



476274

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/21/2009	.	
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The Committee on Governmental Oversight and Accountability
(Haridopolos) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsections (10), (39), and (60) of section
121.021, Florida Statutes, are amended to read:

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

(10) "Employer" means any agency, branch, department,
institution, university, institution of higher education, or



476274

12 board of the state, or any county agency, branch, department,
13 board, district school board, municipality, metropolitan
14 planning organization, or special district of the state, ~~or any~~
15 ~~city of the state~~ which participates in the system for the
16 benefit of certain of its employees, or a charter school or
17 charter technical career center that participates as provided in
18 s. 121.051(2)(d). Employers are not agents of the department,
19 the state board, or the Division of Retirement, and the
20 department, the state board, and the division are not
21 responsible for erroneous information provided by
22 representatives of employers.

23 (39)(a) "Termination" occurs, except as provided in
24 paragraph (b), when a member ceases all employment relationships
25 with an employer, however: employers under this system, as
26 defined in subsection (10), but in the event

27 1. For termination dates occurring before January 1, 2010,
28 if a member is should be employed by any such employer within
29 the next calendar month, termination shall be deemed not to have
30 occurred. A leave of absence constitutes shall constitute a
31 continuation of the employment relationship, except that a leave
32 of absence without pay due to disability may constitute
33 termination for a member, if such member makes application for
34 and is approved for disability retirement in accordance with s.
35 121.091(4). The department or state board may require other
36 evidence of termination as it deems necessary.

37 2. For termination dates occurring on or after January 1,
38 2010, if a member is employed by any such employer within the
39 next 6 months, termination shall be deemed not to have occurred.
40 A leave of absence constitutes a continuation of the employment



476274

41 relationship, except that a leave of absence without pay due to
42 disability may constitute termination if such member makes
43 application for and is approved for disability retirement in
44 accordance with s. 121.091(4). The department or state board may
45 require other evidence of termination as it deems necessary.

46 (b) "Termination" for a member electing to participate in
47 under the Deferred Retirement Option Program occurs when the
48 ~~Deferred Retirement Option~~ program participant ceases all
49 employment relationships with an employer ~~employers under this~~
50 ~~system~~ in accordance with s. 121.091(13), however: but

51 1. For termination dates occurring before January 1, 2010,
52 if in the event the Deferred Retirement Option Program
53 participant is should be employed by any such employer within
54 the next calendar month, termination will be deemed not to have
55 occurred, except as provided in s. 121.091(13)(b)4.c. A leave of
56 absence shall constitute a continuation of the employment
57 relationship.

58 2. For termination dates occurring on or after January 1,
59 2010, if the DROP participant becomes employed by any such
60 employer within the next 6 calendar months, termination will be
61 deemed not to have occurred, except as provided in s.
62 121.091(13)(b)4.c. A leave of absence constitutes a continuation
63 of the employment relationship.

64 (60) "Retiree" means a former member of the Florida
65 Retirement System or an existing system who has terminated
66 employment and is receiving benefit payments from the system in
67 which he or she was a member. The This term ~~also~~ includes:

68 (a) A person who retired and is receiving benefits under s.
69 112.05;



476274

70 (b) A retiree under the Public Employee Optional Retirement
71 Program as that term is defined in s. 121.4501(2); and

72 (c) A former participant who receives a distribution
73 pursuant to the State Community College Optional Retirement
74 Program as provided in s. 121.051(2)(c), the Senior Management
75 Service Optional Annuity Program as provided in s. 121.055(6),
76 an alternative program for members of the Senior Management
77 Class who withdrew from the Florida Retirement System under s.
78 121.055(1)(b), or the State University System Retirement
79 Optional Retirement Program as provided in s. 121.35(5). The
80 term "distribution" means receiving funds that include employer
81 contributions and associated earnings, whether received as a
82 full or partial rollover, or trustee-to-trustee transfer, lump-
83 sum payment, periodic payment, annuity payment, or any
84 combination of these payment methods.

85 Section 2. Paragraph (a) of subsection (1) and paragraphs
86 (c) and (f) of subsection (2) of section 121.051, Florida
87 Statutes, are amended to read:

88 121.051 Participation in the system.—

89 (1) COMPULSORY PARTICIPATION.—

90 (a) Participation in the Florida Retirement System is The
91 provisions of this law shall be compulsory for as to all
92 officers and employees, except elected officers who meet the
93 requirements of s. 121.052(3), who are employed on or after
94 December 1, 1970, by of an employer other than those referred to
95 in paragraph (2)(b) ., and Each officer or employee, as a
96 condition of employment, becomes shall become a member of the
97 system on the as of his or her date of employment, except that a
98 person who is retired from any state retirement system and is



476274

99 reemployed on or after December 1, 1970, may not renew his or
100 her membership in any state retirement system except as provided
101 in s. 121.091(4)(h) for a person who recovers from disability,
102 ~~and~~ as provided in s. 121.053 ~~s. 121.091(9)(b)8.~~ for a person
103 who is elected to public office, and, effective July 1, 1991, as
104 provided in s. 121.122 for all other retirees.

105 1. Officers and employees of the University Athletic
106 Association, Inc., a nonprofit association connected with the
107 University of Florida, employed on and after July 1, 1979, may
108 ~~shall~~ not participate in any state-supported retirement system.

109 2.1. Any person appointed on or after July 1, 1989, to a
110 faculty position in a college at the J. Hillis Miller Health
111 Center at the University of Florida or the Medical Center at the
112 University of South Florida which has a faculty practice plan
113 adopted ~~provided~~ by rule ~~adopted~~ by the Board of Regents may not
114 participate in the Florida Retirement System. Effective July 1,
115 2008, any person appointed ~~thereafter~~ to a faculty position,
116 including clinical faculty, in a college at a state university
117 that has a faculty practice plan authorized by the Board of
118 Governors may not participate in the Florida Retirement System.
119 A faculty member so appointed shall participate in the optional
120 retirement program for the State University System
121 notwithstanding ~~the provisions of~~ s. 121.35(2)(a). 2. For
122 purposes of this subparagraph ~~paragraph~~, the term:

123 a. "Faculty position" means ~~is defined as~~ a position
124 assigned the principal responsibility of teaching, research, or
125 public service activities or administrative responsibility
126 directly related to the academic mission of the college. ~~The~~
127 ~~term~~



476274

128 b. "Clinical faculty" means ~~is defined as~~ a faculty
129 position appointment in conjunction with a professional position
130 in a hospital or other clinical environment at a college. ~~The~~
131 ~~term~~

132 c. "Faculty practice plan" includes professional services
133 to patients, institutions, or other parties which are rendered
134 by the clinical faculty employed by a college that has a faculty
135 practice plan at a state university authorized by the Board of
136 Governors.

137 (2) OPTIONAL PARTICIPATION.—

138 (c) Employees of public community colleges or charter
139 technical career centers sponsored by public community colleges,
140 ~~as~~ designated in s. 1000.21(3), who are members of the Regular
141 Class of the Florida Retirement System and who comply with the
142 criteria set forth in this paragraph and ~~in~~ s. 1012.875 may
143 ~~elect~~, in lieu of participating in the Florida Retirement
144 System, elect to withdraw from the ~~Florida Retirement~~ system
145 altogether and participate in the State Community College System
146 ~~an~~ Optional Retirement Program provided by the employing agency
147 under s. 1012.875, ~~to be known as the State Community College~~
148 ~~System Optional Retirement Program. Pursuant thereto:~~

149 1. Through June 30, 2001, the cost to the employer for such
150 annuity equals ~~shall equal~~ the normal cost portion of the
151 employer retirement contribution which would be required if the
152 employee were a member of the Regular Class defined benefit
153 program, plus the portion of the contribution rate required by
154 s. 112.363(8) which ~~that~~ would otherwise be assigned to the
155 Retiree Health Insurance Subsidy Trust Fund. Effective July 1,
156 2001, each employer shall contribute on behalf of each



476274

157 participant in the optional program an amount equal to 10.43
158 percent of the participant's gross monthly compensation. The
159 employer shall deduct an amount ~~to provide~~ for the
160 administration of the ~~optional retirement~~ program. The employer
161 ~~providing the optional program~~ shall contribute an additional
162 amount to the Florida Retirement System Trust Fund equal to the
163 unfunded actuarial accrued liability portion of the Regular
164 Class contribution rate.

