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1 A bill to be entitled

2 An act relating to the Florida Retirement System; amending
3 s. 121.091, F.S.; increasing the period of time in which
4 members of the system who are employed as certain
5 administrative personnel in grades K-12 may participate in
6 the Deferred Retirement Option Program; providing a
7 declaration of important state interest; providing an
8 effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Paragraphs (a) and (b) of subsection (13) of
13 section 121.091, Florida Statutes, are amended to read:

14 121.091 Benefits payable under the system.--Benefits may
15 not be paid under this section unless the member has terminated
16 employment as provided in s. 121.021(39)(a) or begun
17 participation in the Deferred Retirement Option Program as
18 provided in subsection (13), and a proper application has been
19 filed in the manner prescribed by the department. The department
20 may cancel an application for retirement benefits when the
21 member or beneficiary fails to timely provide the information
22 and documents required by this chapter and the department's
23 rules. The department shall adopt rules establishing procedures
24 for application for retirement benefits and for the cancellation
25 of such application when the required information or documents
26 are not received.

27 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
28 subject to the provisions of this section, the Deferred

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29 Retirement Option Program, hereinafter referred to as the DROP,
30 is a program under which an eligible member of the Florida
31 Retirement System may elect to participate, deferring receipt of
32 retirement benefits while continuing employment with his or her
33 Florida Retirement System employer. The deferred monthly
34 benefits shall accrue in the System Trust Fund on behalf of the
35 participant, plus interest compounded monthly, for the specified
36 period of the DROP participation, as provided in paragraph (c).
37 Upon termination of employment, the participant shall receive
38 the total DROP benefits and begin to receive the previously
39 determined normal retirement benefits. Participation in the DROP
40 does not guarantee employment for the specified period of DROP.
41 Participation in the DROP by an eligible member beyond the
42 initial 60-month period as authorized in this subsection shall
43 be on an annual contractual basis for all participants.

44 (a) Eligibility of member to participate in the DROP.--All
45 active Florida Retirement System members in a regularly
46 established position, and all active members of either the
47 Teachers' Retirement System established in chapter 238 or the
48 State and County Officers' and Employees' Retirement System
49 established in chapter 122 which systems are consolidated within
50 the Florida Retirement System under s. 121.011, are eligible to
51 elect participation in the DROP provided that:

52 1. The member is not a renewed member of the Florida
53 Retirement System under s. 121.122, or a member of the State
54 Community College System Optional Retirement Program under s.
55 121.051, the Senior Management Service Optional Annuity Program
56 under s. 121.055, or the optional retirement program for the

57 State University System under s. 121.35.

58 2. Except as provided in subparagraph 6., election to
59 participate is made within 12 months immediately following the
60 date on which the member first reaches normal retirement date,
61 or, for a member who reaches normal retirement date based on
62 service before he or she reaches age 62, or age 55 for Special
63 Risk Class members, election to participate may be deferred to
64 the 12 months immediately following the date the member attains
65 57, or age 52 for Special Risk Class members. For a member who
66 first reached normal retirement date or the deferred eligibility
67 date described above prior to the effective date of this
68 section, election to participate shall be made within 12 months
69 after the effective date of this section. A member who fails to
70 make an election within such 12-month limitation period shall
71 forfeit all rights to participate in the DROP. The member shall
72 advise his or her employer and the division in writing of the
73 date on which the DROP shall begin. Such beginning date may be
74 subsequent to the 12-month election period, but must be within
75 the 60-month or, with respect to members who are instructional
76 personnel employed by the Florida School for the Deaf and the
77 Blind and who have received authorization by the Board of
78 Trustees of the Florida School for the Deaf and the Blind to
79 participate in the DROP beyond 60 months, or who are
80 instructional personnel as defined in s. 1012.01(2)(a)-(d),
81 administrative personnel as defined in s. 1012.01(3)(c), or
82 administrative personnel as defined in s. 1012.01(3)(a) and (b)
83 in school-board-designated areas of critical administrative
84 shortage in grades K-12 and who have received authorization by

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85 the district school superintendent to participate in the DROP
86 beyond 60 months, the 96-month limitation period as provided in
87 subparagraph (b)1. When establishing eligibility of the member
88 to participate in the DROP for the 60-month or, with respect to
89 members who are instructional personnel employed by the Florida
90 School for the Deaf and the Blind and who have received
91 authorization by the Board of Trustees of the Florida School for
92 the Deaf and the Blind to participate in the DROP beyond 60
93 months, or who are instructional personnel as defined in s.
94 1012.01(2)(a)-(d), administrative personnel as defined in s.
95 1012.01(3)(c), or administrative personnel as defined in s.
96 1012.01(3)(a) and (b) in school-board-designated areas of
97 critical administrative shortage in grades K-12 and who have
98 received authorization by the district school superintendent to
99 participate in the DROP beyond 60 months, the 96-month maximum
100 participation period, the member may elect to include or exclude
101 any optional service credit purchased by the member from the
102 total service used to establish the normal retirement date. A
103 member with dual normal retirement dates shall be eligible to
104 elect to participate in DROP within 12 months after attaining
105 normal retirement date in either class.

