

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

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

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59 system; repealing s. 121.093, F.S., relating to
60 instructional personnel reemployment after retirement from
61 the developmental research school or the Florida School
62 for the Deaf and the Blind; repealing s. 121.094, F.S.,
63 relating to instructional personnel reemployment after
64 retirement from a charter school; repealing s. 121.45,
65 F.S., relating to interstate compacts relating to pension
66 portability; providing a declaration of important state
67 interest; providing an effective date.

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

70
71 Section 1. Subsections (10), (11), (18), paragraph (b) of
72 subsection (22), and subsections (29), (52), and (53) of section
73 121.021, Florida Statutes, are amended, and subsections (63) and
74 (64) are added to that section, to read:

75 121.021 Definitions.--The following words and phrases as
76 used in this chapter have the respective meanings set forth
77 unless a different meaning is plainly required by the context:

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

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87 the state board, and the division are not responsible for
88 erroneous information provided by representatives of employers.

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

94 (a) State employees covered by a leasing agreement under s.
95 110.191, other public employees covered by a leasing agreement,
96 or to a co-employer relationship.

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

99 (18) "Past service" of any member, as provided in s.
100 121.081(1), means the number of years and complete months and any
101 fractional part of a month, recognized and credited by an
102 employer and approved by the administrator, during which the
103 member was in the active employ of a governmental ~~an~~ employer and
104 for which the employee is not entitled to a benefit prior to his
105 or her date of participation.

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

109 (b) Under no circumstances shall compensation include:

110 1. Fees paid professional persons for special or particular
111 services or include salary payments made from a faculty practice
112 plan authorized by the Board of Governors of the State University
113 System for eligible clinical faculty at a state university with a
114 faculty practice plan; ~~or~~

115 2. ~~Any~~ Bonuses or other payments prohibited from inclusion

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116 in the member's average final compensation and defined in
117 subsection (47); or.

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

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

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

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

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

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

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

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

138 3. The first day of the month following the date the member
139 completes 25 years of creditable service and attains age 52,
140 which service may include a maximum of 4 years of military
141 service credit as long as such credit is not claimed under any
142 other system and the remaining years are in the Special Risk
143 Class.

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144 (c) If a Senior Management Service Class member,~~the~~
145 ~~member~~:

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

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

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

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

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

161
162 "Normal retirement age" is attained on the "normal retirement
163 date."

164 (52) "Regularly established position" is defined as
165 follows:

166 (a) With respect to employment for ~~In~~ a state employer
167 agency, the term means a position that ~~which~~ is authorized and
168 established pursuant to law and is compensated from a salaries
169 appropriation pursuant to s. 216.011(1)(dd), or an established
170 position which is authorized pursuant to s. 216.262(1)(a) and (b)
171 and is compensated from a salaries account as provided by rule.

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

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

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

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

188 (63) "State board" or "board" means the State Board of
189 Administration.

190 (64) "Trustees" means the Board of Trustees of the State
191 Board of Administration.

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

194 121.031 Administration of system; appropriation; oaths;
195 actuarial studies; public records.--

196 (6) Unless prior written approval is obtained from the
197 department or state board, any promotional materials or
198 advertisements that, directly or indirectly, refer to the Florida
199 Retirement System or the FRS, must contain a disclaimer that the

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200 information is not approved or endorsed by the Florida Retirement
201 System.

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

205 121.051 Participation in the system.--

206 (1) COMPULSORY PARTICIPATION.--

207 (a) The provisions of this law are ~~shall be~~ compulsory as
208 to all officers and employees, except elected officers who meet
209 the requirements of s. 121.052(3), who are employed on or after
210 December 1, 1970, by ~~of~~ an employer other than those referred to
211 in paragraph (2)(b), and each officer or employee, as a condition
212 of employment, shall become a member of the system as of his or
213 her date of employment, except that a person who is retired from
214 any state retirement system and is reemployed on or after
215 December 1, 1970, may ~~shall not be permitted to~~ renew his or her
216 membership in any state retirement system except as provided in
217 s. 121.091(4)(h) for a person who recovers from disability, and
218 as provided in s. 121.091(9)(b)10. ~~s. 121.091(9)(b)8.~~ for a
219 person who is elected to public office, and, effective July 1,
220 1991, as provided in s. 121.122 for all other retirees. Officers
221 and employees of the University Athletic Association, Inc., a
222 nonprofit association connected with the University of Florida,
223 employed on and after July 1, 1979, may ~~shall~~ not participate in
224 any state-supported retirement system. Any person appointed on or
225 after July 1, 1989, to a faculty position in a college at the J.
226 Hillis Miller Health Center at the University of Florida or the
227 Medical Center at the University of South Florida which has a
228 faculty practice plan adopted ~~provided by rule~~ may ~~adopted by the~~

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229 ~~Board of Regents shall~~ not participate in the Florida Retirement
230 System. A faculty member so appointed shall participate in the
231 optional retirement program on the basis of his or her state-
232 funded compensation, notwithstanding the provisions of s.
233 121.35(2) (a) .

234 (2) OPTIONAL PARTICIPATION.--

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

254 2. If ~~When~~ the agency to which a member's employing unit is
255 transferred, merged, or consolidated does not participate in the
256 Florida Retirement System, a member may ~~shall~~ elect in writing to
257 remain in the Florida Retirement System or to transfer to the

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258 | local retirement system operated by the ~~such~~ agency. If such
259 | agency does not participate in a local retirement system, the
260 | member shall continue membership in the Florida Retirement
261 | System. In either case, ~~the~~ membership continues ~~shall continue~~
262 | for as long as the member is employed by the agency to which his
263 | or her unit was transferred, merged, or consolidated.

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

268 | Section 4. Paragraph (e) of subsection (3) of section
269 | 121.052, Florida Statutes, is amended to read:

270 | 121.052 Membership class of elected officers.--

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

278 | (e) Effective July 1, 2008 ~~July 1, 2001~~, the governing body
279 | of a municipality or special district may, by majority vote,
280 | elect to designate all its elected positions for inclusion in the
281 | Elected Officers' Class. Such election shall be made between July
282 | 1, 2008, and December 31, 2008 ~~July 1, 2001, and December 31,~~
283 | ~~2001~~, and shall be irrevocable. The designation of such positions
284 | shall be effective the first day of the month following receipt
285 | by the department of the ordinance or resolution passed by the
286 | governing body.

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287 Section 5. Paragraph (a) of subsection (6) of section
288 121.071, Florida Statutes, is amended to read:

289 121.071 Contributions.--Contributions to the system shall
290 be made as follows:

291 (6) (a) Required employee contributions for all service
292 other than current service, including, but not limited to, prior
293 service, past service, military service, leave-of-absence
294 service, out-of-state service, and certain non-Florida Retirement
295 System in-state service, shall be paid by cash, personal check,
296 cashier's check, ~~or~~ money order, or a direct rollover or transfer
297 from a qualified plan as provided under the Internal Revenue
298 Code. The payment must only; shall be accompanied by a statement
299 identifying the service for which payment is made, and shall be
300 made in a lump sum for the total amount due or in annual payments
301 of not less than \$100, except for the final payment if less than
302 \$100, unless another method of payment is authorized by law or
303 rule.

