP,
632 is a program under which an eligible member of the Florida
633 Retirement System may elect to participate, deferring receipt of
634 retirement benefits while continuing employment with his or her
635 Florida Retirement System employer. The deferred monthly benefits
636 shall accrue in the System Trust Fund on behalf of the
637 participant, plus interest compounded monthly, for the specified
638 period of the DROP participation, as provided in paragraph (c).
639 Upon termination of employment, the participant shall receive the
640 total DROP benefits and begin to receive the previously
641 determined normal retirement benefits. Participation in the DROP
642 does not guarantee employment for the specified period of DROP.
643 Participation in the DROP by an eligible member beyond the
644 initial 60-month period as authorized in this subsection shall be
645 on an annual contractual basis for all participants.

646 (a) Eligibility of member to participate in ~~the~~ DROP.--All
647 active Florida Retirement System members in a regularly
648 established position, and all active members of ~~either~~ the
649 Teachers' Retirement System established in chapter 238 or the
650 State and County Officers' and Employees' Retirement System
651 established in chapter 122, ~~which systems~~ are consolidated within
652 the Florida Retirement System under s. 121.011, are eligible to
653 elect participation in ~~the~~ DROP if provided that:

654 1. The member is not a renewed member ~~of the Florida~~
655 ~~Retirement System~~ under s. 121.122, or a member of the State



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656 Community College System Optional Retirement Program under s.
657 121.051, the Senior Management Service Optional Annuity Program
658 under s. 121.055, or the optional retirement program for the
659 State University System under s. 121.35.

660 2. Except as provided in subparagraph 6., election to
661 participate is made within 12 months immediately following the
662 date on which the member first reaches normal retirement date,
663 or, for a member who reaches normal retirement date ~~based on~~
664 ~~service~~ before he or she reaches age 62, or age 55 for Special
665 Risk Class members, election to participate may be deferred to
666 the 12 months immediately following the date the member attains
667 57, or age 52 for Special Risk Class members. ~~For a member who~~
668 ~~first reached normal retirement date or the deferred eligibility~~
669 ~~date described above prior to the effective date of this section,~~
670 ~~election to participate shall be made within 12 months after the~~
671 ~~effective date of this section.~~ A member who fails to make an
672 election within the ~~such~~ 12-month limitation period forfeits
673 ~~shall forfeit~~ all rights to participate in ~~the~~ DROP. The member
674 shall advise his or her employer and the division in writing of
675 the date ~~on which the~~ DROP begins ~~shall begin.~~ The ~~Such~~ beginning
676 date may be subsequent to the 12-month election period, but must
677 be within the original 60-month participation ~~or, with respect to~~
678 ~~members who are instructional personnel employed by the Florida~~
679 ~~School for the Deaf and the Blind and who have received~~
680 ~~authorization by the Board of Trustees of the Florida School for~~
681 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
682 ~~months, or who are instructional personnel as defined in s.~~
683 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
684 ~~authorization by the district school superintendent to~~
685 ~~participate in the DROP beyond 60 months, the 96-month limitation~~



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686 | period ~~as~~ provided in subparagraph (b)1. When establishing
687 | eligibility of the member to participate in ~~the DROP for the 60-~~
688 | ~~month or, with respect to members who are instructional personnel~~
689 | ~~employed by the Florida School for the Deaf and the Blind and who~~
690 | ~~have received authorization by the Board of Trustees of the~~
691 | ~~Florida School for the Deaf and the Blind to participate in the~~
692 | ~~DROP beyond 60 months, or who are instructional personnel as~~
693 | ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
694 | ~~received authorization by the district school superintendent to~~
695 | ~~participate in the DROP beyond 60 months, the 96-month maximum~~
696 | ~~participation period,~~ the member may elect to include or exclude
697 | any optional service credit purchased by the member from the
698 | total service used to establish the normal retirement date. A
699 | member who has ~~with~~ dual normal retirement dates is ~~shall be~~
700 | eligible to elect to participate in DROP within 12 months after
701 | attaining normal retirement date in either class.

