

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Schenck offered the following:

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

4 Remove everything after the enacting clause and insert:

5 Section 1. Subsections (10), (11), (18), paragraph (b) of  
6 subsection (22), and subsections (29), (39), (52), and (53) of  
7 section 121.021, Florida Statutes, are amended, and subsections  
8 (63) and (64) are added to that section, to read:

9 121.021 Definitions.--The following words and phrases as  
10 used in this chapter have the respective meanings set forth  
11 unless a different meaning is plainly required by the context:

12 (10) "Employer" means any agency, branch, department,  
13 institution, university, institution of higher education, or  
14 board of the state, or any county agency, branch, department,  
15 board, district school board, or special district of the state,  
16 or any city of the state which participates in the system for  
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17 the benefit of certain of its employees, or a charter school or  
18 charter technical career center that participates as provided in  
19 s. 121.051(2)(d). Employers are not agents of the department,  
20 the state board, or the Division of Retirement, and the  
21 department, the state board, and the division are not  
22 responsible for erroneous information provided by  
23 representatives of employers.

24 (11) "Officer or employee" means any person receiving  
25 salary payments for work performed in a regularly established  
26 position and, if employed by a city, a metropolitan planning  
27 organization, or a special district, employed in a covered  
28 group. The term does not apply to:

29 (a) State employees covered by a leasing agreement under  
30 s. 110.191, other public employees covered by a leasing  
31 agreement, or to a co-employer relationship.

32 (b) A person who is an inmate or prisoner at the time the  
33 work is performed.

34 (18) "Past service" of any member, as provided in s.  
35 121.081(1), means the number of years and complete months and  
36 any fractional part of a month, recognized and credited by an  
37 employer and approved by the administrator, during which the  
38 member was in the active employ of a governmental an employer  
39 and for which the employee is not entitled to a benefit prior to  
40 his or her date of participation.

41 (22) "Compensation" means the monthly salary paid a member  
42 by his or her employer for work performed arising from that  
43 employment.

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44 (b) Under no circumstances shall compensation for a member  
45 participating in the defined benefit retirement program or the  
46 Public Employee Optional Retirement Program of the Florida  
47 Retirement System include:

48 1. Fees paid professional persons for special or  
49 particular services or include salary payments made from a  
50 faculty practice plan authorized by the Board of Governors of  
51 the State University System for eligible clinical faculty at a  
52 college in a state university that has ~~with~~ a faculty practice  
53 plan; ~~or~~

54 2. ~~Any~~ Bonuses or other payments prohibited from inclusion  
55 in the member's average final compensation and defined in  
56 subsection (47); or-

57 3. Payment for work given to a person who is an inmate or  
58 prisoner at the time the work is performed.

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

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

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

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

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

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

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

78 3. The first day of the month following the date the  
79 member completes 25 years of creditable service and attains age  
80 52, which service may include a maximum of 4 years of military  
81 service credit as long as such credit is not claimed under any  
82 other system and the remaining years are in the Special Risk  
83 Class.

84 (c) If a Senior Management Service Class member, ~~the~~  
85 ~~member~~:

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

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

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

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

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

103  
104 "Normal retirement age" is attained on the "normal retirement  
105 date."

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

108 1. For retirements effective before January 1, 2009, a  
109 member ceases all employment relationships with employers under  
110 this system, as defined in subsection (10), but in the event a  
111 member should be employed by any such employer within the next  
112 calendar month, termination shall be deemed not to have  
113 occurred. A leave of absence shall constitute a continuation of  
114 the employment relationship, except that a leave of absence  
115 without pay due to disability may constitute termination for a  
116 member, if such member makes application for and is approved for  
117 disability retirement in accordance with s. 121.091(4). The  
118 department or board may require other evidence of termination as  
119 it deems necessary.

120 2. For retirements effective on or after January 1, 2009,  
121 a member ceases all employment relationships with employers  
122 under this system, as defined in subsection (10), but in the  
123 event a member should be employed by any such employer within  
124 the next 12 calendar months, termination shall be deemed not to  
125 have occurred. A leave of absence shall constitute a  
126 continuation of the employment relationship, except that a leave  
127 of absence without pay due to disability may constitute

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128 termination for a member, if such member makes application for  
129 and is approved for disability retirement in accordance with s.  
130 121.091(4). The department or board may require other evidence  
131 of termination as it deems necessary.

132 (b) "Termination" for a member electing to participate  
133 under the Deferred Retirement Option Program occurs when the  
134 Deferred Retirement Option Program participant ceases all  
135 employment relationships with employers under this system in  
136 accordance with s. 121.091(13), but:

137 1. For DROP termination dates before January 1, 2009, in  
138 the event the Deferred Retirement Option Program participant  
139 should be employed by any such employer within the next calendar  
140 month, termination will be deemed not to have occurred, except  
141 as provided in s. 121.091(13)(b)4.c. A leave of absence shall  
142 constitute a continuation of the employment relationship.

143 2. For DROP termination dates on or after January 1, 2009,  
144 in the event the DROP participant should be employed by any such  
145 employer within the next 12 calendar months, termination will be  
146 deemed not to have occurred, except as provided in s.  
147 121.091(13)(b)4.c. A leave of absence shall constitute a  
148 continuation of the employment relationship.

149 (52) "Regularly established position" is defined as  
150 follows:

151 (a) With respect to employment for ~~In~~ a state employer  
152 agency, the term means a position that ~~which~~ is authorized and  
153 established pursuant to law and is compensated from a salaries  
154 appropriation pursuant to s. 216.011(1)(dd), or an established  
155 position which is authorized pursuant to s. 216.262(1)(a) and  
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156 (b) and is compensated from a salaries account as provided by  
157 rule.

158 (b) With respect to employment for ~~In~~ a local employer  
159 agency (district school board, county agency, community college,  
160 city, metropolitan planning organization, or special district),  
161 the term means a regularly established position that ~~which~~ will  
162 be in existence for a period beyond 6 consecutive months, except  
163 as provided by rule.

164 (53) "Temporary position" is defined as follows:

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

169 (b) With respect to employment for ~~In~~ a local employer  
170 agency, the term means an employment position that ~~which~~ will  
171 exist for less than 6 consecutive months, or other employment  
172 position as determined by rule of the division, regardless of  
173 whether it will exist for 6 consecutive months or longer.

174 (63) "State board" or "board" means the State Board of  
175 Administration.

176 (64) "Trustees" means the Board of Trustees of the State  
177 Board of Administration.

178 Section 2. Subsection (6) is added to section 121.031,  
179 Florida Statutes, to read:

180 121.031 Administration of system; appropriation; oaths;  
181 actuarial studies; public records.--

182 (6) Unless prior written approval is obtained from the  
183 department or state board, any promotional materials or

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184 advertisements that, directly or indirectly, refer to the  
185 Florida Retirement System or the FRS, must contain a disclaimer  
186 that the information is not approved or endorsed by the Florida  
187 Retirement System.

188 Section 3. Paragraph (a) of subsection (1) and paragraph  
189 (f) of subsection (2) of section 121.051, Florida Statutes, are  
190 amended, and subsection (10) is added to that section, to read:

191 121.051 Participation in the system.--

192 (1) COMPULSORY PARTICIPATION.--

193 (a) The provisions of this law are ~~shall be~~ compulsory as  
194 to all officers and employees, except elected officers who meet  
195 the requirements of s. 121.052(3), who are employed on or after  
196 December 1, 1970, by ~~of~~ an employer other than those referred to  
197 in paragraph (2)(b), and each officer or employee, as a  
198 condition of employment, shall become a member of the system as  
199 of his or her date of employment, except that a person who is  
200 retired from any state retirement system and is reemployed on or  
201 after December 1, 1970, may ~~shall not be permitted to~~ renew his  
202 or her membership in any state retirement system except as  
203 provided in s. 121.091(4)(h) for a person who recovers from  
204 disability, and as provided in s. 121.091(9)(b)10. ~~s.~~  
205 ~~121.091(9)(b)8.~~ for a person who is elected to public office,  
206 and, effective July 1, 1991, as provided in s. 121.122 for all  
207 other retirees. Officers and employees of the University  
208 Athletic Association, Inc., a nonprofit association connected  
209 with the University of Florida, employed on and after July 1,  
210 1979, may ~~shall not~~ participate in any state-supported  
211 retirement system.

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212        1.a. Any person appointed on or after July 1, 1989, to a  
213 faculty position in a college at the J. Hillis Miller Health  
214 Center at the University of Florida or the Medical Center at the  
215 University of South Florida which has a faculty practice plan  
216 adopted provided by rule may adopted by the Board of Regents  
217 ~~shall~~ not participate in the Florida Retirement System.  
218 Effective July 1, 2008, any person appointed thereafter to a  
219 faculty position, including clinical faculty, in a college at a  
220 state university that has a faculty practice plan authorized by  
221 the Board of Governors may not participate in the Florida  
222 Retirement System. A faculty member so appointed shall  
223 participate in the optional retirement program for the State  
224 University System ~~on the basis of his or her state-funded~~  
225 ~~compensation,~~ notwithstanding the provisions of s. 121.35(2)(a).

226        b. For purposes of this subparagraph, the term "faculty  
227 position" is defined as a position assigned the principal  
228 responsibility of teaching, research, or public service  
229 activities or administrative responsibility directly related to  
230 the academic mission of the college. The term "clinical faculty"  
231 is defined as a faculty position appointment in conjunction with  
232 a professional position in a hospital or other clinical  
233 environment at a college. The term "faculty practice plan"  
234 includes professional services to patients, institutions, or  
235 other parties which are rendered by the clinical faculty employed  
236 by a college that has a faculty practice plan at a state  
237 university authorized by the Board of Governors.

238        (2) OPTIONAL PARTICIPATION.--

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239 (f)1. ~~If Whenever~~ an employer that participates in the  
240 Florida Retirement System undertakes the transfer, merger, or  
241 consolidation of governmental services or assumes the functions  
242 or activities of an employing governmental entity that was not  
243 an employer under the system, the employer must notify the  
244 department at least 60 days prior to such action and ~~shall~~  
245 provide documentation as required by the department. The  
246 transfer, merger, or consolidation of governmental services or  
247 assumption of governmental functions and activities must occur  
248 between public employers. The current or former employer may pay  
249 the employees' past service cost unless prohibited under this  
250 chapter. This paragraph does not apply to the transfer, merger,  
251 or consolidation of governmental services or assumption of  
252 functions and activities of a public entity under a leasing  
253 agreement having a co-employer relationship. Employers and  
254 employees of a public governmental employer whose service is  
255 covered by a leasing agreement under s. 110.191, other leasing  
256 agreement, or a co-employer relationship are not eligible to  
257 participate in the Florida Retirement System.

258 2. ~~If When~~ the agency to which a member's employing unit  
259 is transferred, merged, or consolidated does not participate in  
260 the Florida Retirement System, a member may ~~shall~~ elect in  
261 writing to remain in the Florida Retirement System or to  
262 transfer to the local retirement system operated by the ~~such~~  
263 agency. If such agency does not participate in a local  
264 retirement system, the member shall continue membership in the  
265 Florida Retirement System. In either case, ~~the~~ membership  
266 continues ~~shall continue~~ for as long as the member is employed

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267 | by the agency to which his or her unit was transferred, merged,  
268 | or consolidated.

269 |       (10) PROHIBITED PARTICIPATION.--A person who is an inmate  
270 | or prisoner at the time the work is performed is prohibited from  
271 | participating in, or receiving benefits from, any part of the  
272 | Florida Retirement System based on such work.

273 |       Section 4. Paragraph (e) of subsection (3) of section  
274 | 121.052, Florida Statutes, is amended to read:

275 |       121.052 Membership class of elected officers.--

276 |       (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.--Effective  
277 | July 1, 1990, participation in the Elected Officers' Class shall  
278 | be compulsory for elected officers listed in paragraphs (2)(a)-  
279 | (d) and (f) assuming office on or after said date, unless the  
280 | elected officer elects membership in another class or withdraws  
281 | from the Florida Retirement System as provided in paragraphs  
282 | (3)(a)-(d):

283 |       (e) Effective July 1, 2008 ~~July 1, 2001~~, the governing  
284 | body of a municipality or special district may, by majority  
285 | vote, elect to designate all its elected positions for inclusion  
286 | in the Elected Officers' Class. Such election shall be made  
287 | between July 1, 2008, and December 31, 2008 ~~July 1, 2001, and~~  
288 | ~~December 31, 2001~~, and shall be irrevocable. The designation of  
289 | such positions shall be effective the first day of the month  
290 | following receipt by the department of the ordinance or  
291 | resolution passed by the governing body.

292 |       Section 5. Subsections (1) and (2) of section 121.053,  
293 | Florida Statutes, are amended to read:

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294 121.053 Participation in the Elected Officers' Class for  
295 retired members.--

296 (1) (a) 1. Any retiree of a state-administered retirement  
297 system who initially serves in an elective office in a regularly  
298 established position with a covered employer on or after January  
299 1, 2009, shall not be enrolled in the Florida Retirement System.

300 2. An elected officer who is elected or appointed to an  
301 elective office and is participating in the Deferred Retirement  
302 Option Program is subject to termination as provided in s.  
303 121.021(39)(b), and reemployment limitations as provided in s.  
304 121.091(9), upon completion of his or her DROP participation  
305 period.

306 (b) Before January 1, 2009, any member who retired under  
307 any existing system as defined in s. 121.021(2), and receives a  
308 benefit thereof, and who serves in an office covered by the  
309 Elected Officers' Class for a period of at least 6 years, shall  
310 be entitled to receive an additional retirement benefit for such  
311 elected officer service prior to July 1, 1990, under the Elected  
312 Officers' Class of the Florida Retirement System, as follows:

313 1. Upon completion of 6 or more years of creditable  
314 service in an office covered by the Elected Officers' Class, s.  
315 121.052, such member shall notify the administrator of his or  
316 her intent to purchase elected officer service prior to July 1,  
317 1990, and shall pay the member contribution applicable for the  
318 period being claimed, plus 4 percent interest compounded  
319 annually from the first year of service claimed until July 1,  
320 1975, and 6.5 percent interest compounded annually thereafter,  
321 until full payment is made to the Florida Retirement System

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322 Trust Fund; however, such member may purchase retirement credit  
323 under the Elected Officers' Class only for such service as an  
324 elected officer.