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

306 121.081 Past service; prior service;
307 contributions.--Conditions under which past service or prior
308 service may be claimed and credited are:

309 (1)

310 (f) If ~~When~~ any person, ~~either prior to this act or~~
311 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~
312 in one of the retirement systems under ~~consolidated within or~~
313 ~~created by~~ this chapter through the consolidation or merger of
314 governments or the transfer of functions between units of
315 government, ~~either~~ at the state or local level or between state

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316 and local units, or through the assumption of functions or
317 activities by a state or local unit from an employing
318 governmental entity ~~that~~ ~~which~~ was not an employer under the
319 system, and such person becomes a member of the Florida
320 Retirement System, such person is ~~shall be~~ entitled to receive
321 past-service credit ~~as defined in s. 121.021(18)~~ for the time the
322 ~~such~~ person performed services for, and was an employee of, such
323 state or local unit or other governmental employing entity prior
324 to the transfer, merger, consolidation, or assumption of
325 functions and activities. Past-service credit allowed by this
326 paragraph is ~~shall~~ also ~~be~~ available to any person who becomes a
327 member of an existing system, ~~as defined in s. 121.021(2)~~, prior
328 to December 1, 1970, through the transfer, merger, consolidation,
329 or assumption of functions and activities set forth in this
330 paragraph and who subsequently becomes a member of the Florida
331 Retirement System. However, credit for the past service may not
332 be granted until contributions are made in the manner provided in
333 this subsection. If a person rejected Florida Retirement System
334 membership at the time of the transfer, merger, ~~or~~ consolidation,
335 or assumption the required contributions shall be at total
336 actuarial cost as specified in paragraph (e). Such contributions
337 or accrued interest may not be paid from any public ~~state~~ funds.

338 (h) The following provisions apply to the purchase of past
339 service:

340 1. Notwithstanding any of the provisions of this
341 subsection, past-service credit may not be purchased under this
342 chapter for any service that is used to obtain a pension or
343 benefit from a ~~any~~ local retirement system. Eligibility to
344 receive or the receipt of contributions to a retirement plan made

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345 by the employer on behalf of the employee is considered a
346 benefit.

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

352 3. A member may not receive past service credit for co-
353 employer service. Co-employer service or a co-employer
354 relationship is employment in a single position simultaneously
355 covered and reported by both a public employer and a private
356 employer.

357 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit for
358 all of his or her past service, the period the member claims must
359 be the most recent past service prior to his or her participation
360 in the Florida Retirement System.

361 ~~5.4.~~ The cost of past service purchased by an employing
362 agency for its employees may be amortized over the ~~such~~ period of
363 time ~~as is~~ provided in the agreement, but not to exceed 15 years,
364 calculated in accordance with rule 60S-1.007(5)(f), Florida
365 Administrative Code.

366 ~~6.5.~~ The retirement account of each member for whom past
367 service is being provided by his or her employer shall be
368 credited with all past service the employer agrees to purchase as
369 soon as the agreement between the employer and the department is
370 executed. ~~Pursuant thereto:~~

371 a. Each ~~such~~ member's account shall also be posted with the
372 total contribution his or her employer agrees to make on ~~in~~ the
373 member's behalf for past service earned prior to October 1, 1975,

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374 | excluding those contributions representing the employer's
375 | matching share and the compound interest calculation on the total
376 | contribution. However, a portion of any contributions paid by an
377 | employer for past service credit earned on and after October 1,
378 | 1975, may not be posted to the a member's account.

379 | b. A refund of contributions payable after an employer has
380 | made a written agreement to purchase past service for employees
381 | of the covered group includes ~~shall include~~ contributions for
382 | past service which are posted to a member's account. However,
383 | contributions for past service earned on and after October 1,
384 | 1975, are not refundable.

385 | Section 7. Paragraph (b) of subsection (9), paragraphs (a),
386 | (b), and (c) of subsection (13), and paragraphs (b) through (f)
387 | of subsection (14) of section 121.091, Florida Statutes, are
388 | amended to read:

389 | 121.091 Benefits payable under the system.--Benefits may
390 | not be paid under this section unless the member has terminated
391 | employment as provided in s. 121.021(39) (a) or begun
392 | participation in the Deferred Retirement Option Program as
393 | provided in subsection (13), and a proper application has been
394 | filed in the manner prescribed by the department. The department
395 | may cancel an application for retirement benefits when the member
396 | or beneficiary fails to timely provide the information and
397 | documents required by this chapter and the department's rules.
398 | The department shall adopt rules establishing procedures for
399 | application for retirement benefits and for the cancellation of
400 | such application when the required information or documents are
401 | not received.

402 | (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

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403 (b)1. Any person who is retired under this chapter, except
404 under the disability retirement provisions of subsection (4), may
405 be reemployed by any private or public employer after retirement
406 and receive retirement benefits and compensation from the ~~his or~~
407 ~~her~~ employer without limitation ~~any limitations~~, except that the
408 a person may not receive ~~both~~ a salary from reemployment with any
409 agency participating in the Florida Retirement System and
410 retirement benefits under this chapter for ~~a period of~~ 12 months
411 immediately after ~~subsequent to~~ the date of retirement. However,
412 a DROP participant may ~~shall~~ continue employment and receive a
413 salary during the period of participation in DROP ~~the Deferred~~
414 ~~Retirement Option Program~~, as provided in subsection (13).

415 2. Any person to whom the limitation in subparagraph 1.
416 applies who ~~violates such reemployment limitation and who is~~
417 reemployed with any agency participating in the Florida
418 Retirement System after he or she has been retired for 1 calendar
419 month but before completion of the 12-month limitation period
420 must ~~shall~~ give timely notice of this fact in writing to the
421 employer and to the Division of Retirement and shall have his or
422 her retirement benefits suspended while employed during ~~for~~ the
423 balance of the 12-month limitation period unless the person
424 exceeds the 780-hour limitation in subparagraph 4., subparagraph
425 5., or subparagraph 11. Any person employed in violation of this
426 paragraph and any employing agency that ~~which~~ knowingly employs
427 or appoints such person without notifying the division ~~of~~
428 ~~Retirement~~ to suspend retirement benefits are ~~shall be~~ jointly
429 and severally liable for ~~reimbursement to the retirement trust~~
430 ~~fund of~~ any benefits paid during the reemployment limitation
431 period. To avoid liability, the ~~such~~ employing agency must ~~shall~~

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432 have a written statement from the retiree that he or she is not
433 retired from a state-administered retirement system. Any
434 retirement benefits received while reemployed during this
435 reemployment limitation period must ~~shall~~ be repaid to the
436 Florida Retirement System Trust Fund, and retirement benefits
437 ~~shall~~ remain suspended until such repayment has been made.
438 Benefits suspended beyond the reemployment limitation shall apply
439 toward repayment of benefits received in violation of the
440 reemployment limitation.

441 3. A district school board may reemploy a retired member as
442 a substitute or hourly teacher, education paraprofessional,
443 transportation assistant, bus driver, or food service worker on a
444 noncontractual basis after he or she has been retired for 1
445 calendar month, in accordance with s. 121.021(39). A district
446 school board may reemploy a retired member as instructional
447 personnel, as defined in s. 1012.01(2)(a), on an annual
448 contractual basis after he or she has been retired for 1 calendar
449 month, in accordance with s. 121.021(39). Any other retired
450 member who is reemployed within 1 calendar month after retirement
451 voids ~~shall void~~ his or her application for retirement benefits.
452 District school boards reemploying such teachers, education
453 paraprofessionals, transportation assistants, bus drivers, or
454 food service workers are subject to the retirement contribution
455 required by subparagraph 9. 7.