702 | 3. The employer of a member electing to participate in ~~the~~
703 | DROP, or employers if dually employed, shall acknowledge in
704 | writing to the division the date the member's participation in
705 | the DROP begins and the date the member's employment and DROP
706 | participation will terminate.

707 | 4. Simultaneous employment of a participant by additional
708 | Florida Retirement System employers subsequent to the
709 | commencement of participation in ~~the DROP is~~ is ~~shall be~~ permissible
710 | if provided such employers acknowledge in writing a DROP
711 | termination date no later than the participant's existing
712 | termination date or the maximum participation ~~60-month limitation~~
713 | period as provided in subparagraph (b)1.

714 | 5. A DROP participant may change employers while
715 | participating in ~~the~~ DROP, subject to the following:



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716 a. A change of employment must take place without a break
717 in service so that the member receives salary for each month of
718 continuous DROP participation. If a member receives no salary
719 during a month, DROP participation shall cease unless the
720 employer verifies a continuation of the employment relationship
721 for such participant pursuant to s. 121.021(39)(b).

722 b. Such participant and new employer shall notify the
723 division of the identity of the new employer on forms required by
724 the division ~~as to the identity of the new employer.~~

725 c. The new employer shall acknowledge, in writing, the
726 participant's DROP termination date, which may be extended but
727 not beyond the original 60-month participation ~~or, with respect~~
728 ~~to members who are instructional personnel employed by the~~
729 ~~Florida School for the Deaf and the Blind and who have received~~
730 ~~authorization by the Board of Trustees of the Florida School for~~
731 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
732 ~~months, or who are instructional personnel as defined in s.~~
733 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
734 ~~authorization by the district school superintendent to~~
735 ~~participate in the DROP beyond 60 months, the 96-month period~~
736 provided in subparagraph (b)1., shall acknowledge liability for
737 any additional retirement contributions and interest required if
738 the participant fails to timely terminate employment, and is
739 ~~shall be~~ subject to the adjustment required in sub-subparagraph
740 (c)5.d.

741 6. Effective July 1, 2001, for instructional personnel as
742 defined in s. 1012.01(2), election to participate in ~~the~~ DROP may
743 ~~shall~~ be made at any time following the date on which the member
744 first reaches normal retirement date. The member shall advise his
745 or her employer and the division in writing of the date on which



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746 ~~DROP begins the Deferred Retirement Option Program shall begin.~~
747 When establishing eligibility of the member to participate in the
748 DROP for the 60-month ~~or, with respect to members who are~~
749 ~~instructional personnel employed by the Florida School for the~~
750 ~~Deaf and the Blind and who have received authorization by the~~
751 ~~Board of Trustees of the Florida School for the Deaf and the~~
752 ~~Blind to participate in the DROP beyond 60 months, or who are~~
753 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
754 ~~grades K-12 and who have received authorization by the district~~
755 ~~school superintendent to participate in the DROP beyond 60~~
756 ~~months, the 96-month maximum participation period, as provided in~~
757 sub-subparagraph (b)(1)a. subparagraph (b)1., the member may
758 elect to include or exclude any optional service credit purchased
759 by the member from the total service used to establish the normal
760 retirement date. A member who has ~~with~~ dual normal retirement
761 dates is ~~shall be~~ eligible to elect to participate in either
762 class.

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

764 1.a. Except as provided in sub-subparagraph b., an eligible
765 member may elect to participate in ~~the~~ DROP for a period not to
766 exceed a maximum of 60 calendar months. ~~or, with respect to~~

767 b. Members who are instructional personnel employed by the
768 Florida School for the Deaf and the Blind and authorized ~~who have~~
769 ~~received authorization~~ by the Board of Trustees of the Florida
770 School for the Deaf and the Blind ~~to participate in the DROP~~
771 ~~beyond 60 months,~~ or who are instructional personnel as defined
772 in s. 1012.01(2)(a)-(d) in grades K-12 and authorized ~~who have~~
773 ~~received authorization~~ by the district school superintendent ~~to~~
774 ~~participate in the DROP beyond 60 calendar months,~~ or who are
775 instructional personnel, as defined in s. 1012.01(2), employed by