165 2. The decision to participate in ~~such~~ an optional
166 retirement program is ~~shall be~~ irrevocable ~~for~~ as long as the
167 employee holds a position eligible for participation, except as
168 provided in subparagraph 3. Any service creditable under the
169 Florida Retirement System is ~~shall be~~ retained after the member
170 withdraws from the ~~Florida Retirement~~ system; however,
171 additional service credit in the ~~Florida Retirement~~ system may
172 ~~shall~~ not be earned while a member of the optional retirement
173 program.

174 3. An employee who has elected to participate in the
175 optional retirement program shall have one opportunity, at the
176 employee's discretion, ~~to choose~~ to transfer from the optional
177 retirement program to the defined benefit program of the Florida
178 Retirement System or to the Public Employee Optional Retirement
179 Program, subject to the terms of the applicable optional
180 retirement program contracts.

181 a. If the employee chooses to move to the Public Employee
182 Optional Retirement Program, any contributions, interest, and
183 earnings creditable to the employee under the State Community
184 College System Optional Retirement Program is ~~shall be~~ retained
185 by the employee in the State Community College System Optional



476274

186 Retirement Program, and the applicable provisions of s.
187 121.4501(4) ~~shall~~ govern the election.

188 b. If the employee chooses to move to the defined benefit
189 program of the Florida Retirement System, the employee shall
190 receive service credit equal to his or her years of service
191 under the State Community College System Optional Retirement
192 Program.

193 (I) The cost for such credit is the ~~shall be an~~ amount
194 representing the present value of the ~~that~~ employee's
195 accumulated benefit obligation for the affected period of
196 service. The cost shall be calculated as if the benefit
197 commencement occurs on the first date the employee becomes ~~would~~
198 ~~become~~ eligible for unreduced benefits, using the discount rate
199 and other relevant actuarial assumptions that were used to value
200 the Florida Retirement System defined benefit plan liabilities
201 in the most recent actuarial valuation. The calculation must
202 ~~shall~~ include any service already maintained under the defined
203 benefit plan in addition to the years under the State Community
204 College System Optional Retirement Program. The present value of
205 any service already maintained must ~~under the defined benefit~~
206 ~~plan shall~~ be applied as a credit to total cost resulting from
207 the calculation. The division shall ensure that the transfer sum
208 is prepared using a formula and methodology certified by an
209 enrolled actuary.

210 (II) The employee must transfer from his or her State
211 Community College System Optional Retirement Program account and
212 from other employee moneys as necessary, a sum representing the
213 present value of the ~~that~~ employee's accumulated benefit
214 obligation immediately following the time of such movement,



476274

215 determined assuming that attained service equals the sum of
216 service in the defined benefit program and service in the State
217 Community College System Optional Retirement Program.

218 4. Participation in the optional retirement program is
219 ~~shall be~~ limited to ~~those~~ employees who satisfy the following
220 eligibility criteria:

221 a. The employee must be otherwise eligible for membership
222 or renewed membership in the Regular Class of the Florida
223 Retirement System, as provided in s. 121.021(11) and (12) or s.
224 121.122.

225 b. The employee must be employed in a full-time position
226 classified in the Accounting Manual for Florida's Public
227 Community Colleges as:

228 (I) Instructional; or

229 (II) Executive Management, Instructional Management, or
230 Institutional Management, if a community college determines that
231 recruiting to fill a vacancy in the position is to be conducted
232 in the national or regional market, and ~~:(A) the~~ duties and
233 responsibilities of the position include ~~either~~ the formulation,
234 interpretation, or implementation of policies, ~~;~~ or

235 ~~(B) The duties and responsibilities of the position include~~
236 the performance of functions that are unique or specialized
237 within higher education and that frequently ~~involve the~~ support
238 ~~of~~ the mission of the community college.

239 c. The employee must be employed in a position not included
240 in the Senior Management Service Class of the Florida Retirement
241 System, as described in s. 121.055.

242 5. Participants in the program are subject to the same
243 reemployment limitations, renewed membership provisions, and



476274

244 forfeiture provisions ~~as are~~ applicable to regular members of
245 the Florida Retirement System under ss. 121.091(9), 121.122, and
246 121.091(5), respectively. A participant who receives a program
247 distribution, including a rollover or trustee-to-trustee
248 transfer, funded by employer contributions shall be deemed to be
249 retired from a state-administered retirement system if the
250 participant is subsequently employed by an employer that
251 participates in the Florida Retirement System.

252 6. Eligible community college employees are ~~shall be~~
253 compulsory members of the Florida Retirement System until,
254 pursuant to ~~the procedures set forth in~~ s. 1012.875, a written
255 election to withdraw from the ~~Florida Retirement~~ system and ~~to~~
256 participate in the State Community College System Optional
257 Retirement Program is filed with the program administrator and
258 received by the division.

259 a. A ~~Any~~ community college employee whose program
260 eligibility results from initial employment must ~~shall~~ be
261 enrolled in the State Community College System Optional
262 Retirement Program retroactive to the first day of eligible
263 employment. The employer retirement contributions paid through
264 the month of the employee plan change shall be transferred to
265 the community college to ~~for~~ the employee's optional program
266 account, and, effective the first day of the next month, the
267 employer shall pay the applicable contributions based upon
268 subparagraph 1.

269 b. A ~~Any~~ community college employee whose program
270 eligibility is ~~results from a change in status~~ due to the
271 subsequent designation of the employee's position as one of
272 those specified in subparagraph 4., or due to the employee's



476274

273 appointment, promotion, transfer, or reclassification to a
274 position specified in subparagraph 4., must ~~shall~~ be enrolled in
275 the program on ~~upon~~ the first day of the first full calendar
276 month that such change in status becomes effective. The employer
277 retirement contributions paid from the effective date through
278 the month of the employee plan change must ~~shall~~ be transferred
279 to the community college to ~~for~~ the employee's optional program
280 account, and, effective the first day of the next month, the
281 employer shall pay the applicable contributions based upon
282 subparagraph 1.

283 7. Effective July 1, 2003, through December 31, 2008, any
284 participant of the State Community College System Optional
285 Retirement Program who has service credit in the defined benefit
286 plan of the Florida Retirement System for the period between his
287 or her first eligibility to transfer from the defined benefit
288 plan to the optional retirement program and the actual date of
289 transfer may, during ~~his or her~~ employment, ~~elect to~~ transfer to
290 the optional retirement program a sum representing the present
291 value of the accumulated benefit obligation under the defined
292 benefit retirement program for the ~~such~~ period of service
293 credit. Upon ~~such~~ transfer, all ~~such~~ service credit previously
294 earned under the defined benefit program of the Florida
295 Retirement System during this period is ~~shall be~~ nullified for
296 purposes of entitlement to a future benefit under the defined
297 benefit program of the Florida Retirement System.

298 (f) ~~1. If whenever~~ an employer that participates in the
299 Florida Retirement System undertakes the transfer, merger, or
300 consolidation of governmental services or functions, the
301 employer must notify the department at least 60 days before



476274

302 ~~prior to~~ such action and ~~shall~~ provide documentation as required
303 by the department. If 2. ~~When~~ the agency to which a member's
304 employing unit is transferred, merged, or consolidated does not
305 participate in the Florida Retirement System, a member may ~~shall~~
306 elect in writing to remain in the Florida Retirement System or
307 ~~to~~ transfer to the local retirement system operated by the ~~such~~
308 agency. If the ~~such~~ agency does not participate in a local
309 retirement system, the member shall continue membership in the
310 Florida Retirement System. In either case, the membership
311 continues ~~shall continue~~ for as long as the member is employed
312 by the agency to which his or her unit was transferred, merged,
313 or consolidated.

314 Section 3. Paragraph (f) of subsection (2) and paragraph
315 (e) of subsection (3) of section 121.052, Florida Statutes, are
316 amended to read:

317 121.052 Membership class of elected officers.—

318 (2) MEMBERSHIP.—The following holders of elective office,
319 hereinafter referred to as "elected officers," whether assuming
320 elective office by election, reelection, or appointment, are
321 members of the Elected Officers' Class, except as provided in
322 subsection (3):

323 (f) Any elected officer of a municipality or special
324 district assuming office on or after July 1, 1997, through
325 December 31, 2009, as provided in paragraph (3) ~~(e)~~. On or after
326 January 1, 2010, an elected officer shall become a member only
327 if the governing body of the municipality or special district,
328 at the time it joins the Florida Retirement System for its
329 elected officers, elects, by majority vote, to include all its
330 elected positions in the Elected Officers' Class.



