

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 or  
11      the State Board of Administration; amending s. 121.051,  
12      F.S.; conforming a cross-reference; revising provisions  
13      relating to participation in the system; excluding the  
14      participation of entities under a lease agreement;  
15      excluding the participation of prisoners and inmates;  
16      amending s. 121.071, F.S.; expanding the mechanisms for  
17      employees to pay contributions to the system; amending s.  
18      121.081, F.S.; revising provisions relating to receiving  
19      credit for past or prior service; prohibiting a member  
20      from receiving credit for service covered and reported by  
21      both a public employer and a private employer; amending s.  
22      121.091, F.S.; revising provisions relating to retirement  
23      benefits; deleting a restriction on the reemployment of  
24      certain personnel by the Florida School for the Deaf and  
25      the Blind; extending the period of time that instructional  
26      personnel employed by a developmental research school may  
27      participate in the Deferred Retirement Option Program;  
28      authorizing developmental research schools and charter

29 | schools to reemploy certain retired members under  
30 | specified conditions; providing application; revising  
31 | provisions relating to DROP; revising eligibility  
32 | requirements for DROP participation; clarifying that DROP  
33 | participation cannot be canceled; providing for the  
34 | suspension of DROP benefits to a participant who is  
35 | reemployed; deleting obsolete provisions; authorizing the  
36 | Division of Retirement to issue benefits pursuant to a  
37 | qualified domestic relations order directly to the  
38 | alternate payee; amending s. 121.1115, F.S.; revising  
39 | provisions relating to receiving retirement credit for  
40 | out-of-state service; providing that a member is not  
41 | eligible for and may not receive a benefit based on such  
42 | service; amending s. 121.1122, F.S.; revising provisions  
43 | relating to receiving retirement credit for in-state  
44 | service; providing that a member may not be eligible for  
45 | or receive a benefit based on such service; amending s.  
46 | 121.136, F.S.; revising provisions relating to the annual  
47 | statement of benefits provided to certain active members  
48 | of the Florida Retirement System; amending s. 121.23,  
49 | F.S.; authorizing the State Retirement Commission to issue  
50 | certain orders; requiring the commission to use the same  
51 | standard of proof used by the Secretary of Management  
52 | Services before approving a disability retirement benefit;  
53 | amending s. 121.24, F.S.; revising the number of members  
54 | required for a quorum for all appeal hearings held by the  
55 | State Retirement Commission; amending s. 1012.33, F.S.;;  
56 | deleting the provision preventing persons who have retired

57 | from the public school system from renewing membership in  
 58 | the Florida Retirement System upon reemployment by the  
 59 | school 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 an effective date.

67 |

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

69 |

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

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

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

85 the department, or the Division of Retirement; and the state  
 86 board, the department, and the division are not responsible for  
 87 erroneous information provided by representatives of employers.

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

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

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

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

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

108 (b) Under no circumstances shall compensation include:

109 1. Fees paid professional persons for special or  
 110 particular services or include salary payments made from a  
 111 faculty practice plan authorized by the Board of Governors of

112 the State University System for eligible clinical faculty at a  
 113 state university with a faculty practice plan; ~~or~~

114 2. Any bonuses or other payments prohibited from inclusion  
 115 in the member's average final compensation and defined in  
 116 subsection (47); or

117 3. Any payment for work given to any person who is an  
 118 inmate or prisoner at the time the work is performed.

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

123 (a) ~~For~~ If a Regular Class member, ~~the member:~~

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

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

131 (b) ~~For~~ 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  
 136 member completes 25 years of creditable service in the Special  
 137 Risk Class, regardless of age; or

138 3. The first day of the month following the date the  
 139 member completes 25 years of creditable service and attains age

140 52, 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.

144 (c) For ~~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  
 150 member completes 30 years of any creditable service, regardless  
 151 of age, which may include a maximum of 4 years of military  
 152 service credit as long as such credit is not claimed under any  
 153 other system.

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

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

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

163  
 164 "Normal retirement age" is attained on the "normal retirement  
 165 date."

166 (52) "Regularly established position" is defined as  
 167 follows:

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

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

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

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

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

191           (63) "State board" or "board" means the State Board of  
192 Administration.

193           (64) "Trustees" means the Trustees of the State Board of  
194 Administration.

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

197 121.031 Administration of system; appropriation; oaths;  
 198 actuarial studies; public records.--

199 (6) Unless prior written approval is obtained from the  
 200 department or state board, any promotional materials or  
 201 advertisements that, directly or indirectly, refer to the  
 202 Florida Retirement System or the FRS, must contain a disclaimer  
 203 that the information is not approved or endorsed by the Florida  
 204 Retirement System.

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

208 121.051 Participation in the system.--

209 (1) COMPULSORY PARTICIPATION.--

210 (a) The provisions of this law are ~~shall be~~ compulsory as  
 211 to all officers and employees, except elected officers who meet  
 212 the requirements of s. 121.052(3), who are employed on or after  
 213 December 1, 1970, by ~~of~~ an employer other than those referred to  
 214 in paragraph (2)(b), and each officer or employee, as a  
 215 condition of employment, shall become a member of the system as  
 216 of his or her date of employment, except that a person who is  
 217 retired from any state retirement system and is reemployed on or  
 218 after December 1, 1970, may ~~shall not be permitted to~~ renew his  
 219 or her membership in any state retirement system except as  
 220 provided in s. 121.091(4)(h) for a person who recovers from  
 221 disability, and as provided in s. 121.091(9)(b)10. ~~s.~~  
 222 ~~121.091(9)(b)8.~~ for a person who is elected to public office,

223 and, effective July 1, 1991, as provided in s. 121.122 for all  
 224 other retirees. Officers and employees of the University  
 225 Athletic Association, Inc., a nonprofit association connected  
 226 with the University of Florida, employed on and after July 1,  
 227 1979, may ~~shall~~ not participate in any state-supported  
 228 retirement system. Any person appointed on or after July 1,  
 229 1989, to a faculty position in a college at the J. Hillis Miller  
 230 Health Center at the University of Florida or the Medical Center  
 231 at the University of South Florida which has a faculty practice  
 232 plan adopted ~~provided~~ by rule may ~~adopted by the Board of~~  
 233 ~~Regents shall~~ not participate in the Florida Retirement System.  
 234 A faculty member so appointed shall participate in the optional  
 235 retirement program on the basis of his or her state-funded  
 236 compensation, notwithstanding the provisions of s. 121.35(2)(a).

237 (2) OPTIONAL PARTICIPATION.--

238 (f)1. If ~~Whenever~~ an employer that participates in the  
 239 Florida Retirement System undertakes the transfer, merger, or  
 240 consolidation of governmental services or assumes the functions  
 241 and activities of an employing governmental entity that was not  
 242 an employer under the system, the employer must notify the  
 243 department at least 60 days prior to such action and ~~shall~~  
 244 provide documentation as required by the department. The  
 245 transfer, merger, or consolidation of governmental services or  
 246 assumption of governmental functions and activities must occur  
 247 between public employers. The current or former employer may pay  
 248 the employees' past service cost unless prohibited under this  
 249 chapter. This paragraph does not apply to the transfer, merger,  
 250 or consolidation of governmental services or assumption of

251 functions and activities of a public entity under a leasing  
 252 agreement having a co-employer relationship. Employers and  
 253 employees of a public governmental employer whose service is  
 254 covered by a leasing agreement under s. 110.191 or another  
 255 leasing agreement or by a co-employer relationship are not  
 256 eligible to participate in the Florida Retirement System.