456 4. A community college board of trustees may reemploy a
457 retired member as an adjunct instructor, ~~that is, an instructor~~
458 ~~who is noncontractual and part-time~~, or as a participant in a
459 phased retirement program within the Florida Community College
460 System, after he or she has been retired for 1 calendar month, in

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461 | accordance with s. 121.021(39). Any retired member who is
462 | reemployed within 1 calendar month after retirement voids ~~shall~~
463 | ~~void~~ his or her application for retirement benefits. Boards of
464 | trustees reemploying such instructors are subject to the
465 | retirement contribution required in subparagraph 7. A retired
466 | member may be reemployed as an adjunct instructor for no more
467 | than 780 hours during the first 12 months of retirement. Any
468 | retired member reemployed for more than 780 hours during the
469 | first 12 months of retirement must ~~shall~~ give timely notice in
470 | writing to the employer and to the Division of Retirement of the
471 | date he or she will exceed the limitation. The division shall
472 | suspend his or her retirement benefits for the remainder of the
473 | first 12 months of retirement. Any person employed in violation
474 | of this subparagraph and any employing agency that ~~which~~
475 | knowingly employs or appoints such person without notifying the
476 | division of ~~Retirement~~ to suspend retirement benefits are ~~shall~~
477 | ~~be~~ jointly and severally liable for ~~reimbursement to the~~
478 | ~~retirement trust fund of~~ any benefits paid during the
479 | reemployment limitation period. To avoid liability, the ~~such~~
480 | employing agency must ~~shall~~ have a written statement from the
481 | retiree that he or she is not retired from a state-administered
482 | retirement system. Any retirement benefits received by a retired
483 | member while reemployed in excess of 780 hours during the first
484 | 12 months of retirement must ~~shall~~ be repaid to the Florida
485 | Retirement System Trust Fund, and retirement benefits ~~shall~~
486 | remain suspended until repayment is made. Benefits suspended
487 | beyond the end of the retired member's first 12 months of
488 | retirement shall apply toward repayment of benefits received in
489 | violation of the 780-hour reemployment limitation.

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490 5. The State University System may reemploy a retired
491 member as an adjunct faculty member or as a participant in a
492 phased retirement program within the State University System
493 after the retired member has been retired for 1 calendar month,
494 in accordance with s. 121.021(39). A ~~Any~~ retired member who is
495 reemployed within 1 calendar month after retirement voids ~~shall~~
496 ~~void~~ his or her application for retirement benefits. The State
497 University System is subject to the retired contribution required
498 in subparagraph 9. 7., as appropriate. A retired member may be
499 reemployed as an adjunct faculty member or a participant in a
500 phased retirement program for no more than 780 hours during the
501 first 12 months of his or her retirement. Any retired member
502 reemployed for more than 780 hours during the first 12 months of
503 retirement must ~~shall~~ give timely notice in writing to the
504 employer and to the Division of Retirement of the date he or she
505 will exceed the limitation. The division shall suspend his or her
506 retirement benefits for the remainder of the first 12 months of
507 retirement. Any person employed in violation of this subparagraph
508 and any employing agency that ~~which~~ knowingly employs or appoints
509 such person without notifying the division ~~of Retirement~~ to
510 suspend retirement benefits are ~~shall be~~ jointly and severally
511 liable for ~~reimbursement to the retirement trust fund~~ of any
512 benefits paid during the reemployment limitation period. To avoid
513 liability, such employing agency must ~~shall~~ have a written
514 statement from the retiree that he or she is not retired from a
515 state-administered retirement system. Any retirement benefits
516 received by a retired member while reemployed in excess of 780
517 hours during the first 12 months of retirement must ~~shall~~ be
518 repaid to the Florida Retirement System Trust Fund, and

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519 retirement benefits shall remain suspended until repayment is
520 made. Benefits suspended beyond the end of the retired member's
521 first 12 months of retirement shall apply toward repayment of
522 benefits received in violation of the 780-hour reemployment
523 limitation.

524 6. The Board of Trustees of the Florida School for the Deaf
525 and the Blind may reemploy a retired member as a substitute
526 teacher, substitute residential instructor, or substitute nurse
527 on a noncontractual basis after he or she has been retired for 1
528 calendar month, in accordance with s. 121.021(39). The Board of
529 Trustees of the Florida School for the Deaf and the Blind may
530 reemploy a retired member as instructional personnel, as defined
531 in s. 1012.01(2) (a), on an annual contractual basis after he or
532 she has been retired for 1 calendar month, in accordance with s.
533 121.021(39). Any retired member who is reemployed within 1
534 calendar month after retirement voids ~~shall void~~ his or her
535 application for retirement benefits. The Board of Trustees of the
536 Florida School for the Deaf and the Blind reemploying such
537 teachers, residential instructors, or nurses is subject to the
538 retirement contribution required by subparagraph 9. 7.
539 ~~Reemployment of a retired member as a substitute teacher,~~
540 ~~substitute residential instructor, or substitute nurse is limited~~
541 ~~to 780 hours during the first 12 months of his or her retirement.~~
542 ~~Any retired member reemployed for more than 780 hours during the~~
543 ~~first 12 months of retirement shall give timely notice in writing~~
544 ~~to the employer and to the division of the date he or she will~~
545 ~~exceed the limitation. The division shall suspend his or her~~
546 ~~retirement benefits for the remainder of the first 12 months of~~
547 ~~retirement. Any person employed in violation of this subparagraph~~

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548 ~~and any employing agency which knowingly employs or appoints such~~
549 ~~person without notifying the Division of Retirement to suspend~~
550 ~~retirement benefits shall be jointly and severally liable for~~
551 ~~reimbursement to the retirement trust fund of any benefits paid~~
552 ~~during the reemployment limitation period. To avoid liability,~~
553 ~~such employing agency shall have a written statement from the~~
554 ~~retiree that he or she is not retired from a state-administered~~
555 ~~retirement system. Any retirement benefits received by a retired~~
556 ~~member while reemployed in excess of 780 hours during the first~~
557 ~~12 months of retirement shall be repaid to the Retirement System~~
558 ~~Trust Fund, and his or her retirement benefits shall remain~~
559 ~~suspended until payment is made. Benefits suspended beyond the~~
560 ~~end of the retired member's first 12 months of retirement shall~~
561 ~~apply toward repayment of benefits received in violation of the~~
562 ~~780-hour reemployment limitation.~~

563 7. A developmental research school may reemploy a retired
564 member as a substitute or hourly teacher or an education
565 paraprofessional as defined in s. 1012.01(2) on a noncontractual
566 basis after he or she has been retired for 1 calendar month, in
567 accordance with s. 121.021(39). A developmental research school
568 may reemploy a retired member as instructional personnel, as
569 defined in s. 1012.01(2)(a), on an annual contractual basis after
570 he or she has been retired for 1 calendar month, in accordance
571 with s. 121.021(39). Any other retired member who is reemployed
572 within 1 calendar month after retirement voids his or her
573 application for retirement benefits. A developmental research
574 school that reemploys retired teachers and education
575 paraprofessionals are subject to the retirement contribution
576 required by subparagraph 9.

