

By the Committee on Governmental Operations; and Senator Lawson

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1 A bill to be entitled
2 An act relating to the Florida Retirement System; amending
3 s. 121.021, F.S.; redefining the terms "employer,"
4 "officer or employee," "past service," "normal retirement
5 date," "regularly established position," and temporary
6 position"; defining the terms "state board" and
7 "trustees"; amending s. 121.031, F.S.; requiring
8 promotional materials that refer to the Florida Retirement
9 System to include a disclaimer unless approval is obtained
10 from the Department of Management Services; amending s.
11 121.051, F.S.; conforming a cross-reference; revising
12 provisions relating to participation in the system;
13 excluding the participation of entities under a lease
14 agreement; amending s. 121.052, F.S.; changing the dates
15 for when a governing body of a municipality or special
16 district may elect to designate its elected positions for
17 inclusion in the Elected Officers' Class; amending s.
18 121.071, F.S.; expanding the mechanisms for employees to
19 pay contributions to the system; amending s. 121.081,
20 F.S.; revising provisions relating to receiving credit for
21 past or prior service; prohibiting a member from receiving
22 credit for service covered and reported by both a public
23 employer and a private employer; amending s. 121.091,
24 F.S.; revising provisions relating to retirement benefits;
25 deleting a restriction on the reemployment of certain
26 personnel by the Florida School for the Deaf and the
27 Blind; extending the period of time that instructional
28 personnel employed by a developmental research school may
29 participate in the Deferred Retirement Option Program;

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

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59 after retirement from the developmental research school or
60 the Florida School for the Deaf and the Blind; repealing
61 s. 121.094, F.S., relating to instructional personnel
62 reemployment after retirement from a charter school;
63 repealing s. 121.45, F.S., relating to interstate compacts
64 relating to pension portability; providing a declaration
65 of important state interest; providing an effective date.
66

67 Be It Enacted by the Legislature of the State of Florida:
68

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

72 121.021 Definitions.--The following words and phrases as
73 used in this chapter have the respective meanings set forth
74 unless a different meaning is plainly required by the context:

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

86 (11) "Officer or employee" means any person receiving
87 salary payments for work performed in a regularly established

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88 position and, if employed by a city, a metropolitan planning
89 organization, or a special district, employed in a covered group.
90 The term does not apply to state employees covered by a leasing
91 agreement under s. 110.191, other public employees covered by a
92 leasing agreement, or to a co-employer relationship.

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

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

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

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

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

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

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

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

118 3. The first day of the month following the date the member
119 completes 25 years of creditable service and attains age 52,
120 which service may include a maximum of 4 years of military
121 service credit as long as such credit is not claimed under any
122 other system and the remaining years are in the Special Risk
123 Class.

124 (c) If a Senior Management Service Class member,~~the~~
125 ~~member~~:

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

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

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

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

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

141
142 "Normal retirement age" is attained on the "normal retirement
143 date."

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144 (52) "Regularly established position" is defined as
145 follows:

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

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

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

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

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

168 (63) "State board" or "board" means the State Board of
169 Administration.

170 (64) "Trustees" means the Board of Trustees of the State
171 Board of Administration.

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

174 121.031 Administration of system; appropriation; oaths;
175 actuarial studies; public records.--

176 (6) Unless prior written approval is obtained from the
177 department or state board, any promotional materials or
178 advertisements that, directly or indirectly, refer to the Florida
179 Retirement System or the FRS, must contain a disclaimer that the
180 information is not approved or endorsed by the Florida Retirement
181 System.

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

185 121.051 Participation in the system.--

186 (1) COMPULSORY PARTICIPATION.--

187 (a) The provisions of this law are ~~shall be~~ compulsory as
188 to all officers and employees, except elected officers who meet
189 the requirements of s. 121.052(3), who are employed on or after
190 December 1, 1970, by ~~of~~ an employer other than those referred to
191 in paragraph (2)(b), and each officer or employee, as a condition
192 of employment, shall become a member of the system as of his or
193 her date of employment, except that a person who is retired from
194 any state retirement system and is reemployed on or after
195 December 1, 1970, may ~~shall not be permitted to~~ renew his or her
196 membership in any state retirement system except as provided in
197 s. 121.091(4)(h) for a person who recovers from disability, and
198 as provided in s. 121.091(9)(b)10. ~~s. 121.091(9)(b)8.~~ for a
199 person who is elected to public office, and, effective July 1,
200 1991, as provided in s. 121.122 for all other retirees. Officers

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201 and employees of the University Athletic Association, Inc., a
202 nonprofit association connected with the University of Florida,
203 employed on and after July 1, 1979, may ~~shall~~ not participate in
204 any state-supported retirement system. Any person appointed on or
205 after July 1, 1989, to a faculty position in a college at the J.
206 Hillis Miller Health Center at the University of Florida or the
207 Medical Center at the University of South Florida which has a
208 faculty practice plan adopted ~~provided~~ by rule may ~~adopted by the~~
209 ~~Board of Regents shall~~ not participate in the Florida Retirement
210 System. A faculty member so appointed shall participate in the
211 optional retirement program on the basis of his or her state-
212 funded compensation, notwithstanding the provisions of s.
213 121.35(2) (a).

214 (2) OPTIONAL PARTICIPATION.--

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

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230 employees of a public governmental employer whose service is
231 covered by a leasing agreement under s. 110.191, other leasing
232 agreement, or a co-employer relationship are not eligible to
233 participate in the Florida Retirement System.

234 2. If ~~When~~ the agency to which a member's employing unit is
235 transferred, merged, or consolidated does not participate in the
236 Florida Retirement System, a member may ~~shall~~ elect in writing to
237 remain in the Florida Retirement System or to transfer to the
238 local retirement system operated by the ~~such~~ agency. If such
239 agency does not participate in a local retirement system, the
240 member shall continue membership in the Florida Retirement
241 System. In either case, ~~the~~ membership continues ~~shall continue~~
242 for as long as the member is employed by the agency to which his
243 or her unit was transferred, merged, or consolidated.

244 Section 4. Paragraph (e) of subsection (3) of section
245 121.052, Florida Statutes, is amended to read:

246 121.052 Membership class of elected officers.--

247 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.--Effective
248 July 1, 1990, participation in the Elected Officers' Class shall
249 be compulsory for elected officers listed in paragraphs (2)(a)-
250 (d) and (f) assuming office on or after said date, unless the
251 elected officer elects membership in another class or withdraws
252 from the Florida Retirement System as provided in paragraphs
253 (3)(a)-(d):

254 (e) Effective July 1, 2008 ~~July 1, 2001~~, the governing body
255 of a municipality or special district may, by majority vote,
256 elect to designate all its elected positions for inclusion in the
257 Elected Officers' Class. Such election shall be made between July
258 1, 2008, and December 31, 2008 ~~July 1, 2001, and December 31,~~

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259 | 2001, and shall be irrevocable. The designation of such positions
260 | shall be effective the first day of the month following receipt
261 | by the department of the ordinance or resolution passed by the
262 | governing body.