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

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

272 Section 4. Paragraph (a) of subsection (6) of section  
 273 121.071, Florida Statutes, is amended to read:

274 121.071 Contributions.--Contributions to the system shall  
 275 be made as follows:

276 (6) (a) Required employee contributions for all service  
 277 other than current service, including, but not limited to, prior  
 278 service, past service, military service, leave-of-absence

279 service, out-of-state service, and certain non-Florida  
 280 Retirement System in-state service, shall be paid by cash,  
 281 personal check, cashier's check, ~~or~~ money order, or a direct  
 282 rollover or transfer from a qualified plan as provided under the  
 283 Internal Revenue Code. The payment must ~~only;~~ ~~shall~~ be  
 284 accompanied by a statement identifying the service for which  
 285 payment is made, and shall be made in a lump sum for the total  
 286 amount due or in annual payments of not less than \$100, except  
 287 for the final payment if less than \$100, unless another method  
 288 of payment is authorized by law or rule.

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

291 121.081 Past service; prior service;  
 292 contributions.--Conditions under which past service or prior  
 293 service may be claimed and credited are:

294 (1)

295 (f) If ~~When~~ any person, ~~either prior to this act or~~  
 296 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~  
 297 in one of the retirement systems under ~~consolidated within or~~  
 298 ~~created by~~ this chapter through the consolidation or merger of  
 299 governments or the transfer of functions between units of  
 300 government, ~~either~~ at the state or local level or between state  
 301 and local units, or through the assumption of functions or  
 302 activities by a state or local unit from an employing  
 303 governmental entity that ~~which~~ was not an employer under the  
 304 system, and such person becomes a member of the Florida  
 305 Retirement System, such person is ~~shall be~~ entitled to receive  
 306 past-service credit ~~as defined in s. 121.021(18)~~ for the time

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307 the ~~such~~ person performed services for, and was an employee of,  
308 such state or local unit or other governmental employing entity  
309 prior to the transfer, merger, consolidation, or assumption of  
310 functions and activities. Past-service credit allowed by this  
311 paragraph is ~~shall~~ also be available to any person who becomes a  
312 member of an existing system, ~~as defined in s. 121.021(2)~~, prior  
313 to December 1, 1970, through the transfer, merger,  
314 consolidation, or assumption of functions and activities set  
315 forth in this paragraph and who subsequently becomes a member of  
316 the Florida Retirement System. However, credit for the past  
317 service may not be granted until contributions are made in the  
318 manner provided in this subsection. If a person rejected Florida  
319 Retirement System membership at the time of the transfer,  
320 merger, ~~or~~ consolidation, or assumption, the required  
321 contributions shall be at total actuarial cost as specified in  
322 paragraph (e). Such contributions or accrued interest may not be  
323 paid from any public ~~state~~ funds.

324 (h) The following provisions apply to the purchase of past  
325 service:

326 1. Notwithstanding any of the provisions of this  
327 subsection, past-service credit may not be purchased under this  
328 chapter for any service that is used to obtain a pension or  
329 benefit from a any local retirement system. Eligibility to  
330 receive or the receipt of contributions to a retirement plan  
331 made by the employer on behalf of the employee is considered a  
332 benefit.

333 2. A member may not receive past service credit under  
334 paragraphs (a), (b), (e), or (f) for any leaves of absence

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335 without pay, except that credit for active military service  
336 leaves of absence may be claimed under paragraphs (a), (b), and  
337 (f), in accordance with s. 121.111(1).

338 3. A member may not receive past service credit for co-  
339 employer service. Co-employer service or a co-employer  
340 relationship is employment in a single position simultaneously  
341 covered and reported by both a public employer and a private  
342 employer.

343 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit  
344 for all of his or her past service, the period the member claims  
345 must be the most recent past service prior to his or her  
346 participation in the Florida Retirement System.

347 ~~5.4.~~ The cost of past service purchased by an employing  
348 agency for its employees may be amortized over the ~~such~~ period  
349 of time ~~as is~~ provided in the agreement, but not to exceed 15  
350 years, calculated in accordance with rule 60S-1.007(5)(f),  
351 Florida Administrative Code.

352 ~~6.5.~~ The retirement account of each member for whom past  
353 service is being provided by his or her employer shall be  
354 credited with all past service the employer agrees to purchase  
355 as soon as the agreement between the employer and the department  
356 is executed. ~~Pursuant thereto:~~

357 a. Each ~~such~~ member's account shall also be posted with  
358 the total contribution his or her employer agrees to make on ~~in~~  
359 the member's behalf for past service earned prior to October 1,  
360 1975, excluding those contributions representing the employer's  
361 matching share and the compound interest calculation on the  
362 total contribution. However, a portion of any contributions paid

363 by an employer for past service credit earned on and after  
 364 October 1, 1975, may not be posted to the a member's account.

365 b. A refund of contributions payable after an employer has  
 366 made a written agreement to purchase past service for employees  
 367 of the covered group includes ~~shall include~~ contributions for  
 368 past service which are posted to a member's account. However,  
 369 contributions for past service earned on and after October 1,  
 370 1975, are not refundable.

371 Section 6. Paragraph (b) of subsection (9), paragraphs  
 372 (a), (b), and (c) of subsection (13), and paragraphs (b) through  
 373 (f) of subsection (14) of section 121.091, Florida Statutes, are  
 374 amended to read:

375 121.091 Benefits payable under the system.--Benefits may  
 376 not be paid under this section unless the member has terminated  
 377 employment as provided in s. 121.021(39) (a) or begun  
 378 participation in the Deferred Retirement Option Program as  
 379 provided in subsection (13), and a proper application has been  
 380 filed in the manner prescribed by the department. The department  
 381 may cancel an application for retirement benefits when the  
 382 member or beneficiary fails to timely provide the information  
 383 and documents required by this chapter and the department's  
 384 rules. The department shall adopt rules establishing procedures  
 385 for application for retirement benefits and for the cancellation  
 386 of such application when the required information or documents  
 387 are not received.

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

389 (b)1. Any person who is retired under this chapter, except  
 390 under the disability retirement provisions of subsection (4),

391 may be reemployed by any private or public employer after  
 392 retirement and receive retirement benefits and compensation from  
 393 ~~the his or her~~ employer without limitation ~~any limitations~~,  
 394 except that the a person may not receive ~~both~~ a salary from  
 395 reemployment with any agency participating in the Florida  
 396 Retirement System and retirement benefits under this chapter for  
 397 ~~a period of~~ 12 months immediately after ~~subsequent to~~ the date  
 398 of retirement. However, a DROP participant may ~~shall~~ continue  
 399 employment and receive a salary during the period of  
 400 participation in DROP ~~the Deferred Retirement Option Program~~, as  
 401 provided in subsection (13).

