

By Senator Lawson

6-03577-08

20082848__

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

6-03577-08

20082848__

30 qualified domestic relations order directly to the
31 alternate payee; amending s. 121.1115, F.S.; revising
32 provisions relating to receiving retirement credit for
33 out-of-state service; providing that a member is not
34 eligible for and may not receive a benefit based on that
35 service; amending s. 121.1122, F.S.; revising provisions
36 relating to receiving retirement credit for in-state
37 service; providing that a member may not be eligible for
38 or receiving a benefit based on service; amending s.
39 121.136, F.S.; revising provisions relating to the annual
40 statement of benefits provided to certain active members
41 of the Florida Retirement System; amending s. 121.23,
42 F.S.; requiring the State Retirement Commission to use the
43 same standard of proof used by the Secretary of Management
44 Services before approving a disability retirement benefit;
45 amending s. 121.24, F.S.; requiring a quorum of three
46 members for all appeal hearings held by the State
47 Retirement Commission; amending s. 1012.33, F.S.; deleting
48 the provision preventing persons who have retired from the
49 public school system from renewing membership in the
50 Florida Retirement System upon reemployment by the school
51 system; repealing s. 121.093, F.S., relating to
52 instructional personnel reemployment after retirement from
53 the developmental research school or the Florida School
54 for the Deaf and the Blind; repealing s. 121.094, F.S.,
55 relating to instructional personnel reemployment after
56 retirement from a charter school; repealing s. 121.1905,
57 F.S., relating to the establishment of the Division of
58 Retirement in the Department of Management Services;

6-03577-08

20082848__

59 repealing s. 121.45, F.S., relating to interstate compacts
60 relating to pension portability; providing a declaration
61 of important state interest; providing an effective date.
62

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

65 Section 1. Subsections (10), (11), (18), (29), (52), and
66 (53) of section 121.021, Florida Statutes, are amended to read:

67 121.021 Definitions.--The following words and phrases as
68 used in this chapter have the respective meanings set forth
69 unless a different meaning is plainly required by the context:

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

81 (11) "Officer or employee" means any person receiving
82 salary payments for work performed in a regularly established
83 position and, if employed by a city, a metropolitan planning
84 organization, or a special district, employed in a covered group.
85 The term does not apply to state employees covered by a leasing
86 agreement under s. 110.191 or to a co-employer relationship.

6-03577-08

20082848__

87 (18) "Past service" of any member, as provided in s.
88 121.081(1), means the number of years and complete months and any
89 fractional part of a month, recognized and credited by an
90 employer and approved by the administrator, during which the
91 member was in the active employ of a governmental ~~an~~ employer and
92 for which the employee is not entitled to a benefit prior to his
93 or her date of participation.

94 (29) "Normal retirement date" means the ~~first day of any~~
95 ~~month following the~~ date a member attains normal retirement age,
96 which is determined as follows ~~one of the following~~ statuses:

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

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

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

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

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

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

111 3. The first day of the month following the date the member
112 completes 25 years of creditable service and attains age 52,
113 which service may include a maximum of 4 years of military
114 service credit as long as such credit is not claimed under any

6-03577-08

20082848__

115 other system and the remaining years are in the Special Risk
116 Class.

117 (c) If a Senior Management Service Class member, ~~the~~
118 ~~member:~~

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

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

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

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

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

134
135 ~~"Normal retirement age" is attained on the "normal retirement~~
136 ~~date."~~

137 (52) "Regularly established position" is defined as
138 follows:

139 (a) With respect to employment for ~~in~~ a state employer
140 ~~agency~~, the term means a position that ~~which~~ is authorized and
141 established pursuant to law and is compensated from a salaries
142 appropriation pursuant to s. 216.011(1)(dd), or an established

6-03577-08

20082848__

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

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

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

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

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

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

163 121.031 Administration of system; appropriation; oaths;
164 actuarial studies; public records.--

165 (6) Unless prior written approval is obtained from the
166 department, any promotional materials or advertisements that,
167 directly or indirectly, refer to the Florida Retirement System or
168 the FRS, must contain a disclaimer that the information is not
169 approved or endorsed by the Florida Retirement System.

6-03577-08

20082848__

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

173 121.051 Participation in the system.--

174 (1) COMPULSORY PARTICIPATION.--

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

6-03577-08

20082848__

199 optional retirement program on the basis of his or her state-
200 funded compensation, notwithstanding the provisions of s.
201 121.35(2)(a).

202 (2) OPTIONAL PARTICIPATION.--

203 (f)1. If ~~Whenever~~ an employer that participates in the
204 Florida Retirement System undertakes the transfer, merger, or
205 consolidation of governmental services or assumes the functions
206 and activities of an employing governmental entity that was not
207 an employer under the system, the employer must notify the
208 department at least 60 days prior to such action and ~~shall~~
209 provide documentation as required by the department. The
210 transfer, merger, or consolidation of governmental services or
211 assumption of governmental functions and activities must occur
212 between public employers. The current or former employer may pay
213 the employees' past service cost unless prohibited under this
214 chapter. This paragraph does not apply to the transfer, merger,
215 or consolidation of governmental services or assumption of
216 functions and activities of a public entity under a leasing
217 agreement having a co-employer relationship. Employers and
218 employees of a public governmental employer whose service is
219 covered by a leasing agreement under s. 110.091 or a co-employer
220 relationship are not eligible to participate in the Florida
221 Retirement System.

222 2. If ~~When~~ the agency to which a member's employing unit is
223 transferred, merged, or consolidated does not participate in the
224 Florida Retirement System, a member may ~~shall~~ elect in writing to
225 remain in the Florida Retirement System or to transfer to the
226 local retirement system operated by the ~~such~~ agency. If such
227 agency does not participate in a local retirement system, the

6-03577-08

20082848__

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

232 Section 4. Paragraph (a) of subsection (6) of section
233 121.071, Florida Statutes, is amended to read:

234 121.071 Contributions.--Contributions to the system shall
235 be made as follows:

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

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

251 121.081 Past service; prior service;
252 contributions.--Conditions under which past service or prior
253 service may be claimed and credited are:

254 (1)

255 (f) If ~~When~~ any person, ~~either prior to this act or~~
256 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~

6-03577-08

20082848__

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

283 | (h) The following provisions apply to the purchase of past
284 | service:

6-03577-08

20082848__

285 1. Notwithstanding any of the provisions of this
286 subsection, past-service credit may not be purchased under this
287 chapter for any service that is used to obtain a pension or
288 benefit from a ~~any~~ local retirement system. Eligibility to
289 receive or the receipt of contributions to a retirement plan made
290 by the employer on behalf of the employee is considered a
291 benefit.