263 | Section 5. Paragraph (a) of subsection (6) of section
264 | 121.071, Florida Statutes, is amended to read:

265 | 121.071 Contributions.--Contributions to the system shall
266 | be made as follows:

267 | (6) (a) Required employee contributions for all service
268 | other than current service, including, but not limited to, prior
269 | service, past service, military service, leave-of-absence
270 | service, out-of-state service, and certain non-Florida Retirement
271 | System in-state service, shall be paid by cash, personal check,
272 | cashier's check, ~~or~~ money order, or a direct rollover or transfer
273 | from a qualified plan as provided under the Internal Revenue
274 | Code. The payment must ~~only; shall~~ be accompanied by a statement
275 | identifying the service for which payment is made, ~~and~~ and shall be
276 | made in a lump sum for the total amount due or in annual payments
277 | of not less than \$100, except for the final payment if less than
278 | \$100, unless another method of payment is authorized by law or
279 | rule.

280 | Section 6. Paragraphs (f) and (h) of subsection (1) of
281 | section 121.081, Florida Statutes, are amended to read:

282 | 121.081 Past service; prior service;
283 | contributions.--Conditions under which past service or prior
284 | service may be claimed and credited are:

285 | (1)

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

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288 in one of the retirement systems under ~~consolidated within or~~
289 ~~created by~~ this chapter through the consolidation or merger of
290 governments or the transfer of functions between units of
291 government, ~~either~~ at the state or local level or between state
292 and local units, or through the assumption of functions or
293 activities by a state or local unit from an employing
294 governmental entity that ~~which~~ was not an employer under the
295 system, and such person becomes a member of the Florida
296 Retirement System, such person is ~~shall be~~ entitled to receive
297 past-service credit ~~as defined in s. 121.021(18)~~ for the time the
298 ~~such~~ person performed services for, and was an employee of, such
299 state or local unit or other governmental employing entity prior
300 to the transfer, merger, consolidation, or assumption of
301 functions and activities. Past-service credit allowed by this
302 paragraph is ~~shall~~ also ~~be~~ available to any person who becomes a
303 member of an existing system, ~~as defined in s. 121.021(2)~~, prior
304 to December 1, 1970, through the transfer, merger, consolidation,
305 or assumption of functions and activities set forth in this
306 paragraph and who subsequently becomes a member of the Florida
307 Retirement System. However, credit for the past service may not
308 be granted until contributions are made in the manner provided in
309 this subsection. If a person rejected Florida Retirement System
310 membership at the time of the transfer, merger, ~~or~~ consolidation,
311 or assumption the required contributions shall be at total
312 actuarial cost as specified in paragraph (e). Such contributions
313 or accrued interest may not be paid from any public ~~state~~ funds.

314 (h) The following provisions apply to the purchase of past
315 service:

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316 1. Notwithstanding any of the provisions of this
317 subsection, past-service credit may not be purchased under this
318 chapter for any service that is used to obtain a pension or
319 benefit from a ~~any~~ local retirement system. Eligibility to
320 receive or the receipt of contributions to a retirement plan made
321 by the employer on behalf of the employee is considered a
322 benefit.

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

328 3. A member may not receive past service credit for co-
329 employer service. Co-employer service or a co-employer
330 relationship is employment in a single position simultaneously
331 covered and reported by both a public employer and a private
332 employer.

333 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit for
334 all of his or her past service, the period the member claims must
335 be the most recent past service prior to his or her participation
336 in the Florida Retirement System.

337 ~~5.4.~~ The cost of past service purchased by an employing
338 agency for its employees may be amortized over the ~~such~~ period of
339 time ~~as is~~ provided in the agreement, but not to exceed 15 years,
340 calculated in accordance with rule 60S-1.007(5)(f), Florida
341 Administrative Code.

342 ~~6.5.~~ The retirement account of each member for whom past
343 service is being provided by his or her employer shall be
344 credited with all past service the employer agrees to purchase as

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345 soon as the agreement between the employer and the department is
346 executed. ~~Pursuant thereto:~~

347 a. Each ~~such~~ member's account shall also be posted with the
348 total contribution his or her employer agrees to make on ~~in~~ the
349 member's behalf for past service earned prior to October 1, 1975,
350 excluding those contributions representing the employer's
351 matching share and the compound interest calculation on the total
352 contribution. However, a portion of any contributions paid by an
353 employer for past service credit earned on and after October 1,
354 1975, may not be posted to the ~~a~~ member's account.

355 b. A refund of contributions payable after an employer has
356 made a written agreement to purchase past service for employees
357 of the covered group includes ~~shall include~~ contributions for
358 past service which are posted to a member's account. However,
359 contributions for past service earned on and after October 1,
360 1975, are not refundable.

361 Section 7. Paragraph (b) of subsection (9), paragraphs (a),
362 (b), and (c) of subsection (13), and paragraphs (b) through (f)
363 of subsection (14) of section 121.091, Florida Statutes, are
364 amended to read:

365 121.091 Benefits payable under the system.--Benefits may
366 not be paid under this section unless the member has terminated
367 employment as provided in s. 121.021(39)(a) or begun
368 participation in the Deferred Retirement Option Program as
369 provided in subsection (13), and a proper application has been
370 filed in the manner prescribed by the department. The department
371 may cancel an application for retirement benefits when the member
372 or beneficiary fails to timely provide the information and
373 documents required by this chapter and the department's rules.

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374 The department shall adopt rules establishing procedures for
375 application for retirement benefits and for the cancellation of
376 such application when the required information or documents are
377 not received.

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

379 (b)1. Any person who is retired under this chapter, except
380 under the disability retirement provisions of subsection (4), may
381 be reemployed by any private or public employer after retirement
382 and receive retirement benefits and compensation from the ~~his or~~
383 ~~her~~ employer without limitation ~~any limitations~~, except that the
384 ~~a~~ person may not receive ~~both~~ a salary from reemployment with any
385 agency participating in the Florida Retirement System and
386 retirement benefits under this chapter for ~~a period of~~ 12 months
387 immediately after ~~subsequent to~~ the date of retirement. However,
388 a DROP participant may ~~shall~~ continue employment and receive a
389 salary during the period of participation in DROP ~~the Deferred~~
390 ~~Retirement Option Program~~, as provided in subsection (13).

391 2. Any person to whom the limitation in subparagraph 1.
392 applies who ~~violates such reemployment limitation and who is~~
393 reemployed with any agency participating in the Florida
394 Retirement System after he or she has been retired for 1 calendar
395 month but before completion of the 12-month limitation period
396 must ~~shall~~ give timely notice of this fact in writing to the
397 employer and to the Division of Retirement and shall have his or
398 her retirement benefits suspended while employed during ~~for~~ the
399 balance of the 12-month limitation period unless the person
400 exceeds the 780-hour limitation in subparagraph 4., subparagraph
401 5., or subparagraph 11. Any person employed in violation of this
402 paragraph and any employing agency that ~~which~~ knowingly employs

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403 or appoints such person without notifying the division of
404 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
405 and severally liable for ~~reimbursement to the retirement trust~~
406 ~~fund of~~ any benefits paid during the reemployment limitation
407 period. To avoid liability, the ~~such~~ employing agency must ~~shall~~
408 have a written statement from the retiree that he or she is not
409 retired from a state-administered retirement system. Any
410 retirement benefits received while reemployed during this
411 reemployment limitation period must ~~shall~~ be repaid to the
412 Florida Retirement System Trust Fund, and retirement benefits
413 ~~shall~~ remain suspended until such repayment has been made.
414 Benefits suspended beyond the reemployment limitation shall apply
415 toward repayment of benefits received in violation of the
416 reemployment limitation.