402 2. Any person to whom the limitation in subparagraph 1.  
 403 applies who ~~violates such reemployment limitation and who~~ is  
 404 reemployed with any agency participating in the Florida  
 405 Retirement System after he or she has been retired for 1  
 406 calendar month but before completion of the 12-month limitation  
 407 period must ~~shall~~ give timely notice of this fact in writing to  
 408 the employer and to the Division of Retirement and shall have  
 409 his or her retirement benefits suspended while employed during  
 410 ~~for~~ the balance of the 12-month limitation period unless the  
 411 person exceeds the 780-hour limitation in subparagraph 4.,  
 412 subparagraph 5., or subparagraph 12. Any person employed in  
 413 violation of this paragraph and any employing agency that ~~which~~  
 414 knowingly employs or appoints such person without notifying the  
 415 division ~~of Retirement~~ to suspend retirement benefits are ~~shall~~  
 416 ~~be~~ jointly and severally liable for ~~reimbursement to the~~  
 417 ~~retirement trust fund of~~ any benefits paid during the  
 418 reemployment limitation period. To avoid liability, the ~~such~~

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419 employing agency must ~~shall~~ have a written statement from the  
420 retiree that he or she is not retired from a state-administered  
421 retirement system. Any retirement benefits received while  
422 reemployed during this reemployment limitation period must ~~shall~~  
423 be repaid to the Florida Retirement System Trust Fund, and  
424 retirement benefits ~~shall~~ remain suspended until such repayment  
425 has been made. Benefits suspended beyond the reemployment  
426 limitation shall apply toward repayment of benefits received in  
427 violation of the reemployment limitation.

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

443 4. A community college board of trustees may reemploy a  
444 retired member as an adjunct instructor, ~~that is, an instructor~~  
445 ~~who is noncontractual and part-time~~, or as a participant in a  
446 phased retirement program within the Florida Community College

447 System, after he or she has been retired for 1 calendar month,  
 448 in accordance with s. 121.021(39). Any retired member who is  
 449 reemployed within 1 calendar month after retirement voids ~~shall~~  
 450 ~~void~~ his or her application for retirement benefits. Boards of  
 451 trustees reemploying such instructors are subject to the  
 452 retirement contribution required in subparagraph 9. 7. ~~7.~~ A retired  
 453 member may be reemployed as an adjunct instructor for no more  
 454 than 780 hours during the first 12 months of retirement. Any  
 455 retired member reemployed for more than 780 hours during the  
 456 first 12 months of retirement must ~~shall~~ give timely notice in  
 457 writing to the employer and to the Division of Retirement of the  
 458 date he or she will exceed the limitation. The division shall  
 459 suspend his or her retirement benefits for the remainder of the  
 460 first 12 months of retirement. Any person employed in violation  
 461 of this subparagraph and any employing agency that ~~which~~  
 462 knowingly employs or appoints such person without notifying the  
 463 division of ~~Retirement~~ to suspend retirement benefits are ~~shall~~  
 464 ~~be~~ jointly and severally liable for ~~reimbursement to the~~  
 465 ~~retirement trust fund of~~ any benefits paid during the  
 466 reemployment limitation period. To avoid liability, the ~~such~~  
 467 employing agency must ~~shall~~ have a written statement from the  
 468 retiree that he or she is not retired from a state-administered  
 469 retirement system. Any retirement benefits received by a retired  
 470 member while reemployed in excess of 780 hours during the first  
 471 12 months of retirement must ~~shall~~ be repaid to the Florida  
 472 Retirement System Trust Fund, and retirement benefits ~~shall~~  
 473 remain suspended until repayment is made. Benefits suspended  
 474 beyond the end of the retired member's first 12 months of

475 retirement shall apply toward repayment of benefits received in  
476 violation of the 780-hour reemployment limitation.

477 5. The State University System may reemploy a retired  
478 member as an adjunct faculty member or as a participant in a  
479 phased retirement program within the State University System  
480 after the retired member has been retired for 1 calendar month,  
481 in accordance with s. 121.021(39). Any retired member who is  
482 reemployed within 1 calendar month after retirement ~~shall void~~  
483 voids his or her application for retirement benefits. The State  
484 University System is subject to the retired contribution  
485 required in subparagraph 9. 7., as appropriate. A retired member  
486 may be reemployed as an adjunct faculty member or a participant  
487 in a phased retirement program for no more than 780 hours during  
488 the first 12 months of his or her retirement. Any retired member  
489 reemployed for more than 780 hours during the first 12 months of  
490 retirement must ~~shall~~ give timely notice in writing to the  
491 employer and to the Division of Retirement of the date he or she  
492 will exceed the limitation. The division shall suspend his or  
493 her retirement benefits for the remainder of the first 12 months  
494 of retirement. Any person employed in violation of this  
495 subparagraph and any employing agency that ~~which~~ knowingly  
496 employs or appoints such person without notifying the division  
497 ~~of Retirement~~ to suspend retirement benefits are ~~shall be~~  
498 jointly and severally liable for ~~reimbursement to the retirement~~  
499 ~~trust fund~~ of any benefits paid during the reemployment  
500 limitation period. To avoid liability, such employing agency  
501 must ~~shall~~ have a written statement from the retiree that he or  
502 she is not retired from a state-administered retirement system.

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503 Any retirement benefits received by a retired member while  
504 reemployed in excess of 780 hours during the first 12 months of  
505 retirement must ~~shall~~ be repaid to the Florida Retirement System  
506 Trust Fund, and retirement benefits ~~shall~~ remain suspended until  
507 repayment is made. Benefits suspended beyond the end of the  
508 retired member's first 12 months of retirement shall apply  
509 toward repayment of benefits received in violation of the 780-  
510 hour reemployment limitation.

511 6. The Board of Trustees of the Florida School for the  
512 Deaf and the Blind may reemploy a retired member as a substitute  
513 teacher, substitute residential instructor, or substitute nurse  
514 on a noncontractual basis after he or she has been retired for 1  
515 calendar month, in accordance with s. 121.021(39). The Board of  
516 Trustees of the Florida School for the Deaf and the Blind may  
517 reemploy a retired member as instructional personnel, as defined  
518 in s. 1012.01(2)(a), on an annual contractual basis after he or  
519 she has been retired for 1 calendar month, in accordance with s.  
520 121.021(39). Any retired member who is reemployed within 1  
521 calendar month after retirement voids ~~shall void~~ his or her  
522 application for retirement benefits. The Board of Trustees of  
523 the Florida School for the Deaf and the Blind reemploying such  
524 teachers, residential instructors, or nurses is subject to the  
525 retirement contribution required by subparagraph 9. 7-  
526 ~~Reemployment of a retired member as a substitute teacher,~~  
527 ~~substitute residential instructor, or substitute nurse is~~  
528 ~~limited to 780 hours during the first 12 months of his or her~~  
529 ~~retirement. Any retired member reemployed for more than 780~~  
530 ~~hours during the first 12 months of retirement shall give timely~~

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

551 7. A developmental research school may reemploy a retired  
552 member as a substitute or hourly teacher or an education  
553 paraprofessional as defined in s. 1012.01(2) on a noncontractual  
554 basis after he or she has been retired for 1 calendar month, in  
555 accordance with s. 121.021(39). A developmental research school  
556 may reemploy a retired member as instructional personnel, as  
557 defined in s. 1012.01(2)(a), on an annual contractual basis  
558 after he or she has been retired for 1 calendar month, in

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559 accordance with s. 121.021(39). Any other retired member who is  
560 reemployed within 1 calendar month after retirement voids his or  
561 her application for retirement benefits. A developmental  
562 research school that reemploys retired teachers and education  
563 paraprofessionals are subject to the retirement contribution  
564 required by subparagraph 9.