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

297 3. A member may not receive past service credit for co-
298 employer service. Co-employer service is employment in a single
299 position simultaneously covered and reported by both a public
300 employer and a private employer.

301 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit for
302 all of his or her past service, the period the member claims must
303 be the most recent past service prior to his or her participation
304 in the Florida Retirement System.

305 ~~5.4.~~ The cost of past service purchased by an employing
306 agency for its employees may be amortized over the ~~such~~ period of
307 time ~~as is~~ provided in the agreement, but not to exceed 15 years,
308 calculated in accordance with rule 60S-1.007(5)(f), Florida
309 Administrative Code.

310 ~~6.5.~~ The retirement account of each member for whom past
311 service is being provided by his or her employer shall be
312 credited with all past service the employer agrees to purchase as

6-03577-08

20082848__

313 soon as the agreement between the employer and the department is
314 executed. ~~Pursuant thereto:~~

315 a. Each ~~such~~ member's account shall also be posted with the
316 total contribution his or her employer agrees to make on ~~in~~ the
317 member's behalf for past service earned prior to October 1, 1975,
318 excluding those contributions representing the employer's
319 matching share and the compound interest calculation on the total
320 contribution. However, a portion of any contributions paid by an
321 employer for past service credit earned on and after October 1,
322 1975, may not be posted to the ~~a~~ member's account.

323 b. A refund of contributions payable after an employer has
324 made a written agreement to purchase past service for employees
325 of the covered group includes ~~shall include~~ contributions for
326 past service which are posted to a member's account. However,
327 contributions for past service earned on and after October 1,
328 1975, are not refundable.

329 Section 6. Paragraph (b) of subsection (9), paragraphs (a),
330 (b), and (c) of subsection (13), and paragraphs (b) through (f)
331 of subsection (14) of section 121.091, Florida Statutes, are
332 amended to read:

333 121.091 Benefits payable under the system.--Benefits may
334 not be paid under this section unless the member has terminated
335 employment as provided in s. 121.021(39) (a) or begun
336 participation in the Deferred Retirement Option Program as
337 provided in subsection (13), and a proper application has been
338 filed in the manner prescribed by the department. The department
339 may cancel an application for retirement benefits when the member
340 or beneficiary fails to timely provide the information and
341 documents required by this chapter and the department's rules.

6-03577-08

20082848__

342 The department shall adopt rules establishing procedures for
343 application for retirement benefits and for the cancellation of
344 such application when the required information or documents are
345 not received.

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

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

359 2. Any person to whom the limitation in subparagraph 1.
360 applies who ~~violates such reemployment limitation and who is~~
361 reemployed with any agency participating in the Florida
362 Retirement System after he or she has been retired for 1 calendar
363 month but before completion of the 12-month limitation period
364 must ~~shall~~ give timely notice of this fact in writing to the
365 employer and to the Division of Retirement and shall have his or
366 her retirement benefits suspended while employed during ~~for~~ the
367 balance of the 12-month limitation period unless the person
368 exceeds the 780-hour limitation in subparagraph 4., subparagraph
369 5., subparagraph 6., or subparagraph 11. Any person employed in
370 violation of this paragraph and any employing agency that ~~which~~

6-03577-08

20082848__

371 knowingly employs or appoints such person without notifying the
372 division ~~of Retirement~~ to suspend retirement benefits are shall
373 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
374 ~~retirement trust fund~~ of any benefits paid during the
375 reemployment limitation period. To avoid liability, the such
376 employing agency must shall have a written statement from the
377 retiree that he or she is not retired from a state-administered
378 retirement system. Any retirement benefits received while
379 reemployed during this reemployment limitation period must shall
380 be repaid to the Florida Retirement System Trust Fund, and
381 retirement benefits ~~shall~~ remain suspended until such repayment
382 has been made. Benefits suspended beyond the reemployment
383 limitation shall apply toward repayment of benefits received in
384 violation of the reemployment limitation.

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

6-03577-08

20082848__

400 4. A community college board of trustees may reemploy a
401 retired member as an adjunct instructor, ~~that is, an instructor~~
402 ~~who is noncontractual and part-time,~~ or as a participant in a
403 phased retirement program within the Florida Community College
404 System, after he or she has been retired for 1 calendar month, in
405 accordance with s. 121.021(39). Any retired member who is
406 reemployed within 1 calendar month after retirement voids ~~shall~~
407 ~~void~~ his or her application for retirement benefits. Boards of
408 trustees reemploying such instructors are subject to the
409 retirement contribution required in subparagraph 7. A retired
410 member may be reemployed as an adjunct instructor for no more
411 than 780 hours during the first 12 months of retirement. Any
412 retired member reemployed for more than 780 hours during the
413 first 12 months of retirement must ~~shall~~ give timely notice in
414 writing to the employer and to the Division of Retirement of the
415 date he or she will exceed the limitation. The division shall
416 suspend his or her retirement benefits for the remainder of the
417 first 12 months of retirement. Any person employed in violation
418 of this subparagraph and any employing agency that ~~which~~
419 knowingly employs or appoints such person without notifying the
420 division of ~~Retirement~~ to suspend retirement benefits are ~~shall~~
421 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
422 ~~retirement trust fund of~~ any benefits paid during the
423 reemployment limitation period. To avoid liability, the ~~such~~
424 employing agency must ~~shall~~ have a written statement from the
425 retiree that he or she is not retired from a state-administered
426 retirement system. Any retirement benefits received by a retired
427 member while reemployed in excess of 780 hours during the first
428 12 months of retirement must ~~shall~~ be repaid to the Florida

6-03577-08

20082848__

429 Retirement System Trust Fund, and retirement benefits shall
430 remain suspended until repayment is made. Benefits suspended
431 beyond the end of the retired member's first 12 months of
432 retirement shall apply toward repayment of benefits received in
433 violation of the 780-hour reemployment limitation.