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776 a developmental research school and authorized by the school's
777 director, or if the school has no director, by the school's
778 principal, may participate in DROP for up to 36 calendar months
779 beyond the 60-month period specified in sub-subparagraph a. 96
780 calendar months immediately following the date on which the
781 member first reaches his or her normal retirement date or the
782 date to which he or she is eligible to defer his or her election
783 to participate as provided in subparagraph (a)2. However, a
784 member who has reached normal retirement date prior to the
785 effective date of the DROP shall be eligible to participate in
786 the DROP for a period of time not to exceed 60 calendar months
787 or, with respect to members who are instructional personnel
788 employed by the Florida School for the Deaf and the Blind and who
789 have received authorization by the Board of Trustees of the
790 Florida School for the Deaf and the Blind to participate in the
791 DROP beyond 60 months, or who are instructional personnel as
792 defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have
793 received authorization by the district school superintendent to
794 participate in the DROP beyond 60 calendar months, 96 calendar
795 months immediately following the effective date of the DROP,
796 except a member of the Special Risk Class who has reached normal
797 retirement date prior to the effective date of the DROP and whose
798 total accrued value exceeds 75 percent of average final
799 compensation as of his or her effective date of retirement shall
800 be eligible to participate in the DROP for no more than 36
801 calendar months immediately following the effective date of the
802 DROP.

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

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



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806 b. Selection of ~~the~~ DROP participation and termination
807 dates, which satisfy the limitations stated in paragraph (a) and
808 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
809 binding letter of resignation to ~~with~~ the employer, establishing
810 a deferred termination date. The member may change the
811 termination date within the limitations of subparagraph 1., but
812 only with the written approval of the ~~his or her~~ employer;

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

815 d. Any other information required by the division.

816 3. The DROP participant is ~~shall be~~ a retiree under the
817 Florida Retirement System for all purposes, except for paragraph
818 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and
819 121.122. DROP participation is final and cannot be cancelled by
820 the participant after the first payment is credited during the
821 DROP participation period. However, participation in ~~the~~ DROP
822 does not alter the participant's employment status and the member
823 is ~~such employee shall~~ not ~~be~~ deemed retired from employment
824 until his or her deferred resignation is effective and
825 termination occurs as provided in s. 121.021(39).

826 4. Elected officers are ~~shall be~~ eligible to participate in
827 the DROP subject to the following:

828 a. An elected officer who reaches normal retirement date
829 during a term of office may defer the election to participate in
830 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
831 elected officer who exercises this option may participate in ~~the~~
832 DROP for up to 60 calendar months or a period of no longer than
833 the ~~such~~ succeeding term of office, whichever is less.

834 b. An elected or a nonelected participant may run for a
835 term of office while participating in DROP and, if elected,



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836 extend the DROP termination date accordingly, except, however, if
837 such additional term of office exceeds the 60-month limitation
838 established in subparagraph 1., and the officer does not resign
839 from office within such 60-month limitation, the retirement and
840 the participant's DROP is ~~shall be~~ null and void as provided in
841 sub-subparagraph (c)5.d.

842 c. An elected officer who is dually employed and elects to
843 participate in DROP must ~~shall be required to~~ satisfy the
844 definition of termination within the 60-month participation ~~or,~~
845 ~~with respect to members who are instructional personnel employed~~
846 ~~by the Florida School for the Deaf and the Blind and who have~~
847 ~~received authorization by the Board of Trustees of the Florida~~
848 ~~School for the Deaf and the Blind to participate in the DROP~~
849 ~~beyond 60 months, or who are instructional personnel as defined~~
850 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
851 ~~authorization by the district school superintendent to~~
852 ~~participate in the DROP beyond 60 months, the 96-month limitation~~
853 period as provided in subparagraph 1. for the nonelected position
854 and may continue employment as an elected officer as provided in
855 s. 121.053. The elected officer shall ~~will~~ be enrolled as a
856 renewed member in the Elected Officers' Class or the Regular
857 Class, as provided in ss. 121.053 and 121.122, on the first day
858 of the month after termination of employment in the nonelected
859 position and termination of DROP. Distribution of ~~the~~ DROP
860 benefits shall be made as provided in paragraph (c).