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

576 9.7. ~~The employment by an employer of a~~ any retiree or  
577 DROP participant of ~~a~~ any state-administered retirement system  
578 does not affect ~~shall have no effect on~~ the average final  
579 compensation or years of creditable service of the retiree or  
580 DROP participant. Prior to July 1, 1991, upon employment of any  
581 person, other than an elected officer as provided in s. 121.053,  
582 who is ~~has been~~ retired under ~~a~~ any state-administered  
583 retirement program, the employer shall pay retirement  
584 contributions in an amount equal to the unfunded actuarial  
585 liability portion of the employer contribution which would be  
586 required for regular members of the Florida Retirement System.

587 Effective July 1, 1991, contributions shall be made as provided  
 588 in s. 121.122 for retirees who have ~~with~~ renewed membership or,  
 589 as provided in subsection (13), for ~~with respect to~~ DROP  
 590 participants.

591 10.8. Any person who has ~~previously~~ retired and who is  
 592 holding an elective public office or an appointment to an  
 593 elective public office eligible for the Elected Officers' Class  
 594 on or after July 1, 1990, shall be enrolled in the Florida  
 595 Retirement System as provided in s. 121.053(1)(b) or, if holding  
 596 an elective public office that does not qualify for the Elected  
 597 Officers' Class on or after July 1, 1991, shall be enrolled in  
 598 the Florida Retirement System as provided in s. 121.122, and  
 599 shall continue to receive retirement benefits as well as  
 600 compensation for the elected officer's service for as long as he  
 601 or she remains in elective office. However, any retired member  
 602 who served in an elective office prior to July 1, 1990,  
 603 suspended his or her retirement benefit, and had his or her  
 604 Florida Retirement System membership reinstated shall, upon  
 605 retirement from such office, have his or her retirement benefit  
 606 recalculated to include the additional service and compensation  
 607 earned.

608 11.9. Any person who is holding an elective public office  
 609 which is covered by the Florida Retirement System and who is  
 610 concurrently employed in nonelected covered employment may elect  
 611 to retire while continuing employment in the elective public  
 612 office, if ~~provided that~~ he or she terminates ~~shall be required~~  
 613 ~~to terminate~~ his or her nonelected covered employment. Any  
 614 person who exercises this election shall receive his or her

615 retirement benefits in addition to the compensation of the  
 616 elective office without regard to the time limitations otherwise  
 617 provided in this subsection. A ~~No~~ person who seeks to exercise  
 618 the provisions of this subparagraph, as they ~~the same~~ existed  
 619 prior to May 3, 1984, may not ~~shall~~ be deemed to be retired  
 620 under those provisions, unless such person is eligible to retire  
 621 under the provisions of this subparagraph, as amended by chapter  
 622 84-11, Laws of Florida.

623 ~~10. The limitations of this paragraph apply to~~  
 624 ~~reemployment in any capacity with an "employer" as defined in s.~~  
 625 ~~121.021(10), irrespective of the category of funds from which~~  
 626 ~~the person is compensated.~~

627 12.11. An employing agency may reemploy a retired member  
 628 as a firefighter or paramedic after the retired member has been  
 629 retired for 1 calendar month, in accordance with s. 121.021(39).  
 630 Any retired member who is reemployed within 1 calendar month  
 631 after retirement voids ~~shall void~~ his or her application for  
 632 retirement benefits. The employing agency reemploying such  
 633 firefighter or paramedic is subject to the retired contribution  
 634 required in subparagraph 9. ~~8.~~ Reemployment of a retired  
 635 firefighter or paramedic is limited to no more than 780 hours  
 636 during the first 12 months of his or her retirement. Any retired  
 637 member reemployed for more than 780 hours during the first 12  
 638 months of retirement must ~~shall~~ give timely notice in writing to  
 639 the employer and to the Division of Retirement of the date he or  
 640 she will exceed the limitation. The division shall suspend his  
 641 or her retirement benefits for the remainder of the first 12  
 642 months of retirement. Any person employed in violation of this

643 subparagraph and any employing agency that ~~which~~ knowingly  
644 employs or appoints such person without notifying the division  
645 ~~of Retirement~~ to suspend retirement benefits shall be jointly  
646 and severally liable for ~~reimbursement to the Retirement System~~  
647 ~~Trust Fund~~ of any benefits paid during the reemployment  
648 limitation period. To avoid liability, such employing agency  
649 must ~~shall~~ have a written statement from the retiree that he or  
650 she is not retired from a state-administered retirement system.  
651 Any retirement benefits received by a retired member while  
652 reemployed in excess of 780 hours during the first 12 months of  
653 retirement must ~~shall~~ be repaid to the Florida Retirement System  
654 Trust Fund, and retirement benefits ~~shall~~ remain suspended until  
655 repayment is made. Benefits suspended beyond the end of the  
656 retired member's first 12 months of retirement shall apply  
657 toward repayment of benefits received in violation of the 780-  
658 hour reemployment limitation.

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

662 14. The reemployment after retirement provisions of this  
663 paragraph apply to DROP participants effective upon termination  
664 from employment and the end of DROP participation.

665 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
666 subject to the provisions of this section, the Deferred  
667 Retirement Option Program, hereinafter referred to as the DROP,  
668 is a program under which an eligible member of the Florida  
669 Retirement System may elect to participate, deferring receipt of  
670 retirement benefits while continuing employment with his or her

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671 Florida Retirement System employer. The deferred monthly  
672 benefits shall accrue in the System Trust Fund on behalf of the  
673 participant, plus interest compounded monthly, for the specified  
674 period of the DROP participation, as provided in paragraph (c).  
675 Upon termination of employment, the participant shall receive  
676 the total DROP benefits and begin to receive the previously  
677 determined normal retirement benefits. Participation in the DROP  
678 does not guarantee employment for the specified period of DROP.  
679 Participation in the DROP by an eligible member beyond the  
680 initial 60-month period as authorized in this subsection shall  
681 be on an annual contractual basis for all participants.

682 (a) Eligibility of member to participate in ~~the~~ DROP.--All  
683 active Florida Retirement System members in a regularly  
684 established position, and all active members of ~~either~~ the  
685 Teachers' Retirement System established in chapter 238 or the  
686 State and County Officers' and Employees' Retirement System  
687 established in chapter 122, which systems are consolidated  
688 within the Florida Retirement System under s. 121.011, are  
689 eligible to elect participation in ~~the~~ DROP if provided that:

690 1. The member is not a renewed member ~~of the Florida~~  
691 ~~Retirement System~~ under s. 121.122, or a member of the State  
692 Community College System Optional Retirement Program under s.  
693 121.051, the Senior Management Service Optional Annuity Program  
694 under s. 121.055, or the optional retirement program for the  
695 State University System under s. 121.35.