417 3. A district school board may reemploy a retired member as
418 a substitute or hourly teacher, education paraprofessional,
419 transportation assistant, bus driver, or food service worker on a
420 noncontractual basis after he or she has been retired for 1
421 calendar month, in accordance with s. 121.021(39). A district
422 school board may reemploy a retired member as instructional
423 personnel, as defined in s. 1012.01(2)(a), on an annual
424 contractual basis after he or she has been retired for 1 calendar
425 month, in accordance with s. 121.021(39). Any other retired
426 member who is reemployed within 1 calendar month after retirement
427 voids ~~shall void~~ his or her application for retirement benefits.
428 District school boards reemploying such teachers, education
429 paraprofessionals, transportation assistants, bus drivers, or
430 food service workers are subject to the retirement contribution
431 required by subparagraph 9. 7.

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432 4. A community college board of trustees may reemploy a
433 retired member as an adjunct instructor, ~~that is, an instructor~~
434 ~~who is noncontractual and part-time,~~ or as a participant in a
435 phased retirement program within the Florida Community College
436 System, after he or she has been retired for 1 calendar month, in
437 accordance with s. 121.021(39). Any retired member who is
438 reemployed within 1 calendar month after retirement voids ~~shall~~
439 ~~void~~ his or her application for retirement benefits. Boards of
440 trustees reemploying such instructors are subject to the
441 retirement contribution required in subparagraph 7. A retired
442 member may be reemployed as an adjunct instructor for no more
443 than 780 hours during the first 12 months of retirement. Any
444 retired member reemployed for more than 780 hours during the
445 first 12 months of retirement must ~~shall~~ give timely notice in
446 writing to the employer and to the Division of Retirement of the
447 date he or she will exceed the limitation. The division shall
448 suspend his or her retirement benefits for the remainder of the
449 first 12 months of retirement. Any person employed in violation
450 of this subparagraph and any employing agency that ~~which~~
451 knowingly employs or appoints such person without notifying the
452 division of ~~Retirement~~ to suspend retirement benefits are ~~shall~~
453 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
454 ~~retirement trust fund of~~ any benefits paid during the
455 reemployment limitation period. To avoid liability, the ~~such~~
456 employing agency must ~~shall~~ have a written statement from the
457 retiree that he or she is not retired from a state-administered
458 retirement system. Any retirement benefits received by a retired
459 member while reemployed in excess of 780 hours during the first
460 12 months of retirement must ~~shall~~ be repaid to the Florida

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461 Retirement System Trust Fund, and retirement benefits ~~shall~~
462 remain suspended until repayment is made. Benefits suspended
463 beyond the end of the retired member's first 12 months of
464 retirement shall apply toward repayment of benefits received in
465 violation of the 780-hour reemployment limitation.

466 5. The State University System may reemploy a retired
467 member as an adjunct faculty member or as a participant in a
468 phased retirement program within the State University System
469 after the retired member has been retired for 1 calendar month,
470 in accordance with s. 121.021(39). A ~~Any~~ retired member who is
471 reemployed within 1 calendar month after retirement voids ~~shall~~
472 ~~void~~ his or her application for retirement benefits. The State
473 University System is subject to the retired contribution required
474 in subparagraph 9. 7., as appropriate. A retired member may be
475 reemployed as an adjunct faculty member or a participant in a
476 phased retirement program for no more than 780 hours during the
477 first 12 months of his or her retirement. Any retired member
478 reemployed for more than 780 hours during the first 12 months of
479 retirement must ~~shall~~ give timely notice in writing to the
480 employer and to the Division of Retirement of the date he or she
481 will exceed the limitation. The division shall suspend his or her
482 retirement benefits for the remainder of the first 12 months of
483 retirement. Any person employed in violation of this subparagraph
484 and any employing agency that ~~which~~ knowingly employs or appoints
485 such person without notifying the division ~~of Retirement~~ to
486 suspend retirement benefits are ~~shall be~~ jointly and severally
487 liable for ~~reimbursement to the retirement trust fund of~~ any
488 benefits paid during the reemployment limitation period. To avoid
489 liability, such employing agency must ~~shall~~ have a written

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490 statement from the retiree that he or she is not retired from a
491 state-administered retirement system. Any retirement benefits
492 received by a retired member while reemployed in excess of 780
493 hours during the first 12 months of retirement must ~~shall~~ be
494 repaid to the Florida Retirement System Trust Fund, and
495 retirement benefits ~~shall~~ remain suspended until repayment is
496 made. Benefits suspended beyond the end of the retired member's
497 first 12 months of retirement shall apply toward repayment of
498 benefits received in violation of the 780-hour reemployment
499 limitation.

500 6. The Board of Trustees of the Florida School for the Deaf
501 and the Blind may reemploy a retired member as a substitute
502 teacher, substitute residential instructor, or substitute nurse
503 on a noncontractual basis after he or she has been retired for 1
504 calendar month, in accordance with s. 121.021(39). The Board of
505 Trustees of the Florida School for the Deaf and the Blind may
506 reemploy a retired member as instructional personnel, as defined
507 in s. 1012.01(2)(a), on an annual contractual basis after he or
508 she has been retired for 1 calendar month, in accordance with s.
509 121.021(39). Any retired member who is reemployed within 1
510 calendar month after retirement voids ~~shall void~~ his or her
511 application for retirement benefits. The Board of Trustees of the
512 Florida School for the Deaf and the Blind reemploying such
513 teachers, residential instructors, or nurses is subject to the
514 retirement contribution required by subparagraph 9. 7.
515 ~~Reemployment of a retired member as a substitute teacher,~~
516 ~~substitute residential instructor, or substitute nurse is limited~~
517 ~~to 780 hours during the first 12 months of his or her retirement.~~
518 ~~Any retired member reemployed for more than 780 hours during the~~

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519 ~~first 12 months of retirement shall give timely notice in writing~~
520 ~~to the employer and to the division of the date he or she will~~
521 ~~exceed the limitation. The division shall suspend his or her~~
522 ~~retirement benefits for the remainder of the first 12 months of~~
523 ~~retirement. Any person employed in violation of this subparagraph~~
524 ~~and any employing agency which knowingly employs or appoints such~~
525 ~~person without notifying the Division of Retirement to suspend~~
526 ~~retirement benefits shall be jointly and severally liable for~~
527 ~~reimbursement to the retirement trust fund of any benefits paid~~
528 ~~during the reemployment limitation period. To avoid liability,~~
529 ~~such employing agency shall have a written statement from the~~
530 ~~retiree that he or she is not retired from a state-administered~~
531 ~~retirement system. Any retirement benefits received by a retired~~
532 ~~member while reemployed in excess of 780 hours during the first~~
533 ~~12 months of retirement shall be repaid to the Retirement System~~
534 ~~Trust Fund, and his or her retirement benefits shall remain~~
535 ~~suspended until payment is made. Benefits suspended beyond the~~
536 ~~end of the retired member's first 12 months of retirement shall~~
537 ~~apply toward repayment of benefits received in violation of the~~
538 ~~780-hour reemployment limitation.~~

539 7. A developmental research school may reemploy a retired
540 member as a substitute or hourly teacher or an education
541 paraprofessional as defined in s. 1012.01(2) on a noncontractual
542 basis after he or she has been retired for 1 calendar month, in
543 accordance with s. 121.021(39). A developmental research school
544 may reemploy a retired member as instructional personnel, as
545 defined in s. 1012.01(2)(a), on an annual contractual basis after
546 he or she has been retired for 1 calendar month, in accordance
547 with s. 121.021(39). Any other retired member who is reemployed

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548 within 1 calendar month after retirement voids his or her
549 application for retirement benefits. A developmental research
550 school that reemploys retired teachers and education
551 paraprofessionals are subject to the retirement contribution
552 required by subparagraph 9.