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

862 1. Effective on ~~with~~ the date of DROP participation, the
863 member's initial normal monthly benefit, including creditable
864 service, optional form of payment, and average final
865 compensation, and the effective date of retirement are ~~shall be~~



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866 fixed. The beneficiary established under the Florida Retirement
867 System shall be the beneficiary eligible to receive any DROP
868 benefits payable if the DROP participant dies prior to the
869 completion of the period of DROP participation. If ~~In the event~~ a
870 joint annuitant predeceases the member, the member may name a
871 beneficiary to receive accumulated DROP benefits payable. The
872 ~~Such~~ retirement benefit, the annual cost of living adjustments
873 provided in s. 121.101, and interest shall accrue monthly in the
874 Florida Retirement System Trust Fund. The ~~Such~~ interest shall
875 accrue at an effective annual rate of 6.5 percent compounded
876 monthly, on the prior month's accumulated ending balance, up to
877 the month of termination or death.

878 2. Each employee who elects to participate in ~~the~~ DROP may
879 ~~shall be allowed to~~ elect to receive a lump-sum payment for
880 accrued annual leave earned in accordance with agency policy upon
881 beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated leave
882 payment certified to the division upon commencement of DROP shall
883 be included in the calculation of the member's average final
884 compensation. The employee electing the ~~such~~ lump-sum payment is
885 ~~upon beginning participation in DROP will~~ not be eligible to
886 receive a second lump-sum payment upon termination, except to the
887 extent the employee has earned additional annual leave which,
888 combined with the original payment, does not exceed the maximum
889 lump-sum payment allowed by the employing agency's policy or
890 rules. An ~~Such~~ early lump-sum payment shall be based on the
891 hourly wage of the employee at the time he or she begins
892 participation in ~~the~~ DROP. If the member elects to wait and
893 receive a ~~such~~ lump-sum payment upon termination of DROP and
894 termination of employment with the employer, any accumulated
895 leave payment made at that time may not ~~cannot~~ be included in the



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896 member's retirement benefit, which was determined and fixed by
897 law when the employee elected to participate in ~~the~~ DROP.

898 3. The effective date of DROP participation and the
899 effective date of retirement of a DROP participant shall be the
900 first day of the month selected by the member to begin
901 participation in the DROP, provided such date is properly
902 established, with the written confirmation of the employer, and
903 the approval of the division, on forms required by the division.

904 4. Normal retirement benefits and any interest ~~thereon~~
905 shall continue to accrue in ~~the~~ DROP until the established
906 termination date of ~~the~~ DROP, or until the participant terminates
907 employment or dies prior to such date. Although individual DROP
908 accounts shall not be established, a separate accounting of each
909 participant's accrued benefits under ~~the~~ DROP shall be calculated
910 and provided to participants.

911 5. At the conclusion of the participant's DROP, the
912 division shall distribute the participant's total accumulated
913 DROP benefits, subject to the following provisions:

914 a. The division shall receive verification by the
915 participant's employer or employers that the ~~such~~ participant has
916 terminated employment as provided in s. 121.021(39)(b).

917 b. The terminated DROP participant or, if deceased, the
918 ~~such~~ participant's named beneficiary, shall elect on forms
919 provided by the division to receive payment of ~~the~~ DROP benefits
920 in accordance with one of the options listed below. If ~~For~~ a
921 participant or beneficiary ~~who~~ fails to elect a method of payment
922 within 60 days of termination of ~~the~~ DROP, the division shall
923 ~~will~~ pay a lump sum as provided in sub-sub-subparagraph (I).