434 5. The State University System may reemploy a retired
435 member as an adjunct faculty member or as a participant in a
436 phased retirement program within the State University System
437 after the retired member has been retired for 1 calendar month,
438 in accordance with s. 121.021(39). Such ~~Any~~ retired member voids
439 ~~who is reemployed within 1 calendar month after retirement shall~~
440 ~~void~~ his or her application for retirement benefits. The State
441 University System is subject to the retired contribution required
442 in subparagraph 9. 7., as appropriate. A retired member may be
443 reemployed as an adjunct faculty member or a participant in a
444 phased retirement program for no more than 780 hours during the
445 first 12 months of his or her retirement. Any retired member
446 reemployed for more than 780 hours during the first 12 months of
447 retirement must ~~shall~~ give timely notice in writing to the
448 employer and to the Division of Retirement of the date he or she
449 will exceed the limitation. The division shall suspend his or her
450 retirement benefits for the remainder of the first 12 months of
451 retirement. Any person employed in violation of this subparagraph
452 and any employing agency that ~~which~~ knowingly employs or appoints
453 such person without notifying the division ~~of Retirement~~ to
454 suspend retirement benefits are ~~shall be~~ jointly and severally
455 liable for ~~reimbursement to the retirement trust fund of any~~
456 benefits paid during the reemployment limitation period. To avoid
457 liability, such employing agency must ~~shall~~ have a written

6-03577-08

20082848__

458 statement from the retiree that he or she is not retired from a
459 state-administered retirement system. Any retirement benefits
460 received by a retired member while reemployed in excess of 780
461 hours during the first 12 months of retirement must ~~shall~~ be
462 repaid to the Florida Retirement System Trust Fund, and
463 retirement benefits ~~shall~~ remain suspended until repayment is
464 made. Benefits suspended beyond the end of the retired member's
465 first 12 months of retirement shall apply toward repayment of
466 benefits received in violation of the 780-hour reemployment
467 limitation.

468 6. The Board of Trustees of the Florida School for the Deaf
469 and the Blind may reemploy a retired member as a substitute
470 teacher, substitute residential instructor, or substitute nurse
471 on a noncontractual basis after he or she has been retired for 1
472 calendar month, in accordance with s. 121.021(39). The Board of
473 Trustees of the Florida School for the Deaf and the Blind may
474 reemploy a retired member as instructional personnel, as defined
475 in s. 1012.01(2), on an annual contractual basis after he or she
476 has been retired for 1 calendar month, in accordance with s.
477 121.021(39). Any retired member who is reemployed within 1
478 calendar month after retirement voids ~~shall void~~ his or her
479 application for retirement benefits. The Board of Trustees of the
480 Florida School for the Deaf and the Blind reemploying such
481 teachers, residential instructors, or nurses is subject to the
482 retirement contribution required by subparagraph 9. 7.
483 ~~Reemployment of a retired member as a substitute teacher,~~
484 ~~substitute residential instructor, or substitute nurse is limited~~
485 ~~to 780 hours during the first 12 months of his or her retirement.~~
486 ~~Any retired member reemployed for more than 780 hours during the~~

6-03577-08

20082848__

487 ~~first 12 months of retirement shall give timely notice in writing~~
488 ~~to the employer and to the division of the date he or she will~~
489 ~~exceed the limitation. The division shall suspend his or her~~
490 ~~retirement benefits for the remainder of the first 12 months of~~
491 ~~retirement. Any person employed in violation of this subparagraph~~
492 ~~and any employing agency which knowingly employs or appoints such~~
493 ~~person without notifying the Division of Retirement to suspend~~
494 ~~retirement benefits shall be jointly and severally liable for~~
495 ~~reimbursement to the retirement trust fund of any benefits paid~~
496 ~~during the reemployment limitation period. To avoid liability,~~
497 ~~such employing agency shall have a written statement from the~~
498 ~~retiree that he or she is not retired from a state-administered~~
499 ~~retirement system. Any retirement benefits received by a retired~~
500 ~~member while reemployed in excess of 780 hours during the first~~
501 ~~12 months of retirement shall be repaid to the Retirement System~~
502 ~~Trust Fund, and his or her retirement benefits shall remain~~
503 ~~suspended until payment is made. Benefits suspended beyond the~~
504 ~~end of the retired member's first 12 months of retirement shall~~
505 ~~apply toward repayment of benefits received in violation of the~~
506 ~~780-hour reemployment limitation.~~

507 7. A developmental research school may reemploy a retired
508 member as a substitute or hourly teacher or an education
509 paraprofessional as defined in s. 1012.01(2) on a noncontractual
510 basis after he or she has been retired for 1 calendar month, in
511 accordance with s. 121.021(39). A developmental research school
512 may reemploy a retired member as instructional personnel, as
513 defined in s. 1012.01(2), on an annual contractual basis after he
514 or she has been retired for 1 calendar month, in accordance with
515 s. 121.021(39). Any other retired member who is reemployed within

6-03577-08

20082848__

516 1 calendar month after retirement voids his or her application
517 for retirement benefits. A developmental research school that
518 reemploys retired teachers and education paraprofessionals are
519 subject to the retirement contribution required by subparagraph
520 9.

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

532 9.7. The employment ~~by an employer~~ of a any retiree or DROP
533 participant of a any state-administered retirement system does
534 ~~not affect~~ ~~shall have no effect~~ on the average final compensation
535 or years of creditable service of the retiree or DROP
536 participant. Prior to July 1, 1991, upon employment of any
537 person, other than an elected officer as provided in s. 121.053,
538 who is ~~has been~~ retired under a any state-administered retirement
539 program, the employer shall pay retirement contributions in an
540 amount equal to the unfunded actuarial liability portion of the
541 employer contribution which would be required for regular members
542 of the Florida Retirement System. Effective July 1, 1991,
543 contributions shall be made as provided in s. 121.122 for

6-03577-08

20082848__

544 retirees who have ~~with~~ renewed membership or, as provided in
545 subsection (13), for ~~with respect to~~ DROP participants.

546 10.8. Any person who has ~~previously~~ retired and who is
547 holding an elective public office or an appointment to an
548 elective public office eligible for the Elected Officers' Class
549 on or after July 1, 1990, shall be enrolled in the Florida
550 Retirement System as provided in s. 121.053(1)(b) or, if holding
551 an elective public office that does not qualify for the Elected
552 Officers' Class on or after July 1, 1991, shall be enrolled in
553 the Florida Retirement System as provided in s. 121.122, and
554 shall continue to receive retirement benefits as well as
555 compensation for the elected officer's service for as long as he
556 or she remains in elective office. However, any retired member
557 who served in an elective office prior to July 1, 1990, suspended
558 his or her retirement benefit, and had his or her Florida
559 Retirement System membership reinstated shall, upon retirement
560 from such office, have his or her retirement benefit recalculated
561 to include the additional service and compensation earned.

562 11.9. Any person who is holding an elective public office
563 which is covered by the Florida Retirement System and who is
564 concurrently employed in nonelected covered employment may elect
565 to retire while continuing employment in the elective public
566 office, if ~~provided that~~ he or she terminates ~~shall be required~~
567 ~~to terminate~~ his or her nonelected covered employment. Any person
568 who exercises this election shall receive his or her retirement
569 benefits in addition to the compensation of the elective office
570 without regard to the time limitations otherwise provided in this
571 subsection. A ~~No~~ person who seeks to exercise the provisions of
572 this subparagraph, as they ~~the same~~ existed prior to May 3, 1984,

6-03577-08

20082848__

573 | may not ~~shall~~ be deemed to be retired under those provisions,
574 | unless such person is eligible to retire under the provisions of
575 | this subparagraph, as amended by chapter 84-11, Laws of Florida.