553 8. A charter school may reemploy a retired member as a
554 substitute or hourly teacher on a noncontractual basis after he
555 or she has been retired for 1 calendar month, in accordance with
556 s. 121.021(39). A charter school may reemploy a retired member as
557 instructional personnel, as defined in s. 1012.01(2(a), on an
558 annual contractual basis after he or she has been retired for 1
559 calendar month, in accordance with s. 121.021(39). Any other
560 retired member who is reemployed within 1 calendar month after
561 retirement voids his or her application for retirement benefits.
562 A charter school that reemploys such teachers is subject to the
563 retirement contribution required by subparagraph 9.

564 9.7. The employment ~~by an employer~~ of a any retiree or DROP
565 participant of a any state-administered retirement system does
566 not affect ~~shall have no effect~~ on the average final compensation
567 or years of creditable service of the retiree or DROP
568 participant. Prior to July 1, 1991, upon employment of any
569 person, other than an elected officer as provided in s. 121.053,
570 who is ~~has been~~ retired under a any state-administered retirement
571 program, the employer shall pay retirement contributions in an
572 amount equal to the unfunded actuarial liability portion of the
573 employer contribution which would be required for regular members
574 of the Florida Retirement System. Effective July 1, 1991,
575 contributions shall be made as provided in s. 121.122 for

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

578 10.8. Any person who has ~~previously~~ retired and who is
579 holding an elective public office or an appointment to an
580 elective public office eligible for the Elected Officers' Class
581 on or after July 1, 1990, shall be enrolled in the Florida
582 Retirement System as provided in s. 121.053(1)(b) or, if holding
583 an elective public office that does not qualify for the Elected
584 Officers' Class on or after July 1, 1991, shall be enrolled in
585 the Florida Retirement System as provided in s. 121.122, and
586 shall continue to receive retirement benefits as well as
587 compensation for the elected officer's service for as long as he
588 or she remains in elective office. However, any retired member
589 who served in an elective office prior to July 1, 1990, suspended
590 his or her retirement benefit, and had his or her Florida
591 Retirement System membership reinstated shall, upon retirement
592 from such office, have his or her retirement benefit recalculated
593 to include the additional service and compensation earned.

594 11.9. Any person who is holding an elective public office
595 which is covered by the Florida Retirement System and who is
596 concurrently employed in nonelected covered employment may elect
597 to retire while continuing employment in the elective public
598 office, if ~~provided that~~ he or she terminates ~~shall be required~~
599 ~~to terminate~~ his or her nonelected covered employment. Any person
600 who exercises this election shall receive his or her retirement
601 benefits in addition to the compensation of the elective office
602 without regard to the time limitations otherwise provided in this
603 subsection. A ~~No~~ person who seeks to exercise the provisions of
604 this subparagraph, as they ~~the same~~ existed prior to May 3, 1984,

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

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

612 12.11. An employing agency may reemploy a retired member as
613 a firefighter or paramedic after the retired member has been
614 retired for 1 calendar month, in accordance with s. 121.021(39).
615 Any retired member who is reemployed within 1 calendar month
616 after retirement voids ~~shall void~~ his or her application for
617 retirement benefits. The employing agency reemploying such
618 firefighter or paramedic is subject to the retired contribution
619 required in subparagraph 9. ~~8.~~ Reemployment of a retired
620 firefighter or paramedic is limited to no more than 780 hours
621 during the first 12 months of his or her retirement. Any retired
622 member reemployed for more than 780 hours during the first 12
623 months of retirement must ~~shall~~ give timely notice in writing to
624 the employer and to the Division of Retirement of the date he or
625 she will exceed the limitation. The division shall suspend his or
626 her retirement benefits for the remainder of the first 12 months
627 of retirement. Any person employed in violation of this
628 subparagraph and any employing agency that ~~which~~ knowingly
629 employs or appoints such person without notifying the division ~~of~~
630 ~~Retirement~~ to suspend retirement benefits shall be jointly and
631 severally liable for ~~reimbursement to the Retirement System Trust~~
632 ~~Fund of~~ any benefits paid during the reemployment limitation
633 period. To avoid liability, such employing agency must ~~shall~~ have

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634 a written statement from the retiree that he or she is not
635 retired from a state-administered retirement system. Any
636 retirement benefits received by a retired member while reemployed
637 in excess of 780 hours during the first 12 months of retirement
638 must ~~shall~~ be repaid to the Florida Retirement System Trust Fund,
639 and retirement benefits ~~shall~~ remain suspended until repayment is
640 made. Benefits suspended beyond the end of the retired member's
641 first 12 months of retirement shall apply toward repayment of
642 benefits received in violation of the 780-hour reemployment
643 limitation.

644 13. The limitations of this paragraph apply to reemployment
645 in any capacity with an employer, as defined in s. 121.021,
646 irrespective of the category of funds from which the person is
647 compensated.

648 14. The reemployment after retirement provisions of this
649 paragraph apply to DROP participants effective upon termination
650 from employment and the end of DROP participation.

651 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
652 subject to the provisions of this section, the Deferred
653 Retirement Option Program, hereinafter referred to as the DROP,
654 is a program under which an eligible member of the Florida
655 Retirement System may elect to participate, deferring receipt of
656 retirement benefits while continuing employment with his or her
657 Florida Retirement System employer. The deferred monthly benefits
658 shall accrue in the System Trust Fund on behalf of the
659 participant, plus interest compounded monthly, for the specified
660 period of the DROP participation, as provided in paragraph (c).
661 Upon termination of employment, the participant shall receive the
662 total DROP benefits and begin to receive the previously

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663 determined normal retirement benefits. Participation in the DROP
664 does not guarantee employment for the specified period of DROP.
665 Participation in the DROP by an eligible member beyond the
666 initial 60-month period as authorized in this subsection shall be
667 on an annual contractual basis for all participants.

668 (a) Eligibility of member to participate in ~~the~~ DROP.--All
669 active Florida Retirement System members in a regularly
670 established position, and all active members of ~~either~~ the
671 Teachers' Retirement System established in chapter 238 or the
672 State and County Officers' and Employees' Retirement System
673 established in chapter 122, which systems are consolidated within
674 the Florida Retirement System under s. 121.011, are eligible to
675 elect participation in ~~the~~ DROP if provided that:

676 1. The member is not a renewed member ~~of the Florida~~
677 ~~Retirement System~~ under s. 121.122, or a member of the State
678 Community College System Optional Retirement Program under s.
679 121.051, the Senior Management Service Optional Annuity Program
680 under s. 121.055, or the optional retirement program for the
681 State University System under s. 121.35.