476274

331 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
332 1, 1990, participation in the Elected Officers' Class shall be
333 compulsory for elected officers listed in paragraphs (2) (a)-(d)
334 and (f) assuming office on or after said date, unless the
335 elected officer elects membership in another class or withdraws
336 from the Florida Retirement System as provided in paragraphs
337 (3) (a)-(d) :

338 (e) ~~Effective July 1, 2001,~~ The governing body of a
339 municipality or special district may, by majority vote, elect to
340 designate all its elected positions for inclusion in the Elected
341 Officers' Class.

342 1. Effective July 1, 1997, such election must be made
343 between July 1, 1997, and December 31, 1997, and is irrevocable.
344 The designation of such positions is effective the first day of
345 the month following receipt by the department of the ordinance
346 or resolution passed by the governing body.

347 2. Effective July 1, 2001, such election ~~must~~ shall be made
348 between July 1, 2001, and December 31, 2001, and ~~is~~ shall be
349 irrevocable. The designation of such positions ~~is~~ shall be
350 effective the first day of the month following receipt by the
351 department of the ordinance or resolution passed by the
352 governing body.

353 3. Effective July 1, 2009, such election must be made
354 between July 1, 2009, and December 31, 2009, and is irrevocable.
355 The designation of such positions is effective the first day of
356 the month following receipt by the department of the ordinance
357 or resolution passed by the governing body.

358 Section 4. Section 121.053, Florida Statutes, is amended to
359 read:



476274

360 121.053 Participation in the Elected Officers' Class for
361 retired members.—

362 (1) ~~(a)~~ A Any member who retired under an ~~any~~ existing
363 system as defined in s. 121.021(2) ~~7~~, and receives a retirement
364 benefit ~~thereof~~, and who is subsequently reemployed ~~serves~~ in an
365 office covered by the Elected Officers' Class for a period of at
366 least 6 years, is ~~shall be~~ entitled to receive an additional
367 retirement benefit for ~~such~~ elected officer service completed
368 before ~~prior to~~ July 1, 1990, under the Elected Officers' Class
369 of the Florida Retirement System, as follows:

370 (a) ~~1.~~ Upon completion of 6 or more years of creditable
371 service in an office covered by the Elected Officers' Class, ~~s.~~
372 ~~121.052~~, such member shall notify the administrator of his or
373 her intent to purchase elected officer service completed before
374 ~~prior to~~ July 1, 1990, and shall pay the member contribution
375 applicable for the period being claimed, plus 4 percent interest
376 compounded annually from the first year of service claimed until
377 July 1, 1975, and 6.5 percent interest compounded annually
378 thereafter, until full payment is made to the Florida Retirement
379 System Trust Fund; however, such member may purchase retirement
380 credit under the Elected Officers' Class only for ~~such~~ service
381 as an elected officer.

382 (b) ~~2.~~ Upon payment of the amount specified in paragraph (a)
383 ~~subparagraph 1.~~, the employer shall pay into the Florida
384 Retirement System Trust Fund the applicable employer
385 contribution for the period of elected officer service completed
386 before ~~prior to~~ July 1, 1990, ~~being claimed by the member~~, plus
387 4 percent interest compounded annually from the first year of
388 service claimed until July 1, 1975, and 6.5 percent interest



476274

389 compounded annually thereafter, until full payment is made to
390 the Florida Retirement System Trust Fund.

391 ~~(2)(b)~~ A Any retired member of the Florida Retirement
392 System, or an any existing system as defined in s. 121.021(2),
393 who, beginning on or after July 1, 1990, through December 31,
394 2009, serves in ~~is serving in, or is elected or appointed to,~~ an
395 elective office covered by the Elected Officers' Class shall be
396 enrolled in the appropriate subclass of the Elected Officers'
397 Class of the Florida Retirement System, and applicable
398 contributions shall be paid into the Florida Retirement System
399 Trust Fund as provided in s. 121.052(7). ~~Pursuant thereto:~~

400 ~~(a)1.~~ The ~~Any such retired member may~~ shall be eligible to
401 continue to receive retirement benefits as well as compensation
402 for the elected officer service if ~~for as long as~~ he or she
403 remains in an elective office covered by the Elected Officers'
404 Class.

405 ~~(b)2.~~ If the ~~any such~~ member serves in an elective office
406 covered by the Elected Officers' Class and becomes vested under
407 that class, he or she is ~~shall be~~ entitled to receive an
408 additional retirement benefit for the ~~such~~ elected officer
409 service.

410 ~~(c)3.~~ The ~~Such~~ member is ~~shall be~~ entitled to purchase
411 additional retirement credit in the Elected Officers' Class for
412 any postretirement service performed in an elected position
413 eligible for the Elected Officers' Class before ~~prior to~~ July 1,
414 1990, or in the Regular Class for any postretirement service
415 performed in any other regularly established position before
416 ~~prior to~~ July 1, 1991, by paying the applicable Elected
417 Officers' Class or Regular Class employee and employer



476274

418 contributions for the period being claimed, plus 4 percent
419 interest compounded annually from the first year of service
420 claimed until July 1, 1975, and 6.5 percent interest compounded
421 thereafter, until full payment is made to the Florida Retirement
422 System Trust Fund. The contribution for postretirement Regular
423 Class service between July 1, 1985, and July 1, 1991, for which
424 the reemployed retiree contribution was paid, is ~~shall be~~ the
425 difference between the ~~such~~ contribution and the total
426 applicable contribution for the period being claimed, plus
427 interest. The employer ~~of such member~~ may pay the applicable
428 employer contribution in lieu of the member. If a member does
429 not wish to claim credit for all of the postretirement service
430 for which he or she is eligible, the service the member claims
431 must be the most recent service.

432 (d)4- Creditable service for which credit was received, or
433 which remained unclaimed, at retirement may not be claimed or
434 applied toward service credit earned following renewed
435 membership. However, service earned in accordance with the
436 renewed membership provisions of ~~in~~ s. 121.122 may be used in
437 conjunction with creditable service earned under this subsection
438 ~~paragraph~~, if ~~provided~~ applicable vesting requirements and other
439 existing statutory conditions required by this chapter are met.

440 (e)5- A member who ~~An elected officer who is elected or~~
441 ~~appointed to an elective office and~~ is participating in the
442 Deferred Retirement Option Program is not subject to termination
443 as defined in s. 121.021(39) ~~provided in s. 121.021(39)(b)~~, or
444 reemployment limitations as provided in s. 121.091(9), until the
445 end of his or her current term of office or, if the officer is
446 consecutively elected or reelected to an elective office



476274

447 eligible for coverage under the Florida Retirement System, until
448 he or she no longer holds such an elective office, as follows:

449 ~~1.a.~~ At the end of the 60-month DROP period:

450 ~~a.(I)~~ The officer's DROP account may not ~~shall~~ accrue ~~no~~
451 additional monthly benefits, but shall continue to earn interest
452 as provided in s. 121.091(13).

453 ~~b.(II)~~ ~~No~~ Retirement contributions are not ~~shall be~~
454 required of the employer of the elected officer and ~~no~~
455 additional retirement credit may not ~~shall~~ be earned under the
456 Florida Retirement System.

457 ~~2.b.~~ ~~Nothing herein shall prevent~~ An elected officer may
458 ~~from~~ voluntarily terminate ~~terminating~~ his or her elective
459 office at any time and ~~electing to~~ receive his or her DROP
460 proceeds. However, until termination ~~requirements are fulfilled~~
461 as defined ~~provided~~ in s. 121.021(39) occurs, an ~~any~~ elected
462 officer whose termination limitations are extended by this
463 section is ~~shall be~~ ineligible for renewed membership in the
464 system and may not ~~shall~~ receive ~~no~~ pension payments, DROP lump
465 sum payments, or any other state payment other than the
466 statutorily determined salary, travel, and per diem for the
467 elective office.