106 3. The employer of a member electing to participate in the
107 DROP, or employers if dually employed, shall acknowledge in
108 writing to the division the date the member's participation in
109 the DROP begins and the date the member's employment and DROP
110 participation will terminate.

111 4. Simultaneous employment of a participant by additional
112 Florida Retirement System employers subsequent to the

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113 commencement of participation in the DROP shall be permissible
114 provided such employers acknowledge in writing a DROP
115 termination date no later than the participant's existing
116 termination date or the 60-month limitation period as provided
117 in subparagraph (b)1.

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

120 a. A change of employment must take place without a break
121 in service so that the member receives salary for each month of
122 continuous DROP participation. If a member receives no salary
123 during a month, DROP participation shall cease unless the
124 employer verifies a continuation of the employment relationship
125 for such participant pursuant to s. 121.021(39)(b).

126 b. Such participant and new employer shall notify the
127 division on forms required by the division as to the identity of
128 the new employer.

129 c. The new employer shall acknowledge, in writing, the
130 participant's DROP termination date, which may be extended but
131 not beyond the original 60-month or, with respect to members who
132 are instructional personnel employed by the Florida School for
133 the Deaf and the Blind and who have received authorization by
134 the Board of Trustees of the Florida School for the Deaf and the
135 Blind to participate in the DROP beyond 60 months, or who are
136 instructional personnel as defined in s. 1012.01(2)(a)-(d),
137 administrative personnel as defined in s. 1012.01(3)(c), or
138 administrative personnel as defined in s. 1012.01(3)(a) and (b)
139 in school-board-designated areas of critical administrative
140 shortage in grades K-12 and who have received authorization by

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141 the district school superintendent to participate in the DROP
142 beyond 60 months, the 96-month period provided in subparagraph
143 (b)1., shall acknowledge liability for any additional retirement
144 contributions and interest required if the participant fails to
145 timely terminate employment, and shall be subject to the
146 adjustment required in sub-subparagraph (c)5.d.

147 6. Effective July 1, 2001, for instructional personnel as
148 defined in s. 1012.01(2), election to participate in the DROP
149 shall be made at any time following the date on which the member
150 first reaches normal retirement date. The member shall advise
151 his or her employer and the division in writing of the date on
152 which the Deferred Retirement Option Program shall begin. When
153 establishing eligibility of the member to participate in the
154 DROP for the 60-month or, with respect to members who are
155 instructional personnel employed by the Florida School for the
156 Deaf and the Blind and who have received authorization by the
157 Board of Trustees of the Florida School for the Deaf and the
158 Blind to participate in the DROP beyond 60 months, or who are
159 instructional personnel as defined in s. 1012.01(2)(a)-(d),
160 administrative personnel as defined in s. 1012.01(3)(c), or
161 administrative personnel as defined in s. 1012.01(3)(a) and (b)
162 in school-board-designated areas of critical administrative
163 shortage in grades K-12 and who have received authorization by
164 the district school superintendent to participate in the DROP
165 beyond 60 months, the 96-month maximum participation period, as
166 provided in subparagraph (b)1., the member may elect to include
167 or exclude any optional service credit purchased by the member
168 from the total service used to establish the normal retirement

169 date. A member with dual normal retirement dates shall be
 170 eligible to elect to participate in either class.

171 (b) Participation in the DROP.--

172 1. An eligible member may elect to participate in the DROP
 173 for a period not to exceed a maximum of 60 calendar months or,
 174 with respect to members who are instructional personnel employed
 175 by the Florida School for the Deaf and the Blind and who have
 176 received authorization by the Board of Trustees of the Florida
 177 School for the Deaf and the Blind to participate in the DROP
 178 beyond 60 months, or who are instructional personnel as defined
 179 in s. 1012.01(2)(a)-(d), administrative personnel as defined in
 180 s. 1012.01(3)(c), or administrative personnel as defined in s.
 181 1012.01(3)(a) and (b) in school-board-designated areas of
 182 critical administrative shortage in grades K-12 and who have
 183 received authorization by the district school superintendent to
 184 participate in the DROP beyond 60 calendar months, 96 calendar
 185 months immediately following the date on which the member first
 186 reaches his or her normal retirement date or the date to which
 187 he or she is eligible to defer his or her election to
 188 participate as provided in subparagraph (a)2. However, a member
 189 who has reached normal retirement date prior to the effective
 190 date of the DROP shall be eligible to participate in the DROP
 191 for a period of time not to exceed 60 calendar months or, with
 192 respect to members who are instructional personnel employed by
 193 the Florida School for the Deaf and the Blind and who have
 194 received authorization by the Board of Trustees of the Florida
 195 School for the Deaf and the Blind to participate in the DROP
 196 beyond 60 months, or who are instructional personnel as defined