682 2. Except as provided in subparagraph 6., election to
683 participate is made within 12 months immediately following the
684 date on which the member first reaches normal retirement date,
685 or, for a member who reaches normal retirement date ~~based on~~
686 ~~service~~ before he or she reaches age 62, or age 55 for Special
687 Risk Class members, election to participate may be deferred to
688 the 12 months immediately following the date the member attains
689 57, or age 52 for Special Risk Class members. ~~For a member who~~
690 ~~first reached normal retirement date or the deferred eligibility~~
691 ~~date described above prior to the effective date of this section,~~

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692 ~~election to participate shall be made within 12 months after the~~
693 ~~effective date of this section.~~ A member who fails to make an
694 election within the such 12-month limitation period forfeits
695 ~~shall forfeit~~ all rights to participate in the DROP. The member
696 shall advise his or her employer and the division in writing of
697 the date ~~on which the~~ DROP begins ~~shall begin.~~ The Such beginning
698 date may be subsequent to the 12-month election period, but must
699 be within the original 60-month participation ~~or, with respect to~~
700 ~~members who are instructional personnel employed by the Florida~~
701 ~~School for the Deaf and the Blind and who have received~~
702 ~~authorization by the Board of Trustees of the Florida School for~~
703 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
704 ~~months, or who are instructional personnel as defined in s.~~
705 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
706 ~~authorization by the district school superintendent to~~
707 ~~participate in the DROP beyond 60 months, the 96-month limitation~~
708 ~~period as provided in subparagraph (b)1. When establishing~~
709 ~~eligibility of the member to participate in the DROP for the 60-~~
710 ~~month or, with respect to members who are instructional personnel~~
711 ~~employed by the Florida School for the Deaf and the Blind and who~~
712 ~~have received authorization by the Board of Trustees of the~~
713 ~~Florida School for the Deaf and the Blind to participate in the~~
714 ~~DROP beyond 60 months, or who are instructional personnel as~~
715 ~~defined in s. 1012.01(2) (a) - (d) in grades K-12 and who have~~
716 ~~received authorization by the district school superintendent to~~
717 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
718 ~~participation period,~~ the member may elect to include or exclude
719 any optional service credit purchased by the member from the
720 total service used to establish the normal retirement date. A

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721 | member who has ~~with~~ dual normal retirement dates is ~~shall be~~
722 | eligible to elect to participate in DROP within 12 months after
723 | attaining normal retirement date in either class.

724 | 3. The employer of a member electing to participate in ~~the~~
725 | DROP, or employers if dually employed, shall acknowledge in
726 | writing to the division the date the member's participation in
727 | the DROP begins and the date the member's employment and DROP
728 | participation will terminate.

729 | 4. Simultaneous employment of a participant by additional
730 | Florida Retirement System employers subsequent to the
731 | commencement of participation in ~~the~~ DROP is ~~shall be~~ permissible
732 | if provided such employers acknowledge in writing a DROP
733 | termination date no later than the participant's existing
734 | termination date or the maximum participation ~~60-month limitation~~
735 | period as provided in subparagraph (b)1.

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

738 | a. A change of employment must take place without a break
739 | in service so that the member receives salary for each month of
740 | continuous DROP participation. If a member receives no salary
741 | during a month, DROP participation shall cease unless the
742 | employer verifies a continuation of the employment relationship
743 | for such participant pursuant to s. 121.021(39)(b).

744 | b. Such participant and new employer shall notify the
745 | division of the identity of the new employer on forms required by
746 | the division ~~as to the identity of the new employer~~.

747 | c. The new employer shall acknowledge, in writing, the
748 | participant's DROP termination date, which may be extended but
749 | not beyond the original 60-month participation ~~or, with respect~~

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750 ~~to members who are instructional personnel employed by the~~
751 ~~Florida School for the Deaf and the Blind and who have received~~
752 ~~authorization by the Board of Trustees of the Florida School for~~
753 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
754 ~~months, or who are instructional personnel as defined in s.~~
755 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
756 ~~authorization by the district school superintendent to~~
757 ~~participate in the DROP beyond 60 months, the 96-month period~~
758 ~~provided in subparagraph (b)1., shall acknowledge liability for~~
759 ~~any additional retirement contributions and interest required if~~
760 ~~the participant fails to timely terminate employment, and is~~
761 ~~shall be subject to the adjustment required in sub-subparagraph~~
762 ~~(c)5.d.~~

763 6. Effective July 1, 2001, for instructional personnel as
764 defined in s. 1012.01(2), election to participate in ~~the~~ DROP may
765 ~~shall~~ be made at any time following the date on which the member
766 first reaches normal retirement date. The member shall advise his
767 or her employer and the division in writing of the date on which
768 DROP begins ~~the Deferred Retirement Option Program shall begin.~~
769 When establishing eligibility of the member to participate in ~~the~~
770 DROP for the 60-month ~~or, with respect to members who are~~
771 ~~instructional personnel employed by the Florida School for the~~
772 ~~Deaf and the Blind and who have received authorization by the~~
773 ~~Board of Trustees of the Florida School for the Deaf and the~~
774 ~~Blind to participate in the DROP beyond 60 months, or who are~~
775 ~~instructional personnel as defined in s. 1012.01(2) (a) - (d) in~~
776 ~~grades K-12 and who have received authorization by the district~~
777 ~~school superintendent to participate in the DROP beyond 60~~
778 ~~months, the 96-month maximum participation period, as provided in~~

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779 sub-subparagraph (b) (1)a. ~~subparagraph (b)1.~~, the member may
780 elect to include or exclude any optional service credit purchased
781 by the member from the total service used to establish the normal
782 retirement date. A member who has ~~with~~ dual normal retirement
783 dates is ~~shall be~~ eligible to elect to participate in either
784 class.

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

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

789 b. Members who are instructional personnel employed by the
790 Florida School for the Deaf and the Blind and authorized ~~who have~~
791 ~~received authorization~~ by the Board of Trustees of the Florida
792 School for the Deaf and the Blind ~~to participate in the DROP~~
793 ~~beyond 60 months~~, or who are instructional personnel as defined
794 in s. 1012.01(2) (a)-(d) in grades K-12 and authorized ~~who have~~
795 ~~received authorization~~ by the district school superintendent ~~to~~
796 ~~participate in the DROP beyond 60 calendar months~~, or who are
797 instructional personnel, as defined in s. 1012.01(2), employed by
798 a developmental research school and authorized by the school's
799 director, or if the school has no director, by the school's
800 principal, may participate in DROP for up to 36 calendar months
801 beyond the 60-month period specified in sub-subparagraph a. ~~96~~
802 ~~calendar months immediately following the date on which the~~
803 ~~member first reaches his or her normal retirement date or the~~
804 ~~date to which he or she is eligible to defer his or her election~~
805 ~~to participate as provided in subparagraph (a)2. However, a~~
806 ~~member who has reached normal retirement date prior to the~~
807 ~~effective date of the DROP shall be eligible to participate in~~

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808 ~~the DROP for a period of time not to exceed 60 calendar months~~
809 ~~or, with respect to members who are instructional personnel~~
810 ~~employed by the Florida School for the Deaf and the Blind and who~~
811 ~~have received authorization by the Board of Trustees of the~~
812 ~~Florida School for the Deaf and the Blind to participate in the~~
813 ~~DROP beyond 60 months, or who are instructional personnel as~~
814 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
815 ~~received authorization by the district school superintendent to~~
816 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
817 ~~months immediately following the effective date of the DROP,~~
818 ~~except a member of the Special Risk Class who has reached normal~~
819 ~~retirement date prior to the effective date of the DROP and whose~~
820 ~~total accrued value exceeds 75 percent of average final~~
821 ~~compensation as of his or her effective date of retirement shall~~
822 ~~be eligible to participate in the DROP for no more than 36~~
823 ~~calendar months immediately following the effective date of the~~
824 ~~DROP.~~