576 | ~~10. The limitations of this paragraph apply to reemployment~~
577 | ~~in any capacity with an "employer" as defined in s. 121.021(10),~~
578 | ~~irrespective of the category of funds from which the person is~~
579 | ~~compensated.~~

580 | 12.11. An employing agency may reemploy a retired member as
581 | a firefighter or paramedic after the retired member has been
582 | retired for 1 calendar month, in accordance with s. 121.021(39).
583 | Any retired member who is reemployed within 1 calendar month
584 | after retirement voids ~~shall void~~ his or her application for
585 | retirement benefits. The employing agency reemploying such
586 | firefighter or paramedic is subject to the retired contribution
587 | required in subparagraph 10. ~~8.~~ Reemployment of a retired
588 | firefighter or paramedic is limited to no more than 780 hours
589 | during the first 12 months of his or her retirement. Any retired
590 | member reemployed for more than 780 hours during the first 12
591 | months of retirement must ~~shall~~ give timely notice in writing to
592 | the employer and to the Division of Retirement of the date he or
593 | she will exceed the limitation. The division shall suspend his or
594 | her retirement benefits for the remainder of the first 12 months
595 | of retirement. Any person employed in violation of this
596 | subparagraph and any employing agency that ~~which~~ knowingly
597 | employs or appoints such person without notifying the division ~~of~~
598 | ~~Retirement~~ to suspend retirement benefits shall be jointly and
599 | severally liable for ~~reimbursement to the Retirement System Trust~~
600 | ~~Fund of~~ any benefits paid during the reemployment limitation
601 | period. To avoid liability, such employing agency must ~~shall~~ have

6-03577-08

20082848__

602 a written statement from the retiree that he or she is not
603 retired from a state-administered retirement system. Any
604 retirement benefits received by a retired member while reemployed
605 in excess of 780 hours during the first 12 months of retirement
606 must ~~shall~~ be repaid to the Florida Retirement System Trust Fund,
607 and retirement benefits ~~shall~~ remain suspended until repayment is
608 made. Benefits suspended beyond the end of the retired member's
609 first 12 months of retirement shall apply toward repayment of
610 benefits received in violation of the 780-hour reemployment
611 limitation.

612 13. The limitations of this paragraph apply to reemployment
613 in any capacity with an employer irrespective of the category of
614 funds from which the person is compensated.

615 14. The reemployment after retirement provisions of this
616 paragraph apply to DROP participants effective upon termination
617 from employment and the end of DROP participation.

618 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
619 subject to the provisions of this section, the Deferred
620 Retirement Option Program, hereinafter referred to as the DROP,
621 is a program under which an eligible member of the Florida
622 Retirement System may elect to participate, deferring receipt of
623 retirement benefits while continuing employment with his or her
624 Florida Retirement System employer. The deferred monthly benefits
625 shall accrue in the System Trust Fund on behalf of the
626 participant, plus interest compounded monthly, for the specified
627 period of the DROP participation, as provided in paragraph (c).
628 Upon termination of employment, the participant shall receive the
629 total DROP benefits and begin to receive the previously
630 determined normal retirement benefits. Participation in the DROP

6-03577-08

20082848__

631 does not guarantee employment for the specified period of DROP.
632 Participation in the DROP by an eligible member beyond the
633 initial 60-month period as authorized in this subsection shall be
634 on an annual contractual basis for all participants.

635 (a) Eligibility of member to participate in ~~the~~ DROP.--All
636 active Florida Retirement System members in a regularly
637 established position, and all active members of ~~either~~ the
638 Teachers' Retirement System established in chapter 238 or the
639 State and County Officers' and Employees' Retirement System
640 established in chapter 122, which systems are consolidated within
641 the Florida Retirement System under s. 121.011, are eligible to
642 elect participation in ~~the~~ DROP if provided that:

643 1. The member is not a renewed member ~~of the Florida~~
644 ~~Retirement System~~ under s. 121.122, or a member of the State
645 Community College System Optional Retirement Program under s.
646 121.051, the Senior Management Service Optional Annuity Program
647 under s. 121.055, or the optional retirement program for the
648 State University System under s. 121.35.

649 2. Except as provided in subparagraph 6., election to
650 participate is made within 12 months immediately following the
651 date on which the member first reaches normal retirement date,
652 or, for a member who reaches normal retirement date ~~based on~~
653 ~~service~~ before he or she reaches age 62, or age 55 for Special
654 Risk Class members, election to participate may be deferred to
655 the 12 months immediately following the date the member attains
656 57, or age 52 for Special Risk Class members. ~~For a member who~~
657 ~~first reached normal retirement date or the deferred eligibility~~
658 ~~date described above prior to the effective date of this section,~~
659 ~~election to participate shall be made within 12 months after the~~

6-03577-08

20082848__

660 ~~effective date of this section.~~ A member who fails to make an
661 election within the ~~such~~ 12-month limitation period forfeits
662 ~~shall forfeit~~ all rights to participate in ~~the~~ DROP. The member
663 shall advise his or her employer and the division in writing of
664 the date ~~on which the~~ DROP begins ~~shall begin.~~ The ~~Such~~ beginning
665 date may be subsequent to the 12-month election period, but must
666 be within the maximum participation ~~60-month or, with respect to~~
667 ~~members who are instructional personnel employed by the Florida~~
668 ~~School for the Deaf and the Blind and who have received~~
669 ~~authorization by the Board of Trustees of the Florida School for~~
670 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
671 ~~months, or who are instructional personnel as defined in s.~~
672 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
673 ~~authorization by the district school superintendent to~~
674 ~~participate in the DROP beyond 60 months, the 96-month limitation~~
675 ~~period as provided in subparagraph (b)1. When establishing~~
676 ~~eligibility of the member to participate in the DROP for the 60-~~
677 ~~month or, with respect to members who are instructional personnel~~
678 ~~employed by the Florida School for the Deaf and the Blind and who~~
679 ~~have received authorization by the Board of Trustees of the~~
680 ~~Florida School for the Deaf and the Blind to participate in the~~
681 ~~DROP beyond 60 months, or who are instructional personnel as~~
682 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
683 ~~received authorization by the district school superintendent to~~
684 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
685 ~~participation period,~~ the member may elect to include or exclude
686 any optional service credit purchased by the member from the
687 total service used to establish the normal retirement date. A
688 member who has ~~with~~ dual normal retirement dates is ~~shall be~~

6-03577-08

20082848__

689 eligible to elect to participate in DROP within 12 months after
690 attaining normal retirement date in either class.