325         2. Upon payment of the amount specified in subparagraph  
326 1., the employer shall pay into the Florida Retirement System  
327 Trust Fund the applicable employer contribution for the period  
328 of elected officer service prior to July 1, 1990, being claimed  
329 by the member, plus 4 percent interest compounded annually from  
330 the first year of service claimed until July 1, 1975, and 6.5  
331 percent interest compounded annually thereafter, until full  
332 payment is made to the Florida Retirement System Trust Fund.

333         (c) ~~(b)~~ Any retired member of the Florida Retirement  
334 System, or any existing system as defined in s. 121.021(2), who,  
335 on or after July 1, 1990, through December 31, 2008, is serving  
336 in, or is elected or appointed to, an elective office covered by  
337 the Elected Officers' Class shall be enrolled in the appropriate  
338 subclass of the Elected Officers' Class of the Florida  
339 Retirement System, and applicable contributions shall be paid  
340 into the Florida Retirement System Trust Fund as provided in s.  
341 121.052(7). Pursuant thereto:

342         1. Any such retired member shall be eligible to continue  
343 to receive retirement benefits as well as compensation for the  
344 elected officer service for as long as he or she remains in an  
345 elective office covered by the Elected Officers' Class.

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

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350           3. Such member shall be entitled to purchase additional  
351 retirement credit in the Elected Officers' Class for any  
352 postretirement service performed in an elected position eligible  
353 for the Elected Officers' Class prior to July 1, 1990, or in the  
354 Regular Class for any postretirement service performed in any  
355 other regularly established position prior to July 1, 1991, by  
356 paying the applicable Elected Officers' Class or Regular Class  
357 employee and employer contributions for the period being  
358 claimed, plus 4 percent interest compounded annually from the  
359 first year of service claimed until July 1, 1975, and 6.5  
360 percent interest compounded thereafter, until full payment is  
361 made to the Florida Retirement System Trust Fund. The  
362 contribution for postretirement Regular Class service between  
363 July 1, 1985, and July 1, 1991, for which the reemployed retiree  
364 contribution was paid, shall be the difference between such  
365 contribution and the total applicable contribution for the  
366 period being claimed, plus interest. The employer of such member  
367 may pay the applicable employer contribution in lieu of the  
368 member. If a member does not wish to claim credit for all of the  
369 postretirement service for which he or she is eligible, the  
370 service the member claims must be the most recent service.

371           4. Creditable service for which credit was received, or  
372 which remained unclaimed, at retirement may not be claimed or  
373 applied toward service credit earned following renewed  
374 membership. However, service earned in accordance with the  
375 renewed membership provisions in s. 121.122 may be used in  
376 conjunction with creditable service earned under this paragraph,

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377 provided applicable vesting requirements and other existing  
378 statutory conditions required by this chapter are met.

379 5. An elected officer who is elected or appointed to an  
380 elective office and is participating in the Deferred Retirement  
381 Option Program before January 1, 2009, is not subject to  
382 termination as provided in s. 121.021(39)(b), or reemployment  
383 limitations as provided in s. 121.091(9), until the end of his  
384 or her current term of office or, if the officer is  
385 consecutively elected or reelected to an elective office  
386 eligible for coverage under the Florida Retirement System, until  
387 he or she no longer holds such an elective office, as follows:

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

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

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

395 b. Nothing herein shall prevent an elected officer from  
396 voluntarily terminating his or her elective office at any time  
397 and electing to receive his or her DROP proceeds. However, until  
398 termination requirements are fulfilled as provided in s.  
399 121.021(39), any elected officer whose termination limitations  
400 are extended by this section shall be ineligible for renewed  
401 membership in the system and shall receive no pension payments,  
402 DROP lump sum payments, or any other state payment other than  
403 the statutorily determined salary, travel, and per diem for the  
404 elective office.

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

409  
410 However, an officer electing to participate in the Deferred  
411 Retirement Option Program on or before June 30, 2002, shall not  
412 be required to terminate and shall remain subject to the  
413 provisions of this subparagraph as adopted in section 1 of  
414 chapter 2001-235, Laws of Florida.

415 (2) Upon attaining his or her normal retirement date and  
416 payment of the amount specified in paragraphs (1)(b) and (c)  
417 ~~(1)(a) and (b)~~, and upon application to the administrator of the  
418 intent to retire, the member shall receive a monthly benefit  
419 under this section, in addition to any benefits already being  
420 received, which shall commence on the last day of the month of  
421 retirement and be payable on the last day of the month  
422 thereafter during his or her lifetime. The amount of such  
423 monthly benefit shall be the total percentage of retirement  
424 credit purchased under this section multiplied by the member's  
425 average monthly compensation as an elected officer, adjusted  
426 according to the option selected at retirement under s.  
427 121.091(6).

428 Section 6. Paragraph (f) of subsection (1) and paragraph  
429 (c) of subsection (6) of section 121.055, Florida Statutes, are  
430 amended to read:

431 121.055 Senior Management Service Class.--There is hereby  
432 established a separate class of membership within the Florida  
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433 Retirement System to be known as the "Senior Management Service  
434 Class," which shall become effective February 1, 1987.

435 (1)

436 (f) Effective July 1, 1997:

437 1. Except as provided in subparagraph 3., any elected  
438 state officer eligible for membership in the Elected Officers'  
439 Class under s. 121.052(2)(a), (b), or (c) who elects membership  
440 in the Senior Management Service Class under s. 121.052(3)(c)  
441 may, within 6 months after assuming office or within 6 months  
442 after this act becomes a law for serving elected state officers,  
443 elect to participate in the Senior Management Service Optional  
444 Annuity Program, as provided in subsection (6), in lieu of  
445 membership in the Senior Management Service Class.

446 2. Except as provided in subparagraph 3., any elected  
447 county officer eligible for membership in the Elected Officers'  
448 Class under s. 121.052(2)(d) who elects membership in the Senior  
449 Management Service Class under s. 121.052(3)(c) may, within 6  
450 months after assuming office, or within 6 months after this act  
451 becomes a law for serving elected county officers, elect to  
452 withdraw from the Florida Retirement System ~~participate in a~~  
453 ~~lifetime monthly annuity program,~~ as provided in subparagraph  
454 (b)2., in lieu of membership in the Senior Management Service  
455 Class.

456 3. Any retiree of a state-administered retirement system  
457 who is initially reemployed on or after January 1, 2009, as an  
458 elected official eligible for Elected Officers' Class membership  
459 shall not be eligible for renewed membership in the Senior  
460 Management Service Optional Annuity Program as provided in

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461 subsection (6) or to withdraw from the Florida Retirement System  
462 as a renewed member as provided in subparagraph (b)2., as  
463 applicable, in lieu of Senior Management Service Class  
464 membership.

465 (6)

466 (c) Participation.--

467 1. Any eligible employee who is employed on or before  
468 February 1, 1987, may elect to participate in the optional  
469 annuity program in lieu of participation in the Senior  
470 Management Service Class. Such election shall be made in writing  
471 and filed with the department and the personnel officer of the  
472 employer on or before May 1, 1987. Any eligible employee who is  
473 employed on or before February 1, 1987, and who fails to make an  
474 election to participate in the optional annuity program by May  
475 1, 1987, shall be deemed to have elected membership in the  
476 Senior Management Service Class.

477 2. Except as provided in subparagraph 6., any employee who  
478 becomes eligible to participate in the optional annuity program  
479 by reason of initial employment commencing after February 1,  
480 1987, may, within 90 days after the date of commencement of  
481 employment, elect to participate in the optional annuity  
482 program. Such election shall be made in writing and filed with  
483 the personnel officer of the employer. Any eligible employee who  
484 does not within 90 days after commencement of such employment  
485 elect to participate in the optional annuity program shall be  
486 deemed to have elected membership in the Senior Management  
487 Service Class.

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488           3. A person who is appointed to a position in the Senior  
489 Management Service Class and who is a member of an existing  
490 retirement system or the Special Risk or Special Risk  
491 Administrative Support Classes of the Florida Retirement System  
492 may elect to remain in such system or class in lieu of  
493 participation in the Senior Management Service Class or optional  
494 annuity program. Such election shall be made in writing and  
495 filed with the department and the personnel officer of the  
496 employer within 90 days of such appointment. Any eligible  
497 employee who fails to make an election to participate in the  
498 existing system, the Special Risk Class of the Florida  
499 Retirement System, the Special Risk Administrative Support Class  
500 of the Florida Retirement System, or the optional annuity  
501 program shall be deemed to have elected membership in the Senior  
502 Management Service Class.

503           4. Except as provided in subparagraph 5., an employee's  
504 election to participate in the optional annuity program is  
505 irrevocable as long as such employee continues to be employed in  
506 an eligible position and continues to meet the eligibility  
507 requirements set forth in this paragraph.

508           5. Effective from July 1, 2002, through September 30,  
509 2002, any active employee in a regularly established position  
510 who has elected to participate in the Senior Management Service  
511 Optional Annuity Program has one opportunity to choose to move  
512 from the Senior Management Service Optional Annuity Program to  
513 the Florida Retirement System defined benefit program.

514           a. The election must be made in writing and must be filed  
515 with the department and the personnel officer of the employer

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516 before October 1, 2002, or, in the case of an active employee  
517 who is on a leave of absence on July 1, 2002, within 90 days  
518 after the conclusion of the leave of absence. This election is  
519 irrevocable.

520 b. The employee will receive service credit under the  
521 defined benefit program of the Florida Retirement System equal  
522 to his or her years of service under the Senior Management  
523 Service Optional Annuity Program. The cost for such credit shall  
524 be an amount representing the present value of that employee's  
525 accumulated benefit obligation for the affected period of  
526 service.

527 c. The employee must transfer the total accumulated  
528 employer contributions and earnings on deposit in his or her  
529 Senior Management Service Optional Annuity Program account. If  
530 the transferred amount is not sufficient to pay the amount due,  
531 the employee must pay a sum representing the remainder of the  
532 amount due. In no case may the employee retain any employer  
533 contributions or earnings thereon from the Senior Management  
534 Service Optional Annuity Program account.

535 6. Any retiree of a state-administered retirement system  
536 who is initially reemployed on or after January 1, 2009, shall  
537 not be eligible for renewed membership in the Senior Management  
538 Service Optional Annuity Program.

539 Section 7. Paragraph (a) of subsection (6) of section  
540 121.071, Florida Statutes, is amended to read:

541 121.071 Contributions.--Contributions to the system shall  
542 be made as follows:

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543 (6) (a) Required employee contributions for all service  
544 other than current service, including, but not limited to, prior  
545 service, past service, military service, leave-of-absence  
546 service, out-of-state service, and certain non-Florida  
547 Retirement System in-state service, shall be paid by cash,  
548 personal check, cashier's check, ~~or~~ money order, or a direct  
549 rollover or transfer from a qualified plan as provided under the  
550 Internal Revenue Code. The payment must ~~only, shall~~ be  
551 accompanied by a statement identifying the service for which  
552 payment is made, + and shall be made in a lump sum for the total  
553 amount due or in annual payments of not less than \$100, except  
554 for the final payment if less than \$100, unless another method  
555 of payment is authorized by law or rule.

556 Section 8. Paragraphs (f) and (h) of subsection (1) of  
557 section 121.081, Florida Statutes, are amended to read:

558 121.081 Past service; prior service;  
559 contributions.--Conditions under which past service or prior  
560 service may be claimed and credited are:

561 (1)

562 (f) If ~~When~~ any person, ~~either prior to this act or~~  
563 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~  
564 in one of the retirement systems under ~~consolidated within or~~  
565 ~~created by~~ this chapter through the consolidation or merger of  
566 governments or the transfer of functions between units of  
567 government, ~~either~~ at the state or local level or between state  
568 and local units, or through the assumption of functions or  
569 activities by a state or local unit from an employing  
570 governmental entity that ~~which~~ was not an employer under the

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571 system, and such person becomes a member of the Florida  
572 Retirement System, such person is ~~shall be~~ entitled to receive  
573 past-service credit ~~as defined in s. 121.021(18)~~ for the time  
574 the ~~such~~ person performed services for, and was an employee of,  
575 such state or local unit or other governmental employing entity  
576 prior to the transfer, merger, consolidation, or assumption of  
577 functions and activities. Past-service credit allowed by this  
578 paragraph is ~~shall~~ also ~~be~~ available to any person who becomes a  
579 member of an existing system, ~~as defined in s. 121.021(2)~~, prior  
580 to December 1, 1970, through the transfer, merger,  
581 consolidation, or assumption of functions and activities set  
582 forth in this paragraph and who subsequently becomes a member of  
583 the Florida Retirement System. However, credit for the past  
584 service may not be granted until contributions are made in the  
585 manner provided in this subsection. If a person rejected Florida  
586 Retirement System membership at the time of the transfer,  
587 merger, ~~or~~ consolidation, or assumption the required  
588 contributions shall be at total actuarial cost as specified in  
589 paragraph (e). Such contributions or accrued interest may not be  
590 paid from any public ~~state~~ funds.

591 (h) The following provisions apply to the purchase of past  
592 service:

593 1. Notwithstanding any of the provisions of this  
594 subsection, past-service credit may not be purchased under this  
595 chapter for any service that is used to obtain a pension or  
596 benefit from a ~~any~~ local retirement system. Eligibility to  
597 receive or the receipt of contributions to a retirement plan

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598 made by the employer on behalf of the employee is considered a  
599 benefit.

600 2. A member may not receive past service credit under  
601 paragraphs (a), (b), (e), or (f) for any leaves of absence  
602 without pay, except that credit for active military service  
603 leaves of absence may be claimed under paragraphs (a), (b), and  
604 (f), in accordance with s. 121.111(1).