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

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

828 b. Selection of ~~the~~ DROP participation and termination
829 dates, which satisfy the limitations stated in paragraph (a) and
830 subparagraph 1. ~~The~~ Such termination date ~~must~~ shall be in a
831 binding letter of resignation to ~~with~~ the employer, establishing
832 a deferred termination date. The member may change the
833 termination date within the limitations of subparagraph 1., but
834 only with the written approval of the ~~his or her~~ employer;

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

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- 837 d. Any other information required by the division.
- 838 3. The DROP participant is ~~shall be~~ a retiree under the
839 Florida Retirement System for all purposes, except for paragraph
840 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and
841 121.122. DROP participation is final and cannot be cancelled by
842 the participant after the first payment is credited during the
843 DROP participation period. However, participation in ~~the~~ DROP
844 does not alter the participant's employment status and the member
845 is ~~such employee shall~~ not be deemed retired from employment
846 until his or her deferred resignation is effective and
847 termination occurs as provided in s. 121.021(39).
- 848 4. Elected officers are ~~shall be~~ eligible to participate in
849 the DROP subject to the following:
- 850 a. An elected officer who reaches normal retirement date
851 during a term of office may defer the election to participate in
852 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
853 elected officer who exercises this option may participate in ~~the~~
854 DROP for up to 60 calendar months or a period of no longer than
855 the ~~such~~ succeeding term of office, whichever is less.
- 856 b. An elected or a nonelected participant may run for a
857 term of office while participating in DROP and, if elected,
858 extend the DROP termination date accordingly, except, however, if
859 such additional term of office exceeds the 60-month limitation
860 established in subparagraph 1., and the officer does not resign
861 from office within such 60-month limitation, the retirement and
862 the participant's DROP is ~~shall be~~ null and void as provided in
863 sub-subparagraph (c)5.d.
- 864 c. An elected officer who is dually employed and elects to
865 participate in DROP must ~~shall be required to~~ satisfy the

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866 definition of termination within the 60-month participation or,
867 ~~with respect to members who are instructional personnel employed~~
868 ~~by the Florida School for the Deaf and the Blind and who have~~
869 ~~received authorization by the Board of Trustees of the Florida~~
870 ~~School for the Deaf and the Blind to participate in the DROP~~
871 ~~beyond 60 months, or who are instructional personnel as defined~~
872 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
873 ~~authorization by the district school superintendent to~~
874 ~~participate in the DROP beyond 60 months, the 96-month limitation~~
875 ~~period as provided in subparagraph 1. for the nonelected position~~
876 ~~and may continue employment as an elected officer as provided in~~
877 ~~s. 121.053. The elected officer shall ~~will~~ be enrolled as a~~
878 ~~renewed member in the Elected Officers' Class or the Regular~~
879 ~~Class, as provided in ss. 121.053 and 121.122, on the first day~~
880 ~~of the month after termination of employment in the nonelected~~
881 ~~position and termination of DROP. Distribution of ~~the~~ DROP~~
882 ~~benefits shall be made as provided in paragraph (c).~~

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

884 1. Effective on ~~with~~ the date of DROP participation, the
885 member's initial normal monthly benefit, including creditable
886 service, optional form of payment, and average final
887 compensation, and the effective date of retirement are ~~shall be~~
888 fixed. The beneficiary established under the Florida Retirement
889 System shall be the beneficiary eligible to receive any DROP
890 benefits payable if the DROP participant dies prior to the
891 completion of the period of DROP participation. If ~~In the event~~ a
892 joint annuitant predeceases the member, the member may name a
893 beneficiary to receive accumulated DROP benefits payable. The
894 ~~Such~~ retirement benefit, the annual cost of living adjustments

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895 | provided in s. 121.101, and interest shall accrue monthly in the
896 | Florida Retirement System Trust Fund. ~~The Such~~ interest shall
897 | accrue at an effective annual rate of 6.5 percent compounded
898 | monthly, on the prior month's accumulated ending balance, up to
899 | the month of termination or death.

900 | 2. Each employee who elects to participate in ~~the~~ DROP may
901 | ~~shall be allowed to~~ elect to receive a lump-sum payment for
902 | accrued annual leave earned in accordance with agency policy upon
903 | beginning participation in ~~the~~ DROP. ~~The Such~~ accumulated leave
904 | payment certified to the division upon commencement of DROP shall
905 | be included in the calculation of the member's average final
906 | compensation. The employee electing the such lump-sum payment is
907 | ~~upon beginning participation in DROP will not be eligible to~~
908 | receive a second lump-sum payment upon termination, except to the
909 | extent the employee has earned additional annual leave which,
910 | combined with the original payment, does not exceed the maximum
911 | lump-sum payment allowed by the employing agency's policy or
912 | rules. An Such early lump-sum payment shall be based on the
913 | hourly wage of the employee at the time he or she begins
914 | participation in ~~the~~ DROP. If the member elects to wait and
915 | receive a such lump-sum payment upon termination of DROP and
916 | termination of employment with the employer, any accumulated
917 | leave payment made at that time may not ~~cannot~~ be included in the
918 | member's retirement benefit, which was determined and fixed by
919 | law when the employee elected to participate in ~~the~~ DROP.

920 | 3. The effective date of DROP participation and the
921 | effective date of retirement of a DROP participant shall be the
922 | first day of the month selected by the member to begin
923 | participation in the DROP, provided such date is properly

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924 established, with the written confirmation of the employer, and
925 the approval of the division, on forms required by the division.

926 4. Normal retirement benefits and any interest ~~thereon~~
927 shall continue to accrue in ~~the~~ DROP until the established
928 termination date of ~~the~~ DROP, or until the participant terminates
929 employment or dies prior to such date. Although individual DROP
930 accounts shall not be established, a separate accounting of each
931 participant's accrued benefits under ~~the~~ DROP shall be calculated
932 and provided to participants.

933 5. At the conclusion of the participant's DROP, the
934 division shall distribute the participant's total accumulated
935 DROP benefits, subject to the following provisions:

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

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

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

949 (II) Direct rollover.--All accrued DROP benefits, plus
950 interest, shall be paid from ~~the~~ DROP directly to the custodian
951 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
952 the Internal Revenue Code. However, in the case of an eligible

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953 rollover distribution to the surviving spouse of a deceased
954 participant, an eligible retirement plan is an individual
955 retirement account or an individual retirement annuity as
956 described in s. 402(c)(9) of the Internal Revenue Code.

957 (III) Partial lump sum.--A portion of the accrued DROP
958 benefits shall be paid to the DROP participant or surviving
959 spouse, less withholding taxes remitted to the Internal Revenue
960 Service, and the remaining DROP benefits shall be transferred
961 directly to the custodian of an eligible retirement plan as
962 defined in s. 402(c)(8)(B) of the Internal Revenue Code. However,
963 in the case of an eligible rollover distribution to the surviving
964 spouse of a deceased participant, an eligible retirement plan is
965 an individual retirement account or an individual retirement
966 annuity as described in s. 402(c)(9) of the Internal Revenue
967 Code. The proportions shall be specified by the DROP participant
968 or surviving beneficiary.