691 3. The employer of a member electing to participate in ~~the~~
692 DROP, or employers if dually employed, shall acknowledge in
693 writing to the division the date the member's participation in
694 the DROP begins and the date the member's employment and DROP
695 participation will terminate.

696 4. Simultaneous employment of a participant by additional
697 Florida Retirement System employers subsequent to the
698 commencement of participation in ~~the~~ DROP is ~~shall be~~ permissible
699 if provided such employers acknowledge in writing a DROP
700 termination date no later than the participant's existing
701 termination date or the maximum participation ~~60-month limitation~~
702 period as provided in subparagraph (b)1.

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

705 a. A change of employment must take place without a break
706 in service so that the member receives salary for each month of
707 continuous DROP participation. If a member receives no salary
708 during a month, DROP participation shall cease unless the
709 employer verifies a continuation of the employment relationship
710 for such participant pursuant to s. 121.021(39)(b).

711 b. Such participant and new employer shall notify the
712 division of the identity of the new employer on forms required by
713 the division ~~as to the identity of the new employer~~.

714 c. The new employer shall acknowledge, in writing, the
715 participant's DROP termination date, which may be extended but
716 not beyond the maximum participation ~~original 60-month or, with~~
717 ~~respect to members who are instructional personnel employed by~~

6-03577-08

20082848__

718 ~~the Florida School for the Deaf and the Blind and who have~~
719 ~~received authorization by the Board of Trustees of the Florida~~
720 ~~School for the Deaf and the Blind to participate in the DROP~~
721 ~~beyond 60 months, or who are instructional personnel as defined~~
722 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~
723 ~~authorization by the district school superintendent to~~
724 ~~participate in the DROP beyond 60 months, the 96-month period~~
725 ~~provided in subparagraph (b)1., shall acknowledge liability for~~
726 ~~any additional retirement contributions and interest required if~~
727 ~~the participant fails to timely terminate employment, and is~~
728 ~~shall be subject to the adjustment required in sub-subparagraph~~
729 ~~(c)5.d.~~

730 6. Effective July 1, 2001, for instructional personnel as
731 defined in s. 1012.01(2), election to participate in ~~the~~ DROP may
732 ~~shall~~ be made at any time following the date on which the member
733 first reaches normal retirement date. The member shall advise his
734 or her employer and the division in writing of the date on which
735 DROP begins ~~the Deferred Retirement Option Program shall begin.~~
736 When establishing eligibility of the member to participate in the
737 DROP for the 60-month or, ~~with respect to members who are~~
738 ~~instructional personnel employed by the Florida School for the~~
739 ~~Deaf and the Blind and who have received authorization by the~~
740 ~~Board of Trustees of the Florida School for the Deaf and the~~
741 ~~Blind to participate in the DROP beyond 60 months, or who are~~
742 ~~instructional personnel as defined in s. 1012.01(2) (a) - (d) in~~
743 ~~grades K-12 and who have received authorization by the district~~
744 ~~school superintendent to participate in the DROP beyond 60~~
745 ~~months, the 96-month maximum participation period, as provided in~~
746 ~~subparagraph (b)1., the member may elect to include or exclude~~

6-03577-08

20082848__

747 any optional service credit purchased by the member from the
748 total service used to establish the normal retirement date. A
749 member who has ~~with~~ dual normal retirement dates is ~~shall be~~
750 eligible to elect to participate in either class.

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

752 1. An eligible member may elect to participate in the DROP
753 for a period not to exceed a maximum of 60 calendar months or,
754 with respect to members who are instructional personnel employed
755 by the Florida School for the Deaf and the Blind and authorized
756 ~~who have received authorization~~ by the Board of Trustees of the
757 Florida School for the Deaf and the Blind to participate in ~~the~~
758 DROP beyond 60 months, or who are instructional personnel as
759 defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized ~~who~~
760 ~~have received authorization~~ by the district school superintendent
761 to participate in ~~the~~ DROP beyond 60 calendar months, or who are
762 instructional personnel, as defined in s. 1012.01(2) employed by
763 a developmental research school and authorized by the school's
764 director, or if the school has no director, by the school's
765 principal, to participate in the DROP beyond 60 months, 96
766 calendar months immediately following the date on which the
767 member first reaches his or her normal retirement date or the
768 date to which he or she is eligible to defer his or her election
769 to participate as provided in subparagraph (a)2. ~~However, a~~
770 ~~member who has reached normal retirement date prior to the~~
771 ~~effective date of the DROP shall be eligible to participate in~~
772 ~~the DROP for a period of time not to exceed 60 calendar months~~
773 ~~or, with respect to members who are instructional personnel~~
774 ~~employed by the Florida School for the Deaf and the Blind and who~~
775 ~~have received authorization by the Board of Trustees of the~~

6-03577-08

20082848__

776 ~~Florida School for the Deaf and the Blind to participate in the~~
777 ~~DROP beyond 60 months, or who are instructional personnel as~~
778 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
779 ~~received authorization by the district school superintendent to~~
780 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
781 ~~months immediately following the effective date of the DROP,~~
782 ~~except a member of the Special Risk Class who has reached normal~~
783 ~~retirement date prior to the effective date of the DROP and whose~~
784 ~~total accrued value exceeds 75 percent of average final~~
785 ~~compensation as of his or her effective date of retirement shall~~
786 ~~be eligible to participate in the DROP for no more than 36~~
787 ~~calendar months immediately following the effective date of the~~
788 ~~DROP.~~

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

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

792 b. Selection of ~~the~~ DROP participation and termination
793 dates, which satisfy the limitations stated in paragraph (a) and
794 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
795 binding letter of resignation to ~~with~~ the employer, establishing
796 a deferred termination date. The member may change the
797 termination date within the limitations of subparagraph 1., but
798 only with the written approval of the ~~his or her~~ employer;

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

801 d. Any other information required by the division.

802 3. The DROP participant is ~~shall be~~ a retiree under the
803 Florida Retirement System for all purposes, except for paragraph
804 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and

6-03577-08

20082848__

805 121.122. DROP participation is final and cannot be cancelled by
806 the participant after the first payment is credited during the
807 DROP participation period. However, participation in ~~the~~ DROP
808 does not alter the participant's employment status and the member
809 is ~~such employee shall not be~~ deemed retired from employment
810 until his or her deferred resignation is effective and
811 termination occurs as provided in s. 121.021(39).