468 ~~3.e.~~ Upon termination, the officer shall receive his or her
469 accumulated DROP account, plus interest, and shall accrue and
470 commence receiving monthly retirement benefits, which must ~~shall~~
471 be paid on a prospective basis only.

472
473 However, an officer electing to participate in the Deferred
474 Retirement Option Program on or before June 30, 2002, is ~~shall~~
475 not ~~be~~ required to terminate and remains ~~shall remain~~ subject to



476274

476 the provisions of this paragraph ~~subparagraph~~ as adopted in
477 section 1 of chapter 2001-235, Laws of Florida.

478 (3) ~~(2)~~ Upon attaining his or her normal retirement date and
479 ~~payment of the amount specified in paragraphs (1)(a) and (b),~~
480 and upon application to the administrator of the intent to
481 retire, a the member qualifying under subsection (1) or (2)
482 shall receive a monthly benefit under this section, in addition
483 to any benefits already being received, which shall commence on
484 the last day of the month of retirement and be payable on the
485 last day of the month thereafter during his or her lifetime. The
486 amount of the such monthly benefit is ~~shall be~~ the total
487 percentage of retirement credit purchased under this section
488 multiplied by the member's average monthly compensation as an
489 elected officer, adjusted according to the option selected at
490 retirement under s. 121.091(6).

491 (4) ~~(3)~~ Any renewed member, as described in subsection (1)
492 or subsection (2), who is not receiving the maximum health
493 insurance subsidy provided in s. 112.363 is ~~shall be~~ entitled to
494 earn additional credit toward the maximum health insurance
495 subsidy. Any additional subsidy due because of such additional
496 credit may ~~shall~~ be received only at the time of payment of the
497 second career retirement benefit. ~~In no case shall~~ The total
498 health insurance subsidy received ~~by a retiree receiving~~
499 ~~benefits~~ from initial and renewed membership may not exceed the
500 maximum allowed in s. 112.363.

501 (5) ~~(4)~~ A ~~No~~ retired judge consenting to temporary duty in
502 any court, as assigned by the Chief Justice of the Supreme Court
503 in accordance with s. 2, Art. V of the State Constitution, is
504 not ~~shall be~~ subject to the renewed membership provisions of



476274

505 subsection (1) or subsection (2) ~~this section.~~

506 (6) On or after January 1, 2010:

507 (a) A retiree of a state-administered retirement system who
508 is elected or appointed for the first time to an elective office
509 in a regularly established position with a covered employer may
510 not reenroll in the Florida Retirement System.

511 (b) An elected officer who is elected or appointed to an
512 elective office and is participating in the Deferred Retirement
513 Optional Program is subject to termination as defined in s.
514 121.021(39) upon completion of his or her DROP participation
515 period. An elected official may defer termination as provided in
516 paragraph (2) (e).

517 Section 5. Subsections (1) and (2) of section 121.053,
518 Florida Statutes, are amended to read:

519 121.053 Participation in the Elected Officers' Class for
520 retired members.—

521 Section 6. Paragraph (f) of subsection (1) and paragraphs
522 (c) and (e) of subsection (6) of section 121.055, Florida
523 Statutes, are amended to read:

524 121.055 Senior Management Service Class.—There is hereby
525 established a separate class of membership within the Florida
526 Retirement System to be known as the "Senior Management Service
527 Class," which shall become effective February 1, 1987.

528 (1)

529 (f) Effective July 1, 1997:

530 1. Except as provided in subparagraph 3., an ~~any~~ elected
531 state officer eligible for membership in the Elected Officers'
532 Class under s. 121.052(2) (a), (b), or (c) who elects membership
533 in the Senior Management Service Class under s. 121.052(3) (c)



476274

534 may, within 6 months after assuming office or within 6 months
535 after this act becomes a law for serving elected state officers,
536 elect to participate in the Senior Management Service Optional
537 Annuity Program, as provided in subsection (6), in lieu of
538 membership in the Senior Management Service Class.

539 2. Except as provided in subparagraph 3., an ~~any~~ elected
540 ~~county~~ officer of a local agency employer eligible for
541 membership in the Elected Officers' Class under s. 121.052(2)(d)
542 who elects membership in the Senior Management Service Class
543 under s. 121.052(3)(c) may, within 6 months after assuming
544 office, or within 6 months after this act becomes a law for
545 serving elected ~~county~~ officers of a local agency employer,
546 elect to withdraw from the Florida Retirement System ~~participate~~
547 ~~in a lifetime monthly annuity program,~~ as provided in
548 subparagraph (b)2., in lieu of membership in the Senior
549 Management Service Class.

550 3. A retiree of a state-administered retirement system who
551 is initially reemployed on or after January 1, 2010, as an
552 elected official eligible for the Elected Officers' Class is not
553 eligible for renewed membership in the Senior Management Service
554 Class or in the Senior Management Service Optional Annuity
555 Program as provided in subsection (6), or to withdraw from the
556 Florida Retirement System as a renewed member as provided in
557 subparagraph (b)2., as applicable, in lieu of membership in the
558 Senior Management Service Class.

559 (6)

560 (c) *Participation.*—

561 1. An ~~any~~ eligible employee who is employed on or before
562 February 1, 1987, may elect to participate in the optional



476274

563 annuity program in lieu of participation in the Senior
564 Management Service Class. Such election must ~~shall~~ be made in
565 writing and filed with the department and the personnel officer
566 of the employer on or before May 1, 1987. An ~~Any~~ eligible
567 employee who is employed on or before February 1, 1987, and who
568 fails to make an election to participate in the optional annuity
569 program by May 1, 1987, shall be deemed to have elected
570 membership in the Senior Management Service Class. However, a
571 retiree of a state-administered retirement system who is
572 initially reemployed on or after January 1, 2010, is not
573 eligible for renewed membership in the Senior Management Service
574 Optional Annuity Program.

575 2. An ~~Any~~ employee who becomes eligible to participate in
576 the optional annuity program by reason of initial employment
577 commencing after February 1, 1987, may, within 90 days after the
578 date of commencing ~~commencement~~ of employment, elect to
579 participate in the optional annuity program. Such election must
580 ~~shall~~ be made in writing and filed with the personnel officer of
581 the employer. An ~~Any~~ eligible employee who does not within 90
582 days after commencing ~~commencement~~ of ~~such~~ employment elect to
583 participate in the optional annuity program shall be deemed to
584 have elected membership in the Senior Management Service Class.

585 3. A person who is appointed to a position in the Senior
586 Management Service Class and who is a member of an existing
587 retirement system or the Special Risk or Special Risk
588 Administrative Support Classes of the Florida Retirement System
589 may elect to remain in such system or class in lieu of
590 participation in the Senior Management Service Class or optional
591 annuity program. Such election must ~~shall~~ be made in writing and



476274

592 filed with the department and the personnel officer of the
593 employer within 90 days of such appointment. Any eligible
594 employee who fails to make an election to participate in the
595 existing system, the Special Risk Class of the Florida
596 Retirement System, the Special Risk Administrative Support Class
597 of the Florida Retirement System, or the optional annuity
598 program shall be deemed to have elected membership in the Senior
599 Management Service Class.

600 4. Except as provided in subparagraph 5., an employee's
601 election to participate in the optional annuity program is
602 irrevocable if the ~~as long as such~~ employee continues to be
603 employed in an eligible position and continues to meet the
604 eligibility requirements set forth in this paragraph.

605 5. Effective from July 1, 2002, through September 30, 2002,
606 any active employee in a regularly established position who has
607 elected to participate in the Senior Management Service Optional
608 Annuity Program has one opportunity to choose to move from the
609 Senior Management Service Optional Annuity Program to the
610 Florida Retirement System defined benefit program.

611 a. The election must be made in writing and must be filed
612 with the department and the personnel officer of the employer
613 before October 1, 2002, or, in the case of an active employee
614 who is on a leave of absence on July 1, 2002, within 90 days
615 after the conclusion of the leave of absence. This election is
616 irrevocable.

617 b. The employee shall ~~will~~ receive service credit under the
618 defined benefit program of the Florida Retirement System equal
619 to his or her years of service under the Senior Management
620 Service Optional Annuity Program. The cost for such credit is



476274

621 ~~the shall be an~~ amount representing the present value of that
622 employee's accumulated benefit obligation for the affected
623 period of service.