605 3. A member may not receive past service credit for co-  
606 employer service. Co-employer service or a co-employer  
607 relationship is employment in a single position simultaneously  
608 covered and reported by both a public employer and a private  
609 employer.

610 4.3- If a member does not want ~~desire~~ to receive credit  
611 for all of his or her past service, the period the member claims  
612 must be the most recent past service prior to his or her  
613 participation in the Florida Retirement System.

614 5.4- The cost of past service purchased by an employing  
615 agency for its employees may be amortized over the ~~such~~ period  
616 of time ~~as is~~ provided in the agreement, but not to exceed 15  
617 years, calculated in accordance with rule 60S-1.007(5)(f),  
618 Florida Administrative Code.

619 6.5- The retirement account of each member for whom past  
620 service is being provided by his or her employer shall be  
621 credited with all past service the employer agrees to purchase  
622 as soon as the agreement between the employer and the department  
623 is executed. ~~Pursuant thereto-~~

624 a. Each ~~such~~ member's account shall also be posted with  
625 the total contribution his or her employer agrees to make on ~~in~~  
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626 the member's behalf for past service earned prior to October 1,  
627 1975, excluding those contributions representing the employer's  
628 matching share and the compound interest calculation on the  
629 total contribution. However, a portion of any contributions paid  
630 by an employer for past service credit earned on and after  
631 October 1, 1975, may not be posted to the a member's account.

632 b. A refund of contributions payable after an employer has  
633 made a written agreement to purchase past service for employees  
634 of the covered group includes ~~shall include~~ contributions for  
635 past service which are posted to a member's account. However,  
636 contributions for past service earned on and after October 1,  
637 1975, are not refundable.

638 Section 9. Subsections (9), (13), and (14) of section  
639 121.091, Florida Statutes, are amended to read:

640 121.091 Benefits payable under the system.--Benefits may  
641 not be paid under this section unless the member has terminated  
642 employment as provided in s. 121.021(39)(a) or begun  
643 participation in the Deferred Retirement Option Program as  
644 provided in subsection (13), and a proper application has been  
645 filed in the manner prescribed by the department. The department  
646 may cancel an application for retirement benefits when the  
647 member or beneficiary fails to timely provide the information  
648 and documents required by this chapter and the department's  
649 rules. The department shall adopt rules establishing procedures  
650 for application for retirement benefits and for the cancellation  
651 of such application when the required information or documents  
652 are not received.

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

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654 (a) Any person who is retired under this chapter, except  
655 under the disability retirement provisions of subsection (4),  
656 may be employed by an employer that does not participate in a  
657 state-administered retirement system and may receive  
658 compensation from that employment without limiting or  
659 restricting in any way the retirement benefits payable to that  
660 person.

661 (b)1.a. Any person who is retired under this chapter,  
662 except under the disability retirement provisions of subsection  
663 (4), may be reemployed by any private or public employer after  
664 retirement and receive retirement benefits and compensation from  
665 the his or her employer without limitation ~~any limitations~~,  
666 except that the a person may not receive ~~both~~ a salary from  
667 reemployment with any agency participating in the Florida  
668 Retirement System and retirement benefits under this chapter for  
669 ~~a period of~~ 12 calendar months immediately after ~~subsequent to~~  
670 the calendar month that termination is met as defined in s.  
671 121.021(39), except as provided in sub-subparagraph b. date of  
672 retirement. However, a DROP participant may ~~shall~~ continue  
673 employment and receive a salary during the period of  
674 participation in DROP ~~the Deferred Retirement Option Program~~, as  
675 provided in subsection (13).

676 b. Any person who is retired under a state-administered  
677 retirement system may not receive a retirement benefit if he or  
678 she receives compensation totaling \$100,000 or more from an  
679 employer participating in the Florida Retirement System. This  
680 limitation begins immediately upon employment if the annualized  
681 compensation meets or exceeds the limit, or in the month that

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682 reported compensation meets or exceeds the limit during the plan  
683 year, and continues for as long as the expected payments equal  
684 or exceed \$100,000. This limitation includes payments as defined  
685 in s. 121.021(22) for work performed in regularly established  
686 positions. The employer is responsible for notifying the  
687 Division of Retirement when this occurs, either at employment or  
688 if salary increases lead to the level specified. Any person  
689 employed in violation of this sub-subparagraph and any employing  
690 agency that knowingly employs or appoints such person without  
691 notifying the Division of Retirement to suspend retirement  
692 benefits shall be jointly and severally liable for reimbursement  
693 to the Florida Retirement System Trust Fund of any benefits paid  
694 during the reemployment limitation period.

695       2. Any person to whom the limitation in subparagraph 1.  
696 applies who ~~violates such reemployment limitation and who is~~  
697 reemployed with any agency participating in the Florida  
698 Retirement System after he or she has been retired and met the  
699 definition of termination in s. 121.021(39), but before  
700 completion of the 12-month limitation period ~~must~~ shall give  
701 timely notice of this fact in writing to the employer and to the  
702 Division of Retirement and shall have his or her retirement  
703 benefits suspended while employed during ~~for~~ the balance of the  
704 12-month limitation period unless the person exceeds the 780-  
705 hour limitation in subparagraph 4., subparagraph 5., or  
706 subparagraph 12. Any person employed in violation of this  
707 paragraph and any employing agency that ~~which~~ knowingly employs  
708 or appoints such person without notifying the division ~~of~~  
709 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly

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710 and severally liable for ~~reimbursement to the retirement trust~~  
711 ~~fund of~~ any benefits paid during the reemployment limitation  
712 period. To avoid liability, the ~~such~~ employing agency must ~~shall~~  
713 have a written statement from the retiree that he or she is not  
714 retired from a state-administered retirement system. Any  
715 retirement benefits received while reemployed during this  
716 reemployment limitation period must ~~shall~~ be repaid to the  
717 Florida Retirement System Trust Fund, and retirement benefits  
718 ~~shall~~ remain suspended until such repayment has been made.  
719 Benefits suspended beyond the reemployment limitation shall  
720 apply toward repayment of benefits received in violation of the  
721 reemployment limitation.

722 3. A district school board may reemploy a retired member  
723 as a substitute or hourly teacher, education paraprofessional,  
724 transportation assistant, bus driver, or food service worker on  
725 a noncontractual basis after he or she has been retired and met  
726 the definition of termination for 1 calendar month, in  
727 accordance with s. 121.021(39). A district school board may  
728 reemploy a retired member as instructional personnel, as defined  
729 in s. 1012.01(2)(a), on an annual contractual basis after he or  
730 she has been retired for 1 calendar month, in accordance with s.  
731 121.021(39). Any other retired member who is reemployed before  
732 meeting the definition of termination voids within 1 calendar  
733 ~~month after retirement shall void~~ his or her application for  
734 retirement benefits. District school boards reemploying such  
735 teachers, education paraprofessionals, transportation  
736 assistants, bus drivers, or food service workers are subject to  
737 the retirement contribution required by subparagraph 9. 7-

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738 4. A community college board of trustees may reemploy a  
739 retired member as an adjunct instructor, ~~that is, an instructor~~  
740 ~~who is noncontractual and part-time,~~ or as a participant in a  
741 phased retirement program within the Florida Community College  
742 System, after he or she has been retired and met the definition  
743 of termination for 1 calendar month, in accordance with s.  
744 121.021(39). Any retired member who is reemployed before meeting  
745 the definition of termination voids within 1 calendar month  
746 ~~after retirement shall void~~ his or her application for  
747 retirement benefits. Boards of trustees reemploying such  
748 instructors are subject to the retirement contribution required  
749 in subparagraph 7. A retired member may be reemployed as an  
750 adjunct instructor for no more than 780 hours during the first  
751 12 calendar months after meeting the definition of termination  
752 ~~of retirement~~. Any retired member reemployed for more than 780  
753 hours during the first 12 months of retirement must ~~shall~~ give  
754 timely notice in writing to the employer and to the Division of  
755 Retirement of the date he or she will exceed the limitation. The  
756 division shall suspend his or her retirement benefits for the  
757 remainder of the 12-month limitation period ~~first 12 months of~~  
758 ~~retirement~~. Any person employed in violation of this  
759 subparagraph and any employing agency that ~~which~~ knowingly  
760 employs or appoints such person without notifying the division  
761 ~~of Retirement~~ to suspend retirement benefits are ~~shall be~~  
762 jointly and severally liable for ~~reimbursement to the retirement~~  
763 ~~trust fund of~~ any benefits paid during the reemployment  
764 limitation period. To avoid liability, the ~~such~~ employing agency  
765 must ~~shall~~ have a written statement from the retiree that he or

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766 she is not retired from a state-administered retirement system.  
767 Any retirement benefits received by a retired member while  
768 reemployed in excess of 780 hours during the 12-month limitation  
769 period must ~~first 12 months of retirement shall~~ be repaid to the  
770 Florida Retirement System Trust Fund, and retirement benefits  
771 ~~shall~~ remain suspended until repayment is made. Benefits  
772 suspended beyond the end of the 12-month limitation period  
773 ~~retired member's first 12 months of retirement~~ shall apply  
774 toward repayment of benefits received in violation of the 780-  
775 hour reemployment limitation.

776 5. The State University System may reemploy a retired  
777 member as an adjunct faculty member or as a participant in a  
778 phased retirement program within the State University System  
779 after the retired member has met the definition of termination  
780 ~~been retired for 1 calendar month~~, in accordance with s.  
781 121.021(39). A ~~Any~~ retired member who is reemployed before  
782 meeting the definition of termination voids ~~within 1 calendar~~  
783 ~~month after retirement shall void~~ his or her application for  
784 retirement benefits. The State University System is subject to  
785 the retired contribution required in subparagraph 9. 7., as  
786 appropriate. A retired member may be reemployed as an adjunct  
787 faculty member or a participant in a phased retirement program  
788 for no more than 780 hours during the first 12 calendar months  
789 after meeting the definition of termination ~~of his or her~~  
790 ~~retirement~~. Any retired member reemployed for more than 780  
791 hours during the 12-month limitation period ~~first 12 months of~~  
792 ~~retirement~~ shall give timely notice in writing to the employer  
793 and to the Division of Retirement of the date he or she will

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794 exceed the limitation. The division shall suspend his or her  
795 retirement benefits for the remainder of the 12-month limitation  
796 period ~~first 12 months of retirement~~. Any person employed in  
797 violation of this subparagraph and any employing agency that  
798 ~~which~~ knowingly employs or appoints such person without  
799 notifying the division ~~of Retirement~~ to suspend retirement  
800 benefits are ~~shall be~~ jointly and severally liable for  
801 ~~reimbursement to the retirement trust fund~~ of any benefits paid  
802 during the reemployment limitation period. To avoid liability,  
803 such employing agency must ~~shall~~ have a written statement from  
804 the retiree that he or she is not retired from a state-  
805 administered retirement system. Any retirement benefits received  
806 by a retired member while reemployed in excess of 780 hours  
807 during the first 12 months of retirement must ~~shall~~ be repaid to  
808 the Florida Retirement System Trust Fund, and retirement  
809 benefits ~~shall~~ remain suspended until repayment is made.  
810 Benefits suspended beyond the end of the retired member's 12-  
811 month limitation period ~~first 12 months of retirement~~ shall  
812 apply toward repayment of benefits received in violation of the  
813 780-hour reemployment limitation.

814 6. The Board of Trustees of the Florida School for the  
815 Deaf and the Blind may reemploy a retired member as a substitute  
816 teacher, substitute residential instructor, or substitute nurse  
817 on a noncontractual basis after he or she has met the definition  
818 of termination ~~been retired for 1 calendar month~~, in accordance  
819 ~~with~~ s. 121.021(39). The Board of Trustees of the Florida School  
820 for the Deaf and the Blind may reemploy a retired member as  
821 instructional personnel, as defined in s. 1012.01(2)(a), on an

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822 annual contractual basis after he or she has been retired and  
823 met the definition of termination in s. 121.021(39). Any retired  
824 member who is reemployed before meeting the definition of  
825 termination voids ~~within 1 calendar month after retirement shall~~  
826 ~~void~~ his or her application for retirement benefits. The Board  
827 of Trustees of the Florida School for the Deaf and the Blind  
828 reemploying such teachers, residential instructors, or nurses is  
829 subject to the retirement contribution required by subparagraph  
830 9. 7. ~~Reemployment of a retired member as a substitute teacher,~~  
831 ~~substitute residential instructor, or substitute nurse is~~  
832 ~~limited to 780 hours during the first 12 months of his or her~~  
833 ~~retirement. Any retired member reemployed for more than 780~~  
834 ~~hours during the first 12 months of retirement shall give timely~~  
835 ~~notice in writing to the employer and to the division of the~~  
836 ~~date he or she will exceed the limitation. The division shall~~  
837 ~~suspend his or her retirement benefits for the remainder of the~~  
838 ~~first 12 months of retirement. Any person employed in violation~~  
839 ~~of this subparagraph and any employing agency which knowingly~~  
840 ~~employs or appoints such person without notifying the Division~~  
841 ~~of Retirement to suspend retirement benefits shall be jointly~~  
842 ~~and severally liable for reimbursement to the retirement trust~~  
843 ~~fund of any benefits paid during the reemployment limitation~~  
844 ~~period. To avoid liability, such employing agency shall have a~~  
845 ~~written statement from the retiree that he or she is not retired~~  
846 ~~from a state administered retirement system. Any retirement~~  
847 ~~benefits received by a retired member while reemployed in excess~~  
848 ~~of 780 hours during the first 12 months of retirement shall be~~  
849 ~~repaid to the Retirement System Trust Fund, and his or her~~

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850 ~~retirement benefits shall remain suspended until payment is~~  
851 ~~made. Benefits suspended beyond the end of the retired member's~~  
852 ~~first 12 months of retirement shall apply toward repayment of~~  
853 ~~benefits received in violation of the 780 hour reemployment~~  
854 ~~limitation.~~

855 7. A developmental research school may reemploy a retired  
856 member as a substitute or hourly teacher or an education  
857 paraprofessional as defined in s. 1012.01(2) on a noncontractual  
858 basis after he or she has been retired for 1 calendar month, in  
859 accordance with s. 121.021(39). A developmental research school  
860 may reemploy a retired member as instructional personnel, as  
861 defined in s. 1012.01(2)(a), on an annual contractual basis  
862 after he or she has been retired for 1 calendar month, in  
863 accordance with s. 121.021(39). Any other retired member who is  
864 reemployed within 1 calendar month after retirement voids his or  
865 her application for retirement benefits. A developmental  
866 research school that reemploys retired teachers and education  
867 paraprofessionals are subject to the retirement contribution  
868 required by subparagraph 9.