696 2. Except as provided in subparagraph 6., election to  
697 participate is made within 12 months immediately following the  
698 date on which the member first reaches normal retirement date,

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699 or, for a member who reaches normal retirement date ~~based on~~  
700 ~~service~~ before he or she reaches age 62, or age 55 for Special  
701 Risk Class members, election to participate may be deferred to  
702 the 12 months immediately following the date the member attains  
703 57, or age 52 for Special Risk Class members. ~~For a member who~~  
704 ~~first reached normal retirement date or the deferred eligibility~~  
705 ~~date described above prior to the effective date of this~~  
706 ~~section, election to participate shall be made within 12 months~~  
707 ~~after the effective date of this section.~~ A member who fails to  
708 make an election within the ~~such~~ 12-month limitation period  
709 forfeits ~~shall forfeit~~ all rights to participate in ~~the~~ DROP.  
710 The member shall advise his or her employer and the division in  
711 writing of the date ~~on which the~~ DROP begins ~~shall begin.~~ The  
712 ~~Such~~ beginning date may be subsequent to the 12-month election  
713 period, but must be within the original 60-month participation  
714 ~~or, with respect to members who are instructional personnel~~  
715 ~~employed by the Florida School for the Deaf and the Blind and~~  
716 ~~who have received authorization by the Board of Trustees of the~~  
717 ~~Florida School for the Deaf and the Blind to participate in the~~  
718 ~~DROP beyond 60 months, or who are instructional personnel as~~  
719 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~  
720 ~~received authorization by the district school superintendent to~~  
721 ~~participate in the DROP beyond 60 months, the 96-month~~  
722 ~~limitation~~ period as provided in subparagraph (b)1. When  
723 establishing eligibility of the member to participate in ~~the~~  
724 DROP ~~for the 60 month or, with respect to members who are~~  
725 ~~instructional personnel employed by the Florida School for the~~  
726 ~~Deaf and the Blind and who have received authorization by the~~

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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727 ~~Board of Trustees of the Florida School for the Deaf and the~~  
728 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
729 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
730 ~~grades K-12 and who have received authorization by the district~~  
731 ~~school superintendent to participate in the DROP beyond 60~~  
732 ~~months, the 96-month maximum participation period, the member~~  
733 may elect to include or exclude any optional service credit  
734 purchased by the member from the total service used to establish  
735 the normal retirement date. A member who has ~~with~~ dual normal  
736 retirement dates is ~~shall be~~ eligible to elect to participate in  
737 DROP within 12 months after attaining normal retirement date in  
738 either class.

739 3. The employer of a member electing to participate in ~~the~~  
740 DROP, or employers if dually employed, shall acknowledge in  
741 writing to the division the date the member's participation in  
742 the DROP begins and the date the member's employment and DROP  
743 participation will terminate.

744 4. Simultaneous employment of a participant by additional  
745 Florida Retirement System employers subsequent to the  
746 commencement of participation in ~~the~~ DROP is ~~shall be~~  
747 permissible if ~~provided~~ such employers acknowledge in writing a  
748 DROP termination date no later than the participant's existing  
749 termination date or the maximum participation 60-month  
750 ~~limitation~~ period as provided in subparagraph (b)1.

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

753 a. A change of employment must take place without a break  
754 in service so that the member receives salary for each month of

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755 continuous DROP participation. If a member receives no salary  
756 during a month, DROP participation shall cease unless the  
757 employer verifies a continuation of the employment relationship  
758 for such participant pursuant to s. 121.021(39)(b).

759 b. Such participant and new employer shall notify the  
760 division of the identity of the new employer on forms required  
761 by the division ~~as to the identity of the new employer.~~

762 c. The new employer shall acknowledge, in writing, the  
763 participant's DROP termination date, which may be extended but  
764 not beyond the maximum participation ~~original 60-month or, with~~  
765 ~~respect to members who are instructional personnel employed by~~  
766 ~~the Florida School for the Deaf and the Blind and who have~~  
767 ~~received authorization by the Board of Trustees of the Florida~~  
768 ~~School for the Deaf and the Blind to participate in the DROP~~  
769 ~~beyond 60 months, or who are instructional personnel as defined~~  
770 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~  
771 ~~authorization by the district school superintendent to~~  
772 ~~participate in the DROP beyond 60 months, the 96-month period~~  
773 provided in subparagraph (b)1., shall acknowledge liability for  
774 any additional retirement contributions and interest required if  
775 the participant fails to timely terminate employment, and is  
776 ~~shall be~~ subject to the adjustment required in sub-subparagraph  
777 (c)5.d.

778 6. Effective July 1, 2001, for instructional personnel as  
779 defined in s. 1012.01(2), election to participate in ~~the~~ DROP  
780 may shall be made at any time following the date on which the  
781 member first reaches normal retirement date. The member shall  
782 advise his or her employer and the division in writing of the

783 date on which DROP begins ~~the Deferred Retirement Option Program~~  
 784 ~~shall begin~~. When establishing eligibility of the member to  
 785 participate in the DROP for the 60-month ~~or, with respect to~~  
 786 ~~members who are instructional personnel employed by the Florida~~  
 787 ~~School for the Deaf and the Blind and who have received~~  
 788 ~~authorization by the Board of Trustees of the Florida School for~~  
 789 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
 790 ~~months, or who are instructional personnel as defined in s.~~  
 791 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~  
 792 ~~authorization by the district school superintendent to~~  
 793 ~~participate in the DROP beyond 60 months, the 96-month maximum~~  
 794 participation period, as provided in subparagraph (b)1., the  
 795 member may elect to include or exclude any optional service  
 796 credit purchased by the member from the total service used to  
 797 establish the normal retirement date. A member who has ~~with~~ dual  
 798 normal retirement dates is ~~shall be~~ eligible to elect to  
 799 participate in either class.

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

801 1.a. An eligible member may elect to participate in the  
 802 DROP for a period not to exceed a maximum of 60 calendar months  
 803 ~~or~~, except as provided in sub-subparagraph b.