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

927 (II) Direct rollover.--All accrued DROP benefits, plus
928 interest, shall be paid from ~~the~~ DROP directly to the custodian
929 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
930 the Internal Revenue Code. However, in the case of an eligible
931 rollover distribution to the surviving spouse of a deceased
932 participant, an eligible retirement plan is an individual
933 retirement account or an individual retirement annuity as
934 described in s. 402(c)(9) of the Internal Revenue Code.

935 (III) Partial lump sum.--A portion of the accrued DROP
936 benefits shall be paid to the DROP participant or surviving
937 spouse, less withholding taxes remitted to the Internal Revenue
938 Service, and the remaining DROP benefits shall be transferred
939 directly to the custodian of an eligible retirement plan as
940 defined in s. 402(c)(8)(B) of the Internal Revenue Code. However,
941 in the case of an eligible rollover distribution to the surviving
942 spouse of a deceased participant, an eligible retirement plan is
943 an individual retirement account or an individual retirement
944 annuity as described in s. 402(c)(9) of the Internal Revenue
945 Code. The proportions shall be specified by the DROP participant
946 or surviving beneficiary.

947 c. The form of payment selected by the DROP participant or
948 surviving beneficiary must comply ~~complies~~ with the minimum
949 distribution requirements of the Internal Revenue Code.

950 d. A DROP participant who fails to terminate employment as
951 defined in s. 121.021(39)(b) shall be deemed as not ~~to be~~
952 retired, and the DROP election is ~~shall be~~ null and void. Florida
953 Retirement System membership shall be reestablished retroactively



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954 to the date of the commencement of ~~the~~ DROP, and each employer
955 with whom the participant continues employment must ~~shall be~~
956 ~~required to~~ pay to the Florida Retirement System Trust Fund the
957 difference between the DROP contributions paid in paragraph (i)
958 and the contributions required for the applicable Florida
959 Retirement System class of membership during the period the
960 member participated in the DROP, plus 6.5 percent interest
961 compounded annually.

962 6. The retirement benefits of any DROP participant who
963 meets the definition of termination, as provided in s.
964 121.021(39)(b), but is in violation of the reemployment
965 provisions as provided in subsection (9), shall be suspended
966 during those months in which the member is in violation. Any
967 member employed in violation of this subparagraph and any
968 employing agency that knowingly employs or appoints such member
969 without notifying the Division of Retirement to suspend
970 retirement benefits are jointly and severally liable for any
971 benefits paid during the reemployment limitation period. To avoid
972 liability, the employing agency must have a written statement
973 from the retiree that he or she is not retired from a state-
974 administered retirement system. Any retirement benefits received
975 by a retired member while employed in violation of the
976 reemployment limitations during the first 12 months of retirement
977 must be repaid to the Florida Retirement System Trust Fund, and
978 his or her retirement benefits shall remain suspended until
979 payment is made. Benefits suspended beyond the end of the retired
980 member's first 12 months of retirement shall apply toward
981 repayment of benefits received in violation of the reemployment
982 limitations.



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983 ~~7.6.~~ The accrued benefits of any DROP participant, and any
984 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
985 ~~be~~ subject to assignment, execution, attachment, or to any legal
986 process whatsoever, except for qualified domestic relations
987 orders by a court of competent jurisdiction, income deduction
988 orders as provided in s. 61.1301, and federal income tax levies.

989 ~~8.7.~~ DROP participants are ~~shall~~ not ~~be~~ eligible for
990 disability retirement benefits as provided in subsection (4).

991 (14) PAYMENT OF BENEFITS.--This subsection applies to the
992 payment of benefits to a payee (retiree or beneficiary) under the
993 Florida Retirement System:

994 (b) Subject to approval by the division in accordance with
995 rule 60S-4.015, Florida Administrative Code, a payee receiving
996 retirement benefits under the ~~Florida Retirement~~ system may also
997 have the following payments deducted from his or her monthly
998 benefit:

999 1. Premiums for life and health-related insurance policies
1000 from approved companies.

1001 2. Life insurance premiums for the State Group Life
1002 Insurance Plan, if authorized in writing by the payee and by the
1003 department ~~of Management Services~~.