869 8. A charter school may reemploy a retired member as a  
870 substitute or hourly teacher on a noncontractual basis after he  
871 or she has been retired for 1 calendar month, in accordance with  
872 s. 121.021(39). A charter school may reemploy a retired member  
873 as instructional personnel, as defined in s. 1012.01(2)(a), on an  
874 annual contractual basis after he or she has been retired for 1  
875 calendar month, in accordance with s. 121.021(39). Any other  
876 retired member who is reemployed within 1 calendar month after  
877 retirement voids his or her application for retirement benefits.

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878 A charter school that reemploys such teachers is subject to the  
879 retirement contribution required by subparagraph 9.

880 9.a.7. The employment ~~by an employer~~ of a any retiree or  
881 DROP participant of a any state-administered retirement system  
882 does not affect ~~shall have no effect~~ on the average final  
883 compensation or years of creditable service of the retiree or  
884 DROP participant.

885 b. Prior to July 1, 1991, and for initial enrollment as a  
886 renewed member through December 31, 2008, upon employment of any  
887 person, other than an elected officer as provided in s. 121.053,  
888 who is ~~has been~~ retired under a any state-administered  
889 retirement program, the employer shall pay retirement  
890 contributions in an amount equal to the unfunded actuarial  
891 liability portion of the employer contribution which would be  
892 required for regular members of the Florida Retirement System.  
893 Effective July 1, 1991, contributions shall be made as provided  
894 in s. 121.122 for retirees who have ~~with~~ renewed membership or,  
895 as provided in subsection (13), ~~for with respect to~~ DROP  
896 participants.

897 c. Any person who is retired under a state-administered  
898 retirement program and who is initially reemployed on or after  
899 January 1, 2009, may not renew membership in the Florida  
900 Retirement System. The employer shall pay retirement  
901 contributions in an amount equal to the unfunded actuarial  
902 liability portion of the employer contribution that would be  
903 required for active members of the Florida Retirement System in  
904 addition to the contributions required by s. 121.76.

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905        10.8- Any person who has ~~previously~~ retired and who is  
906 holding an elective public office or an appointment to an  
907 elective public office initially eligible for the Elected  
908 Officers' Class on or after July 1, 1990, through December 31,  
909 2008, shall be enrolled in the Florida Retirement System as  
910 provided in s. 121.053(1) (c) ~~(b)~~ or, if holding an elective  
911 public office that does not qualify for the Elected Officers'  
912 Class on or after July 1, 1991, through December 31, 2008, shall  
913 be enrolled in the Florida Retirement System as provided in s.  
914 121.122, and shall continue to receive retirement benefits as  
915 well as compensation for the elected officer's service for as  
916 long as he or she remains in elective office. However, any  
917 retired member who served in an elective office prior to July 1,  
918 1990, suspended his or her retirement benefit, and had his or  
919 her Florida Retirement System membership reinstated shall, upon  
920 retirement from such office, have his or her retirement benefit  
921 recalculated to include the additional service and compensation  
922 earned.

923        b. Any person who has retired and who is holding an  
924 elective public office or an appointment to an elective public  
925 office initially eligible for the Elected Officers' Class on or  
926 after January 1, 2009, shall not be enrolled in the Florida  
927 Retirement System as provided in s. 121.053(1)(c) or, if holding  
928 an elective public office that does not qualify for the Elected  
929 Officers' Class and is initially eligible on or after January 1,  
930 2009, shall not be enrolled in the Florida Retirement System as  
931 provided in s. 121.122, and shall not continue to receive

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932 retirement benefits during the first 12 calendar months after  
933 meeting the definition of termination in s. 121.021(39).

934 11.a.9. Any person who is holding an elective public  
935 office which is covered by the Florida Retirement System and who  
936 is concurrently employed in nonelected covered employment before  
937 January 1, 2009, may elect to retire while continuing employment  
938 in the elective public office, if ~~provided that~~ he or she  
939 ~~terminates shall be required to terminate~~ his or her nonelected  
940 covered employment. Any person who exercises this election shall  
941 receive his or her retirement benefits in addition to the  
942 compensation of the elective office without regard to the time  
943 limitations otherwise provided in this subsection. A ~~No~~ person  
944 who seeks to exercise the provisions of this subparagraph, as  
945 ~~they the same~~ existed prior to May 3, 1984, may not ~~shall~~ be  
946 deemed to be retired under those provisions, unless such person  
947 is eligible to retire under the provisions of this subparagraph,  
948 as amended by chapter 84-11, Laws of Florida.

949 b. Any person who is holding an elective public office  
950 which is covered by the Florida Retirement System and who is  
951 concurrently employed in nonelected covered employment on or  
952 after January 1, 2009, may not elect to retire while continuing  
953 employment in the elective public office. Such person must meet  
954 the definition of termination in s. 121.021(39) and is subject  
955 to the limitations provided in this section.

956 12.10. The limitations of this paragraph apply to  
957 reemployment in any capacity with an "employer" as defined in s.  
958 121.021(10), irrespective of the category of funds from which  
959 the person is compensated-

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960       13. A developmental research school may reemploy a retired  
961 member as a substitute or hourly teacher or an education  
962 paraprofessional, as defined in s. 1012.01(2), on a  
963 noncontractual basis after he or she has been retired and met  
964 the definition of termination in s. 121.021(39). A developmental  
965 research school may reemploy a retired member as instructional  
966 personnel, as defined in s. 1012.01(2)(a), on an annual  
967 contractual basis after he or she has been retired and met the  
968 definition of termination in s. 121.021(39). Any other retired  
969 member who is reemployed within 12 calendar months after  
970 retirement voids his or her application for retirement benefits.  
971 A developmental research school that reemploys retired teachers  
972 and education paraprofessionals are subject to the retirement  
973 contribution required by subparagraph 7.

974       14. A charter school may reemploy a retired member as a  
975 substitute or hourly teacher on a noncontractual basis after he  
976 or she has been retired and met the definition of termination in  
977 s. 121.021(39). A charter school may reemploy a retired member  
978 as instructional personnel, as defined in s. 1012.01(2)(a), on  
979 an annual contractual basis after he or she has been retired and  
980 met the definition of termination in s. 121.021(39). Any other  
981 retired member who is reemployed within 12 calendar months after  
982 retirement voids his or her application for retirement benefits.  
983 A charter school that reemploys such teachers is subject to the  
984 retirement contribution required by subparagraph 7.

985       15. The limitations of this paragraph apply to  
986 reemployment in any capacity with an employer, as defined in s.

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987 121.021, irrespective of the category of funds from which the  
988 person is compensated.

989 16. The reemployment after retirement provisions of this  
990 paragraph apply to DROP participants effective upon termination  
991 from employment and the end of DROP participation.

992 ~~11. An employing agency may reemploy a retired member as a~~  
993 ~~firefighter or paramedic after the retired member has been~~  
994 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~  
995 ~~Any retired member who is reemployed within 1 calendar month~~  
996 ~~after retirement shall void his or her application for~~  
997 ~~retirement benefits. The employing agency reemploying such~~  
998 ~~firefighter or paramedic is subject to the retired contribution~~  
999 ~~required in subparagraph 8. Reemployment of a retired~~  
1000 ~~firefighter or paramedic is limited to no more than 780 hours~~  
1001 ~~during the first 12 months of his or her retirement. Any retired~~  
1002 ~~member reemployed for more than 780 hours during the first 12~~  
1003 ~~months of retirement shall give timely notice in writing to the~~  
1004 ~~employer and to the Division of the date he or she will exceed~~  
1005 ~~the limitation. The division shall suspend his or her retirement~~  
1006 ~~benefits for the remainder of the first 12 months of retirement.~~  
1007 ~~Any person employed in violation of this subparagraph and any~~  
1008 ~~employing agency which knowingly employs or appoints such person~~  
1009 ~~without notifying the division of Retirement to suspend~~  
1010 ~~retirement benefits shall be jointly and severally liable for~~  
1011 ~~reimbursement to the Retirement System Trust Fund of any~~  
1012 ~~benefits paid during the reemployment limitation period. To~~  
1013 ~~avoid liability, such employing agency shall have a written~~  
1014 ~~statement from the retiree that he or she is not retired from a~~

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1015 ~~state administered retirement system. Any retirement benefits~~  
1016 ~~received by a retired member while reemployed in excess of 780~~  
1017 ~~hours during the first 12 months of retirement shall be repaid~~  
1018 ~~to the Retirement System Trust Fund, and retirement benefits~~  
1019 ~~shall remain suspended until repayment is made. Benefits~~  
1020 ~~suspended beyond the end of the retired member's first 12 months~~  
1021 ~~of retirement shall apply toward repayment of benefits received~~  
1022 ~~in violation of the 780-hour reemployment~~  
1023 ~~limitation.~~

1024 15. The limitations of this paragraph apply to  
1025 reemployment in any capacity with an employer, as defined in s.  
1026 121.021, irrespective of the category of funds from which the  
1027 person is compensated.

1028 16. The reemployment after retirement provisions of this  
1029 paragraph apply to DROP participants effective upon termination  
1030 from employment and the end of DROP participation.

1031 (c) The provisions of this subsection apply to retirees,  
1032 as defined in s. 121.4501(2)(j), of the Public Employee Optional  
1033 Retirement Program created in part II, subject to the following  
1034 conditions:

1035 1. Such retirees may not be reemployed with an employer  
1036 participating in the Florida Retirement System as provided in  
1037 paragraph (b) until such person has been retired for 12 ~~3~~  
1038 calendar months, unless the participant has reached the normal  
1039 retirement requirements of the defined benefit plan as provided  
1040 in s. 121.021(29).

1041 2. Such retiree employed in violation of this subsection  
1042 and any employing agency that knowingly employs or appoints such  
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1043 person shall be jointly and severally liable for reimbursement  
1044 of any benefits paid to the retirement trust fund from which the  
1045 benefits were paid, including the Retirement System Trust Fund  
1046 and the Public Employee Optional Retirement Program Trust Fund,  
1047 as appropriate. To avoid liability, such employing agency must  
1048 have a written statement from the retiree that he or she is not  
1049 retired from a state-administered retirement system.

1050 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
1051 subject to the provisions of this section, the Deferred  
1052 Retirement Option Program, hereinafter referred to as the DROP,  
1053 is a program under which an eligible member of the Florida  
1054 Retirement System may elect to participate, deferring receipt of  
1055 retirement benefits while continuing employment with his or her  
1056 Florida Retirement System employer. The deferred monthly  
1057 benefits shall accrue in the System Trust Fund on behalf of the  
1058 participant, plus interest compounded monthly, for the specified  
1059 period of the DROP participation, as provided in paragraph (c).  
1060 Upon termination of employment as required in s. 121.021(39)(b),  
1061 the participant shall receive the total DROP benefits and begin  
1062 to receive the previously determined normal retirement benefits.  
1063 Participation in the DROP does not guarantee employment for the  
1064 specified period of DROP. Participation in the DROP by an  
1065 eligible member beyond the initial 60-month period as authorized  
1066 in this subsection shall be on an annual contractual basis for  
1067 all participants.

1068 (a) Eligibility of member to participate in ~~the~~ DROP.--All  
1069 active Florida Retirement System members in a regularly  
1070 established position, and all active members of ~~either~~ the

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1071 Teachers' Retirement System established in chapter 238 or the  
1072 State and County Officers' and Employees' Retirement System  
1073 established in chapter 122, which ~~systems~~ are consolidated  
1074 within the Florida Retirement System under s. 121.011, are  
1075 eligible to elect participation in the DROP if provided that:

1076 1. The member is not a renewed member ~~of the Florida~~  
1077 ~~Retirement System~~ under s. 121.122, or a member or renewed  
1078 member of the State Community College System Optional Retirement  
1079 Program under s. 121.051, the Senior Management Service Optional  
1080 Annuity Program under s. 121.055, or the optional retirement  
1081 program for the State University System under s. 121.35.

1082 2. Except as provided in subparagraph 6., election to  
1083 participate is made within 12 months immediately following the  
1084 date on which the member first reaches normal retirement date,  
1085 or, for a member who reaches normal retirement date ~~based on~~  
1086 ~~service~~ before he or she reaches age 62, or age 55 for Special  
1087 Risk Class members, election to participate may be deferred to  
1088 the 12 months immediately following the date the member attains  
1089 57, or age 52 for Special Risk Class members. ~~For a member who~~  
1090 ~~first reached normal retirement date or the deferred eligibility~~  
1091 ~~date described above prior to the effective date of this~~  
1092 ~~section, election to participate shall be made within 12 months~~  
1093 ~~after the effective date of this section.~~ A member who fails to  
1094 make an election within the ~~such~~ 12-month limitation period  
1095 forfeits ~~shall forfeit~~ all rights to participate in the DROP.  
1096 The member shall advise his or her employer and the division in  
1097 writing of the date ~~on which the DROP begins~~ shall begin. The  
1098 ~~Such~~ beginning date may be subsequent to the 12-month election

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1099 | period, but must be within the original 60-month participation  
1100 | ~~er, with respect to members who are instructional personnel~~  
1101 | ~~employed by the Florida School for the Deaf and the Blind and~~  
1102 | ~~who have received authorization by the Board of Trustees of the~~  
1103 | ~~Florida School for the Deaf and the Blind to participate in the~~  
1104 | ~~DROP beyond 60 months, or who are instructional personnel as~~  
1105 | ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~  
1106 | ~~received authorization by the district school superintendent to~~  
1107 | ~~participate in the DROP beyond 60 months, the 96 month~~  
1108 | ~~limitation period as provided in subparagraph (b)1. When~~  
1109 | ~~establishing eligibility of the member to participate in the~~  
1110 | ~~DROP for the 60 month or, with respect to members who are~~  
1111 | ~~instructional personnel employed by the Florida School for the~~  
1112 | ~~Deaf and the Blind and who have received authorization by the~~  
1113 | ~~Board of Trustees of the Florida School for the Deaf and the~~  
1114 | ~~Blind to participate in the DROP beyond 60 months, or who are~~  
1115 | ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
1116 | ~~grades K-12 and who have received authorization by the district~~  
1117 | ~~school superintendent to participate in the DROP beyond 60~~  
1118 | ~~months, the 96 month maximum participation period, the member~~  
1119 | ~~may elect to include or exclude any optional service credit~~  
1120 | ~~purchased by the member from the total service used to establish~~  
1121 | ~~the normal retirement date. A member who has ~~with~~ dual normal~~  
1122 | ~~retirement dates is ~~shall be~~ eligible to elect to participate in~~  
1123 | ~~DROP within 12 months after attaining normal retirement date in~~  
1124 | ~~either class.~~

1125 |         3. The employer of a member electing to participate in the  
1126 | DROP, or employers if dually employed, shall acknowledge in

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1127 writing to the division the date the member's participation in  
1128 the DROP begins and the date the member's employment and DROP  
1129 participation will terminate.