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

814 a. An elected officer who reaches normal retirement date
815 during a term of office may defer the election to participate in
816 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
817 elected officer who exercises this option may participate in ~~the~~
818 DROP for up to 60 calendar months or a period of no longer than
819 the ~~such~~ succeeding term of office, whichever is less.

820 b. An elected or a nonelected participant may run for a
821 term of office while participating in DROP and, if elected,
822 extend the DROP termination date accordingly, except, however, if
823 such additional term of office exceeds the 60-month limitation
824 established in subparagraph 1., and the officer does not resign
825 from office within such 60-month limitation, the retirement and
826 the participant's DROP is ~~shall be~~ null and void as provided in
827 sub-subparagraph (c)5.d.

828 c. An elected officer who is dually employed and elects to
829 participate in DROP must ~~shall be required to~~ satisfy the
830 definition of termination within the 60-month or, ~~with respect to~~
831 ~~members who are instructional personnel employed by the Florida~~
832 ~~School for the Deaf and the Blind and who have received~~
833 ~~authorization by the Board of Trustees of the Florida School for~~

6-03577-08

20082848__

834 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
835 ~~months, or who are instructional personnel as defined in s.~~
836 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
837 ~~authorization by the district school superintendent to~~
838 ~~participate in the DROP beyond 60 months,~~ the 96-month maximum
839 participation limitation period as provided in subparagraph 1.
840 for the nonelected position and may continue employment as an
841 elected officer as provided in s. 121.053. The elected officer
842 shall ~~will~~ be enrolled as a renewed member in the Elected
843 Officers' Class or the Regular Class, as provided in ss. 121.053
844 and 121.122, on the first day of the month after termination of
845 employment in the nonelected position and termination of DROP.
846 Distribution of ~~the~~ DROP benefits shall be made as provided in
847 paragraph (c).

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

849 1. Effective on ~~with~~ the date of DROP participation, the
850 member's initial normal monthly benefit, including creditable
851 service, optional form of payment, and average final
852 compensation, and the effective date of retirement are shall be
853 fixed. The beneficiary established under the Florida Retirement
854 System shall be the beneficiary eligible to receive any DROP
855 benefits payable if the DROP participant dies prior to the
856 completion of the period of DROP participation. If ~~In the event~~ a
857 joint annuitant predeceases the member, the member may name a
858 beneficiary to receive accumulated DROP benefits payable. The
859 ~~Such~~ retirement benefit, the annual cost of living adjustments
860 provided in s. 121.101, and interest shall accrue monthly in the
861 Florida Retirement System Trust Fund. The ~~Such~~ interest shall
862 accrue at an effective annual rate of 6.5 percent compounded

6-03577-08

20082848__

863 monthly, on the prior month's accumulated ending balance, up to
864 the month of termination or death.

865 2. Each employee who elects to participate in ~~the~~ DROP may
866 ~~shall be allowed to~~ elect to receive a lump-sum payment for
867 accrued annual leave earned in accordance with agency policy upon
868 beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated leave
869 payment certified to the division upon commencement of DROP shall
870 be included in the calculation of the member's average final
871 compensation. The employee electing the ~~such~~ lump-sum payment is
872 ~~upon beginning participation in DROP will not be eligible to~~
873 receive a second lump-sum payment upon termination, except to the
874 extent the employee has earned additional annual leave which,
875 combined with the original payment, does not exceed the maximum
876 lump-sum payment allowed by the employing agency's policy or
877 rules. An ~~Such~~ early lump-sum payment shall be based on the
878 hourly wage of the employee at the time he or she begins
879 participation in ~~the~~ DROP. If the member elects to wait and
880 receive a ~~such~~ lump-sum payment upon termination of DROP and
881 termination of employment with the employer, any accumulated
882 leave payment made at that time may not ~~cannot~~ be included in the
883 member's retirement benefit, which was determined and fixed by
884 law when the employee elected to participate in ~~the~~ DROP.

885 3. The effective date of DROP participation and the
886 effective date of retirement of a DROP participant shall be the
887 first day of the month selected by the member to begin
888 participation in the DROP, provided such date is properly
889 established, with the written confirmation of the employer, and
890 the approval of the division, on forms required by the division.

6-03577-08

20082848__

891 4. Normal retirement benefits and any interest ~~thereon~~
892 shall continue to accrue in ~~the~~ DROP until the established
893 termination date of ~~the~~ DROP, or until the participant terminates
894 employment or dies prior to such date. Although individual DROP
895 accounts shall not be established, a separate accounting of each
896 participant's accrued benefits under ~~the~~ DROP shall be calculated
897 and provided to participants.

898 5. At the conclusion of the participant's DROP, the
899 division shall distribute the participant's total accumulated
900 DROP benefits, subject to the following provisions:

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

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

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

914 (II) Direct rollover.--All accrued DROP benefits, plus
915 interest, shall be paid from ~~the~~ DROP directly to the custodian
916 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
917 the Internal Revenue Code. However, in the case of an eligible
918 rollover distribution to the surviving spouse of a deceased
919 participant, an eligible retirement plan is an individual

6-03577-08

20082848__

920 retirement account or an individual retirement annuity as
921 described in s. 402(c)(9) of the Internal Revenue Code.

922 (III) Partial lump sum.--A portion of the accrued DROP
923 benefits shall be paid to the DROP participant or surviving
924 spouse, less withholding taxes remitted to the Internal Revenue
925 Service, and the remaining DROP benefits shall be transferred
926 directly to the custodian of an eligible retirement plan as
927 defined in s. 402(c)(8)(B) of the Internal Revenue Code. However,
928 in the case of an eligible rollover distribution to the surviving
929 spouse of a deceased participant, an eligible retirement plan is
930 an individual retirement account or an individual retirement
931 annuity as described in s. 402(c)(9) of the Internal Revenue
932 Code. The proportions shall be specified by the DROP participant
933 or surviving beneficiary.

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

937 d. A DROP participant who fails to terminate employment as
938 defined in s. 121.021(39)(b) shall be deemed as ~~to be~~
939 retired, and the DROP election is ~~shall be~~ null and void. Florida
940 Retirement System membership shall be reestablished retroactively
941 to the date of the commencement of ~~the~~ DROP, and each employer
942 with whom the participant continues employment must ~~shall be~~
943 ~~required to~~ pay to the Florida Retirement System Trust Fund the
944 difference between the DROP contributions paid in paragraph (i)
945 and the contributions required for the applicable Florida
946 Retirement System class of membership during the period the
947 member participated in the DROP, plus 6.5 percent interest
948 compounded annually.