804 b. ~~with respect to~~ Members who are instructional personnel  
 805 employed by the Florida School for the Deaf and the Blind and  
 806 who are authorized ~~who have received authorization~~ by the Board  
 807 of Trustees of the Florida School for the Deaf and the Blind ~~to~~  
 808 ~~participate in the DROP beyond 60 months~~, or who are  
 809 instructional personnel as defined in s. 1012.01(2)(a)-(d) in  
 810 grades K-12 and who are authorized ~~who have received~~

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811 ~~authorization by the district school superintendent to~~  
812 ~~participate in the DROP beyond 60 calendar months, or who are~~  
813 ~~instructional personnel as defined in s. 1012.01(2) employed by~~  
814 ~~a developmental research school and who are authorized by the~~  
815 ~~school's director, or if the school has no director, by the~~  
816 ~~school's principal, to participate in DROP beyond the original~~  
817 ~~60-month period, for up to 36~~ 96 ~~calendar months immediately~~  
818 ~~following the DROP termination date selected for participation~~  
819 ~~in sub-subparagraph a. on which the member first reaches his or~~  
820 ~~her normal retirement date or the date to which he or she is~~  
821 ~~eligible to defer his or her election to participate as provided~~  
822 ~~in subparagraph (a)2. However, a member who has reached normal~~  
823 ~~retirement date prior to the effective date of the DROP shall be~~  
824 ~~eligible to participate in the DROP for a period of time not to~~  
825 ~~exceed 60 calendar months or, with respect to members who are~~  
826 ~~instructional personnel employed by the Florida School for the~~  
827 ~~Deaf and the Blind and who have received authorization by the~~  
828 ~~Board of Trustees of the Florida School for the Deaf and the~~  
829 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
830 ~~instructional personnel as defined in s. 1012.01(2)(a) (d) in~~  
831 ~~grades K-12 and who have received authorization by the district~~  
832 ~~school superintendent to participate in the DROP beyond 60~~  
833 ~~calendar months, 96 calendar months immediately following the~~  
834 ~~effective date of the DROP, except a member of the Special Risk~~  
835 ~~Class who has reached normal retirement date prior to the~~  
836 ~~effective date of the DROP and whose total accrued value exceeds~~  
837 ~~75 percent of average final compensation as of his or her~~  
838 ~~effective date of retirement shall be eligible to participate in~~

839 ~~the DROP for no more than 36 calendar months immediately~~  
 840 ~~following the effective date of the DROP.~~

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

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

844 b. Selection of ~~the~~ DROP participation and termination  
 845 dates, which satisfy the limitations stated in paragraph (a) and  
 846 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a  
 847 binding letter of resignation to ~~with~~ the employer, establishing  
 848 a deferred termination date. The member may change the  
 849 termination date within the limitations of subparagraph 1., but  
 850 only with the written approval of the ~~his or her~~ employer;

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

853 d. Any other information required by the division.

854 3. The DROP participant is ~~shall be~~ a retiree under the  
 855 Florida Retirement System for all purposes, except for paragraph  
 856 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
 857 and 121.122. DROP participation is final and cannot be canceled  
 858 by the participant after the first payment is credited during  
 859 the DROP participation period. However, participation in ~~the~~  
 860 DROP does not alter the participant's employment status and the  
 861 member is ~~such employee shall~~ not be deemed retired from  
 862 employment until his or her deferred resignation is effective  
 863 and termination occurs as provided in s. 121.021(39).

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

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866 a. An elected officer who reaches normal retirement date  
867 during a term of office may defer the election to participate in  
868 ~~the~~ DROP until the next succeeding term in that office. An Such  
869 elected officer who exercises this option may participate in ~~the~~  
870 DROP for up to 60 calendar months or a period of no longer than  
871 the such succeeding term of office, whichever is less.

872 b. An elected or a nonelected participant may run for a  
873 term of office while participating in DROP and, if elected,  
874 extend the DROP termination date accordingly, except, however,  
875 if such additional term of office exceeds the 60-month  
876 limitation established in subparagraph 1., and the officer does  
877 not resign from office within such 60-month limitation, the  
878 retirement and the participant's DROP is ~~shall be~~ null and void  
879 as provided in sub-subparagraph (c)5.d.

880 c. An elected officer who is dually employed and elects to  
881 participate in DROP must ~~shall be required to~~ satisfy the  
882 definition of termination within the 60-month or maximum  
883 participation, ~~with respect to members who are instructional~~  
884 ~~personnel employed by the Florida School for the Deaf and the~~  
885 ~~Blind and who have received authorization by the Board of~~  
886 ~~Trustees of the Florida School for the Deaf and the Blind to~~  
887 ~~participate in the DROP beyond 60 months, or who are~~  
888 ~~instructional personnel as defined in s. 1012.01(2)(a) (d) in~~  
889 ~~grades K-12 and who have received authorization by the district~~  
890 ~~school superintendent to participate in the DROP beyond 60~~  
891 ~~months, the 96 month limitation~~ period as provided in  
892 subparagraph 1. for the nonelected position and may continue  
893 employment as an elected officer as provided in s. 121.053. The

894 | elected officer shall ~~will~~ be enrolled as a renewed member in  
 895 | the Elected Officers' Class or the Regular Class, as provided in  
 896 | ss. 121.053 and 121.122, on the first day of the month after  
 897 | termination of employment in the nonelected position and  
 898 | termination of DROP. Distribution of ~~the~~ DROP benefits shall be  
 899 | made as provided in paragraph (c).

900 | (c) Benefits payable under ~~the~~ DROP.--

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

917 | 2. Each employee who elects to participate in ~~the~~ DROP may  
 918 | ~~shall be allowed to~~ elect to receive a lump-sum payment for  
 919 | accrued annual leave earned in accordance with agency policy  
 920 | upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated  
 921 | leave payment certified to the division upon commencement of

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

937 3. The effective date of DROP participation and the  
938 effective date of retirement of a DROP participant shall be the  
939 first day of the month selected by the member to begin  
940 participation in the DROP, provided such date is properly  
941 established, with the written confirmation of the employer, and  
942 the approval of the division, on forms required by the division.

943 4. Normal retirement benefits and any interest ~~thereon~~  
944 shall continue to accrue in ~~the~~ DROP until the established  
945 termination date of ~~the~~ DROP, or until the participant  
946 terminates employment or dies prior to such date. Although  
947 individual DROP accounts shall not be established, a separate  
948 accounting of each participant's accrued benefits under ~~the~~ DROP  
949 shall be calculated and provided to participants.

950           5. At the conclusion of the participant's DROP, the  
 951 division shall distribute the participant's total accumulated  
 952 DROP benefits, subject to the following provisions:

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

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

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

967           (II) Direct rollover.--All accrued DROP benefits, plus  
 968 interest, shall be paid from ~~the~~ DROP directly to the custodian  
 969 of an eligible retirement plan as defined in s. 402(c)(8)(B) of  
 970 the Internal Revenue Code. However, in the case of an eligible  
 971 rollover distribution to the surviving spouse of a deceased  
 972 participant, an eligible retirement plan is an individual  
 973 retirement account or an individual retirement annuity as  
 974 described in s. 402(c)(9) of the Internal Revenue Code.

975           (III) Partial lump sum.--A portion of the accrued DROP  
 976 benefits shall be paid to the DROP participant or surviving  
 977 spouse, less withholding taxes remitted to the Internal Revenue

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978 Service, and the remaining DROP benefits shall be transferred  
979 directly to the custodian of an eligible retirement plan as  
980 defined in s. 402(c)(8)(B) of the Internal Revenue Code.  
981 However, in the case of an eligible rollover distribution to the  
982 surviving spouse of a deceased participant, an eligible  
983 retirement plan is an individual retirement account or an  
984 individual retirement annuity as described in s. 402(c)(9) of  
985 the Internal Revenue Code. The proportions shall be specified by  
986 the DROP participant or surviving beneficiary.