1130 4. Simultaneous employment of a participant by additional  
1131 Florida Retirement System employers subsequent to the  
1132 commencement of participation in the DROP ~~is shall be~~  
1133 permissible ~~if provided~~ such employers acknowledge in writing a  
1134 DROP termination date no later than the participant's existing  
1135 termination date or the maximum participation ~~60-month~~  
1136 ~~limitation~~ period as provided in subparagraph (b)1.

1137 5. A DROP participant may change employers while  
1138 participating in the DROP, subject to the following:

1139 a. A change of employment must take place without a break  
1140 in service so that the member receives salary for each month of  
1141 continuous DROP participation. If a member receives no salary  
1142 during a month, DROP participation shall cease unless the  
1143 employer verifies a continuation of the employment relationship  
1144 for such participant pursuant to s. 121.021(39)(b).

1145 b. Such participant and new employer shall notify the  
1146 division of the identity of the new employer on forms required  
1147 by the division ~~as to the identity of the new employer.~~

1148 c. The new employer shall acknowledge, in writing, the  
1149 participant's DROP termination date, which may be extended but  
1150 not beyond the original 60-month maximum participation ~~or, with~~  
1151 ~~respect to members who are instructional personnel employed by~~  
1152 ~~the Florida School for the Deaf and the Blind and who have~~  
1153 ~~received authorization by the Board of Trustees of the Florida~~  
1154 ~~School for the Deaf and the Blind to participate in the DROP~~

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1155 ~~beyond 60 months, or who are instructional personnel as defined~~  
1156 ~~in s. 1012.01(2) (a) (d) in grades K-12 and who have received~~  
1157 ~~authorization by the district school superintendent to~~  
1158 ~~participate in the DROP beyond 60 months, the 96 month period~~  
1159 ~~provided in subparagraph (b)1., shall acknowledge liability for~~  
1160 ~~any additional retirement contributions and interest required if~~  
1161 ~~the participant fails to timely terminate employment, and is~~  
1162 ~~shall be subject to the adjustment required in sub-subparagraph~~  
1163 ~~(c)5.d.~~

1164         6. Effective July 1, 2001, for instructional personnel as  
1165 defined in s. 1012.01(2), election to participate in ~~the~~ DROP  
1166 ~~may shall~~ be made at any time following the date on which the  
1167 member first reaches normal retirement date. The member shall  
1168 advise his or her employer and the division in writing of the  
1169 date on which DROP begins ~~the Deferred Retirement Option Program~~  
1170 ~~shall begin~~. When establishing eligibility of the member to  
1171 participate in the DROP for the 60-month ~~or, with respect to~~  
1172 ~~members who are instructional personnel employed by the Florida~~  
1173 ~~School for the Deaf and the Blind and who have received~~  
1174 ~~authorization by the Board of Trustees of the Florida School for~~  
1175 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
1176 ~~months, or who are instructional personnel as defined in s.~~  
1177 ~~1012.01(2) (a) (d) in grades K-12 and who have received~~  
1178 ~~authorization by the district school superintendent to~~  
1179 ~~participate in the DROP beyond 60 months, the 96 month maximum~~  
1180 ~~participation period, as provided in sub-subparagraph (b) (1) a.~~  
1181 ~~subparagraph (b)1., the member may elect to include or exclude~~  
1182 any optional service credit purchased by the member from the

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1183 total service used to establish the normal retirement date. A  
1184 member who has ~~with~~ dual normal retirement dates is ~~shall be~~  
1185 eligible to elect to participate in either class.

1186 (b) Participation in ~~the~~ DROP.--

1187 1.a. Except as provided in sub-subparagraph b., an  
1188 eligible member may elect to participate in ~~the~~ DROP for a  
1189 period not to exceed a maximum of 60 calendar months except as  
1190 provided in subparagraph b. ~~or, with respect to~~

1191 b. Members who are instructional personnel employed by the  
1192 Florida School for the Deaf and the Blind and who are authorized  
1193 ~~have received authorization~~ by the Board of Trustees of the  
1194 Florida School for the Deaf and the Blind ~~to participate in the~~  
1195 ~~DROP beyond 60 months,~~ or who are instructional personnel as  
1196 defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized  
1197 who are authorized ~~have received authorization~~ by the district  
1198 school superintendent ~~to participate in the DROP beyond 60~~  
1199 ~~calendar months,~~ or who are instructional personnel, as defined  
1200 in s. 1012.01(2)(a)-(d), employed by a developmental research  
1201 school and who are authorized by the school's principal, to  
1202 participate in DROP beyond the original 60-month period, for up  
1203 to 36 ~~96~~ calendar months immediately following the DROP  
1204 termination date elected for participation in sub-subparagraph  
1205 a. date on which the member first reaches his or her normal  
1206 ~~retirement date or the date to which he or she is eligible to~~  
1207 ~~defer his or her election to participate as provided in~~  
1208 ~~subparagraph (a)2. However, a member who has reached normal~~  
1209 ~~retirement date prior to the effective date of the DROP shall be~~  
1210 ~~eligible to participate in the DROP for a period of time not to~~

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1211 ~~exceed 60 calendar months or, with respect to members who are~~  
1212 ~~instructional personnel employed by the Florida School for the~~  
1213 ~~Deaf and the Blind and who have received authorization by the~~  
1214 ~~Board of Trustees of the Florida School for the Deaf and the~~  
1215 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
1216 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
1217 ~~grades K-12 and who have received authorization by the district~~  
1218 ~~school superintendent to participate in the DROP beyond 60~~  
1219 ~~calendar months, 96 calendar months immediately following the~~  
1220 ~~effective date of the DROP, except a member of the Special Risk~~  
1221 ~~Class who has reached normal retirement date prior to the~~  
1222 ~~effective date of the DROP and whose total accrued value exceeds~~  
1223 ~~75 percent of average final compensation as of his or her~~  
1224 ~~effective date of retirement shall be eligible to participate in~~  
1225 ~~the DROP for no more than 36 calendar months immediately~~  
1226 ~~following the effective date of the DROP.~~

1227       2. Upon deciding to participate in the DROP, the member  
1228 shall submit, on forms required by the division:

1229       a. A written election to participate in the DROP;

1230       b. Selection of the DROP participation and termination  
1231 dates, which satisfy the limitations stated in paragraph (a) and  
1232 subparagraph 1. ~~The~~ Such termination date must ~~shall~~ be in a  
1233 binding letter of resignation to ~~with~~ the employer, establishing  
1234 a deferred termination date. The member may change the  
1235 termination date within the limitations of subparagraph 1., but  
1236 only with the written approval of the ~~his or her~~ employer;

1237       c. A properly completed DROP application for service  
1238 retirement as provided in this section; and

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1239 d. Any other information required by the division.

1240 3. The DROP participant is ~~shall be~~ a retiree under the  
1241 Florida Retirement System for all purposes, except for paragraph  
1242 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
1243 and 121.122. DROP participation is final and cannot be canceled  
1244 by the participant after the first payment is credited during  
1245 the DROP participation period. However, participation in ~~the~~  
1246 DROP does not alter the participant's employment status and the  
1247 member is ~~such employee shall not be~~ deemed retired from  
1248 employment until his or her deferred resignation is effective  
1249 and termination occurs as provided in s. 121.021(39).

1250 4. Elected officers are ~~shall be~~ eligible to participate  
1251 in the DROP subject to the following:

1252 a. An elected officer who reaches normal retirement date  
1253 during a term of office may defer the election to participate in  
1254 ~~the~~ DROP until the next succeeding term in that office. An Such  
1255 elected officer who exercises this option may participate in ~~the~~  
1256 DROP for up to 60 calendar months or a period of no longer than  
1257 the ~~such~~ succeeding term of office, whichever is less.

1258 b. An elected or a nonelected participant may run for a  
1259 term of office while participating in DROP and, if elected,  
1260 extend the DROP termination date accordingly, except, however,  
1261 if such additional term of office exceeds the 60-month  
1262 limitation established in subparagraph 1., and the officer does  
1263 not resign from office within such 60-month limitation, the  
1264 retirement and the participant's DROP is ~~shall be~~ null and void  
1265 as provided in sub-subparagraph (c)5.d.

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1266       c.(I) For DROP participation ending before January 1,  
1267 2009, an elected officer who is dually employed and elects to  
1268 participate in DROP must ~~shall be required to~~ satisfy the  
1269 definition of termination within the original 60-month period or  
1270 maximum participation ~~or, with respect to members who are~~  
1271 instructional personnel employed by the Florida School for the  
1272 Deaf and the Blind and who have received authorization by the  
1273 Board of Trustees of the Florida School for the Deaf and the  
1274 Blind to participate in the DROP beyond 60 months, or who are  
1275 instructional personnel as defined in s. 1012.01(2)(a)-(d) in  
1276 grades K-12 and who have received authorization by the district  
1277 school superintendent to participate in the DROP beyond 60  
1278 months, the 96-month limitation period as provided in  
1279 subparagraph 1. for the nonelected position and may continue  
1280 employment as an elected officer as provided in s. 121.053. The  
1281 elected officer shall ~~will~~ be enrolled as a renewed member in  
1282 the Elected Officers' Class or the Regular Class, as provided in  
1283 ss. 121.053 and 121.122, on the first day of the month after  
1284 termination of employment in the nonelected position and  
1285 termination of DROP. Distribution of ~~the~~ DROP benefits shall be  
1286 made as provided in paragraph (c).

1287       (II) For DROP participation ending on or after January 1,  
1288 2009, an elected officer who is dually employed and elects to  
1289 participate in DROP must satisfy the definition of termination  
1290 in s. 121.021(39) within the original 60-month period or maximum  
1291 period as provided in subparagraph 1.

1292       (c) Benefits payable under ~~the~~ DROP.--

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1293           1. Effective on ~~with~~ the date of DROP participation, the  
1294 member's initial normal monthly benefit, including creditable  
1295 service, optional form of payment, and average final  
1296 compensation, and the effective date of retirement are ~~shall be~~  
1297 fixed. The beneficiary established under the Florida Retirement  
1298 System shall be the beneficiary eligible to receive any DROP  
1299 benefits payable if the DROP participant dies prior to the  
1300 completion of the period of DROP participation. If ~~In the event~~  
1301 a joint annuitant predeceases the member, the member may name a  
1302 beneficiary to receive accumulated DROP benefits payable. The  
1303 ~~Such~~ retirement benefit, the annual cost of living adjustments  
1304 provided in s. 121.101, and interest shall accrue monthly in the  
1305 Florida Retirement System Trust Fund. The ~~Such~~ interest shall  
1306 accrue at an effective annual rate of 6.5 percent compounded  
1307 monthly, on the prior month's accumulated ending balance, up to  
1308 the month of termination or death.

1309           2. Each employee who elects to participate in ~~the~~ DROP may  
1310 ~~shall be allowed to~~ elect to receive a lump-sum payment for  
1311 accrued annual leave earned in accordance with agency policy  
1312 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated  
1313 leave payment certified to the division upon commencement of  
1314 DROP shall be included in the calculation of the member's  
1315 average final compensation. The employee electing the ~~such~~ lump-  
1316 sum payment is ~~upon beginning participation in DROP will not be~~  
1317 eligible to receive a second lump-sum payment upon termination,  
1318 except to the extent the employee has earned additional annual  
1319 leave which, combined with the original payment, does not exceed  
1320 the maximum lump-sum payment allowed by the employing agency's

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1321 policy or rules. An ~~Such~~ early lump-sum payment shall be based  
1322 on the hourly wage of the employee at the time he or she begins  
1323 participation in ~~the~~ DROP. If the member elects to wait and  
1324 receive a a ~~such~~ lump-sum payment upon termination of DROP and  
1325 termination of employment with the employer, any accumulated  
1326 leave payment made at that time may not ~~cannot~~ be included in  
1327 the member's retirement benefit, which was determined and fixed  
1328 by law when the employee elected to participate in ~~the~~ DROP.

1329 3. The effective date of DROP participation and the  
1330 effective date of retirement of a DROP participant shall be the  
1331 first day of the month selected by the member to begin  
1332 participation in the DROP, provided such date is properly  
1333 established, with the written confirmation of the employer, and  
1334 the approval of the division, on forms required by the division.

1335 4. Normal retirement benefits and any interest ~~thereon~~  
1336 shall continue to accrue in ~~the~~ DROP until the established  
1337 termination date of ~~the~~ DROP, or until the participant  
1338 terminates employment or dies prior to such date. Although  
1339 individual DROP accounts shall not be established, a separate  
1340 accounting of each participant's accrued benefits under ~~the~~ DROP  
1341 shall be calculated and provided to participants.