6-03577-08

20082848__

949 6. The retirement benefits of any DROP participant who
950 meets the definition of termination, as provided in s.
951 121.021(39) (b), but is in violation of the reemployment
952 provisions as provided in subsection (9), shall be suspended
953 during those months in which the member is in violation. Any
954 member employed in violation of this subparagraph and any
955 employing agency that knowingly employs or appoints such member
956 without notifying the Division of Retirement to suspend
957 retirement benefits are jointly and severally liable for any
958 benefits paid during the reemployment limitation period. To avoid
959 liability, the employing agency must have a written statement
960 from the retiree that he or she is not retired from a state-
961 administered retirement system. Any retirement benefits received
962 by a retired member while employed in violation of the
963 reemployment limitations during the first 12 months of retirement
964 must be repaid to the Florida Retirement System Trust Fund, and
965 his or her retirement benefits shall remain suspended until
966 payment is made. Benefits suspended beyond the end of the retired
967 member's first 12 months of retirement shall apply toward
968 repayment of benefits received in violation of the reemployment
969 limitations.

970 ~~7.6.~~ The accrued benefits of any DROP participant, and any
971 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
972 ~~be~~ subject to assignment, execution, attachment, or to any legal
973 process whatsoever, except for qualified domestic relations
974 orders by a court of competent jurisdiction, income deduction
975 orders as provided in s. 61.1301, and federal income tax levies.

976 ~~8.7.~~ DROP participants are ~~shall~~ not ~~be~~ eligible for
977 disability retirement benefits as provided in subsection (4).

6-03577-08

20082848__

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

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

986 1. Premiums for life and health-related insurance policies
987 from approved companies.

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

991 3. Repayment of overpayments from the Florida Retirement
992 System Trust Fund, the State Employees' Health Insurance Trust
993 Fund, or the State Employees' Life Insurance Trust Fund, upon
994 notification of the payee.

995 4. Payments to an alternate payee for alimony or, child
996 support pursuant to an income deduction order under s. 61.1301,
997 or division of marital assets pursuant to a qualified domestic
998 relations order under s. 222.21 ~~or an income deduction order~~
999 ~~under s. 61.1301.~~

1000 5. Payments to the Internal Revenue Service for federal
1001 income tax levies, upon notification of the division by the
1002 Internal Revenue Service.

1003 (c) A payee must ~~shall~~ notify the division of any change in
1004 his or her address. The division may suspend benefit payments to
1005 a payee if correspondence sent to the payee's mailing address is
1006 returned due to an incorrect address. Benefit payments shall be

6-03577-08

20082848__

1007 resumed upon notification to the division of the payee's new
1008 address.

1009 (d) A payee whose retirement benefits are reduced by the
1010 application of maximum benefit limits under s. 415(b) of the
1011 Internal Revenue Code, as specified in s. 121.30(5), shall have
1012 the portion of his or her calculated benefit in the Florida
1013 Retirement System defined benefit plan which exceeds such federal
1014 limitation paid through the Florida Retirement System
1015 Preservation of Benefits Plan, as provided in s. 121.1001.

1016 (e). The Division of Retirement may issue retirement
1017 benefits payable for division of marital assets pursuant to a
1018 qualified domestic relations order directly to the alternate
1019 payee, any court order to the contrary notwithstanding, in order
1020 to meet Internal Revenue Code requirements.

1021 (f)~~(e)~~ A ~~No~~ benefit may not be reduced for the purpose of
1022 preserving the member's eligibility for a federal program.

1023 (g)~~(f)~~ The division shall adopt rules establishing
1024 procedures for determining that ~~the~~ persons to whom benefits are
1025 being paid are still living. The division shall suspend the
1026 benefits being paid to any payee if ~~when~~ it is unable to contact
1027 such payee and to confirm that he or she is still living.

1028 Section 7. Section 121.1115, Florida Statutes, is amended
1029 to read:

1030 121.1115 Purchase of retirement credit for out-of-state or
1031 ~~and~~ federal service.--~~Effective January 1, 1995,~~ A member ~~of the~~
1032 ~~Florida Retirement System~~ may purchase creditable service for
1033 periods of public employment in another state and receive
1034 creditable service for such periods of employment. Service with
1035 the Federal Government, including any active military service,

6-03577-08

20082848__

1036 may be claimed. Upon completion of each year of service earned
1037 under the Florida Retirement System, a member may purchase up to
1038 1 year of retirement credit for his or her out-of-state service,
1039 subject to the following provisions:

1040 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the
1041 out-of-state service:

1042 (a) The out-of-state service ~~being claimed~~ must have been:

1043 1. Performed in a position of employment with the state or
1044 a political subdivision thereof or with the Federal Government;

1045 2. Covered by a retirement or pension plan provided by the
1046 state or political subdivision, or by the Federal Government, as
1047 appropriate; and

1048 3. Performed prior to a period of membership in the Florida
1049 Retirement System.

1050 (b) The member must have completed a minimum of 6 years of
1051 creditable service under the Florida Retirement System, excluding
1052 out-of-state service and in-state service claimed and purchased
1053 under s. 121.1122.

1054 (c) Not more than 5 years of creditable service may be
1055 claimed for creditable service aggregated under the provisions of
1056 this section and s. 121.1122.

1057 (d) The out-of-state service credit ~~claimed under this~~
1058 ~~section~~ shall be credited only as service in the Regular Class of
1059 ~~membership~~, and any benefit or pension based thereon is ~~shall be~~
1060 subject to the limitations and restrictions of s. 112.65.

1061 (e) The member is not eligible for and may not receive a
1062 pension or benefit from a retirement or pension plan based on or
1063 including the out-of-state service. Eligibility for or the

6-03577-08

20082848__

1064 receipt of contributions to a retirement plan made by the
1065 employer on behalf of the employee is considered a benefit.

1066 ~~(f)(e) To receive~~ A member shall be eligible to receive
1067 service credit for out-of-state service performed after leaving
1068 the Florida Retirement System, the member must complete ~~only upon~~
1069 ~~return to membership and completion of~~ at least 1 year of
1070 creditable service in the Florida Retirement System following the
1071 out-of-state service.

1072 (2) COST.--For each year claimed, the member must pay into
1073 the Florida Retirement System Trust Fund an amount equal to 20
1074 percent of the member's annual compensation for the first full
1075 work year of creditable service earned under the Florida
1076 Retirement System, but not less than \$12,000, plus interest at
1077 6.5 percent compounded annually from the date of first annual
1078 salary earned until full payment is made. The employer may pay
1079 all or a portion of the cost of this service credit.

1080 Section 8. Subsection (2) of section 121.1122, Florida
1081 Statutes, is amended to read:

1082 121.1122 Purchase of retirement credit for in-state public
1083 service and in-state service in accredited nonpublic schools and
1084 colleges, including charter schools and charter technical career
1085 centers.--Effective January 1, 1998, a member of the Florida
1086 Retirement System may purchase creditable service for periods of
1087 certain public or nonpublic employment performed in this state,
1088 as provided in this section.