1004 3. Repayment of overpayments from the Florida Retirement
1005 System Trust Fund, the State Employees' Health Insurance Trust
1006 Fund, or the State Employees' Life Insurance Trust Fund, upon
1007 notification of the payee.

1008 4. Payments to an alternate payee for alimony or ~~child~~
1009 support pursuant to an income deduction order under s. 61.1301,
1010 or division of marital assets pursuant to a qualified domestic
1011 relations order under s. 222.21 ~~or an income deduction order~~
1012 ~~under s. 61.1301.~~



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1013 5. Payments to the Internal Revenue Service for federal
1014 income tax levies, upon notification of the division by the
1015 Internal Revenue Service.

1016 (c) A payee must ~~shall~~ notify the division of any change in
1017 his or her address. The division may suspend benefit payments to
1018 a payee if correspondence sent to the payee's mailing address is
1019 returned due to an incorrect address. Benefit payments shall be
1020 resumed upon notification to the division of the payee's new
1021 address.

1022 (d) A payee whose retirement benefits are reduced by the
1023 application of maximum benefit limits under s. 415(b) of the
1024 Internal Revenue Code, as specified in s. 121.30(5), shall have
1025 the portion of his or her calculated benefit in the Florida
1026 Retirement System defined benefit plan which exceeds such federal
1027 limitation paid through the Florida Retirement System
1028 Preservation of Benefits Plan, as provided in s. 121.1001.

1029 (e). The Division of Retirement may issue retirement
1030 benefits payable for division of marital assets pursuant to a
1031 qualified domestic relations order directly to the alternate
1032 payee, any court order to the contrary notwithstanding, in order
1033 to meet Internal Revenue Code requirements.

1034 (f)(e) A ~~No~~ benefit may not be reduced for the purpose of
1035 preserving the member's eligibility for a federal program.

1036 (g)(f) The division shall adopt rules establishing
1037 procedures for determining that ~~the~~ persons to whom benefits are
1038 being paid are still living. The division shall suspend the
1039 benefits being paid to any payee if ~~when~~ it is unable to contact
1040 such payee and to confirm that he or she is still living.

1041 Section 7. Section 121.1115, Florida Statutes, is amended
1042 to read:



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1043 121.1115 Purchase of retirement credit for out-of-state or
1044 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~
1045 ~~Florida Retirement System~~ may purchase creditable service for
1046 periods of public employment in another state and receive
1047 creditable service for such periods of employment. Service with
1048 the Federal Government, including any active military service,
1049 may be claimed. Upon completion of each year of service earned
1050 under the Florida Retirement System, a member may purchase up to
1051 1 year of retirement credit for his or her out-of-state service,
1052 subject to the following provisions:

1053 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the
1054 out-of-state service:

1055 (a) The out-of-state service ~~being claimed~~ must have been:

1056 1. Performed in a position of employment with the state or
1057 a political subdivision thereof or with the Federal Government;

1058 2. Covered by a retirement or pension plan provided by the
1059 state or political subdivision, or by the Federal Government, as
1060 appropriate; and

1061 3. Performed prior to a period of membership in the Florida
1062 Retirement System.

1063 (b) The member must have completed a minimum of 6 years of
1064 creditable service under the Florida Retirement System, excluding
1065 out-of-state service and in-state service claimed and purchased
1066 under s. 121.1122.

1067 (c) Not more than 5 years of creditable service may be
1068 claimed for creditable service aggregated under the provisions of
1069 this section and s. 121.1122.

1070 (d) The out-of-state service credit ~~claimed under this~~
1071 ~~section~~ shall be credited only as service in the Regular Class ~~of~~



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1072 ~~membership~~, and any benefit or pension based thereon ~~is shall be~~
1073 subject to the limitations and restrictions of s. 112.65.

1074 (e) The member is not eligible for and may not receive a
1075 pension or benefit from a retirement or pension plan based on or
1076 including the out-of-state service. Eligibility for or the
1077 receipt of contributions to a retirement plan made by the
1078 employer on behalf of the employee is considered a benefit.