1342 5. At the conclusion of the participant's DROP, the  
1343 division shall distribute the participant's total accumulated  
1344 DROP benefits, subject to the following provisions:

1345 a. The division shall receive verification by the  
1346 participant's employer or employers that the ~~such~~ participant  
1347 has terminated employment as provided in s. 121.021(39)(b).

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1348           b. The terminated DROP participant or, if deceased, the  
1349 ~~such~~ participant's named beneficiary, shall elect on forms  
1350 provided by the division to receive payment of ~~the~~ DROP benefits  
1351 in accordance with one of the options listed below. If ~~For~~ a  
1352 participant or beneficiary ~~who~~ fails to elect a method of  
1353 payment within 60 days of termination of ~~the~~ DROP, the division  
1354 shall ~~will~~ pay a lump sum as provided in sub-sub-subparagraph  
1355 (I).

1356           (I) Lump sum.--All accrued DROP benefits, plus interest,  
1357 less withholding taxes remitted to the Internal Revenue Service,  
1358 shall be paid to the DROP participant or surviving beneficiary.

1359           (II) Direct rollover.--All accrued DROP benefits, plus  
1360 interest, shall be paid from ~~the~~ DROP directly to the custodian  
1361 of an eligible retirement plan as defined in s. 402(c)(8)(B) of  
1362 the Internal Revenue Code. However, in the case of an eligible  
1363 rollover distribution to the surviving spouse of a deceased  
1364 participant, an eligible retirement plan is an individual  
1365 retirement account or an individual retirement annuity as  
1366 described in s. 402(c)(9) of the Internal Revenue Code.

1367           (III) Partial lump sum.--A portion of the accrued DROP  
1368 benefits shall be paid to the DROP participant or surviving  
1369 spouse, less withholding taxes remitted to the Internal Revenue  
1370 Service, and the remaining DROP benefits shall be transferred  
1371 directly to the custodian of an eligible retirement plan as  
1372 defined in s. 402(c)(8)(B) of the Internal Revenue Code.  
1373 However, in the case of an eligible rollover distribution to the  
1374 surviving spouse of a deceased participant, an eligible  
1375 retirement plan is an individual retirement account or an

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1376 individual retirement annuity as described in s. 402(c)(9) of  
1377 the Internal Revenue Code. The proportions shall be specified by  
1378 the DROP participant or surviving beneficiary.

1379 c. The form of payment selected by the DROP participant or  
1380 surviving beneficiary must comply ~~complies~~ with the minimum  
1381 distribution requirements of the Internal Revenue Code.

1382 d. A DROP participant who fails to terminate employment as  
1383 defined in s. 121.021(39)(b) shall be deemed as ~~to be~~  
1384 retired, and the DROP election is ~~shall be~~ null and void.

1385 Florida Retirement System membership shall be reestablished  
1386 retroactively to the date of the commencement of ~~the~~ DROP, and  
1387 each employer with whom the participant continues employment  
1388 must ~~shall be required to~~ pay to the Florida Retirement System  
1389 Trust Fund the difference between the DROP contributions paid in  
1390 paragraph (i) and the contributions required for the applicable  
1391 Florida Retirement System class of membership during the period  
1392 the member participated in the DROP, plus 6.5 percent interest  
1393 compounded annually.

1394 6. The retirement benefits of any DROP participant who  
1395 meets the definition of termination in s. 121.021(39)(b), but is  
1396 in violation of the reemployment provisions as provided in  
1397 subsection (9), shall be suspended during those months in which  
1398 the member is in violation. Any member employed in violation of  
1399 this subparagraph and any employing agency that knowingly  
1400 employs or appoints such member without notifying the Division  
1401 of Retirement to suspend retirement benefits are jointly and  
1402 severally liable for any benefits paid during the reemployment  
1403 limitation period. To avoid liability, the employing agency must

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1404 have a written statement from the retiree that he or she is not  
1405 retired from a state-administered retirement system. Any  
1406 retirement benefits received by a retired member while employed  
1407 in violation of the reemployment limitations during the first 12  
1408 months of retirement must be repaid to the Florida Retirement  
1409 System Trust Fund, and his or her retirement benefits shall  
1410 remain suspended until payment is made. Benefits suspended  
1411 beyond the end of the retired member's first 12 calendar months  
1412 after meeting the definition of termination in s. 121.021(39)(b)  
1413 shall apply toward repayment of benefits received in violation  
1414 of the reemployment limitations.

1415 ~~7.6-~~ The accrued benefits of any DROP participant, and any  
1416 contributions accumulated under the ~~such~~ program, are ~~shall~~ not  
1417 ~~be~~ subject to assignment, execution, attachment, or to any legal  
1418 process whatsoever, except for qualified domestic relations  
1419 orders by a court of competent jurisdiction, income deduction  
1420 orders as provided in s. 61.1301, and federal income tax levies.

1421 ~~8.7-~~ DROP participants are ~~shall~~ not ~~be~~ eligible for  
1422 disability retirement benefits as provided in subsection (4).

1423 (d) Death benefits under ~~the~~ DROP.--

1424 1. Upon the death of a DROP participant, the named  
1425 beneficiary shall be entitled to apply for and receive the  
1426 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph  
1427 (c)5.b.

1428 2. The normal retirement benefit accrued to ~~the~~ DROP  
1429 during the month of a participant's death shall be the final  
1430 monthly benefit credited for such DROP participant.

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1431 3. Eligibility to participate in ~~the~~ DROP terminates upon  
1432 death of the participant. If the participant dies on or after  
1433 the effective date of enrollment in ~~the~~ DROP, but prior to the  
1434 first monthly benefit being credited to ~~the~~ DROP, Florida  
1435 Retirement System benefits shall be paid in accordance with  
1436 subparagraph (7)(c)1. or subparagraph 2.

1437 4. A DROP participants' survivors shall not be eligible to  
1438 receive Florida Retirement System death benefits as provided in  
1439 paragraph (7)(d).

1440 (e) Cost-of-living adjustment.--On each July 1, the  
1441 participants' normal retirement benefit shall be increased as  
1442 provided in s. 121.101.

1443 (f) Retiree health insurance subsidy.--DROP participants  
1444 are not eligible to apply for the retiree health insurance  
1445 subsidy payments as provided in s. 112.363 until such  
1446 participants have terminated employment and participation in ~~the~~  
1447 DROP.

1448 (g) Renewed membership.--DROP participants must meet the  
1449 definition of termination in s. 121.021(39)(b) and must meet  
1450 eligibility requirements ~~shall not be eligible~~ for renewed  
1451 membership in the Florida Retirement System under ss. 121.053  
1452 and 121.122 ~~until termination of employment is effectuated as~~  
1453 ~~provided in s. 121.021(39)(b).~~

1454 (h) Employment limitation after DROP participation.--Upon  
1455 satisfying the definition of termination of employment as  
1456 provided in s. 121.021(39)(b), DROP participants shall be  
1457 subject to such reemployment limitations as other retirees.  
1458 Reemployment restrictions applicable to retirees as provided in  
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1459 subsection (9) shall not apply to DROP participants until their  
1460 employment and participation in ~~the~~ DROP are terminated.

1461 (i) Contributions.--

1462 1. All employers paying the salary of a DROP participant  
1463 filling a regularly established position shall contribute 8.0  
1464 percent of such participant's gross compensation for the period  
1465 of July 1, 2002, through June 30, 2003, and 11.56 percent of  
1466 such compensation thereafter, which shall constitute the entire  
1467 employer DROP contribution with respect to such participant.  
1468 Such contributions, payable to the System Trust Fund in the same  
1469 manner as required in s. 121.071, shall be made as appropriate  
1470 for each pay period and are in addition to contributions  
1471 required for social security and the Retiree Health Insurance  
1472 Subsidy Trust Fund. Such employer, social security, and health  
1473 insurance subsidy contributions are not included in ~~the~~ DROP.

1474 2. The employer shall, in addition to subparagraph 1.,  
1475 also withhold one-half of the entire social security  
1476 contribution required for the participant. Contributions for  
1477 social security by each participant and each employer, in the  
1478 amount required for social security coverage as now or hereafter  
1479 provided by the federal Social Security Act, shall be in  
1480 addition to contributions specified in subparagraph 1.

1481 3. All employers paying the salary of a DROP participant  
1482 filling a regularly established position shall contribute the  
1483 percent of such participant's gross compensation required in s.  
1484 121.071(4), which shall constitute the employer's health  
1485 insurance subsidy contribution with respect to such participant.

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1486 Such contributions shall be deposited by the administrator in  
1487 the Retiree Health Insurance Subsidy Trust Fund.

1488 (j) Forfeiture of retirement benefits.--Nothing in this  
1489 section shall be construed to remove DROP participants from the  
1490 scope of s. 8(d), Art. II of the State Constitution, s.  
1491 112.3173, and paragraph (5)(f). DROP participants who commit a  
1492 specified felony offense while employed will be subject to  
1493 forfeiture of all retirement benefits, including DROP benefits,  
1494 pursuant to those provisions of law.

1495 (k) Administration of program.--The division shall make  
1496 such rules as are necessary for the effective and efficient  
1497 administration of this subsection. The division shall not be  
1498 required to advise members of the federal tax consequences of an  
1499 election related to ~~the~~ DROP but may advise members to seek  
1500 independent advice.

1501 (14) PAYMENT OF BENEFITS.--This subsection applies to the  
1502 payment of benefits to a payee (retiree or beneficiary) under  
1503 the Florida Retirement System:

1504 (a) Federal income tax shall be withheld in accordance  
1505 with federal law, unless the payee elects otherwise on Form W-  
1506 4P. The division shall prepare and distribute to each recipient  
1507 of monthly retirement benefits an appropriate income tax form  
1508 that reflects the recipient's income and federal income tax  
1509 withheld for the calendar year just ended.

1510 (b) Subject to approval by the division in accordance with  
1511 rule 60S-4.015, Florida Administrative Code, a payee receiving  
1512 retirement benefits under the ~~Florida Retirement~~ system may also

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1513 have the following payments deducted from his or her monthly  
1514 benefit:

1515 1. Premiums for life and health-related insurance policies  
1516 from approved companies.

1517 2. Life insurance premiums for the State Group Life  
1518 Insurance Plan, if authorized in writing by the payee and by the  
1519 department ~~of Management Services~~.

1520 3. Repayment of overpayments from the Florida Retirement  
1521 System Trust Fund, the State Employees' Health Insurance Trust  
1522 Fund, or the State Employees' Life Insurance Trust Fund, upon  
1523 notification of the payee.

1524 4. Payments to an alternate payee for alimony or, child  
1525 support pursuant to an income deduction order under s. 61.1301,  
1526 or division of marital assets pursuant to a qualified domestic  
1527 relations order under s. 222.21 ~~or an income deduction order~~  
1528 ~~under s. 61.1301~~.

1529 5. Payments to the Internal Revenue Service for federal  
1530 income tax levies, upon notification of the division by the  
1531 Internal Revenue Service.

1532 (c) A payee must ~~shall~~ notify the division of any change  
1533 in his or her address. The division may suspend benefit payments  
1534 to a payee if correspondence sent to the payee's mailing address  
1535 is returned due to an incorrect address. Benefit payments shall  
1536 be resumed upon notification to the division of the payee's new  
1537 address.

1538 (d) A payee whose retirement benefits are reduced by the  
1539 application of maximum benefit limits under s. 415(b) of the  
1540 Internal Revenue Code, as specified in s. 121.30(5), shall have  
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1541 the portion of his or her calculated benefit in the Florida  
1542 Retirement System defined benefit plan which exceeds such  
1543 federal limitation paid through the Florida Retirement System  
1544 Preservation of Benefits Plan, as provided in s. 121.1001.

1545 (e). The division may issue retirement benefits payable  
1546 for division of marital assets pursuant to a qualified domestic  
1547 relations order directly to the alternate payee, any court order  
1548 to the contrary notwithstanding, in order to meet Internal  
1549 Revenue Code requirements.

1550 (f)-(e) A ~~Ne~~ benefit may not be reduced for the purpose of  
1551 preserving the member's eligibility for a federal program.

1552 (g)-(f) The division shall adopt rules establishing  
1553 procedures for determining that ~~the~~ persons to whom benefits are  
1554 being paid are still living. The division shall suspend the  
1555 benefits being paid to any payee if ~~when~~ it is unable to contact  
1556 such payee and to confirm that he or she is still living.

1557 Section 10. Sections 121.093 and 121.094, Florida  
1558 Statutes, are repealed.

1559 Section 11. Section 121.1115, Florida Statutes, is amended  
1560 to read:

1561 121.1115 Purchase of retirement credit for out-of-state or  
1562 and federal service.--Effective January 1, 1995, a member ~~of the~~  
1563 ~~Florida Retirement System~~ may purchase creditable service for  
1564 periods of public employment in another state and receive  
1565 creditable service for such periods of employment. Service with  
1566 the Federal Government, including any active military service,  
1567 may be claimed. Upon completion of each year of service earned  
1568 under the Florida Retirement System, a member may purchase up to  
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1569 1 year of retirement credit for his or her out-of-state service,  
1570 subject to the following provisions:

1571 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the  
1572 out-of-state service:

1573 (a) The out-of-state service ~~being claimed~~ must have been:

1574 1. Performed in a position of employment with the state or  
1575 a political subdivision thereof or with the Federal Government;

1576 2. Covered by a retirement or pension plan provided by the  
1577 state or political subdivision, or by the Federal Government, as  
1578 appropriate; and

1579 3. Performed prior to a period of membership in the  
1580 Florida Retirement System.

1581 (b) The member must have completed a minimum of 6 years of  
1582 creditable service under the Florida Retirement System,  
1583 excluding out-of-state service and in-state service claimed and  
1584 purchased under s. 121.1122.

1585 (c) Not more than 5 years of creditable service may be  
1586 claimed for creditable service aggregated under the provisions  
1587 of this section and s. 121.1122.