624 c. The employee must transfer the total accumulated
625 employer contributions and earnings on deposit in his or her
626 Senior Management Service Optional Annuity Program account. If
627 the transferred amount is not sufficient to pay the amount due,
628 the employee must pay a sum representing the remainder of the
629 amount due. ~~In no case may~~ The employee may not retain any
630 employer contributions or earnings thereon from the Senior
631 Management Service Optional Annuity Program account.

632 (e) *Benefits.*—

633 1. Benefits ~~shall be payable~~ under the Senior Management
634 Service Optional Annuity Program are payable only to
635 participants in the program, or their beneficiaries as
636 designated by the participant in the contract with the a
637 provider company, and must ~~such benefits shall~~ be paid by the
638 designated company in accordance with the terms of the annuity
639 contract ~~or contracts~~ applicable to the participant. A
640 participant must be terminated from all employment relationships
641 with ~~all~~ Florida Retirement System employers as provided in s.
642 121.021(39) to begin receiving the employer-funded benefit.
643 Benefits funded by employer contributions are ~~shall be~~ payable
644 under the terms of the contract ~~only as a lifetime annuity~~ to
645 the participant, his or her beneficiary, or his or her estate,
646 in addition to ~~except for~~:

647 a. A lump-sum payment to the beneficiary upon the death of
648 the participant;

649 b. A cash-out of a de minimis account upon the request of a



476274

650 former participant who has been terminated for a minimum of 6
651 months from the employment that entitled him or her to optional
652 annuity program participation. ~~A de minimis account is an~~
653 ~~account with a provider company containing employer~~
654 ~~contributions and accumulated earnings of not more than \$5,000~~
655 ~~made under the provisions of this chapter.~~ Such cash-out must be
656 a complete liquidation of the account balance with that company
657 and is subject to ~~the provisions of~~ the Internal Revenue Code;
658 ~~or~~

659 c. A mandatory distribution of a de minimis account of a
660 former participant who has been terminated for a minimum of 6
661 months from the employment that entitled him or her to optional
662 annuity program participation as authorized by the department;
663 or

664 ~~d.e.~~ A lump-sum direct rollover distribution whereby all
665 accrued benefits, plus interest and investment earnings, are
666 paid from the participant's account directly to the custodian of
667 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
668 the Internal Revenue Code, on behalf of the participant.

669
670 As used in this subparagraph, a "de minimis account" means an
671 account with a provider company containing employer
672 contributions and accumulated earnings of not more than \$5,000
673 made under this chapter.

674 2. The benefits payable to any person under the Senior
675 Management Service Optional Annuity Program, and any
676 contribution accumulated under such program, are ~~shall~~ not be
677 subject to assignment, execution, or attachment or to any legal
678 process whatsoever.



476274

679 3. Except as provided in subparagraph 4., a participant who
680 terminates employment and receives a distribution, including a
681 rollover or trustee-to-trustee transfer, optional annuity
682 program benefits funded by employer contributions shall be
683 deemed to be retired from a state-administered retirement system
684 if the participant is subsequently employed with an ~~in the event~~
685 ~~of subsequent employment with any~~ employer that participates in
686 the Florida Retirement System.

687 4. A participant who receives optional annuity program
688 benefits funded by employer contributions as a mandatory
689 distribution of a de minimis account authorized by the
690 department is not considered a retiree.

691 Section 7. Subsections (9) and (13) of section 121.091,
692 Florida Statutes, are amended to read:

693 121.091 Benefits payable under the system.—Benefits may not
694 be paid under this section unless the member has terminated all
695 employment as provided in s. 121.021(39) (a) or begun
696 participation in the Deferred Retirement Option Program as
697 provided in subsection (13), and a proper application has been
698 filed in the manner prescribed by the department. The department
699 may cancel an application for retirement benefits when the
700 member or beneficiary fails to timely provide the information
701 and documents required by this chapter and the department's
702 rules. The department shall adopt rules establishing procedures
703 for application for retirement benefits and for the cancellation
704 of such application when the required information or documents
705 are not received.

706 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

707 (a) Any person who is retired under this chapter, except



476274

708 under the disability retirement provisions of subsection (4),
709 may be employed by an employer that does not participate in a
710 state-administered retirement system and ~~may~~ receive
711 compensation from that employment without limiting or
712 restricting in any way the retirement benefits payable to that
713 person.

714 (b)~~1.~~ Any person who is retired under this chapter, except
715 under the disability retirement provisions of subsection (4) or
716 as provided in s. 121.053, may be reemployed by an any private
717 or public employer that participates in a state-administered
718 retirement system after retirement and receive retirement
719 benefits and compensation from that ~~his or her~~ employer without
720 any limitations, except that the a person may not be reemployed
721 by an employer ~~receive both a salary from reemployment with any~~
722 ~~agency participating in the Florida Retirement System and~~
723 ~~retirement benefits under this chapter for 6 a period of 12~~
724 months immediately subsequent to the date of retirement.
725 However, a DROP participant shall continue employment and
726 receive a salary during the period of participation in the
727 Deferred Retirement Option Program, as provided in subsection
728 (13).

729 ~~2. Any person to whom the limitation in subparagraph 1.~~
730 ~~applies who violates such reemployment limitation and who is~~
731 ~~reemployed with any agency participating in the Florida~~
732 ~~Retirement System before completion of the 12-month limitation~~
733 ~~period shall give timely notice of this fact in writing to the~~
734 ~~employer and to the division and shall have his or her~~
735 ~~retirement benefits suspended for the balance of the 12-month~~
736 ~~limitation period. Any person employed in violation of this~~



476274

737 ~~paragraph and any employing agency which knowingly employs or~~
738 ~~appoints such person without notifying the Division of~~
739 ~~Retirement to suspend retirement benefits shall be jointly and~~
740 ~~severally liable for reimbursement to the retirement trust fund~~
741 ~~of any benefits paid during the reemployment limitation period.~~
742 ~~To avoid liability, such employing agency shall have a written~~
743 ~~statement from the retiree that he or she is not retired from a~~
744 ~~state-administered retirement system. Any retirement benefits~~
745 ~~received while reemployed during this reemployment limitation~~
746 ~~period shall be repaid to the retirement trust fund, and~~
747 ~~retirement benefits shall remain suspended until such repayment~~
748 ~~has been made. Benefits suspended beyond the reemployment~~
749 ~~limitation shall apply toward repayment of benefits received in~~
750 ~~violation of the reemployment limitation.~~

751 ~~3. A district school board may reemploy a retired member as~~
752 ~~a substitute or hourly teacher, education paraprofessional,~~
753 ~~transportation assistant, bus driver, or food service worker on~~
754 ~~a noncontractual basis after he or she has been retired for 1~~
755 ~~calendar month, in accordance with s. 121.021(39). A district~~
756 ~~school board may reemploy a retired member as instructional~~
757 ~~personnel, as defined in s. 1012.01(2)(a), on an annual~~
758 ~~contractual basis after he or she has been retired for 1~~
759 ~~calendar month, in accordance with s. 121.021(39). Any other~~
760 ~~retired member who is reemployed within 1 calendar month after~~
761 ~~retirement shall void his or her application for retirement~~
762 ~~benefits. District school boards reemploying such teachers,~~
763 ~~education paraprofessionals, transportation assistants, bus~~
764 ~~drivers, or food service workers are subject to the retirement~~
765 ~~contribution required by subparagraph 7.~~



