

By Senator Wise

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1 A bill to be entitled
2 An act relating to public school personnel retirement
3 benefits; amending s. 121.091, F.S.; increasing the period
4 of time for certain school personnel to participate in the
5 Deferred Retirement Option Program; deleting obsolete
6 provisions; providing legislative findings with respect to
7 ensuring adequate staffing for the public school system
8 and funding extended benefits in an actuarially sound
9 manner; providing an effective date.

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

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

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

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

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

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

53 1. The member is not a renewed member ~~of the Florida~~
54 ~~Retirement System~~ under s. 121.122, or a member of the State
55 Community College System Optional Retirement Program under s.
56 121.051, the Senior Management Service Optional Annuity Program
57 under s. 121.055, or the optional retirement program for the
58 State University System under s. 121.35.

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59 2. Except as provided in subparagraph 6., election to
60 participate is made within 12 months immediately following the
61 date on which the member first reaches normal retirement date,
62 or, for a member who reaches normal retirement date ~~based on~~
63 ~~service~~ before he or she reaches age 62, or age 55 for Special
64 Risk Class members, election to participate may be deferred to
65 the 12 months immediately following the date the member attains
66 57, or age 52 for Special Risk Class members. ~~For a member who~~
67 ~~first reached normal retirement date or the deferred eligibility~~
68 ~~date described above prior to the effective date of this section,~~
69 ~~election to participate shall be made within 12 months after the~~
70 ~~effective date of this section.~~ A member who fails to make an
71 election within the ~~such~~ 12-month limitation period forfeits
72 ~~shall forfeit~~ all rights to participate in ~~the~~ DROP. The member
73 shall advise his or her employer and the division in writing of
74 the date on which ~~the~~ DROP shall begin. The ~~Such~~ beginning date
75 may be subsequent to the 12-month election period, but must be
76 within the 60-month or, ~~with respect to members who are~~
77 ~~instructional personnel employed by the Florida School for the~~
78 ~~Deaf and the Blind and who have received authorization by the~~
79 ~~Board of Trustees of the Florida School for the Deaf and the~~
80 ~~Blind to participate in the DROP beyond 60 months, or who are~~
81 ~~instructional personnel as defined in s. 1012.01(2) (a)-(d) in~~
82 ~~grades K-12 and who have received authorization by the district~~
83 ~~school superintendent to participate in the DROP beyond 60~~
84 ~~months,~~ the 96-month maximum participation limitation period as
85 provided in subparagraph (b)1. When establishing eligibility of
86 the member to participate in ~~the~~ DROP ~~for the 60-month or, with~~
87 ~~respect to members who are instructional personnel employed by~~

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88 ~~the Florida School for the Deaf and the Blind and who have~~
89 ~~received authorization by the Board of Trustees of the Florida~~
90 ~~School for the Deaf and the Blind to participate in the DROP~~
91 ~~beyond 60 months, or who are instructional personnel as defined~~
92 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~
93 ~~authorization by the district school superintendent to~~
94 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
95 ~~participation period,~~ the member may elect to include or exclude
96 any optional service credit purchased by the member from the
97 total service used to establish the normal retirement date. A
98 member who has ~~with~~ dual normal retirement dates is ~~shall be~~
99 eligible to elect to participate in DROP within 12 months after
100 attaining normal retirement date in either class.

101 3. The employer of a member electing to participate in ~~the~~
102 DROP, or employers if dually employed, shall acknowledge in
103 writing to the division the date the member's participation in
104 ~~the~~ DROP begins and the date the member's employment and DROP
105 participation will terminate.

106 4. Simultaneous employment of a participant by additional
107 Florida Retirement System employers subsequent to the
108 commencement of participation in ~~the~~ DROP is ~~shall be~~ permissible
109 if provided such employers acknowledge in writing a DROP
110 termination date no later than the participant's existing
111 termination date or the 60-month participation ~~limitation~~ period
112 as provided in subparagraph (b)1.

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

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

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

121 b. Such participant and new employer shall notify the
122 division of the identity of the new employer on forms required by
123 the division ~~as to the identity of the new employer~~.

124 c. The new employer shall acknowledge, in writing, the
125 participant's DROP termination date, which may be extended but
126 not beyond the original 60-month or, ~~with respect to members who
127 are instructional personnel employed by the Florida School for
128 the Deaf and the Blind and who have received authorization by the
129 Board of Trustees of the Florida School for the Deaf and the
130 Blind to participate in the DROP beyond 60 months, or who are
131 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
132 grades K-12 and who have received authorization by the district
133 school superintendent to participate in the DROP beyond 60
134 months,~~ the 96-month maximum participation period provided in
135 subparagraph (b)1., shall acknowledge liability for any
136 additional retirement contributions and interest required if the
137 participant fails to timely terminate employment, and shall be
138 subject to the adjustment required in sub-subparagraph (c)5.d.