1089 (2) LIMITATIONS AND CONDITIONS.--

1090 (a) A member is not eligible to receive credit for in-state
1091 service under this section until he or she has completed 6 years
1092 of creditable service under the Florida Retirement System,

6-03577-08

20082848__

1093 | excluding service purchased under this section and out-of-state
1094 | service claimed and purchased under s. 121.1115.

1095 | (b) A member may not purchase and receive credit for more
1096 | than 5 years of creditable service aggregated under ~~the~~
1097 | ~~provisions of~~ this section and s. 121.1115.

1098 | (c) Service credit claimed under this section shall be
1099 | credited only as service in the Regular Class ~~of membership~~ and
1100 | is shall be subject to ~~the provisions of~~ s. 112.65.

1101 | (d) Service credit may not be purchased under this section
1102 | if the member is eligible to receive or is receiving a pension or
1103 | benefit from a retirement or pension plan based on or including
1104 | the service. Eligibility for or the receipt of contributions to a
1105 | retirement plan made by the employer on behalf of the employee is
1106 | considered a benefit.

1107 | (e)(d) A member is shall be eligible to receive service
1108 | credit for in-state service performed after leaving the Florida
1109 | Retirement System only after ~~upon returning to membership and~~
1110 | completing at least 1 year of creditable service in the Florida
1111 | Retirement System following the in-state service.

1112 | (f)(e) The service claimed must have been service covered
1113 | by a retirement or pension plan provided by the employer.

1114 | Section 9. Section 121.136, Florida Statutes, is amended to
1115 | read:

1116 | 121.136 Annual benefit statement to members.--~~Beginning~~
1117 | ~~January 1, 1993, and~~ Each January ~~thereafter,~~ the department
1118 | shall provide each active member of the Florida Retirement System
1119 | with 5 or more years of creditable service an annual statement of
1120 | benefits which provides. ~~Such statement should provide~~ the member
1121 | with basic data about the member's retirement account. At a

6-03577-08

20082848__

1122 ~~minimum~~ Minimally, it must ~~shall~~ include the member's retirement
1123 plan, accrued service credit ~~the amount of funds on deposit in~~
1124 ~~the retirement account~~, and an estimate of retirement benefits.

1125 Section 10. Paragraph (a) of subsection (2) of section
1126 121.23, Florida Statutes, is amended to read:

1127 121.23 Disability retirement and special risk membership
1128 applications; Retirement Commission; powers and duties; judicial
1129 review.--The provisions of this section apply to all proceedings
1130 in which the administrator has made a written final decision on
1131 the merits respecting applications for disability retirement,
1132 reexamination of retired members receiving disability benefits,
1133 applications for special risk membership, and reexamination of
1134 special risk members in the Florida Retirement System. The
1135 jurisdiction of the State Retirement Commission under this
1136 section shall be limited to written final decisions of the
1137 administrator on the merits.

1138 (2) A member shall be entitled to a hearing before the
1139 State Retirement Commission pursuant to ss. 120.569 and 120.57(1)
1140 on the merits of any written adverse decision of the
1141 administrator, if he or she files with the commission a written
1142 request for such hearing within 21 days after receipt of such
1143 written decision from the administrator. For the purpose of such
1144 hearings, the commission shall be an "agency head" as defined by
1145 s. 120.52.

1146 (a) The commission may ~~shall have the authority to~~ issue
1147 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on
1148 all parties to the dispute and. ~~The commission~~ may order any
1149 action that it deems appropriate. Any disability retirement order
1150 of the commission ~~issued pursuant to this subsection~~ which

6-03577-08

20082848__

1151 sustains the application of the member may include an amount, to
1152 be determined by the commission, for reasonable attorney's fees
1153 and taxable costs, which shall be calculated in accordance with
1154 the statewide uniform guidelines for taxation of costs in civil
1155 actions. The amount of the attorney's fee may not exceed 50
1156 percent of the initial yearly benefit awarded under s.
1157 121.091(4). In cases involving disability retirement, the ~~State~~
1158 ~~Retirement~~ commission shall require the member to present proof
1159 of total and permanent disability in accordance with s.
1160 121.091(4) competent medical evidence and may require vocational
1161 evidence before awarding disability retirement benefits.

1162 Section 11. Paragraph (a) of subsection (1) of section
1163 121.24, Florida Statutes, is amended to read:

1164 121.24 Conduct of commission business; legal and other
1165 assistance; compensation.--

1166 (1) The commission shall conduct its business within the
1167 following guidelines:

1168 (a) For purposes of hearing appeals under s. 121.23, the
1169 commission may meet in panels consisting of no not fewer than
1170 three members. ~~For the purpose of meeting in these panels, a~~
1171 ~~quorum shall be not fewer than two members. For all other~~
1172 ~~purposes,~~ A quorum shall consist of three members. The concurring
1173 vote of a majority of the members present is ~~shall be~~ required to
1174 reach a decision, issue orders, and conduct the business of the
1175 commission.

1176 Section 12. Subsection (8) of section 1012.33, Florida
1177 Statutes, is amended to read:

1178 1012.33 Contracts with instructional staff, supervisors,
1179 and school principals.--

6-03577-08

20082848__

1180 (8) Notwithstanding any other provision of law, a retired
1181 ~~any member who has retired~~ may interrupt retirement and be
1182 reemployed in any public school. A ~~Any~~ member ~~so~~ reemployed by
1183 the same district from which he or she retired may be employed on
1184 a probationary contractual basis as provided in subsection (1)~~;~~
1185 ~~however, no regular retirement employee shall be eligible to~~
1186 ~~renew membership under a retirement system created by chapter 121~~
1187 ~~or chapter 238.~~

1188 Section 13. Sections 121.093, 121.094, 121.1905, and
1189 121.45, Florida Statutes, are repealed.

1190 Section 14. The Legislature finds that a proper and
1191 legitimate state purpose is served when employees and retirees of
1192 the state and its political subdivisions, as well as the
1193 dependents, survivors, and beneficiaries of such employees and
1194 retiree, are extended the basic protections afforded by
1195 governmental retirement systems that provide fair and adequate
1196 benefits and that are managed, administered, and funded in an
1197 actuarially sound manner as required by s. 14, Art. X of the
1198 State Constitution, and part VII of chapter 112, Florida
1199 Statutes. Therefore, the Legislature determines and declares that
1200 the amendment of s. 121.091, Florida Statutes, by this act
1201 fulfills an important state interest.

1202 Section 15. This act shall take effect July 1, 2008