476274

766 ~~4. A community college board of trustees may reemploy a~~
767 ~~retired member as an adjunct instructor, that is, an instructor~~
768 ~~who is noncontractual and part-time, or as a participant in a~~
769 ~~phased retirement program within the Florida Community College~~
770 ~~System, after he or she has been retired for 1 calendar month,~~
771 ~~in accordance with s. 121.021(39). Any retired member who is~~
772 ~~reemployed within 1 calendar month after retirement shall void~~
773 ~~his or her application for retirement benefits. Boards of~~
774 ~~trustees reemploying such instructors are subject to the~~
775 ~~retirement contribution required in subparagraph 7. A retired~~
776 ~~member may be reemployed as an adjunct instructor for no more~~
777 ~~than 780 hours during the first 12 months of retirement. Any~~
778 ~~retired member reemployed for more than 780 hours during the~~
779 ~~first 12 months of retirement shall give timely notice in~~
780 ~~writing to the employer and to the division of the date he or~~
781 ~~she will exceed the limitation. The division shall suspend his~~
782 ~~or her retirement benefits for the remainder of the first 12~~
783 ~~months of retirement. Any person employed in violation of this~~
784 ~~subparagraph and any employing agency which knowingly employs or~~
785 ~~appoints such person without notifying the Division of~~
786 ~~Retirement to suspend retirement benefits shall be jointly and~~
787 ~~severally liable for reimbursement to the retirement trust fund~~
788 ~~of any benefits paid during the reemployment limitation period.~~
789 ~~To avoid liability, such employing agency shall have a written~~
790 ~~statement from the retiree that he or she is not retired from a~~
791 ~~state-administered retirement system. Any retirement benefits~~
792 ~~received by a retired member while reemployed in excess of 780~~
793 ~~hours during the first 12 months of retirement shall be repaid~~
794 ~~to the Retirement System Trust Fund, and retirement benefits~~



476274

795 ~~shall remain suspended until repayment is made. Benefits~~
796 ~~suspended beyond the end of the retired member's first 12 months~~
797 ~~of retirement shall apply toward repayment of benefits received~~
798 ~~in violation of the 780-hour reemployment limitation.~~

799 ~~5. The State University System may reemploy a retired~~
800 ~~member as an adjunct faculty member or as a participant in a~~
801 ~~phased retirement program within the State University System~~
802 ~~after the retired member has been retired for 1 calendar month,~~
803 ~~in accordance with s. 121.021(39). Any retired member who is~~
804 ~~reemployed within 1 calendar month after retirement shall void~~
805 ~~his or her application for retirement benefits. The State~~
806 ~~University System is subject to the retired contribution~~
807 ~~required in subparagraph 7., as appropriate. A retired member~~
808 ~~may be reemployed as an adjunct faculty member or a participant~~
809 ~~in a phased retirement program for no more than 780 hours during~~
810 ~~the first 12 months of his or her retirement. Any retired member~~
811 ~~reemployed for more than 780 hours during the first 12 months of~~
812 ~~retirement shall give timely notice in writing to the employer~~
813 ~~and to the division of the date he or she will exceed the~~
814 ~~limitation. The division shall suspend his or her retirement~~
815 ~~benefits for the remainder of the first 12 months of retirement.~~
816 ~~Any person employed in violation of this subparagraph and any~~
817 ~~employing agency which knowingly employs or appoints such person~~
818 ~~without notifying the Division of Retirement to suspend~~
819 ~~retirement benefits shall be jointly and severally liable for~~
820 ~~reimbursement to the retirement trust fund of any benefits paid~~
821 ~~during the reemployment limitation period. To avoid liability,~~
822 ~~such employing agency shall have a written statement from the~~
823 ~~retiree that he or she is not retired from a state-administered~~



476274

824 ~~retirement system. Any retirement benefits received by a retired~~
825 ~~member while reemployed in excess of 780 hours during the first~~
826 ~~12 months of retirement shall be repaid to the Retirement System~~
827 ~~Trust Fund, and retirement benefits shall remain suspended until~~
828 ~~repayment is made. Benefits suspended beyond the end of the~~
829 ~~retired member's first 12 months of retirement shall apply~~
830 ~~toward repayment of benefits received in violation of the 780-~~
831 ~~hour reemployment limitation.~~

832 ~~6. The Board of Trustees of the Florida School for the Deaf~~
833 ~~and the Blind may reemploy a retired member as a substitute~~
834 ~~teacher, substitute residential instructor, or substitute nurse~~
835 ~~on a noncontractual basis after he or she has been retired for 1~~
836 ~~calendar month, in accordance with s. 121.021(39). Any retired~~
837 ~~member who is reemployed within 1 calendar month after~~
838 ~~retirement shall void his or her application for retirement~~
839 ~~benefits. The Board of Trustees of the Florida School for the~~
840 ~~Deaf and the Blind reemploying such teachers, residential~~
841 ~~instructors, or nurses is subject to the retirement contribution~~
842 ~~required by subparagraph 7. Reemployment of a retired member as~~
843 ~~a substitute teacher, substitute residential instructor, or~~
844 ~~substitute nurse is limited to 780 hours during the first 12~~
845 ~~months of his or her retirement. Any retired member reemployed~~
846 ~~for more than 780 hours during the first 12 months of retirement~~
847 ~~shall give timely notice in writing to the employer and to the~~
848 ~~division of the date he or she will exceed the limitation. The~~
849 ~~division shall suspend his or her retirement benefits for the~~
850 ~~remainder of the first 12 months of retirement. Any person~~
851 ~~employed in violation of this subparagraph and any employing~~
852 ~~agency which knowingly employs or appoints such person without~~



476274

853 ~~notifying the Division of Retirement to suspend retirement~~
854 ~~benefits shall be jointly and severally liable for reimbursement~~
855 ~~to the retirement trust fund of any benefits paid during the~~
856 ~~reemployment limitation period. To avoid liability, such~~
857 ~~employing agency shall have a written statement from the retiree~~
858 ~~that he or she is not retired from a state-administered~~
859 ~~retirement system. Any retirement benefits received by a retired~~
860 ~~member while reemployed in excess of 780 hours during the first~~
861 ~~12 months of retirement shall be repaid to the Retirement System~~
862 ~~Trust Fund, and his or her retirement benefits shall remain~~
863 ~~suspended until payment is made. Benefits suspended beyond the~~
864 ~~end of the retired member's first 12 months of retirement shall~~
865 ~~apply toward repayment of benefits received in violation of the~~
866 ~~780-hour reemployment limitation.~~

867 ~~7. The employment by an employer of any retiree or DROP~~
868 ~~participant of any state-administered retirement system shall~~
869 ~~have no effect on the average final compensation or years of~~
870 ~~creditable service of the retiree or DROP participant. Prior to~~
871 ~~July 1, 1991, upon employment of any person, other than an~~
872 ~~elected officer as provided in s. 121.053, who has been retired~~
873 ~~under any state-administered retirement program, the employer~~
874 ~~shall pay retirement contributions in an amount equal to the~~
875 ~~unfunded actuarial liability portion of the employer~~
876 ~~contribution which would be required for regular members of the~~
877 ~~Florida Retirement System. Effective July 1, 1991, contributions~~
878 ~~shall be made as provided in s. 121.122 for retirees with~~
879 ~~renewed membership or subsection (13) with respect to DROP~~
880 ~~participants.~~

881 ~~8. Any person who has previously retired and who is holding~~



476274

882 ~~an elective public office or an appointment to an elective~~
883 ~~public office eligible for the Elected Officers' Class on or~~
884 ~~after July 1, 1990, shall be enrolled in the Florida Retirement~~
885 ~~System as provided in s. 121.053(1) (b) or, if holding an~~
886 ~~elective public office that does not qualify for the Elected~~
887 ~~Officers' Class on or after July 1, 1991, shall be enrolled in~~
888 ~~the Florida Retirement System as provided in s. 121.122, and~~
889 ~~shall continue to receive retirement benefits as well as~~
890 ~~compensation for the elected officer's service for as long as he~~
891 ~~or she remains in elective office. However, any retired member~~
892 ~~who served in an elective office prior to July 1, 1990,~~
893 ~~suspended his or her retirement benefit, and had his or her~~
894 ~~Florida Retirement System membership reinstated shall, upon~~
895 ~~retirement from such office, have his or her retirement benefit~~
896 ~~recalculated to include the additional service and compensation~~
897 ~~earned.~~

898 ~~9. Any person who is holding an elective public office~~
899 ~~which is covered by the Florida Retirement System and who is~~
900 ~~concurrently employed in nonelected covered employment may elect~~
901 ~~to retire while continuing employment in the elective public~~
902 ~~office, provided that he or she shall be required to terminate~~
903 ~~his or her nonelected covered employment. Any person who~~
904 ~~exercises this election shall receive his or her retirement~~
905 ~~benefits in addition to the compensation of the elective office~~
906 ~~without regard to the time limitations otherwise provided in~~
907 ~~this subsection. No person who seeks to exercise the provisions~~
908 ~~of this subparagraph, as the same existed prior to May 3, 1984,~~
909 ~~shall be deemed to be retired under those provisions, unless~~
910 ~~such person is eligible to retire under the provisions of this~~