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577 8. A charter school may reemploy a retired member as a
578 substitute or hourly teacher on a noncontractual basis after he
579 or she has been retired for 1 calendar month, in accordance with
580 s. 121.021(39). A charter school may reemploy a retired member as
581 instructional personnel, as defined in s. 1012.01(2(a), on an
582 annual contractual basis after he or she has been retired for 1
583 calendar month, in accordance with s. 121.021(39). Any other
584 retired member who is reemployed within 1 calendar month after
585 retirement voids his or her application for retirement benefits.
586 A charter school that reemploys such teachers is subject to the
587 retirement contribution required by subparagraph 9.

588 9.7. The employment ~~by an employer~~ of a any retiree or DROP
589 participant of a any state-administered retirement system does
590 not affect ~~shall have no effect~~ on the average final compensation
591 or years of creditable service of the retiree or DROP
592 participant. Prior to July 1, 1991, upon employment of any
593 person, other than an elected officer as provided in s. 121.053,
594 who is ~~has been~~ retired under a any state-administered retirement
595 program, the employer shall pay retirement contributions in an
596 amount equal to the unfunded actuarial liability portion of the
597 employer contribution which would be required for regular members
598 of the Florida Retirement System. Effective July 1, 1991,
599 contributions shall be made as provided in s. 121.122 for
600 retirees who have ~~with~~ renewed membership or, as provided in
601 subsection (13), ~~for with respect to~~ DROP participants.

602 10.8. Any person who has ~~previously~~ retired and who is
603 holding an elective public office or an appointment to an
604 elective public office eligible for the Elected Officers' Class
605 on or after July 1, 1990, shall be enrolled in the Florida

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606 Retirement System as provided in s. 121.053(1)(b) or, if holding
607 an elective public office that does not qualify for the Elected
608 Officers' Class on or after July 1, 1991, shall be enrolled in
609 the Florida Retirement System as provided in s. 121.122, and
610 shall continue to receive retirement benefits as well as
611 compensation for the elected officer's service for as long as he
612 or she remains in elective office. However, any retired member
613 who served in an elective office prior to July 1, 1990, suspended
614 his or her retirement benefit, and had his or her Florida
615 Retirement System membership reinstated shall, upon retirement
616 from such office, have his or her retirement benefit recalculated
617 to include the additional service and compensation earned.

618 11.9. Any person who is holding an elective public office
619 which is covered by the Florida Retirement System and who is
620 concurrently employed in nonelected covered employment may elect
621 to retire while continuing employment in the elective public
622 office, if provided that he or she terminates ~~shall be required~~
623 ~~to terminate~~ his or her nonelected covered employment. Any person
624 who exercises this election shall receive his or her retirement
625 benefits in addition to the compensation of the elective office
626 without regard to the time limitations otherwise provided in this
627 subsection. A ~~No~~ person who seeks to exercise the provisions of
628 this subparagraph, as they ~~the same~~ existed prior to May 3, 1984,
629 may not shall be deemed to be retired under those provisions,
630 unless such person is eligible to retire under the provisions of
631 this subparagraph, as amended by chapter 84-11, Laws of Florida.

632 ~~10. The limitations of this paragraph apply to reemployment~~
633 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~

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634 ~~irrespective of the category of funds from which the person is~~
635 ~~compensated.~~

636 12.11. An employing agency may reemploy a retired member as
637 a firefighter or paramedic after the retired member has been
638 retired for 1 calendar month, in accordance with s. 121.021(39).
639 Any retired member who is reemployed within 1 calendar month
640 after retirement voids ~~shall void~~ his or her application for
641 retirement benefits. The employing agency reemploying such
642 firefighter or paramedic is subject to the retired contribution
643 required in subparagraph 9. ~~8.~~ Reemployment of a retired
644 firefighter or paramedic is limited to no more than 780 hours
645 during the first 12 months of his or her retirement. Any retired
646 member reemployed for more than 780 hours during the first 12
647 months of retirement must ~~shall~~ give timely notice in writing to
648 the employer and to the Division of Retirement of the date he or
649 she will exceed the limitation. The division shall suspend his or
650 her retirement benefits for the remainder of the first 12 months
651 of retirement. Any person employed in violation of this
652 subparagraph and any employing agency that ~~which~~ knowingly
653 employs or appoints such person without notifying the division ~~of~~
654 ~~Retirement~~ to suspend retirement benefits shall be jointly and
655 severally liable for ~~reimbursement to the Retirement System Trust~~
656 ~~Fund of~~ any benefits paid during the reemployment limitation
657 period. To avoid liability, such employing agency must ~~shall~~ have
658 a written statement from the retiree that he or she is not
659 retired from a state-administered retirement system. Any
660 retirement benefits received by a retired member while reemployed
661 in excess of 780 hours during the first 12 months of retirement
662 must ~~shall~~ be repaid to the Florida Retirement System Trust Fund,

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663 and retirement benefits ~~shall~~ remain suspended until repayment is
664 made. Benefits suspended beyond the end of the retired member's
665 first 12 months of retirement shall apply toward repayment of
666 benefits received in violation of the 780-hour reemployment
667 limitation.

668 13. The limitations of this paragraph apply to reemployment
669 in any capacity with an employer, as defined in s. 121.021,
670 irrespective of the category of funds from which the person is
671 compensated.

672 14. The reemployment after retirement provisions of this
673 paragraph apply to DROP participants effective upon termination
674 from employment and the end of DROP participation.

675 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
676 subject to the provisions of this section, the Deferred
677 Retirement Option Program, hereinafter referred to as the DROP,
678 is a program under which an eligible member of the Florida
679 Retirement System may elect to participate, deferring receipt of
680 retirement benefits while continuing employment with his or her
681 Florida Retirement System employer. The deferred monthly benefits
682 shall accrue in the System Trust Fund on behalf of the
683 participant, plus interest compounded monthly, for the specified
684 period of the DROP participation, as provided in paragraph (c).
685 Upon termination of employment, the participant shall receive the
686 total DROP benefits and begin to receive the previously
687 determined normal retirement benefits. Participation in the DROP
688 does not guarantee employment for the specified period of DROP.
689 Participation in the DROP by an eligible member beyond the
690 initial 60-month period as authorized in this subsection shall be
691 on an annual contractual basis for all participants.

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692 (a) Eligibility of member to participate in ~~the~~ DROP.--All
693 active Florida Retirement System members in a regularly
694 established position, and all active members of ~~either~~ the
695 Teachers' Retirement System established in chapter 238 or the
696 State and County Officers' and Employees' Retirement System
697 established in chapter 122, which systems are consolidated within
698 the Florida Retirement System under s. 121.011, are eligible to
699 elect participation in ~~the~~ DROP if provided that:

700 1. The member is not a renewed member ~~of the Florida~~
701 ~~Retirement System~~ under s. 121.122, or a member of the State
702 Community College System Optional Retirement Program under s.
703 121.051, the Senior Management Service Optional Annuity Program
704 under s. 121.055, or the optional retirement program for the
705 State University System under s. 121.35.