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

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

1002 6. The retirement benefits of any DROP participant who  
1003 meets the definition of termination, as provided in s.  
1004 121.021(39)(b), but is in violation of the reemployment  
1005 provisions as provided in subsection (9), shall be suspended

1006 during those months in which the member is in violation. Any  
 1007 member employed in violation of this subparagraph and any  
 1008 employing agency that knowingly employs or appoints such member  
 1009 without notifying the Division of Retirement to suspend  
 1010 retirement benefits are jointly and severally liable for any  
 1011 benefits paid during the reemployment limitation period. To  
 1012 avoid liability, the employing agency must have a written  
 1013 statement from the retiree that he or she is not retired from a  
 1014 state-administered retirement system. Any retirement benefits  
 1015 received by a retired member while employed in violation of the  
 1016 reemployment limitations during the first 12 months of  
 1017 retirement must be repaid to the Florida Retirement System Trust  
 1018 Fund, and his or her retirement benefits shall remain suspended  
 1019 until payment is made. Benefits suspended beyond the end of the  
 1020 retired member's first 12 months of retirement shall apply  
 1021 toward repayment of benefits received in violation of the  
 1022 reemployment limitations.

1023 ~~7.6-~~ The accrued benefits of any DROP participant, and any  
 1024 contributions accumulated under the such program, are shall not  
 1025 ~~be~~ subject to assignment, execution, attachment, or to any legal  
 1026 process whatsoever, except for qualified domestic relations  
 1027 orders by a court of competent jurisdiction, income deduction  
 1028 orders as provided in s. 61.1301, and federal income tax levies.

1029 ~~8.7-~~ DROP participants are shall not ~~be~~ eligible for  
 1030 disability retirement benefits as provided in subsection (4).

1031 (14) PAYMENT OF BENEFITS.--This subsection applies to the  
 1032 payment of benefits to a payee (retiree or beneficiary) under  
 1033 the Florida Retirement System:

1034 (b) Subject to approval by the division in accordance with  
 1035 rule 60S-4.015, Florida Administrative Code, a payee receiving  
 1036 retirement benefits under the ~~Florida Retirement~~ system may also  
 1037 have the following payments deducted from his or her monthly  
 1038 benefit:

1039 1. Premiums for life and health-related insurance policies  
 1040 from approved companies.

1041 2. Life insurance premiums for the State Group Life  
 1042 Insurance Plan, if authorized in writing by the payee and by the  
 1043 department ~~of Management Services~~.

1044 3. Repayment of overpayments from the Florida Retirement  
 1045 System Trust Fund, the State Employees' Health Insurance Trust  
 1046 Fund, or the State Employees' Life Insurance Trust Fund, upon  
 1047 notification of the payee.

1048 4. Payments to an alternate payee for alimony or, child  
 1049 support pursuant to an income deduction order under s. 61.1301,  
 1050 or division of marital assets pursuant to a qualified domestic  
 1051 relations order under s. 222.21 ~~or an income deduction order~~  
 1052 ~~under s. 61.1301~~.

1053 5. Payments to the Internal Revenue Service for federal  
 1054 income tax levies, upon notification of the division by the  
 1055 Internal Revenue Service.

1056 (c) A payee must ~~shall~~ notify the division of any change  
 1057 in his or her address. The division may suspend benefit payments  
 1058 to a payee if correspondence sent to the payee's mailing address  
 1059 is returned due to an incorrect address. Benefit payments shall  
 1060 be resumed upon notification to the division of the payee's new  
 1061 address.

1062 (d) A payee whose retirement benefits are reduced by the  
 1063 application of maximum benefit limits under s. 415(b) of the  
 1064 Internal Revenue Code, as specified in s. 121.30(5), shall have  
 1065 the portion of his or her calculated benefit in the Florida  
 1066 Retirement System defined benefit plan which exceeds such  
 1067 federal limitation paid through the Florida Retirement System  
 1068 Preservation of Benefits Plan, as provided in s. 121.1001.

1069 (e) The Division of Retirement may issue retirement  
 1070 benefits payable for division of marital assets pursuant to a  
 1071 qualified domestic relations order directly to the alternate  
 1072 payee, any court order to the contrary notwithstanding, in order  
 1073 to meet Internal Revenue Code requirements.

1074 (f)-(e) A ~~Ne~~ benefit may not be reduced for the purpose of  
 1075 preserving the member's eligibility for a federal program.

1076 (g)-(f) The division shall adopt rules establishing  
 1077 procedures for determining that ~~the~~ persons to whom benefits are  
 1078 being paid are still living. The division shall suspend the  
 1079 benefits being paid to any payee if ~~when~~ it is unable to contact  
 1080 such payee and to confirm that he or she is still living.

1081 Section 7. Section 121.1115, Florida Statutes, is amended  
 1082 to read:

1083 121.1115 Purchase of retirement credit for out-of-state or  
 1084 ~~and~~ federal service.--Effective January 1, 1995, A member ~~of the~~  
 1085 ~~Florida Retirement System~~ may purchase creditable service for  
 1086 periods of public employment in another state and receive  
 1087 creditable service for such periods of employment. Service with  
 1088 the Federal Government, including any active military service,  
 1089 may be claimed. Upon completion of each year of service earned

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1090 under the Florida Retirement System, a member may purchase up to  
 1091 1 year of retirement credit for his or her out-of-state service,  
 1092 subject to the following provisions:

1093 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the  
 1094 out-of-state service:

1095 (a) The out-of-state service ~~being claimed~~ must have been:

1096 1. Performed in a position of employment with the state or  
 1097 a political subdivision thereof or with the Federal Government;

1098 2. Covered by a retirement or pension plan provided by the  
 1099 state or political subdivision, or by the Federal Government, as  
 1100 appropriate; and

1101 3. Performed prior to a period of membership in the  
 1102 Florida Retirement System.

1103 (b) The member must have completed a minimum of 6 years of  
 1104 creditable service under the Florida Retirement System,  
 1105 excluding out-of-state service and in-state service claimed and  
 1106 purchased under s. 121.1122.

1107 (c) Not more than 5 years of creditable service may be  
 1108 claimed for creditable service aggregated under the provisions  
 1109 of this section and s. 121.1122.

1110 (d) The out-of-state service credit ~~claimed under this~~  
 1111 ~~section~~ shall be credited only as service in the Regular Class  
 1112 ~~of membership~~, and any benefit or pension based thereon ~~is shall~~  
 1113 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1114 (e) The member is not eligible for and may not receive a  
 1115 pension or benefit from a retirement or pension plan based on or  
 1116 including the out-of-state service. Eligibility for or the

1117 receipt of contributions to a retirement plan made by the  
 1118 employer on behalf of the employee is considered a benefit.

1119 (f)(e) To receive ~~A member shall be eligible to receive~~  
 1120 service credit for out-of-state service performed after leaving  
 1121 the Florida Retirement System, the member must complete only  
 1122 ~~upon return to membership and completion of~~ at least 1 year of  
 1123 creditable service in the Florida Retirement System following  
 1124 the out-of-state service.