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197 in s. 1012.01(2)(a)-(d), administrative personnel as defined in
198 s. 1012.01(3)(c), or administrative personnel as defined in s.
199 1012.01(3)(a) and (b) in school-board-designated areas of
200 critical administrative shortage in grades K-12 and who have
201 received authorization by the district school superintendent to
202 participate in the DROP beyond 60 calendar months, 96 calendar
203 months immediately following the effective date of the DROP,
204 except a member of the Special Risk Class who has reached normal
205 retirement date prior to the effective date of the DROP and
206 whose total accrued value exceeds 75 percent of average final
207 compensation as of his or her effective date of retirement shall
208 be eligible to participate in the DROP for no more than 36
209 calendar months immediately following the effective date of the
210 DROP.

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

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

214 b. Selection of the DROP participation and termination
215 dates, which satisfy the limitations stated in paragraph (a) and
216 subparagraph 1. Such termination date shall be in a binding
217 letter of resignation with the employer, establishing a deferred
218 termination date. The member may change the termination date
219 within the limitations of subparagraph 1., but only with the
220 written approval of his or her employer;

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

223 d. Any other information required by the division.

224 3. The DROP participant shall be a retiree under the

225 Florida Retirement System for all purposes, except for paragraph
 226 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
 227 and 121.122. However, participation in the DROP does not alter
 228 the participant's employment status and such employee shall not
 229 be deemed retired from employment until his or her deferred
 230 resignation is effective and termination occurs as provided in
 231 s. 121.021(39).

232 4. Elected officers shall be eligible to participate in
 233 the DROP subject to the following:

234 a. An elected officer who reaches normal retirement date
 235 during a term of office may defer the election to participate in
 236 the DROP until the next succeeding term in that office. Such
 237 elected officer who exercises this option may participate in the
 238 DROP for up to 60 calendar months or a period of no longer than
 239 such succeeding term of office, whichever is less.

240 b. An elected or a nonelected participant may run for a
 241 term of office while participating in DROP and, if elected,
 242 extend the DROP termination date accordingly, except, however,
 243 if such additional term of office exceeds the 60-month
 244 limitation established in subparagraph 1., and the officer does
 245 not resign from office within such 60-month limitation, the
 246 retirement and the participant's DROP shall be null and void as
 247 provided in sub-subparagraph (c)5.d.

248 c. An elected officer who is dually employed and elects to
 249 participate in DROP shall be required to satisfy the definition
 250 of termination within the 60-month or, with respect to members
 251 who are instructional personnel employed by the Florida School
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253 by the Board of Trustees of the Florida School for the Deaf and
254 the Blind to participate in the DROP beyond 60 months, or who
255 are instructional personnel as defined in s. 1012.01(2)(a)-(d),
256 administrative personnel as defined in s. 1012.01(3)(c), or
257 administrative personnel as defined in s. 1012.01(3)(a) and (b)
258 in school-board-designated areas of critical administrative
259 shortage in grades K-12 and who have received authorization by
260 the district school superintendent to participate in the DROP
261 beyond 60 months, the 96-month limitation period as provided in
262 subparagraph 1. for the nonelected position and may continue
263 employment as an elected officer as provided in s. 121.053. The
264 elected officer will be enrolled as a renewed member in the
265 Elected Officers' Class or the Regular Class, as provided in ss.
266 121.053 and 121.122, on the first day of the month after
267 termination of employment in the nonelected position and
268 termination of DROP. Distribution of the DROP benefits shall be
269 made as provided in paragraph (c).

270 Section 2. The Legislature finds that a proper and
271 legitimate state purpose is served when employees and retirees
272 of the state and of its political subdivisions, and the
273 dependents, survivors, and beneficiaries of such employees and
274 retirees, are extended the basic protections afforded by
275 governmental retirement systems that provide fair and adequate
276 benefits and that are managed, administered, and funded in an
277 actuarially sound manner as required by s. 14, Art. X of the
278 State Constitution and part VII of chapter 112, Florida
279 Statutes. Therefore, the Legislature determines and declares
280 that the provisions of this act fulfill an important state

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281 | interest.

282 | Section 3. This act shall take effect upon becoming a law.