706 2. Except as provided in subparagraph 6., election to
707 participate is made within 12 months immediately following the
708 date on which the member first reaches normal retirement date,
709 or, for a member who reaches normal retirement date ~~based on~~
710 ~~service~~ before he or she reaches age 62, or age 55 for Special
711 Risk Class members, election to participate may be deferred to
712 the 12 months immediately following the date the member attains
713 57, or age 52 for Special Risk Class members. ~~For a member who~~
714 ~~first reached normal retirement date or the deferred eligibility~~
715 ~~date described above prior to the effective date of this section,~~
716 ~~election to participate shall be made within 12 months after the~~
717 ~~effective date of this section.~~ A member who fails to make an
718 election within the such 12-month limitation period forfeits
719 ~~shall forfeit~~ all rights to participate in ~~the~~ DROP. The member
720 shall advise his or her employer and the division in writing of

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721 | the date ~~on which the~~ DROP begins shall ~~begin~~. The Such beginning
722 | date may be subsequent to the 12-month election period, but must
723 | be within the original 60-month participation ~~or, with respect to~~
724 | ~~members who are instructional personnel employed by the Florida~~
725 | ~~School for the Deaf and the Blind and who have received~~
726 | ~~authorization by the Board of Trustees of the Florida School for~~
727 | ~~the Deaf and the Blind to participate in the DROP beyond 60~~
728 | ~~months, or who are instructional personnel as defined in s.~~
729 | ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
730 | ~~authorization by the district school superintendent to~~
731 | ~~participate in the DROP beyond 60 months, the 96-month limitation~~
732 | ~~period as~~ provided in subparagraph (b)1. When establishing
733 | eligibility of the member to participate in the DROP ~~for the 60-~~
734 | ~~month or, with respect to members who are instructional personnel~~
735 | ~~employed by the Florida School for the Deaf and the Blind and who~~
736 | ~~have received authorization by the Board of Trustees of the~~
737 | ~~Florida School for the Deaf and the Blind to participate in the~~
738 | ~~DROP beyond 60 months, or who are instructional personnel as~~
739 | ~~defined in s. 1012.01(2) (a)-(d) in grades K-12 and who have~~
740 | ~~received authorization by the district school superintendent to~~
741 | ~~participate in the DROP beyond 60 months, the 96-month maximum~~
742 | ~~participation period,~~ the member may elect to include or exclude
743 | any optional service credit purchased by the member from the
744 | total service used to establish the normal retirement date. A
745 | member who has ~~with~~ dual normal retirement dates is ~~shall be~~
746 | eligible to elect to participate in DROP within 12 months after
747 | attaining normal retirement date in either class.

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

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750 | writing to the division the date the member's participation in
751 | the DROP begins and the date the member's employment and DROP
752 | participation will terminate.

753 | 4. Simultaneous employment of a participant by additional
754 | Florida Retirement System employers subsequent to the
755 | commencement of participation in ~~the~~ DROP is ~~shall be~~ permissible
756 | if provided such employers acknowledge in writing a DROP
757 | termination date no later than the participant's existing
758 | termination date or the maximum participation ~~60-month limitation~~
759 | period as provided in subparagraph (b)1.

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

762 | a. A change of employment must take place without a break
763 | in service so that the member receives salary for each month of
764 | continuous DROP participation. If a member receives no salary
765 | during a month, DROP participation shall cease unless the
766 | employer verifies a continuation of the employment relationship
767 | for such participant pursuant to s. 121.021(39)(b).

768 | b. Such participant and new employer shall notify the
769 | division of the identity of the new employer on forms required by
770 | the division ~~as to the identity of the new employer.~~

771 | c. The new employer shall acknowledge, in writing, the
772 | participant's DROP termination date, which may be extended but
773 | not beyond the original 60-month participation ~~or, with respect~~
774 | ~~to members who are instructional personnel employed by the~~
775 | ~~Florida School for the Deaf and the Blind and who have received~~
776 | ~~authorization by the Board of Trustees of the Florida School for~~
777 | ~~the Deaf and the Blind to participate in the DROP beyond 60~~
778 | ~~months, or who are instructional personnel as defined in s.~~

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779 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
780 ~~authorization by the district school superintendent to~~
781 ~~participate in the DROP beyond 60 months, the 96-month period~~
782 ~~provided in subparagraph (b)1., shall acknowledge liability for~~
783 ~~any additional retirement contributions and interest required if~~
784 ~~the participant fails to timely terminate employment, and is~~
785 ~~shall be subject to the adjustment required in sub-subparagraph~~
786 ~~(c)5.d.~~

787 6. Effective July 1, 2001, for instructional personnel as
788 defined in s. 1012.01(2), election to participate in the DROP may
789 ~~shall~~ be made at any time following the date on which the member
790 first reaches normal retirement date. The member shall advise his
791 or her employer and the division in writing of the date on which
792 DROP begins ~~the Deferred Retirement Option Program shall begin.~~
793 When establishing eligibility of the member to participate in ~~the~~
794 DROP for the 60-month ~~or, with respect to members who are~~
795 ~~instructional personnel employed by the Florida School for the~~
796 ~~Deaf and the Blind and who have received authorization by the~~
797 ~~Board of Trustees of the Florida School for the Deaf and the~~
798 ~~Blind to participate in the DROP beyond 60 months, or who are~~
799 ~~instructional personnel as defined in s. 1012.01(2) (a)-(d) in~~
800 ~~grades K-12 and who have received authorization by the district~~
801 ~~school superintendent to participate in the DROP beyond 60~~
802 ~~months, the 96-month maximum participation period, as provided in~~
803 sub-subparagraph (b) (1) a. subparagraph (b)1., the member may
804 elect to include or exclude any optional service credit purchased
805 by the member from the total service used to establish the normal
806 retirement date. A member who has ~~with~~ dual normal retirement

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807 | dates ~~is shall be~~ eligible to elect to participate in either
808 | class.

809 | (b) Participation in ~~the~~ DROP.--

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

813 | b. Members who are instructional personnel employed by the
814 | Florida School for the Deaf and the Blind and authorized ~~who have~~
815 | ~~received authorization~~ by the Board of Trustees of the Florida
816 | School for the Deaf and the Blind ~~to participate in the DROP~~
817 | ~~beyond 60 months,~~ or who are instructional personnel as defined
818 | in s. 1012.01(2)(a)-(d) in grades K-12 and authorized ~~who have~~
819 | ~~received authorization~~ by the district school superintendent ~~to~~
820 | ~~participate in the DROP beyond 60 calendar months,~~ or who are
821 | instructional personnel, as defined in s. 1012.01(2), employed by
822 | a developmental research school and authorized by the school's
823 | director, or if the school has no director, by the school's
824 | principal, may participate in DROP for up to 36 calendar months
825 | beyond the 60-month period specified in sub-subparagraph a. ~~96~~
826 | ~~calendar months immediately following the date on which the~~
827 | ~~member first reaches his or her normal retirement date or the~~
828 | ~~date to which he or she is eligible to defer his or her election~~
829 | ~~to participate as provided in subparagraph (a)2. However, a~~
830 | ~~member who has reached normal retirement date prior to the~~
831 | ~~effective date of the DROP shall be eligible to participate in~~
832 | ~~the DROP for a period of time not to exceed 60 calendar months~~
833 | ~~or, with respect to members who are instructional personnel~~
834 | ~~employed by the Florida School for the Deaf and the Blind and who~~
835 | ~~have received authorization by the Board of Trustees of the~~

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836 ~~Florida School for the Deaf and the Blind to participate in the~~
837 ~~DROP beyond 60 months, or who are instructional personnel as~~
838 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
839 ~~received authorization by the district school superintendent to~~
840 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
841 ~~months immediately following the effective date of the DROP,~~
842 ~~except a member of the Special Risk Class who has reached normal~~
843 ~~retirement date prior to the effective date of the DROP and whose~~
844 ~~total accrued value exceeds 75 percent of average final~~
845 ~~compensation as of his or her effective date of retirement shall~~
846 ~~be eligible to participate in the DROP for no more than 36~~
847 ~~calendar months immediately following the effective date of the~~
848 ~~DROP.~~

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

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

852 b. Selection of ~~the~~ DROP participation and termination
853 dates, which satisfy the limitations stated in paragraph (a) and
854 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
855 binding letter of resignation to ~~with~~ the employer, establishing
856 a deferred termination date. The member may change the
857 termination date within the limitations of subparagraph 1., but
858 only with the written approval of the ~~his or her~~ employer;

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

861 d. Any other information required by the division.