476274

911 ~~subparagraph, as amended by chapter 84-11, Laws of Florida.~~
912 ~~10. The limitations of this paragraph apply to reemployment~~
913 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~
914 ~~irrespective of the category of funds from which the person is~~
915 ~~compensated.~~
916 ~~11. An employing agency may reemploy a retired member as a~~
917 ~~firefighter or paramedic after the retired member has been~~
918 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~
919 ~~Any retired member who is reemployed within 1 calendar month~~
920 ~~after retirement shall void his or her application for~~
921 ~~retirement benefits. The employing agency reemploying such~~
922 ~~firefighter or paramedic is subject to the retired contribution~~
923 ~~required in subparagraph 8. Reemployment of a retired~~
924 ~~firefighter or paramedic is limited to no more than 780 hours~~
925 ~~during the first 12 months of his or her retirement. Any retired~~
926 ~~member reemployed for more than 780 hours during the first 12~~
927 ~~months of retirement shall give timely notice in writing to the~~
928 ~~employer and to the division of the date he or she will exceed~~
929 ~~the limitation. The division shall suspend his or her retirement~~
930 ~~benefits for the remainder of the first 12 months of retirement.~~
931 ~~Any person employed in violation of this subparagraph and any~~
932 ~~employing agency which knowingly employs or appoints such person~~
933 ~~without notifying the Division of Retirement to suspend~~
934 ~~retirement benefits shall be jointly and severally liable for~~
935 ~~reimbursement to the Retirement System Trust Fund of any~~
936 ~~benefits paid during the reemployment limitation period. To~~
937 ~~avoid liability, such employing agency shall have a written~~
938 ~~statement from the retiree that he or she is not retired from a~~
939 ~~state-administered retirement system. Any retirement benefits~~



476274

940 ~~received by a retired member while reemployed in excess of 780~~
941 ~~hours during the first 12 months of retirement shall be repaid~~
942 ~~to the Retirement System Trust Fund, and retirement benefits~~
943 ~~shall remain suspended until repayment is made. Benefits~~
944 ~~suspended beyond the end of the retired member's first 12 months~~
945 ~~of retirement shall apply toward repayment of benefits received~~
946 ~~in violation of the 780-hour reemployment limitation.~~

947 (c) The provisions of this subsection apply to retirees, as
948 defined in s. 121.4501(2)(~~j~~), of the Public Employee Optional
949 Retirement Program ~~created in part II~~, subject to the following
950 conditions:

951 1. The ~~Such~~ retirees may not be reemployed with an employer
952 participating in the Florida Retirement System ~~as provided in~~
953 ~~paragraph (b)~~ until such person has been retired for 6 months ~~3~~
954 ~~calendar months, unless the participant has reached the normal~~
955 ~~retirement requirements of the defined benefit plan as provided~~
956 ~~in s. 121.021(29).~~

957 2. A ~~Such~~ retiree employed in violation of this subsection
958 and an employer ~~any employing agency~~ that knowingly employs or
959 appoints such person are ~~shall be~~ jointly and severally liable
960 for reimbursement of any benefits paid to the retirement trust
961 fund from which the benefits were paid, including the Retirement
962 System Trust Fund and the Public Employee Optional Retirement
963 Program Trust Fund, as appropriate. To be employed, the employer
964 ~~avoid liability, such employing agency~~ must have a written
965 statement from the retiree that he or she is not retired from a
966 state-administered retirement system.

967 (d) On or after January 1, 2010, upon employment of any
968 person who has been retired under a state-administered



476274

969 retirement program, the employer shall pay retirement
970 contributions in an amount equal to the unfunded actuarial
971 liability portion of the employer contribution which would be
972 required for members of the Florida Retirement System.

973 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
974 subject to ~~the provisions of~~ this section, the Deferred
975 Retirement Option Program, hereinafter referred to as the DROP,
976 is a program under which an eligible member of the Florida
977 Retirement System may elect to participate, deferring receipt of
978 retirement benefits while continuing employment with his or her
979 Florida Retirement System employer. The deferred monthly
980 benefits shall accrue in the Florida Retirement System Trust
981 Fund on behalf of the participant, plus interest compounded
982 monthly, for the specified period of ~~the~~ DROP participation, as
983 provided in paragraph (c). Upon termination of employment, the
984 participant shall receive the total DROP benefits and begin to
985 receive the previously determined normal retirement benefits.
986 Participation in ~~the~~ DROP does not guarantee employment for the
987 specified period of DROP. Participation in ~~the~~ DROP by an
988 eligible member beyond the initial 60-month period as authorized
989 in this subsection shall be on an annual contractual basis for
990 all participants.

991 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All
992 active Florida Retirement System members in a regularly
993 established position, and all active members of ~~either~~ the
994 Teachers' Retirement System established in chapter 238 or the
995 State and County Officers' and Employees' Retirement System
996 established in chapter 122, which systems are consolidated
997 within the Florida Retirement System under s. 121.011, are



476274

998 eligible to elect participation in ~~the~~ DROP if provided that:
999 1. The member is not a renewed member ~~of the Florida~~
1000 ~~Retirement System~~ under s. 121.122, or a member of the State
1001 Community College System Optional Retirement Program under s.
1002 121.051, the Senior Management Service Optional Annuity Program
1003 under s. 121.055, or the optional retirement program for the
1004 State University System under s. 121.35.
1005 2. Except as provided in subparagraph 6., election to
1006 participate is made within 12 months immediately following the
1007 date ~~on which~~ the member first reaches normal retirement date,
1008 or, for a member who reaches normal retirement date ~~based on~~
1009 ~~service~~ before he or she reaches age 62, or age 55 for Special
1010 Risk Class members, election to participate may be deferred to
1011 the 12 months immediately following the date the member attains
1012 57, or age 52 for Special Risk Class members. Except as provided
1013 in subparagraph 6., a member who delays DROP participation
1014 during the 12-month period immediately following his or her
1015 maximum DROP deferral date, loses a month of DROP participation
1016 for each month delayed. For a member who first reached normal
1017 retirement date or the deferred eligibility date described above
1018 prior to the effective date of this section, election to
1019 participate shall be made within 12 months after the effective
1020 date of this section. A member who fails to make an election
1021 within the such 12-month limitation period forfeits shall
1022 forfeit all rights to participate in ~~the~~ DROP. The member must
1023 shall advise his or her employer and the division in writing of
1024 the date ~~on which the~~ DROP begins shall begin. The Such
1025 beginning date may be after ~~subsequent to~~ the 12-month election
1026 period, but must be within the original 60-month participation



476274

1027 ~~or, with respect to members who are instructional personnel~~
1028 ~~employed by the Florida School for the Deaf and the Blind and~~
1029 ~~who have received authorization by the Board of Trustees of the~~
1030 ~~Florida School for the Deaf and the Blind to participate in the~~
1031 ~~DROP beyond 60 months, or who are instructional personnel as~~
1032 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
1033 ~~received authorization by the district school superintendent to~~
1034 ~~participate in the DROP beyond 60 months, the 96-month~~
1035 ~~limitation period as provided in subparagraph (b)1. When~~
1036 ~~establishing eligibility of the member to participate in the~~
1037 ~~DROP for the 60-month or, with respect to members who are~~
1038 ~~instructional personnel employed by the Florida School for the~~
1039 ~~Deaf and the Blind and who have received authorization by the~~
1040 ~~Board of Trustees of the Florida School for the Deaf and the~~
1041 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1042 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1043 ~~grades K-12 and who have received authorization by the district~~
1044 ~~school superintendent to participate in the DROP beyond 60~~
1045 ~~months, the 96-month maximum participation period, the member~~
1046 ~~may elect to include or exclude any optional service credit~~
1047 ~~purchased by the member from the total service used to establish~~
1048 ~~the normal retirement date. A member who has ~~with~~ dual normal~~
1049 ~~retirement dates is ~~shall be~~ eligible to elect to participate in~~
1050 ~~DROP within 12 months after attaining normal retirement date in~~
1051 ~~either class.~~

1052 3. The employer of a member electing to participate in ~~the~~
1053 ~~DROP, or employers if dually employed, shall acknowledge in~~
1054 ~~writing to the division the date the member's participation in~~
1055 ~~the DROP begins and the date the member's employment and DROP~~



476274

1056 participation will terminate.