1588 (d) The out-of-state service credit ~~claimed under this~~  
1589 ~~section~~ shall be credited only as service in the Regular Class  
1590 ~~of membership~~, and any benefit or pension based thereon is ~~shall~~  
1591 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1592 (e) The member is not eligible for and may not receive a  
1593 pension or benefit from a retirement or pension plan based on or  
1594 including the out-of-state service. Eligibility for or the  
1595 receipt of contributions to a retirement plan made by the  
1596 employer on behalf of the employee is considered a benefit.

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1597        (f)(e) ~~To receive~~ A member shall be eligible to receive  
1598 service credit for out-of-state service performed after leaving  
1599 the Florida Retirement System, the member must complete only  
1600 ~~upon return to membership and completion of~~ at least 1 year of  
1601 creditable service in the Florida Retirement System following  
1602 the out-of-state service.

1603        (2) COST.--For each year claimed, the member must pay into  
1604 the Florida Retirement System Trust Fund an amount equal to 20  
1605 percent of the member's annual compensation for the first full  
1606 work year of creditable service earned under the Florida  
1607 Retirement System, but not less than \$12,000, plus interest at  
1608 6.5 percent compounded annually from the date of first annual  
1609 salary earned until full payment is made. The employer may pay  
1610 all or a portion of the cost of this service credit.

1611        Section 12. Subsection (2) of section 121.1122, Florida  
1612 Statutes, is amended to read:

1613        121.1122 Purchase of retirement credit for in-state public  
1614 service and in-state service in accredited nonpublic schools and  
1615 colleges, including charter schools and charter technical career  
1616 centers.--Effective January 1, 1998, a member of the Florida  
1617 Retirement System may purchase creditable service for periods of  
1618 certain public or nonpublic employment performed in this state,  
1619 as provided in this section.

1620        (2) LIMITATIONS AND CONDITIONS.--

1621        (a) A member is not eligible to receive credit for in-  
1622 state service under this section until he or she has completed 6  
1623 years of creditable service under the Florida Retirement System,

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1624 excluding service purchased under this section and out-of-state  
1625 service claimed and purchased under s. 121.1115.

1626 (b) A member may not purchase and receive credit for more  
1627 than 5 years of creditable service aggregated under ~~the~~  
1628 ~~provisions of~~ this section and s. 121.1115.

1629 (c) Service credit claimed under this section shall be  
1630 credited only as service in the Regular Class ~~of membership~~ and  
1631 is shall be subject to ~~the provisions of~~ s. 112.65.

1632 (d) Service credit may not be purchased under this section  
1633 if the member is eligible to receive or is receiving a pension  
1634 or benefit from a retirement or pension plan based on or  
1635 including the service. Eligibility for or the receipt of  
1636 contributions to a retirement plan made by the employer on  
1637 behalf of the employee is considered a benefit.

1638 (e)-(d) A member is shall be eligible to receive service  
1639 credit for in-state service performed after leaving the Florida  
1640 Retirement System only after upon returning to membership and  
1641 completing at least 1 year of creditable service in the Florida  
1642 Retirement System following the in-state service.

1643 (f)-(e) The service claimed must have been service covered  
1644 by a retirement or pension plan provided by the employer.

1645 Section 13. Section 121.122, Florida Statutes, is amended  
1646 to read:

1647 121.122 Renewed membership in system.--

1648 (1) Any retiree of a state-administered retirement system  
1649 who is initially reemployed on or after January 1, 2009, shall  
1650 not be eligible for renewed membership.

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1651        (2) Except as provided in s. 121.053, effective July 1,  
1652 1991, through December 31, 2008, any retiree of a state-  
1653 administered retirement system who is initially reemployed  
1654 ~~employed~~ in a regularly established position with a covered  
1655 employer shall be enrolled as a compulsory member of the Regular  
1656 Class of the Florida Retirement System or, effective July 1,  
1657 1997, through December 31, 2008, any retiree of a state-  
1658 administered retirement system who is initially reemployed  
1659 ~~employed~~ in a position included in the Senior Management Service  
1660 Class shall be enrolled as a compulsory member of the Senior  
1661 Management Service Class of the Florida Retirement System as  
1662 provided in s. 121.055, and shall be entitled to receive an  
1663 additional retirement benefit, subject to the following  
1664 conditions:

1665        ~~(1)~~(a) Such member shall resatisfy the age and service  
1666 requirements as provided in this chapter for initial membership  
1667 under the system, unless such member elects to participate in  
1668 the Senior Management Service Optional Annuity Program in lieu  
1669 of the Senior Management Service Class, as provided in s.  
1670 121.055(6).

1671        (b) Such member shall not be entitled to disability  
1672 benefits as provided in s. 121.091(4).

1673        (c) Such member must meet the reemployment after  
1674 retirement limitations as provided in s. 121.091(9), as  
1675 applicable.

1676        ~~(3)~~~~(2)~~ Upon renewed membership or reemployment of a  
1677 retiree, the employer of such member shall pay the applicable

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1678 employer contributions as required by ss. 121.71, 121.74,  
1679 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4)~~.

1680 (4)(3) The retiree of a state-administered retirement  
1681 system who is initially reemployed before January 1, 2009, Such  
1682 ~~member~~ shall be entitled to purchase additional retirement  
1683 credit in the Regular Class or the Senior Management Service  
1684 Class, as applicable, for any postretirement service performed  
1685 in a regularly established position as follows:

1686 (a) For regular class service prior to July 1, 1991, by  
1687 paying the Regular Class applicable employee and employer  
1688 contributions for the period being claimed, plus 4 percent  
1689 interest compounded annually from first year of service claimed  
1690 until July 1, 1975, and 6.5 percent interest compounded  
1691 thereafter, until full payment is made to the Florida Retirement  
1692 System Trust Fund; or

1693 (b) For Senior Management Service Class prior to June 1,  
1694 1997, as provided in s. 121.055(1)(j).

1695  
1696 The contribution for postretirement service between July 1,  
1697 1985, and July 1, 1991, for which the reemployed retiree  
1698 contribution was paid, shall be the difference between such  
1699 contribution and the total applicable contribution for the  
1700 period being claimed, plus interest. The employer of such member  
1701 may pay the applicable employer contribution in lieu of the  
1702 member. If a member does not wish to claim credit for all of the  
1703 postretirement service for which he or she is eligible, the  
1704 service the member claims must be the most recent service.

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1705        (5)~~(4)~~ No creditable service for which credit was  
1706 received, or which remained unclaimed, at retirement may be  
1707 claimed or applied toward service credit earned following  
1708 renewed membership. However, for retirees initially reemployed  
1709 before January 1, 2009, service earned as an elected officer  
1710 with renewed membership in the Elected Officers' Class may be  
1711 used in conjunction with creditable service earned under this  
1712 section, provided the applicable vesting requirements and other  
1713 existing statutory conditions required by this chapter are met.

1714        (6)~~(5)~~ Notwithstanding any other limitations provided in  
1715 this section, a participant of the State University System  
1716 Optional Retirement Program or the Senior Management Service  
1717 Optional Annuity Program who terminated employment and received  
1718 a distribution ~~commenced receiving an annuity~~ under the  
1719 provisions of the optional program, who initially renews  
1720 membership before January 1, 2009, ~~in the Regular Class~~ as  
1721 required by this section upon reemployment after retirement, and  
1722 who had previously earned creditable Florida Retirement System  
1723 service that was not included in any retirement benefit may  
1724 include such previous service toward vesting and service credit  
1725 in the second career benefit provided under renewed membership.

1726        (7)~~(6)~~ Any renewed member who is not receiving the maximum  
1727 health insurance subsidy provided in s. 112.363 shall be  
1728 entitled to earn additional credit toward the maximum health  
1729 insurance subsidy. Any additional subsidy due because of such  
1730 additional credit shall be received only at the time of payment  
1731 of the second career retirement benefit. In no case shall the  
1732 total health insurance subsidy received by a retiree receiving

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1733 benefits from initial and renewed membership exceed the maximum  
1734 allowed in s. 112.363.

1735 Section 14. Section 121.136, Florida Statutes, is amended  
1736 to read:

1737 121.136 Annual benefit statement to members.--~~Beginning~~  
1738 ~~January 1, 1993, and Each January thereafter,~~ the department  
1739 shall provide each active member of the Florida Retirement  
1740 System with 5 or more years of creditable service an annual  
1741 statement of benefits which provides. ~~Such statement should~~  
1742 ~~provide~~ the member with basic data about the member's retirement  
1743 account. At a minimum ~~Minimally,~~ it must ~~shall~~ include the  
1744 member's retirement plan, accrued service credit ~~the amount of~~  
1745 ~~funds on deposit in the retirement account,~~ and an estimate of  
1746 retirement benefits.

1747 Section 15. Section 121.1905, Florida Statutes, is amended  
1748 to read:

1749 121.1905 Division of Retirement; creation.--

1750 ~~(1)~~ There is created the Division of Retirement within the  
1751 Department of Management Services.

1752 ~~(2) The mission of the Division of Retirement is to~~  
1753 ~~provide quality and cost-effective retirement services as~~  
1754 ~~measured by member satisfaction and by comparison with~~  
1755 ~~administrative costs of comparable retirement systems.~~

1756 Section 16. Paragraph (a) of subsection (2) of section  
1757 121.23, Florida Statutes, is amended to read:

1758 121.23 Disability retirement and special risk membership  
1759 applications; Retirement Commission; powers and duties; judicial  
1760 review.--The provisions of this section apply to all proceedings

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1761 in which the administrator has made a written final decision on  
1762 the merits respecting applications for disability retirement,  
1763 reexamination of retired members receiving disability benefits,  
1764 applications for special risk membership, and reexamination of  
1765 special risk members in the Florida Retirement System. The  
1766 jurisdiction of the State Retirement Commission under this  
1767 section shall be limited to written final decisions of the  
1768 administrator on the merits.

1769 (2) A member shall be entitled to a hearing before the  
1770 State Retirement Commission pursuant to ss. 120.569 and  
1771 120.57(1) on the merits of any written adverse decision of the  
1772 administrator, if he or she files with the commission a written  
1773 request for such hearing within 21 days after receipt of such  
1774 written decision from the administrator. For the purpose of such  
1775 hearings, the commission shall be an "agency head" as defined by  
1776 s. 120.52.

1777 (a) The commission may ~~shall have the authority to~~ issue  
1778 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on  
1779 all parties to the dispute and. ~~The commission~~ may order any  
1780 action that it deems appropriate. Any disability retirement  
1781 order of the commission ~~issued pursuant to this subsection~~ which  
1782 sustains the application of the member may include an amount, to  
1783 be determined by the commission, for reasonable attorney's fees  
1784 and taxable costs, which shall be calculated in accordance with  
1785 the statewide uniform guidelines for taxation of costs in civil  
1786 actions. The amount of the attorney's fee may not exceed 50  
1787 percent of the initial yearly benefit awarded under s.  
1788 121.091(4). In cases involving disability retirement, the ~~State~~

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1789 ~~Retirement~~ commission shall require the member to present  
1790 competent substantial medical evidence and meet the requirements  
1791 of s. 121.091(4)(c)2. and 3., and may require vocational  
1792 evidence, before awarding disability retirement benefits.

1793 Section 17. Paragraph (a) of subsection (1) of section  
1794 121.24, Florida Statutes, is amended to read:

1795 121.24 Conduct of commission business; legal and other  
1796 assistance; compensation.--

1797 (1) The commission shall conduct its business within the  
1798 following guidelines:

1799 (a) For purposes of hearing appeals under s. 121.23, the  
1800 commission may meet in panels ~~consisting of no not~~ fewer than  
1801 three members. ~~For the purpose of meeting in these panels, a~~  
1802 ~~quorum shall be not fewer than two members. For all other~~  
1803 ~~purposes,~~ A quorum shall consist of three members. The  
1804 concurring vote of a majority of the members present is ~~shall be~~  
1805 required to reach a decision, issue orders, and conduct the  
1806 business of the commission.

1807 Section 18. Paragraph (e) of subsection (5) of section  
1808 121.35, Florida Statutes, is amended to read:

1809 121.35 Optional retirement program for the State  
1810 University System.--

1811 (5) BENEFITS.--

1812 (e) A participant who chooses to receive his or her  
1813 benefits upon termination of employment as defined in s.  
1814 121.021(39) shall have responsibility to notify the provider  
1815 company of the date on which he or she wishes benefits funded by

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1816 employer contributions to begin. Benefits may be deferred until  
1817 such time as the participant chooses to make such application.

1818 Section 19. Section 121.45, Florida Statutes, is repealed.

1819 Section 20. Paragraph (f) of subsection (2) of section  
1820 121.4501, Florida Statutes, is amended to read:

1821 121.4501 Public Employee Optional Retirement Program.--

1822 (2) DEFINITIONS.--As used in this part, the term:

1823 (f) "Eligible employee" means an officer or employee, as  
1824 defined in s. 121.021(11), who:

1825 1. Is a member of, or is eligible for membership in, the  
1826 Florida Retirement System, including any renewed member of the  
1827 Florida Retirement System initially enrolled before January 1,  
1828 2009; or

1829 2. Participates in, or is eligible to participate in, the  
1830 Senior Management Service Optional Annuity Program as  
1831 established under s. 121.055(6), the State Community College  
1832 Optional Retirement Program as established under s.  
1833 121.051(2)(c), or the State University System Optional  
1834 Retirement Program established under s. 121.35.

1835  
1836 The term does not include any member participating in the  
1837 Deferred Retirement Option Program established under s.  
1838 121.091(13), a retiree of a state-administered retirement system  
1839 initially reemployed on or after January 1, 2009, or a mandatory  
1840 participant of the State University System Optional Retirement  
1841 Program established under s. 121.35.