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

972 d. A DROP participant who fails to terminate employment as
973 defined in s. 121.021(39)(b) shall be deemed as ~~to be~~
974 retired, and the DROP election is ~~shall be~~ null and void. Florida
975 Retirement System membership shall be reestablished retroactively
976 to the date of the commencement of ~~the~~ DROP, and each employer
977 with whom the participant continues employment must ~~shall be~~
978 ~~required to~~ pay to the Florida Retirement System Trust Fund the
979 difference between the DROP contributions paid in paragraph (i)
980 and the contributions required for the applicable Florida
981 Retirement System class of membership during the period the

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982 member participated in the DROP, plus 6.5 percent interest
983 compounded annually.

984 6. The retirement benefits of any DROP participant who
985 meets the definition of termination, as provided in s.
986 121.021(39)(b), but is in violation of the reemployment
987 provisions as provided in subsection (9), shall be suspended
988 during those months in which the member is in violation. Any
989 member employed in violation of this subparagraph and any
990 employing agency that knowingly employs or appoints such member
991 without notifying the Division of Retirement to suspend
992 retirement benefits are jointly and severally liable for any
993 benefits paid during the reemployment limitation period. To avoid
994 liability, the employing agency must have a written statement
995 from the retiree that he or she is not retired from a state-
996 administered retirement system. Any retirement benefits received
997 by a retired member while employed in violation of the
998 reemployment limitations during the first 12 months of retirement
999 must be repaid to the Florida Retirement System Trust Fund, and
1000 his or her retirement benefits shall remain suspended until
1001 payment is made. Benefits suspended beyond the end of the retired
1002 member's first 12 months of retirement shall apply toward
1003 repayment of benefits received in violation of the reemployment
1004 limitations.

1005 7.6- The accrued benefits of any DROP participant, and any
1006 contributions accumulated under the such program, are shall not
1007 ~~be~~ subject to assignment, execution, attachment, or to any legal
1008 process whatsoever, except for qualified domestic relations
1009 orders by a court of competent jurisdiction, income deduction
1010 orders as provided in s. 61.1301, and federal income tax levies.

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1011 ~~8.7.~~ DROP participants are ~~shall~~ not be eligible for
1012 disability retirement benefits as provided in subsection (4).

1013 (14) PAYMENT OF BENEFITS.--This subsection applies to the
1014 payment of benefits to a payee (retiree or beneficiary) under the
1015 Florida Retirement System:

1016 (b) Subject to approval by the division in accordance with
1017 rule 60S-4.015, Florida Administrative Code, a payee receiving
1018 retirement benefits under the ~~Florida Retirement~~ system may also
1019 have the following payments deducted from his or her monthly
1020 benefit:

1021 1. Premiums for life and health-related insurance policies
1022 from approved companies.

1023 2. Life insurance premiums for the State Group Life
1024 Insurance Plan, if authorized in writing by the payee and by the
1025 department ~~of Management Services~~.

1026 3. Repayment of overpayments from the Florida Retirement
1027 System Trust Fund, the State Employees' Health Insurance Trust
1028 Fund, or the State Employees' Life Insurance Trust Fund, upon
1029 notification of the payee.

1030 4. Payments to an alternate payee for alimony or, child
1031 support pursuant to an income deduction order under s. 61.1301,
1032 or division of marital assets pursuant to a qualified domestic
1033 relations order under s. 222.21 ~~or an income deduction order~~
1034 ~~under s. 61.1301.~~

1035 5. Payments to the Internal Revenue Service for federal
1036 income tax levies, upon notification of the division by the
1037 Internal Revenue Service.

1038 (c) A payee must ~~shall~~ notify the division of any change in
1039 his or her address. The division may suspend benefit payments to

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1040 a payee if correspondence sent to the payee's mailing address is
1041 returned due to an incorrect address. Benefit payments shall be
1042 resumed upon notification to the division of the payee's new
1043 address.

1044 (d) A payee whose retirement benefits are reduced by the
1045 application of maximum benefit limits under s. 415(b) of the
1046 Internal Revenue Code, as specified in s. 121.30(5), shall have
1047 the portion of his or her calculated benefit in the Florida
1048 Retirement System defined benefit plan which exceeds such federal
1049 limitation paid through the Florida Retirement System
1050 Preservation of Benefits Plan, as provided in s. 121.1001.

1051 (e). The Division of Retirement may issue retirement
1052 benefits payable for division of marital assets pursuant to a
1053 qualified domestic relations order directly to the alternate
1054 payee, any court order to the contrary notwithstanding, in order
1055 to meet Internal Revenue Code requirements.

1056 (f)~~(e)~~ A ~~No~~ benefit may not be reduced for the purpose of
1057 preserving the member's eligibility for a federal program.

1058 (g)~~(f)~~ The division shall adopt rules establishing
1059 procedures for determining that ~~the~~ persons to whom benefits are
1060 being paid are still living. The division shall suspend the
1061 benefits being paid to any payee if ~~when~~ it is unable to contact
1062 such payee and to confirm that he or she is still living.

1063 Section 8. Section 121.1115, Florida Statutes, is amended
1064 to read:

1065 121.1115 Purchase of retirement credit for out-of-state or
1066 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~
1067 ~~Florida Retirement System~~ may purchase creditable service for
1068 periods of public employment in another state and receive

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1069 | creditable service for such periods of employment. Service with
1070 | the Federal Government, including any active military service,
1071 | may be claimed. Upon completion of each year of service earned
1072 | under the Florida Retirement System, a member may purchase up to
1073 | 1 year of retirement credit for his or her out-of-state service,
1074 | subject to the following provisions:

1075 | (1) LIMITATIONS AND CONDITIONS.--To receive credit for the
1076 | out-of-state service:

1077 | (a) The out-of-state service ~~being claimed~~ must have been:

1078 | 1. Performed in a position of employment with the state or
1079 | a political subdivision thereof or with the Federal Government;

1080 | 2. Covered by a retirement or pension plan provided by the
1081 | state or political subdivision, or by the Federal Government, as
1082 | appropriate; and

1083 | 3. Performed prior to a period of membership in the Florida
1084 | Retirement System.

1085 | (b) The member must have completed a minimum of 6 years of
1086 | creditable service under the Florida Retirement System, excluding
1087 | out-of-state service and in-state service claimed and purchased
1088 | under s. 121.1122.

1089 | (c) Not more than 5 years of creditable service may be
1090 | claimed for creditable service aggregated under the provisions of
1091 | this section and s. 121.1122.

1092 | (d) The out-of-state service credit ~~elaimed under this~~
1093 | ~~section~~ shall be credited only as service in the Regular Class ~~of~~
1094 | ~~membership~~, and any benefit or pension based thereon ~~is shall be~~
1095 | subject to the limitations and restrictions of s. 112.65.

1096 | (e) The member is not eligible for and may not receive a
1097 | pension or benefit from a retirement or pension plan based on or

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1098 including the out-of-state service. Eligibility for or the
1099 receipt of contributions to a retirement plan made by the
1100 employer on behalf of the employee is considered a benefit.

1101 (f)~~(e)~~ To receive ~~A member shall be eligible to receive~~
1102 service credit for out-of-state service performed after leaving
1103 the Florida Retirement System, the member must complete only upon
1104 ~~return to membership and completion of~~ at least 1 year of
1105 creditable service in the Florida Retirement System following the
1106 out-of-state service.