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

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865 121.122. DROP participation is final and cannot be cancelled by
866 the participant after the first payment is credited during the
867 DROP participation period. However, participation in ~~the~~ DROP
868 does not alter the participant's employment status and the member
869 is ~~such employee shall not be~~ deemed retired from employment
870 until his or her deferred resignation is effective and
871 termination occurs as provided in s. 121.021(39).

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

874 a. An elected officer who reaches normal retirement date
875 during a term of office may defer the election to participate in
876 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
877 elected officer who exercises this option may participate in ~~the~~
878 DROP for up to 60 calendar months or a period of no longer than
879 the ~~such~~ succeeding term of office, whichever is less.

880 b. An elected or a nonelected participant may run for a
881 term of office while participating in DROP and, if elected,
882 extend the DROP termination date accordingly, except, however, if
883 such additional term of office exceeds the 60-month limitation
884 established in subparagraph 1., and the officer does not resign
885 from office within such 60-month limitation, the retirement and
886 the participant's DROP is ~~shall be~~ null and void as provided in
887 sub-subparagraph (c)5.d.

888 c. An elected officer who is dually employed and elects to
889 participate in DROP must ~~shall be required to~~ satisfy the
890 definition of termination within the 60-month participation ~~or,~~
891 ~~with respect to members who are instructional personnel employed~~
892 ~~by the Florida School for the Deaf and the Blind and who have~~
893 ~~received authorization by the Board of Trustees of the Florida~~

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894 ~~School for the Deaf and the Blind to participate in the DROP~~
895 ~~beyond 60 months, or who are instructional personnel as defined~~
896 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
897 ~~authorization by the district school superintendent to~~
898 ~~participate in the DROP beyond 60 months, the 96-month limitation~~
899 ~~period as provided in subparagraph 1. for the nonelected position~~
900 ~~and may continue employment as an elected officer as provided in~~
901 ~~s. 121.053. The elected officer shall ~~will~~ be enrolled as a~~
902 ~~renewed member in the Elected Officers' Class or the Regular~~
903 ~~Class, as provided in ss. 121.053 and 121.122, on the first day~~
904 ~~of the month after termination of employment in the nonelected~~
905 ~~position and termination of DROP. Distribution of ~~the~~ DROP~~
906 ~~benefits shall be made as provided in paragraph (c).~~

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

908 1. Effective on ~~with~~ the date of DROP participation, the
909 member's initial normal monthly benefit, including creditable
910 service, optional form of payment, and average final
911 compensation, and the effective date of retirement are ~~shall be~~
912 fixed. The beneficiary established under the Florida Retirement
913 System shall be the beneficiary eligible to receive any DROP
914 benefits payable if the DROP participant dies prior to the
915 completion of the period of DROP participation. If ~~In the event~~ a
916 joint annuitant predeceases the member, the member may name a
917 beneficiary to receive accumulated DROP benefits payable. The
918 ~~Such~~ retirement benefit, the annual cost of living adjustments
919 provided in s. 121.101, and interest shall accrue monthly in the
920 Florida Retirement System Trust Fund. The ~~Such~~ interest shall
921 accrue at an effective annual rate of 6.5 percent compounded

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

924 2. Each employee who elects to participate in ~~the~~ DROP may
925 ~~shall be allowed to~~ elect to receive a lump-sum payment for
926 accrued annual leave earned in accordance with agency policy upon
927 beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated leave
928 payment certified to the division upon commencement of DROP shall
929 be included in the calculation of the member's average final
930 compensation. The employee electing the ~~such~~ lump-sum payment is
931 ~~upon beginning participation in DROP will not be eligible to~~
932 receive a second lump-sum payment upon termination, except to the
933 extent the employee has earned additional annual leave which,
934 combined with the original payment, does not exceed the maximum
935 lump-sum payment allowed by the employing agency's policy or
936 rules. An ~~Such~~ early lump-sum payment shall be based on the
937 hourly wage of the employee at the time he or she begins
938 participation in ~~the~~ DROP. If the member elects to wait and
939 receive a ~~such~~ lump-sum payment upon termination of DROP and
940 termination of employment with the employer, any accumulated
941 leave payment made at that time may not ~~cannot~~ be included in the
942 member's retirement benefit, which was determined and fixed by
943 law when the employee elected to participate in ~~the~~ DROP.

944 3. The effective date of DROP participation and the
945 effective date of retirement of a DROP participant shall be the
946 first day of the month selected by the member to begin
947 participation in the DROP, provided such date is properly
948 established, with the written confirmation of the employer, and
949 the approval of the division, on forms required by the division.

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950 4. Normal retirement benefits and any interest ~~thereon~~
951 shall continue to accrue in ~~the~~ DROP until the established
952 termination date of ~~the~~ DROP, or until the participant terminates
953 employment or dies prior to such date. Although individual DROP
954 accounts shall not be established, a separate accounting of each
955 participant's accrued benefits under ~~the~~ DROP shall be calculated
956 and provided to participants.

957 5. At the conclusion of the participant's DROP, the
958 division shall distribute the participant's total accumulated
959 DROP benefits, subject to the following provisions:

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

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

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

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

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

981 (III) Partial lump sum.--A portion of the accrued DROP
982 benefits shall be paid to the DROP participant or surviving
983 spouse, less withholding taxes remitted to the Internal Revenue
984 Service, and the remaining DROP benefits shall be transferred
985 directly to the custodian of an eligible retirement plan as
986 defined in s. 402(c)(8)(B) of the Internal Revenue Code. However,
987 in the case of an eligible rollover distribution to the surviving
988 spouse of a deceased participant, an eligible retirement plan is
989 an individual retirement account or an individual retirement
990 annuity as described in s. 402(c)(9) of the Internal Revenue
991 Code. The proportions shall be specified by the DROP participant
992 or surviving beneficiary.

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

996 d. A DROP participant who fails to terminate employment as
997 defined in s. 121.021(39)(b) shall be deemed as ~~to be~~
998 retired, and the DROP election is ~~shall be~~ null and void. Florida
999 Retirement System membership shall be reestablished retroactively
1000 to the date of the commencement of ~~the~~ DROP, and each employer
1001 with whom the participant continues employment must ~~shall be~~
1002 ~~required to~~ pay to the Florida Retirement System Trust Fund the
1003 difference between the DROP contributions paid in paragraph (i)
1004 and the contributions required for the applicable Florida
1005 Retirement System class of membership during the period the
1006 member participated in the DROP, plus 6.5 percent interest
1007 compounded annually.