1842 Section 21. Paragraph (b) of subsection (1) of section  
1843 121.591, Florida Statutes, is amended to read:

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1844           121.591 Benefits payable under the Public Employee  
1845 Optional Retirement Program of the Florida Retirement  
1846 System.--Benefits may not be paid under this section unless the  
1847 member has terminated employment as provided in s.  
1848 121.021(39)(a) or is deceased and a proper application has been  
1849 filed in the manner prescribed by the state board or the  
1850 department. The state board or department, as appropriate, may  
1851 cancel an application for retirement benefits when the member or  
1852 beneficiary fails to timely provide the information and  
1853 documents required by this chapter and the rules of the state  
1854 board and department. In accordance with their respective  
1855 responsibilities as provided herein, the State Board of  
1856 Administration and the Department of Management Services shall  
1857 adopt rules establishing procedures for application for  
1858 retirement benefits and for the cancellation of such application  
1859 when the required information or documents are not received. The  
1860 State Board of Administration and the Department of Management  
1861 Services, as appropriate, are authorized to cash out a de  
1862 minimis account of a participant who has been terminated from  
1863 Florida Retirement System covered employment for a minimum of 6  
1864 calendar months. A de minimis account is an account containing  
1865 employer contributions and accumulated earnings of not more than  
1866 \$5,000 made under the provisions of this chapter. Such cash-out  
1867 must either be a complete lump-sum liquidation of the account  
1868 balance, subject to the provisions of the Internal Revenue Code,  
1869 or a lump-sum direct rollover distribution paid directly to the  
1870 custodian of an eligible retirement plan, as defined by the  
1871 Internal Revenue Code, on behalf of the participant. If any

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1872 financial instrument issued for the payment of retirement  
1873 benefits under this section is not presented for payment within  
1874 180 days after the last day of the month in which it was  
1875 originally issued, the third-party administrator or other duly  
1876 authorized agent of the State Board of Administration shall  
1877 cancel the instrument and credit the amount of the instrument to  
1878 the suspense account of the Public Employee Optional Retirement  
1879 Program Trust Fund authorized under s. 121.4501(6). Any such  
1880 amounts transferred to the suspense account are payable upon a  
1881 proper application, not to include earnings thereon, as provided  
1882 in this section, within 10 years after the last day of the month  
1883 in which the instrument was originally issued, after which time  
1884 such amounts and any earnings thereon shall be forfeited. Any  
1885 such forfeited amounts are assets of the Public Employee  
1886 Optional Retirement Program Trust Fund and are not subject to  
1887 the provisions of chapter 717.

1888 (1) NORMAL BENEFITS.--Under the Public Employee Optional  
1889 Retirement Program:

1890 (b) If a participant elects to receive his or her benefits  
1891 upon termination of employment as defined in s. 121.021(39), the  
1892 participant must submit a written application or an equivalent  
1893 form to the third-party administrator indicating his or her  
1894 preferred distribution date and selecting an authorized method  
1895 of distribution as provided in paragraph (c). The participant  
1896 may defer receipt of benefits until he or she chooses to make  
1897 such application, subject to federal requirements.

1898 Section 22. Subsection (8) of section 1012.33, Florida  
1899 Statutes, is amended to read:

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1900 1012.33 Contracts with instructional staff, supervisors,  
1901 and school principals.--

1902 (8) Notwithstanding any other provision of law, a retired  
1903 ~~any member who has retired~~ may interrupt retirement and be  
1904 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by  
1905 the same district from which he or she retired may be employed  
1906 on a probationary contractual basis as provided in subsection  
1907 (1); ~~however, no regular retirement employee shall be eligible~~  
1908 ~~to renew membership under a retirement system created by chapter~~  
1909 ~~121 or chapter 238.~~

1910 Section 23. Paragraph (a) of subsection (4) of section  
1911 121.35, Florida Statutes, is amended, and paragraph (g) is added  
1912 to that subsection, to read:

1913 121.35 Optional retirement program for the State  
1914 University System.--

1915 (4) CONTRIBUTIONS.--

1916 (a) Through June 30, 2001, each employer shall contribute  
1917 on behalf of each participant in the optional retirement program  
1918 an amount equal to the normal cost portion of the employer  
1919 retirement contribution which would be required if the  
1920 participant were a regular member of the Florida Retirement  
1921 System defined benefit program, plus the portion of the  
1922 contribution rate required in s. 112.363(8) that would otherwise  
1923 be assigned to the Retiree Health Insurance Subsidy Trust Fund.  
1924 Effective July 1, 2001, each employer shall contribute on behalf  
1925 of each participant in the optional program an amount equal to  
1926 10.43 percent of the participant's gross monthly compensation.  
1927 The department shall deduct an amount approved by the

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1928 Legislature to provide for the administration of this program.  
1929 The payment of the contributions to the optional program which  
1930 is required by this paragraph for each participant shall be made  
1931 by the employer to the department, which shall forward the  
1932 contributions to the designated company or companies contracting  
1933 for payment of benefits for the participant under the program.  
1934 However, such contributions paid on behalf of an employee  
1935 described in paragraph (3)(c) shall not be forwarded to a  
1936 company and shall not begin to accrue interest until the  
1937 employee has executed a ~~an annuity~~ contract and notified the  
1938 department.

1939 (g) Effective July 1, 2008, for purposes of paragraph (a)  
1940 and notwithstanding s. 121.021(22)(b)1., the term "participant's  
1941 gross monthly compensation" includes salary payments made to  
1942 eligible clinical faculty from a state university using funds  
1943 provided by a faculty practice plan authorized by the Board of  
1944 Governors of the State University System if:

1945 1. There is not any employer contribution from the state  
1946 university to any other retirement program with respect to such  
1947 salary payments; and

1948 2. The employer contribution on behalf of the participant  
1949 in the optional retirement program with respect to such salary  
1950 payments is made using funds provided by the faculty practice  
1951 plan.

1952 Section 24. Section 121.355, Florida Statutes, is created  
1953 to read:

1954 121.355 Community College Optional Retirement Program and  
1955 State University System Optional Retirement Program member

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1956 transfer.--Effective January 1, 2009, through December 31, 2009,  
1957 an employee who is a former participant in the Community College  
1958 Optional Retirement Program or the State University System  
1959 Optional Retirement Program and present mandatory participant in  
1960 the Florida Retirement System defined benefit plan may receive  
1961 service credit equal to his or her years of service under the  
1962 Community College Optional Retirement Program or the State  
1963 University System Optional Retirement Program under the  
1964 following conditions:

1965 (1) The cost for such credit shall be an amount  
1966 representing the actuarial accrued liability for the affected  
1967 period of service. The cost shall be calculated using the  
1968 discount rate and other relevant actuarial assumptions that were  
1969 used to value the Florida Retirement System defined benefit plan  
1970 liabilities in the most recent actuarial valuation. The  
1971 calculation shall include any service already maintained under  
1972 the defined benefit plan in addition to the years under the  
1973 Community College Optional Retirement Program or the State  
1974 University System Optional Retirement Program. The actuarial  
1975 accrued liability of any service already maintained under the  
1976 defined benefit plan shall be applied as a credit to total cost  
1977 resulting from the calculation. The division shall ensure that  
1978 the transfer sum is prepared using a formula and methodology  
1979 certified by an enrolled actuary.

1980 (2) The employee must transfer from his or her Community  
1981 College Optional Retirement Program account or State University  
1982 System Optional Retirement Program account, subject to the terms  
1983 of the applicable optional retirement program contract, and from

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1984 other employee moneys as necessary, a sum representing the  
1985 actuarial accrued liability immediately following the time of  
1986 such movement, determined assuming that attained service equals  
1987 the sum of service in the defined benefit program and service in  
1988 the Community College Optional Retirement Program or State  
1989 University System Optional Retirement Program.

1990 (3) The employee may not receive service credit for a  
1991 period of mandatory participation in the State University  
1992 Optional Retirement Program or for a period for which a  
1993 distribution was received from the Community College Optional  
1994 Retirement Program or State University System Optional  
1995 Retirement Program.

1996 Section 25. Sections 121.093, 121.094, and 121.45, Florida  
1997 Statutes, are repealed.

1998 Section 26. The Legislature finds that a proper and  
1999 legitimate state purpose is served when employees and retirees  
2000 of the state and its political subdivisions, as well as the  
2001 dependents, survivors, and beneficiaries of such employees and  
2002 retiree, are extended the basic protections afforded by  
2003 governmental retirement systems that provide fair and adequate  
2004 benefits and that are managed, administered, and funded in an  
2005 actuarially sound manner as required by s. 14, Art. X of the  
2006 State Constitution, and part VII of chapter 112, Florida  
2007 Statutes. Therefore, the Legislature determines and declares  
2008 that the amendment of s. 121.091, Florida Statutes, by this act  
2009 fulfills an important state interest.

2010 Section 27. This act shall take effect January 1, 2009.  
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**T I T L E   A M E N D M E N T**

Remove the entire title and insert:

A bill to be entitled

An act relating to retirement; amending s. 121.021, F.S.; redefining the terms "employer," "officer or employee," "past service," "compensation," "normal retirement date," "regularly established position," "termination," and "temporary position"; defining the terms "state board" and "trustees"; amending s. 121.031, F.S.; requiring promotional materials that refer to the Florida Retirement System to include a disclaimer unless approval is obtained from the Department of Management Services; amending s. 121.051, F.S.; conforming a cross-reference; revising provisions relating to participation in the system; requiring that a person appointed to a faculty position at a state university having a faculty practice plan participate in the optional retirement program of the State University System rather than the Florida Retirement System; providing definitions; excluding the participation of entities under a lease agreement; excluding the participation of prisoners and inmates in the system; amending s. 121.052, F.S.; changing the dates for when a governing body of a municipality or special district may elect to designate its elected positions for inclusion in the Elected Officers' Class; amending s. 121.053, F.S.; revising provisions relating to participation in the Elected Officers' Class for retired members; amending s.

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2040 121.055, F.S.; revising provisions relating to  
2041 participation in the Senior Management Service Class;  
2042 amending s. 121.071, F.S.; expanding the mechanisms for  
2043 employees to pay contributions to the system; amending s.  
2044 121.081, F.S.; revising provisions relating to receiving  
2045 credit for past or prior service; prohibiting a member  
2046 from receiving credit for service covered and reported by  
2047 both a public employer and a private employer; amending s.  
2048 121.091, F.S.; revising provisions relating to retirement  
2049 benefits; revising limitations on the payment of  
2050 retirement benefits for certain retired persons who are  
2051 reemployed by an employer participating in a state-  
2052 administered retirement system; deleting a restriction on  
2053 the reemployment of certain personnel by the Florida  
2054 School for the Deaf and the Blind; extending the period of  
2055 time that instructional personnel employed by a  
2056 developmental research school may participate in the  
2057 Deferred Retirement Option Program; prohibiting certain  
2058 persons holding public office from electing to retire  
2059 while continuing employment in that elected office;  
2060 deleting a provision authorizing an employing agency to  
2061 reemploy a retired member as a firefighter or paramedic  
2062 after a specified period; providing certain limitations  
2063 for DROP participants; clarifying that DROP participation  
2064 cannot be canceled; authorizing the Division of Retirement  
2065 to issue benefits directly to the alternate payee pursuant  
2066 to an income deduction order or a qualified domestic  
2067 relations order; providing for the suspension of DROP

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2068 benefits to a participant who is reemployed; deleting  
2069 obsolete provisions; authorizing the Division of  
2070 Retirement to issue benefits pursuant to a qualified  
2071 domestic relations order directly to the alternate payee;  
2072 amending s. 121.1115, F.S.; revising provisions relating  
2073 to receiving retirement credit for out-of-state service;  
2074 providing that a member is not eligible for and may not  
2075 receive a benefit based on that service; amending s.  
2076 121.1122, F.S.; revising provisions relating to receiving  
2077 retirement credit for in-state service; providing that a  
2078 member may not be eligible for or receiving a benefit  
2079 based on service; amending s. 121.122, F.S.; providing  
2080 that certain persons are ineligible for renewed membership  
2081 in the Florida Retirement System; amending s. 121.136,  
2082 F.S.; revising provisions relating to the annual statement  
2083 of benefits provided to certain active members of the  
2084 Florida Retirement System; amending s. 121.1905, F.S.;  
2085 deleting provision describing the mission of the Division  
2086 of Retirement; amending s. 121.23, F.S.; requiring the  
2087 State Retirement Commission to meet the same requirements  
2088 used by the Secretary of Management Services before  
2089 approving a disability retirement benefit; amending s.  
2090 121.24, F.S.; requiring a quorum of three members for all  
2091 appeal hearings held by the State Retirement Commission;  
2092 amending s. 1012.33, F.S.; deleting the provision  
2093 preventing persons who have retired from the public school  
2094 system from renewing membership in the Florida Retirement  
2095 System upon reemployment by the school system; amending s.

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HOUSE AMENDMENT  
Bill No. CS/CS/SB 2848

Amendment No.

2096 121.35, F.S.; requiring the participating employee in the  
2097 optional retirement program to execute a contract, not  
2098 just an annuity contract, with a designated company in  
2099 order for employee contributions to be forwarded to the  
2100 company and for interest to accrue; defining the term  
2101 "participant's gross monthly compensation" for purposes of  
2102 the optional retirement program for the State University  
2103 System; providing a cross-reference; creating s. 121.355,  
2104 F.S.; authorizing certain former participants in the  
2105 Community College Optional Retirement Program or the State  
2106 University System Optional Retirement Program and present  
2107 mandatory participants in the Florida Retirement System to  
2108 receive a specified amount of service credit under certain  
2109 conditions; providing a specified time period for the  
2110 election of such transfer; limiting certain service  
2111 credit; amending s. 121.4501, F.S.; revising the  
2112 definition of the term "eligible employee" for purposes of  
2113 the Public Employee Optional Retirement Program; amending  
2114 s. 121.591, F.S.; providing a cross-reference; repealing  
2115 s. 121.093, F.S., relating to instructional personnel  
2116 reemployment after retirement from the developmental  
2117 research school or the Florida School for the Deaf and the  
2118 Blind; repealing s. 121.094, F.S., relating to  
2119 instructional personnel reemployment after retirement from  
2120 a charter school; repealing s. 121.45, F.S., relating to  
2121 interstate compacts relating to pension portability;  
2122 providing a declaration of important state interest;  
2123 providing an effective date.

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