1107 (2) COST.--For each year claimed, the member must pay into
1108 the Florida Retirement System Trust Fund an amount equal to 20
1109 percent of the member's annual compensation for the first full
1110 work year of creditable service earned under the Florida
1111 Retirement System, but not less than \$12,000, plus interest at
1112 6.5 percent compounded annually from the date of first annual
1113 salary earned until full payment is made. The employer may pay
1114 all or a portion of the cost of this service credit.

1115 Section 9. Subsection (2) of section 121.1122, Florida
1116 Statutes, is amended to read:

1117 121.1122 Purchase of retirement credit for in-state public
1118 service and in-state service in accredited nonpublic schools and
1119 colleges, including charter schools and charter technical career
1120 centers.--Effective January 1, 1998, a member of the Florida
1121 Retirement System may purchase creditable service for periods of
1122 certain public or nonpublic employment performed in this state,
1123 as provided in this section.

1124 (2) LIMITATIONS AND CONDITIONS.--

1125 (a) A member is not eligible to receive credit for in-state
1126 service under this section until he or she has completed 6 years

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1127 of creditable service under the Florida Retirement System,
1128 excluding service purchased under this section and out-of-state
1129 service claimed and purchased under s. 121.1115.

1130 (b) A member may not purchase and receive credit for more
1131 than 5 years of creditable service aggregated under ~~the~~
1132 ~~provisions of~~ this section and s. 121.1115.

1133 (c) Service credit claimed under this section shall be
1134 credited only as service in the Regular Class ~~of membership~~ and
1135 is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

1136 (d) Service credit may not be purchased under this section
1137 if the member is eligible to receive or is receiving a pension or
1138 benefit from a retirement or pension plan based on or including
1139 the service. Eligibility for or the receipt of contributions to a
1140 retirement plan made by the employer on behalf of the employee is
1141 considered a benefit.

1142 (e) ~~(d)~~ A member is ~~shall be~~ eligible to receive service
1143 credit for in-state service performed after leaving the Florida
1144 Retirement System only after ~~upon returning to membership and~~
1145 completing at least 1 year of creditable service in the Florida
1146 Retirement System following the in-state service.

1147 (f) ~~(e)~~ The service claimed must have been service covered
1148 by a retirement or pension plan provided by the employer.

1149 Section 10. Section 121.136, Florida Statutes, is amended
1150 to read:

1151 121.136 Annual benefit statement to members.--~~Beginning~~
1152 ~~January 1, 1993, and Each January thereafter,~~ the department
1153 shall provide each active member of the Florida Retirement System
1154 with 5 or more years of creditable service an annual statement of
1155 benefits which provides. ~~Such statement should provide the member~~

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1156 with basic data about the member's retirement account. At a
1157 minimum ~~Minimally~~, it must ~~shall~~ include the member's retirement
1158 plan, accrued service credit ~~the amount of funds on deposit in~~
1159 ~~the retirement account~~, and an estimate of retirement benefits.

1160 Section 11. Section 121.1905, Florida Statutes, is amended
1161 to read:

1162 121.1905 Division of Retirement; creation.--

1163 ~~(1)~~ There is created the Division of Retirement within the
1164 Department of Management Services.

1165 ~~(2) The mission of the Division of Retirement is to provide~~
1166 ~~quality and cost-effective retirement services as measured by~~
1167 ~~member satisfaction and by comparison with administrative costs~~
1168 ~~of comparable retirement systems.~~

1169 Section 12. Paragraph (a) of subsection (2) of section
1170 121.23, Florida Statutes, is amended to read:

1171 121.23 Disability retirement and special risk membership
1172 applications; Retirement Commission; powers and duties; judicial
1173 review.--The provisions of this section apply to all proceedings
1174 in which the administrator has made a written final decision on
1175 the merits respecting applications for disability retirement,
1176 reexamination of retired members receiving disability benefits,
1177 applications for special risk membership, and reexamination of
1178 special risk members in the Florida Retirement System. The
1179 jurisdiction of the State Retirement Commission under this
1180 section shall be limited to written final decisions of the
1181 administrator on the merits.

1182 (2) A member shall be entitled to a hearing before the
1183 State Retirement Commission pursuant to ss. 120.569 and 120.57(1)
1184 on the merits of any written adverse decision of the

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1185 administrator, if he or she files with the commission a written
1186 request for such hearing within 21 days after receipt of such
1187 written decision from the administrator. For the purpose of such
1188 hearings, the commission shall be an "agency head" as defined by
1189 s. 120.52.

1190 (a) The commission may ~~shall have the authority to~~ issue
1191 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on
1192 all parties to the dispute and. ~~The commission~~ may order any
1193 action that it deems appropriate. Any disability retirement order
1194 of the commission ~~issued pursuant to this subsection~~ which
1195 sustains the application of the member may include an amount, to
1196 be determined by the commission, for reasonable attorney's fees
1197 and taxable costs, which shall be calculated in accordance with
1198 the statewide uniform guidelines for taxation of costs in civil
1199 actions. The amount of the attorney's fee may not exceed 50
1200 percent of the initial yearly benefit awarded under s.
1201 121.091(4). In cases involving disability retirement, the ~~State~~
1202 ~~Retirement~~ commission shall require the member to present
1203 competent substantial medical evidence and meet the requirements
1204 of s. 121.091(4)(c)2. and 3., and may require vocational
1205 evidence, before awarding disability retirement benefits.

1206 Section 13. Paragraph (a) of subsection (1) of section
1207 121.24, Florida Statutes, is amended to read:

1208 121.24 Conduct of commission business; legal and other
1209 assistance; compensation.--

1210 (1) The commission shall conduct its business within the
1211 following guidelines:

1212 (a) For purposes of hearing appeals under s. 121.23, the
1213 commission may meet in panels ~~consisting~~ of no not fewer than

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1214 three members. ~~For the purpose of meeting in these panels, a~~
1215 ~~quorum shall be not fewer than two members. For all other~~
1216 ~~purposes,~~ A quorum shall consist of three members. The concurring
1217 vote of a majority of the members present is ~~shall be~~ required to
1218 reach a decision, issue orders, and conduct the business of the
1219 commission.

1220 Section 14. Subsection (8) of section 1012.33, Florida
1221 Statutes, is amended to read:

1222 1012.33 Contracts with instructional staff, supervisors,
1223 and school principals.--

1224 (8) Notwithstanding any other provision of law, a retired
1225 ~~any member who has retired~~ may interrupt retirement and be
1226 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by
1227 the same district from which he or she retired may be employed on
1228 a probationary contractual basis as provided in subsection (1)~~+~~
1229 ~~however, no regular retirement employee shall be eligible to~~
1230 ~~renew membership under a retirement system created by chapter 121~~
1231 ~~or chapter 238.~~

1232 Section 15. Sections 121.093, 121.094, and 121.45, Florida
1233 Statutes, are repealed.

1234 Section 16. The Legislature finds that a proper and
1235 legitimate state purpose is served when employees and retirees of
1236 the state and its political subdivisions, as well as the
1237 dependents, survivors, and beneficiaries of such employees and
1238 retiree, are extended the basic protections afforded by
1239 governmental retirement systems that provide fair and adequate
1240 benefits and that are managed, administered, and funded in an
1241 actuarially sound manner as required by s. 14, Art. X of the
1242 State Constitution, and part VII of chapter 112, Florida

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1243 Statutes. Therefore, the Legislature determines and declares that
1244 the amendment of s. 121.091, Florida Statutes, by this act
1245 fulfills an important state interest.

1246 Section 17. This act shall take effect July 1, 2008.