139 6. Effective July 1, 2001, for instructional personnel as
140 defined in s. 1012.01 ~~s. 1012.01(2)~~, election to participate in
141 ~~the~~ DROP may ~~shall~~ be made at any time following the date on
142 which the member first reaches normal retirement date. The member
143 shall advise his or her employer and the division in writing of
144 the date on which DROP ~~the Deferred Retirement Option Program~~
145 shall begin. When establishing eligibility of the member to

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146 participate in ~~the~~ DROP for the 60-month or, ~~with respect to~~
147 ~~members who are instructional personnel employed by the Florida~~
148 ~~School for the Deaf and the Blind and who have received~~
149 ~~authorization by the Board of Trustees of the Florida School for~~
150 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
151 ~~months, or who are instructional personnel as defined in s.~~
152 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
153 ~~authorization by the district school superintendent to~~
154 ~~participate in the DROP beyond 60 months,~~ the 96-month maximum
155 participation period, as provided in subparagraph (b)1., the
156 member may elect to include or exclude any optional service
157 credit purchased by the member from the total service used to
158 establish the normal retirement date. A member who has ~~with~~ dual
159 normal retirement dates is ~~shall be~~ eligible to elect to
160 participate in either class.

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

162 1. An eligible member may elect to participate in ~~the~~ DROP
163 for a period not to exceed a maximum of 60 calendar months.
164 However, participation for a period of up to 96 calendar months
165 immediately following the date on which the member first reaches
166 his or her normal retirement date, or the date he or she is
167 eligible to defer his or her election to participate as provided
168 in subparagraph (a)2, may be elected by: ~~or, with respect to~~
169 ~~members who are~~

170 a. Instructional personnel employed by the Florida School
171 for the Deaf and the Blind and who have received authorization by
172 the Board of Trustees of the Florida School for the Deaf and the
173 Blind to participate in ~~the~~ DROP beyond 60 months; ~~or who are~~

174 b. Instructional personnel as defined in s. 1012.01(2) (a)-

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175 (d) in prekindergarten through grade 12, who are funded through
176 the Florida Education Finance Program, who are employed by a
177 public school, and who have received authorization by the
178 district school superintendent to participate in DROP beyond 60
179 calendar months; or

180 c. Administrative personnel as defined in s. 1012(3)(c), or
181 administrative personnel as defined in s. 1012(3)(a) and (b) in
182 school-board-designated areas of critical administrative
183 shortages in grades K-12 and who have received authorization by
184 the district school superintendent to participate in the DROP
185 beyond 60 calendar months, 96 calendar months immediately
186 following the date on which the member first reaches his or her
187 normal retirement date or the date to which he or she is eligible
188 to defer his or her election to participate as provided in
189 subparagraph (a)2. However, a member who has reached normal
190 retirement date prior to the effective date of the DROP shall be
191 eligible to participate in the DROP for a period of time not to
192 exceed 60 calendar months or, with respect to members who are
193 instructional personnel employed by the Florida School for the
194 Deaf and the Blind and who have received authorization by the
195 Board of Trustees of the Florida School for the Deaf and the
196 Blind to participate in the DROP beyond 60 months, or who are
197 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
198 grades K-12 and who have received authorization by the district
199 school superintendent to participate in the DROP beyond 60
200 calendar months, 96 calendar months immediately following the
201 effective date of the DROP, except a member of the Special Risk
202 Class who has reached normal retirement date prior to the
203 effective date of the DROP and whose total accrued value exceeds

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204 ~~75 percent of average final compensation as of his or her~~
205 ~~effective date of retirement shall be eligible to participate in~~
206 ~~the DROP for no more than 36 calendar months immediately~~
207 ~~following the effective date of the DROP.~~

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

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

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

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

220 d. Any other information required by the division.

221 3. The DROP participant shall be a retiree under the
222 Florida Retirement System for all purposes, except for paragraph
223 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and
224 121.122. However, participation in ~~the~~ DROP does not alter the
225 participant's employment status and the member is ~~such employee~~
226 ~~shall not be~~ deemed retired from employment until his or her
227 deferred resignation is effective and termination occurs as
228 provided in s. 121.021(39).

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

231 a. An elected officer who reaches normal retirement date
232 during a term of office may defer the election to participate in

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233 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
234 elected officer who exercises this option may participate in ~~the~~
235 DROP for up to 60 calendar months or for a period of no longer
236 than the ~~such~~ succeeding term of office, whichever is less.

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

245 c. An elected officer who is dually employed and elects to
246 participate in DROP shall ~~be required to~~ satisfy the definition
247 of termination within the 60-month or, ~~with respect to members~~
248 ~~who are instructional personnel employed by the Florida School~~
249 ~~for the Deaf and the Blind and who have received authorization by~~
250 ~~the Board of Trustees of the Florida School for the Deaf and the~~
251 ~~Blind to participate in the DROP beyond 60 months, or who are~~
252 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
253 ~~grades K-12 and who have received authorization by the district~~
254 ~~school superintendent to participate in the DROP beyond 60~~
255 ~~months,~~ the 96-month maximum participation limitation period as
256 provided in subparagraph 1. for the nonelected position and may
257 continue employment as an elected officer as provided in s.
258 121.053. The elected officer shall ~~will~~ be enrolled as a renewed
259 member in the Elected Officers' Class or the Regular Class, as
260 provided in ss. 121.053 and 121.122, on the first day of the
261 month after termination of employment in the nonelected position

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262 and termination of DROP. Distribution of ~~the~~ DROP benefits shall
263 be made as provided in paragraph (c).

264 Section 2. The Legislature finds and declares that ensuring
265 adequate and experienced staffing for the public school system is
266 an important state interest that is served by providing school
267 personnel who are members of the Florida Retirement System with
268 an opportunity to extend their participation in the Deferred
269 Retirement Option Program, and that funding for such benefits
270 shall be made, administered, and funded in an actuarially sound
271 manner as required by s. 14, Art. X of the State Constitution and
272 part VII of chapter 112, Florida Statutes.

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