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1008 6. The retirement benefits of any DROP participant who
1009 meets the definition of termination, as provided in s.
1010 121.021(39) (b), but is in violation of the reemployment
1011 provisions as provided in subsection (9), shall be suspended
1012 during those months in which the member is in violation. Any
1013 member employed in violation of this subparagraph and any
1014 employing agency that knowingly employs or appoints such member
1015 without notifying the Division of Retirement to suspend
1016 retirement benefits are jointly and severally liable for any
1017 benefits paid during the reemployment limitation period. To avoid
1018 liability, the employing agency must have a written statement
1019 from the retiree that he or she is not retired from a state-
1020 administered retirement system. Any retirement benefits received
1021 by a retired member while employed in violation of the
1022 reemployment limitations during the first 12 months of retirement
1023 must be repaid to the Florida Retirement System Trust Fund, and
1024 his or her retirement benefits shall remain suspended until
1025 payment is made. Benefits suspended beyond the end of the retired
1026 member's first 12 months of retirement shall apply toward
1027 repayment of benefits received in violation of the reemployment
1028 limitations.

1029 ~~7.6.~~ The accrued benefits of any DROP participant, and any
1030 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
1031 ~~be~~ subject to assignment, execution, attachment, or to any legal
1032 process whatsoever, except for qualified domestic relations
1033 orders by a court of competent jurisdiction, income deduction
1034 orders as provided in s. 61.1301, and federal income tax levies.

1035 ~~8.7.~~ DROP participants are ~~shall~~ not ~~be~~ eligible for
1036 disability retirement benefits as provided in subsection (4).

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1037 (14) PAYMENT OF BENEFITS.--This subsection applies to the
1038 payment of benefits to a payee (retiree or beneficiary) under the
1039 Florida Retirement System:

1040 (b) Subject to approval by the division in accordance with
1041 rule 60S-4.015, Florida Administrative Code, a payee receiving
1042 retirement benefits under the ~~Florida Retirement~~ system may also
1043 have the following payments deducted from his or her monthly
1044 benefit:

1045 1. Premiums for life and health-related insurance policies
1046 from approved companies.

1047 2. Life insurance premiums for the State Group Life
1048 Insurance Plan, if authorized in writing by the payee and by the
1049 department ~~of Management Services~~.

1050 3. Repayment of overpayments from the Florida Retirement
1051 System Trust Fund, the State Employees' Health Insurance Trust
1052 Fund, or the State Employees' Life Insurance Trust Fund, upon
1053 notification of the payee.

1054 4. Payments to an alternate payee for alimony or, child
1055 support pursuant to an income deduction order under s. 61.1301,
1056 or division of marital assets pursuant to a qualified domestic
1057 relations order under s. 222.21 ~~or an income deduction order~~
1058 ~~under s. 61.1301~~.

1059 5. Payments to the Internal Revenue Service for federal
1060 income tax levies, upon notification of the division by the
1061 Internal Revenue Service.

1062 (c) A payee must ~~shall~~ notify the division of any change in
1063 his or her address. The division may suspend benefit payments to
1064 a payee if correspondence sent to the payee's mailing address is
1065 returned due to an incorrect address. Benefit payments shall be

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1066 resumed upon notification to the division of the payee's new
1067 address.

1068 (d) A payee whose retirement benefits are reduced by the
1069 application of maximum benefit limits under s. 415(b) of the
1070 Internal Revenue Code, as specified in s. 121.30(5), shall have
1071 the portion of his or her calculated benefit in the Florida
1072 Retirement System defined benefit plan which exceeds such federal
1073 limitation paid through the Florida Retirement System
1074 Preservation of Benefits Plan, as provided in s. 121.1001.

1075 (e). The Division of Retirement may issue retirement
1076 benefits payable for division of marital assets pursuant to a
1077 qualified domestic relations order directly to the alternate
1078 payee, any court order to the contrary notwithstanding, in order
1079 to meet Internal Revenue Code requirements.

1080 (f)~~(e)~~ A ~~Ne~~ benefit may not be reduced for the purpose of
1081 preserving the member's eligibility for a federal program.

1082 (g)~~(f)~~ The division shall adopt rules establishing
1083 procedures for determining that ~~the~~ persons to whom benefits are
1084 being paid are still living. The division shall suspend the
1085 benefits being paid to any payee if ~~when~~ it is unable to contact
1086 such payee and to confirm that he or she is still living.

1087 Section 8. Section 121.1115, Florida Statutes, is amended
1088 to read:

1089 121.1115 Purchase of retirement credit for out-of-state or
1090 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~
1091 ~~Florida Retirement System~~ may purchase creditable service for
1092 periods of public employment in another state and receive
1093 creditable service for such periods of employment. Service with
1094 the Federal Government, including any active military service,

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1095 may be claimed. Upon completion of each year of service earned
1096 under the Florida Retirement System, a member may purchase up to
1097 1 year of retirement credit for his or her out-of-state service,
1098 subject to the following provisions:

1099 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the
1100 out-of-state service:

1101 (a) The out-of-state service ~~being claimed~~ must have been:

1102 1. Performed in a position of employment with the state or
1103 a political subdivision thereof or with the Federal Government;

1104 2. Covered by a retirement or pension plan provided by the
1105 state or political subdivision, or by the Federal Government, as
1106 appropriate; and

1107 3. Performed prior to a period of membership in the Florida
1108 Retirement System.

1109 (b) The member must have completed a minimum of 6 years of
1110 creditable service under the Florida Retirement System, excluding
1111 out-of-state service and in-state service claimed and purchased
1112 under s. 121.1122.

1113 (c) Not more than 5 years of creditable service may be
1114 claimed for creditable service aggregated under the provisions of
1115 this section and s. 121.1122.

1116 (d) The out-of-state service credit ~~claimed under this~~
1117 ~~section~~ shall be credited only as service in the Regular Class of
1118 ~~membership~~, and any benefit or pension based thereon is ~~shall be~~
1119 subject to the limitations and restrictions of s. 112.65.

1120 (e) The member is not eligible for and may not receive a
1121 pension or benefit from a retirement or pension plan based on or
1122 including the out-of-state service. Eligibility for or the

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1123 receipt of contributions to a retirement plan made by the
1124 employer on behalf of the employee is considered a benefit.

1125 ~~(f)(e) To receive~~ A member shall be eligible to receive
1126 service credit for out-of-state service performed after leaving
1127 the Florida Retirement System, the member must complete only upon
1128 ~~return to membership and completion of~~ at least 1 year of
1129 creditable service in the Florida Retirement System following the
1130 out-of-state service.

1131 (2) COST.--For each year claimed, the member must pay into
1132 the Florida Retirement System Trust Fund an amount equal to 20
1133 percent of the member's annual compensation for the first full
1134 work year of creditable service earned under the Florida
1135 Retirement System, but not less than \$12,000, plus interest at
1136 6.5 percent compounded annually from the date of first annual
1137 salary earned until full payment is made. The employer may pay
1138 all or a portion of the cost of this service credit.