1079 (f)-(e) To receive A member shall be eligible to receive
1080 service credit for out-of-state service performed after leaving
1081 the Florida Retirement System, the member must complete only upon
1082 return to membership and completion of at least 1 year of
1083 creditable service in the Florida Retirement System following the
1084 out-of-state service.

1085 (2) COST.--For each year claimed, the member must pay into
1086 the Florida Retirement System Trust Fund an amount equal to 20
1087 percent of the member's annual compensation for the first full
1088 work year of creditable service earned under the Florida
1089 Retirement System, but not less than \$12,000, plus interest at
1090 6.5 percent compounded annually from the date of first annual
1091 salary earned until full payment is made. The employer may pay
1092 all or a portion of the cost of this service credit.

1093 Section 8. Subsection (2) of section 121.1122, Florida
1094 Statutes, is amended to read:

1095 121.1122 Purchase of retirement credit for in-state public
1096 service and in-state service in accredited nonpublic schools and
1097 colleges, including charter schools and charter technical career
1098 centers.--Effective January 1, 1998, a member of the Florida
1099 Retirement System may purchase creditable service for periods of
1100 certain public or nonpublic employment performed in this state,
1101 as provided in this section.



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1102 (2) LIMITATIONS AND CONDITIONS.--

1103 (a) A member is not eligible to receive credit for in-state
1104 service under this section until he or she has completed 6 years
1105 of creditable service under the Florida Retirement System,
1106 excluding service purchased under this section and out-of-state
1107 service claimed and purchased under s. 121.1115.

1108 (b) A member may not purchase and receive credit for more
1109 than 5 years of creditable service aggregated under ~~the~~
1110 ~~provisions of~~ this section and s. 121.1115.

1111 (c) Service credit claimed under this section shall be
1112 credited only as service in the Regular Class ~~of membership~~ and
1113 is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

1114 (d) Service credit may not be purchased under this section
1115 if the member is eligible to receive or is receiving a pension or
1116 benefit from a retirement or pension plan based on or including
1117 the service. Eligibility for or the receipt of contributions to a
1118 retirement plan made by the employer on behalf of the employee is
1119 considered a benefit.

1120 ~~(e)-(d)~~ A member is ~~shall be~~ eligible to receive service
1121 credit for in-state service performed after leaving the Florida
1122 Retirement System only after ~~upon returning to membership and~~
1123 completing at least 1 year of creditable service in the Florida
1124 Retirement System following the in-state service.

1125 ~~(f)-(e)~~ The service claimed must have been service covered
1126 by a retirement or pension plan provided by the employer.

1127 Section 9. Section 121.136, Florida Statutes, is amended to
1128 read:

1129 121.136 Annual benefit statement to members.--~~Beginning~~
1130 ~~January 1, 1993, and~~ Each January ~~thereafter,~~ the department
1131 shall provide each active member of the Florida Retirement System



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1132 with 5 or more years of creditable service an annual statement of
1133 benefits which provides. ~~Such statement should provide~~ the member
1134 with basic data about the member's retirement account. At a
1135 minimum ~~Minimally~~, it must ~~shall~~ include the member's retirement
1136 plan, accrued service credit ~~the amount of funds on deposit in~~
1137 ~~the retirement account~~, and an estimate of retirement benefits.

1138 Section 10. Section 121.1905, Florida Statutes, is amended
1139 to read:

1140 121.1905 Division of Retirement; creation.--

1141 ~~(1)~~ There is created the Division of Retirement within the
1142 Department of Management Services.

1143 ~~(2) The mission of the Division of Retirement is to provide~~
1144 ~~quality and cost-effective retirement services as measured by~~
1145 ~~member satisfaction and by comparison with administrative costs~~
1146 ~~of comparable retirement systems.~~

1147 Section 11. Paragraph (a) of subsection (2) of section
1148 121.23, Florida Statutes, is amended to read:

1149 121.23 Disability retirement and special risk membership
1150 applications; Retirement Commission; powers and duties; judicial
1151 review.--The provisions of this section apply to all proceedings
1152 in which the administrator has made a written final decision on
1153 the merits respecting applications for disability retirement,
1154 reexamination of retired members receiving disability benefits,
1155 applications for special risk membership, and reexamination of
1156 special risk members in the Florida Retirement System. The
1157 jurisdiction of the State Retirement Commission under this
1158 section shall be limited to written final decisions of the
1159 administrator on the merits.