1125 (2) COST.--For each year claimed, the member must pay into  
 1126 the Florida Retirement System Trust Fund an amount equal to 20  
 1127 percent of the member's annual compensation for the first full  
 1128 work year of creditable service earned under the Florida  
 1129 Retirement System, but not less than \$12,000, plus interest at  
 1130 6.5 percent compounded annually from the date of first annual  
 1131 salary earned until full payment is made. The employer may pay  
 1132 all or a portion of the cost of this service credit.

1133 Section 8. Subsection (2) of section 121.1122, Florida  
 1134 Statutes, is amended to read:

1135 121.1122 Purchase of retirement credit for in-state public  
 1136 service and in-state service in accredited nonpublic schools and  
 1137 colleges, including charter schools and charter technical career  
 1138 centers.--Effective January 1, 1998, a member of the Florida  
 1139 Retirement System may purchase creditable service for periods of  
 1140 certain public or nonpublic employment performed in this state,  
 1141 as provided in this section.

1142 (2) LIMITATIONS AND CONDITIONS.--

1143 (a) A member is not eligible to receive credit for in-  
 1144 state service under this section until he or she has completed 6

1145 | years of creditable service under the Florida Retirement System,  
 1146 | excluding service purchased under this section and out-of-state  
 1147 | service claimed and purchased under s. 121.1115.

1148 | (b) A member may not purchase and receive credit for more  
 1149 | than 5 years of creditable service aggregated under ~~the~~  
 1150 | ~~provisions of~~ this section and s. 121.1115.

1151 | (c) Service credit claimed under this section shall be  
 1152 | credited only as service in the Regular Class ~~of membership~~ and  
 1153 | is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

1154 | (d) Service credit may not be purchased under this section  
 1155 | if the member is eligible to receive or is receiving a pension  
 1156 | or benefit from a retirement or pension plan based on or  
 1157 | including the service. Eligibility for or the receipt of  
 1158 | contributions to a retirement plan made by the employer on  
 1159 | behalf of the employee is considered a benefit.

1160 | ~~(e)-(d)~~ A member is ~~shall be~~ eligible to receive service  
 1161 | credit for in-state service performed after leaving the Florida  
 1162 | Retirement System only after ~~upon returning to membership and~~  
 1163 | completing at least 1 year of creditable service in the Florida  
 1164 | Retirement System following the in-state service.

1165 | ~~(f)-(e)~~ The service claimed must have been service covered  
 1166 | by a retirement or pension plan provided by the employer.

1167 | Section 9. Section 121.136, Florida Statutes, is amended  
 1168 | to read:

1169 | 121.136 Annual benefit statement to members.--~~Beginning~~  
 1170 | ~~January 1, 1993, and~~ Each January ~~thereafter,~~ the department  
 1171 | shall provide each active member of the Florida Retirement  
 1172 | System with 5 or more years of creditable service an annual

1173 statement of benefits which provides. ~~Such statement should~~  
 1174 ~~provide~~ the member with basic data about the member's retirement  
 1175 account. At a minimum ~~Minimally~~, it must ~~shall~~ include the  
 1176 member's retirement plan, accrued service credit ~~the amount of~~  
 1177 ~~funds on deposit in the retirement account~~, and an estimate of  
 1178 retirement benefits.

1179 Section 10. Paragraph (a) of subsection (2) of section  
 1180 121.23, Florida Statutes, is amended to read:

1181 121.23 Disability retirement and special risk membership  
 1182 applications; Retirement Commission; powers and duties; judicial  
 1183 review.--The provisions of this section apply to all proceedings  
 1184 in which the administrator has made a written final decision on  
 1185 the merits respecting applications for disability retirement,  
 1186 reexamination of retired members receiving disability benefits,  
 1187 applications for special risk membership, and reexamination of  
 1188 special risk members in the Florida Retirement System. The  
 1189 jurisdiction of the State Retirement Commission under this  
 1190 section shall be limited to written final decisions of the  
 1191 administrator on the merits.

1192 (2) A member shall be entitled to a hearing before the  
 1193 State Retirement Commission pursuant to ss. 120.569 and  
 1194 120.57(1) on the merits of any written adverse decision of the  
 1195 administrator, if he or she files with the commission a written  
 1196 request for such hearing within 21 days after receipt of such  
 1197 written decision from the administrator. For the purpose of such  
 1198 hearings, the commission shall be an "agency head" as defined by  
 1199 s. 120.52.

1200 (a) The commission may ~~shall have the authority to~~ issue  
 1201 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on  
 1202 all parties to the dispute and. ~~The commission~~ may order any  
 1203 action that it deems appropriate. Any disability retirement  
 1204 order of the commission ~~issued pursuant to this subsection~~ which  
 1205 sustains the application of the member may include an amount, to  
 1206 be determined by the commission, for reasonable attorney's fees  
 1207 and taxable costs, which shall be calculated in accordance with  
 1208 the statewide uniform guidelines for taxation of costs in civil  
 1209 actions. The amount of the attorney's fee may not exceed 50  
 1210 percent of the initial yearly benefit awarded under s.  
 1211 121.091(4). In cases involving disability retirement, the ~~State~~  
 1212 ~~Retirement~~ commission shall require the member to present  
 1213 substantial competent medical evidence that meets the  
 1214 requirements of s. 121.091(4)(c)2. and 3., and may require  
 1215 vocational evidence before awarding disability retirement  
 1216 benefits.

1217 Section 11. Paragraph (a) of subsection (1) of section  
 1218 121.24, Florida Statutes, is amended to read:

1219 121.24 Conduct of commission business; legal and other  
 1220 assistance; compensation.--

1221 (1) The commission shall conduct its business within the  
 1222 following guidelines:

1223 (a) For purposes of hearing appeals under s. 121.23, the  
 1224 commission may meet in panels ~~consisting of~~ no ~~not~~ fewer than  
 1225 three members. ~~For the purpose of meeting in these panels, a~~  
 1226 ~~quorum shall be not fewer than two members. For all other~~  
 1227 ~~purposes,~~ A quorum shall consist of three members. The

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1228 | concurring vote of a majority of the members present is ~~shall be~~  
1229 | required to reach a decision, issue orders, and conduct the  
1230 | business of the commission.

1231 |       Section 12. Subsection (8) of section 1012.33, Florida  
1232 | Statutes, is amended to read:

1233 |       1012.33 Contracts with instructional staff, supervisors,  
1234 | and school principals.--

1235 |       (8) Notwithstanding any other provision of law, a retired  
1236 | ~~any member who has retired~~ may interrupt retirement and be  
1237 | reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by  
1238 | the same district from which he or she retired may be employed  
1239 | on a probationary contractual basis as provided in subsection  
1240 | (1); ~~however, no regular retirement employee shall be eligible~~  
1241 | ~~to renew membership under a retirement system created by chapter~~  
1242 | ~~121 or chapter 238.~~

1243 |       Section 13. Sections 121.093, 121.094, and 121.45, Florida  
1244 | Statutes, are repealed.

1245 |       Section 14. This act shall take effect July 1, 2008.