1139 Section 9. Subsection (2) of section 121.1122, Florida
1140 Statutes, is amended to read:

1141 121.1122 Purchase of retirement credit for in-state public
1142 service and in-state service in accredited nonpublic schools and
1143 colleges, including charter schools and charter technical career
1144 centers.--Effective January 1, 1998, a member of the Florida
1145 Retirement System may purchase creditable service for periods of
1146 certain public or nonpublic employment performed in this state,
1147 as provided in this section.

1148 (2) LIMITATIONS AND CONDITIONS.--

1149 (a) A member is not eligible to receive credit for in-state
1150 service under this section until he or she has completed 6 years
1151 of creditable service under the Florida Retirement System,

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1152 | excluding service purchased under this section and out-of-state
1153 | service claimed and purchased under s. 121.1115.

1154 | (b) A member may not purchase and receive credit for more
1155 | than 5 years of creditable service aggregated under ~~the~~
1156 | ~~provisions of~~ this section and s. 121.1115.

1157 | (c) Service credit claimed under this section shall be
1158 | credited only as service in the Regular Class ~~of membership~~ and
1159 | is shall be subject to ~~the provisions of~~ s. 112.65.

1160 | (d) Service credit may not be purchased under this section
1161 | if the member is eligible to receive or is receiving a pension or
1162 | benefit from a retirement or pension plan based on or including
1163 | the service. Eligibility for or the receipt of contributions to a
1164 | retirement plan made by the employer on behalf of the employee is
1165 | considered a benefit.

1166 | (e)(d) A member is shall be eligible to receive service
1167 | credit for in-state service performed after leaving the Florida
1168 | Retirement System only after ~~upon returning to membership and~~
1169 | completing at least 1 year of creditable service in the Florida
1170 | Retirement System following the in-state service.

1171 | (f)(e) The service claimed must have been service covered
1172 | by a retirement or pension plan provided by the employer.

1173 | Section 10. Section 121.136, Florida Statutes, is amended
1174 | to read:

1175 | 121.136 Annual benefit statement to members.--~~Beginning~~
1176 | ~~January 1, 1993, and~~ Each January ~~thereafter,~~ the department
1177 | shall provide each active member of the Florida Retirement System
1178 | with 5 or more years of creditable service an annual statement of
1179 | benefits which provides. ~~Such statement should provide~~ the member
1180 | with basic data about the member's retirement account. At a

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1181 minimum ~~Minimally~~, it must ~~shall~~ include the member's retirement
1182 plan, accrued service credit ~~the amount of funds on deposit in~~
1183 ~~the retirement account~~, and an estimate of retirement benefits.

1184 Section 11. Section 121.1905, Florida Statutes, is amended
1185 to read:

1186 121.1905 Division of Retirement; creation.--

1187 ~~(1)~~ There is created the Division of Retirement within the
1188 Department of Management Services.

1189 ~~(2) The mission of the Division of Retirement is to provide~~
1190 ~~quality and cost-effective retirement services as measured by~~
1191 ~~member satisfaction and by comparison with administrative costs~~
1192 ~~of comparable retirement systems.~~

1193 Section 12. Paragraph (a) of subsection (2) of section
1194 121.23, Florida Statutes, is amended to read:

1195 121.23 Disability retirement and special risk membership
1196 applications; Retirement Commission; powers and duties; judicial
1197 review.--The provisions of this section apply to all proceedings
1198 in which the administrator has made a written final decision on
1199 the merits respecting applications for disability retirement,
1200 reexamination of retired members receiving disability benefits,
1201 applications for special risk membership, and reexamination of
1202 special risk members in the Florida Retirement System. The
1203 jurisdiction of the State Retirement Commission under this
1204 section shall be limited to written final decisions of the
1205 administrator on the merits.

1206 (2) A member shall be entitled to a hearing before the
1207 State Retirement Commission pursuant to ss. 120.569 and 120.57(1)
1208 on the merits of any written adverse decision of the
1209 administrator, if he or she files with the commission a written

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1210 request for such hearing within 21 days after receipt of such
1211 written decision from the administrator. For the purpose of such
1212 hearings, the commission shall be an "agency head" as defined by
1213 s. 120.52.

1214 (a) The commission may ~~shall have the authority to~~ issue
1215 orders as a result of the a hearing that are ~~shall be~~ binding on
1216 all parties to the dispute and. ~~The commission~~ may order any
1217 action that it deems appropriate. Any disability retirement order
1218 of the commission ~~issued pursuant to this subsection~~ which
1219 sustains the application of the member may include an amount, to
1220 be determined by the commission, for reasonable attorney's fees
1221 and taxable costs, which shall be calculated in accordance with
1222 the statewide uniform guidelines for taxation of costs in civil
1223 actions. The amount of the attorney's fee may not exceed 50
1224 percent of the initial yearly benefit awarded under s.
1225 121.091(4). In cases involving disability retirement, the ~~State~~
1226 ~~Retirement~~ commission shall require the member to present
1227 competent substantial medical evidence and meet the requirements
1228 of s. 121.091(4)(c)2. and 3., and may require vocational
1229 evidence, before awarding disability retirement benefits.

1230 Section 13. Paragraph (a) of subsection (1) of section
1231 121.24, Florida Statutes, is amended to read:

1232 121.24 Conduct of commission business; legal and other
1233 assistance; compensation.--

1234 (1) The commission shall conduct its business within the
1235 following guidelines:

1236 (a) For purposes of hearing appeals under s. 121.23, the
1237 commission may meet in panels ~~consisting of no not~~ fewer than
1238 three members. ~~For the purpose of meeting in these panels, a~~

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1239 ~~quorum shall be not fewer than two members. For all other~~
1240 ~~purposes,~~ A quorum shall consist of three members. The concurring
1241 vote of a majority of the members present is ~~shall be~~ required to
1242 reach a decision, issue orders, and conduct the business of the
1243 commission.

1244 Section 14. Subsection (8) of section 1012.33, Florida
1245 Statutes, is amended to read:

1246 1012.33 Contracts with instructional staff, supervisors,
1247 and school principals.--

1248 (8) Notwithstanding any other provision of law, a retired
1249 ~~any member who has retired~~ may interrupt retirement and be
1250 reemployed in any public school. A ~~Any~~ member ~~so~~ reemployed by
1251 the same district from which he or she retired may be employed on
1252 a probationary contractual basis as provided in subsection (1)~~;~~
1253 ~~however, no regular retirement employee shall be eligible to~~
1254 ~~renew membership under a retirement system created by chapter 121~~
1255 ~~or chapter 238.~~

1256 Section 15. Sections 121.093, 121.094, and 121.45, Florida
1257 Statutes, are repealed.

1258 Section 16. The Legislature finds that a proper and
1259 legitimate state purpose is served when employees and retirees of
1260 the state and its political subdivisions, as well as the
1261 dependents, survivors, and beneficiaries of such employees and
1262 retiree, are extended the basic protections afforded by
1263 governmental retirement systems that provide fair and adequate
1264 benefits and that are managed, administered, and funded in an
1265 actuarially sound manner as required by s. 14, Art. X of the
1266 State Constitution, and part VII of chapter 112, Florida
1267 Statutes. Therefore, the Legislature determines and declares that

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1268 | the amendment of s. 121.091, Florida Statutes, by this act
1269 | fulfills an important state interest.

1270 | Section 17. This act shall take effect July 1, 2008.