1160 (2) A member shall be entitled to a hearing before the
1161 State Retirement Commission pursuant to ss. 120.569 and 120.57(1)



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1162 on the merits of any written adverse decision of the
1163 administrator, if he or she files with the commission a written
1164 request for such hearing within 21 days after receipt of such
1165 written decision from the administrator. For the purpose of such
1166 hearings, the commission shall be an "agency head" as defined by
1167 s. 120.52.

1168 (a) The commission ~~may shall have the authority to~~ issue
1169 orders as a result of the a hearing that are shall be binding on
1170 all parties to the dispute and. ~~The commission~~ may order any
1171 action that it deems appropriate. Any disability retirement order
1172 of the commission ~~issued pursuant to this subsection~~ which
1173 sustains the application of the member may include an amount, to
1174 be determined by the commission, for reasonable attorney's fees
1175 and taxable costs, which shall be calculated in accordance with
1176 the statewide uniform guidelines for taxation of costs in civil
1177 actions. The amount of the attorney's fee may not exceed 50
1178 percent of the initial yearly benefit awarded under s.
1179 121.091(4). In cases involving disability retirement, the ~~State~~
1180 ~~Retirement~~ commission shall require the member to present
1181 competent substantial medical evidence and meet the requirements
1182 of s. 121.091(4)(c)2. and 3., and may require vocational
1183 evidence, before awarding disability retirement benefits.

1184 Section 12. Paragraph (a) of subsection (1) of section
1185 121.24, Florida Statutes, is amended to read:

1186 121.24 Conduct of commission business; legal and other
1187 assistance; compensation.--

1188 (1) The commission shall conduct its business within the
1189 following guidelines:

1190 (a) For purposes of hearing appeals under s. 121.23, the
1191 commission may meet in panels ~~consisting~~ of no not fewer than



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1192 three members. ~~For the purpose of meeting in these panels, a~~
1193 ~~quorum shall be not fewer than two members. For all other~~
1194 ~~purposes,~~ A quorum shall consist of three members. The concurring
1195 vote of a majority of the members present is ~~shall be~~ required to
1196 reach a decision, issue orders, and conduct the business of the
1197 commission.

1198 Section 13. Subsection (8) of section 1012.33, Florida
1199 Statutes, is amended to read:

1200 1012.33 Contracts with instructional staff, supervisors,
1201 and school principals.--

1202 (8) Notwithstanding any other provision of law, a retired
1203 ~~any member who has retired~~ may interrupt retirement and be
1204 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by
1205 the same district from which he or she retired may be employed on
1206 a probationary contractual basis as provided in subsection (1)~~;~~
1207 ~~however, no regular retirement employee shall be eligible to~~
1208 ~~renew membership under a retirement system created by chapter 121~~
1209 ~~or chapter 238.~~

1210 Section 14. Sections 121.093, 121.094, and 121.45, Florida
1211 Statutes, are repealed.

1212 Section 15. The Legislature finds that a proper and
1213 legitimate state purpose is served when employees and retirees of
1214 the state and its political subdivisions, as well as the
1215 dependents, survivors, and beneficiaries of such employees and
1216 retiree, are extended the basic protections afforded by
1217 governmental retirement systems that provide fair and adequate
1218 benefits and that are managed, administered, and funded in an
1219 actuarially sound manner as required by s. 14, Art. X of the
1220 State Constitution, and part VII of chapter 112, Florida
1221 Statutes. Therefore, the Legislature determines and declares that



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1222 the amendment of s. 121.091, Florida Statutes, by this act
1223 fulfills an important state interest.
1224 Section 16. This act shall take effect July 1, 2008