1057 4. Simultaneous employment of a participant by additional
1058 Florida Retirement System employers subsequent to the
1059 commencement of participation in ~~the~~ DROP is ~~shall be~~
1060 permissible if the ~~provided such~~ employers acknowledge in
1061 writing a DROP termination date no later than the participant's
1062 existing termination date or the maximum participation ~~60-month~~
1063 ~~limitation~~ period as provided in subparagraph (b)1.

1064 5. A DROP participant may change employers while
1065 participating in ~~the~~ DROP, subject to the following:

1066 a. A change of employment must take place without a break
1067 in service so that the member receives salary for each month of
1068 continuous DROP participation. If a member receives no salary
1069 during a month, DROP participation ceases ~~shall cease~~ unless the
1070 employer verifies a continuation of the employment relationship
1071 for such participant ~~pursuant to s. 121.021(39)(b)~~.

1072 b. Such participant and new employer shall notify the
1073 division of the identity of the new employer on forms required
1074 by the division ~~as to the identity of the new employer~~.

1075 c. The new employer shall acknowledge, in writing, the
1076 participant's DROP termination date, which may be extended but
1077 not beyond the maximum participation ~~original 60-month or, with~~
1078 ~~respect to members who are instructional personnel employed by~~
1079 ~~the Florida School for the Deaf and the Blind and who have~~
1080 ~~received authorization by the Board of Trustees of the Florida~~
1081 ~~School for the Deaf and the Blind to participate in the DROP~~
1082 ~~beyond 60 months, or who are instructional personnel as defined~~
1083 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
1084 ~~authorization by the district school superintendent to~~



476274

1085 ~~participate in the DROP beyond 60 months, the 96-month period~~
1086 provided in subparagraph (b)1., shall acknowledge liability for
1087 any additional retirement contributions and interest required if
1088 the participant fails to timely terminate employment, and is
1089 ~~shall be~~ subject to the adjustment required in sub-subparagraph
1090 (c)5.d.

1091 6. Effective July 1, 2001, for instructional personnel as
1092 defined in s. 1012.01(2), election to participate in ~~the~~ DROP is
1093 ~~shall be~~ made at any time following the date on which the member
1094 first reaches normal retirement date. The member shall advise
1095 his or her employer and the division in writing of the date on
1096 which DROP begins ~~the Deferred Retirement Option Program shall~~
1097 ~~begin~~. When establishing eligibility of the member to
1098 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
1099 ~~members who are instructional personnel employed by the Florida~~
1100 ~~School for the Deaf and the Blind and who have received~~
1101 ~~authorization by the Board of Trustees of the Florida School for~~
1102 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1103 ~~months, or who are instructional personnel as defined in s.~~
1104 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
1105 ~~authorization by the district school superintendent to~~
1106 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
1107 ~~participation period, as provided in subparagraph (b)1., the~~
1108 member may elect to include or exclude any optional service
1109 credit purchased by the member from the total service used to
1110 establish the normal retirement date. A member who has ~~with~~ dual
1111 normal retirement dates is ~~shall be~~ eligible to elect to
1112 participate in either class.

1113 (b) *Participation in ~~the~~ DROP.*-



476274

1114 1. An eligible member may elect to participate in ~~the~~ DROP
1115 for a period not to exceed a maximum of 60 calendar months.
1116 ~~However, or, with respect to~~ members who are instructional
1117 personnel employed by the Florida School for the Deaf and the
1118 Blind and authorized ~~who have received authorization~~ by the
1119 Board of Trustees of the Florida School for the Deaf and the
1120 Blind ~~to participate in the DROP beyond 60 months, or who are~~
1121 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
1122 grades K-12 and authorized ~~who have received authorization~~ by
1123 the district school superintendent ~~to participate in the DROP~~
1124 ~~beyond 60 calendar months, or who are instructional personnel as~~
1125 defined in s. 1012.01(2) employed by a developmental research
1126 school and authorized by the school's director, or if the school
1127 has no director, by the school's principal, may participate in
1128 DROP for up to 36 calendar months beyond the 60-month period. ~~96~~
1129 ~~calendar months immediately following the date on which the~~
1130 ~~member first reaches his or her normal retirement date or the~~
1131 ~~date to which he or she is eligible to defer his or her election~~
1132 ~~to participate as provided in subparagraph (a)2. However, a~~
1133 ~~member who has reached normal retirement date prior to the~~
1134 ~~effective date of the DROP shall be eligible to participate in~~
1135 ~~the DROP for a period of time not to exceed 60 calendar months~~
1136 ~~or, with respect to members who are instructional personnel~~
1137 ~~employed by the Florida School for the Deaf and the Blind and~~
1138 ~~who have received authorization by the Board of Trustees of the~~
1139 ~~Florida School for the Deaf and the Blind to participate in the~~
1140 ~~DROP beyond 60 months, or who are instructional personnel as~~
1141 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
1142 ~~received authorization by the district school superintendent to~~



476274

1143 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
1144 ~~months immediately following the effective date of the DROP,~~
1145 ~~except a member of the Special Risk Class who has reached normal~~
1146 ~~retirement date prior to the effective date of the DROP and~~
1147 ~~whose total accrued value exceeds 75 percent of average final~~
1148 ~~compensation as of his or her effective date of retirement shall~~
1149 ~~be eligible to participate in the DROP for no more than 36~~
1150 ~~calendar months immediately following the effective date of the~~
1151 ~~DROP.~~

1152 2. Upon deciding to participate in the DROP, the member
1153 shall submit, on forms required by the division:

1154 a. A written election to participate in the DROP;

1155 b. Selection of the DROP participation and termination
1156 dates, which satisfy the limitations stated in paragraph (a) and
1157 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
1158 binding letter of resignation to ~~with~~ the employer, establishing
1159 a deferred termination date. The member may change the
1160 termination date within the limitations of subparagraph 1., but
1161 only with the written approval of the ~~his or her~~ employer;

1162 c. A properly completed DROP application for service
1163 retirement as provided in this section; and

1164 d. Any other information required by the division.

1165 3. The DROP participant is ~~shall be~~ a retiree under the
1166 Florida Retirement System for all purposes, except for paragraph
1167 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
1168 and 121.122. DROP participation is final and cannot be cancelled
1169 by the participant after the first payment is credited during
1170 the DROP participation period. However, participation in ~~the~~
1171 DROP does not alter the participant's employment status, and the



476274

1172 ~~member is such employee shall~~ not be deemed retired from
1173 employment until his or her deferred resignation is effective
1174 and termination occurs as provided in s. 121.021(39).

1175 4. Elected officers are ~~shall be~~ eligible to participate in
1176 ~~the~~ DROP subject to the following:

1177 a. An elected officer who reaches normal retirement date
1178 during a term of office may defer the election to participate ~~in~~
1179 ~~the DROP~~ until the next succeeding term in that office. An ~~Such~~
1180 elected officer who exercises this option may participate in ~~the~~
1181 DROP for up to 60 calendar months or ~~a period of~~ no longer than
1182 the ~~such~~ succeeding term of office, whichever is less.

1183 b. An elected or a nonelected participant may run for a
1184 term of office while participating in DROP and, if elected,
1185 extend the DROP termination date accordingly; ~~except,~~ however,
1186 if the ~~such~~ additional term of office exceeds the 60-month
1187 limitation established in subparagraph 1., and the officer does
1188 not resign from office within such 60-month limitation, the
1189 retirement and the participant's DROP is ~~shall be~~ null and void
1190 as provided in sub-subparagraph (c)5.d.

1191 c. An elected officer who is dually employed and elects to
1192 participate in DROP must terminate all employment relationships
1193 as provided in s. 121.021(39) for the nonelected position shall
1194 ~~be required to satisfy the definition of termination within the~~
1195 original 60-month period or maximum participation ~~or, with~~
1196 ~~respect to members who are instructional personnel employed by~~
1197 ~~the Florida School for the Deaf and the Blind and who have~~
1198 ~~received authorization by the Board of Trustees of the Florida~~
1199 ~~School for the Deaf and the Blind to participate in the DROP~~
1200 ~~beyond 60 months, or who are instructional personnel as defined~~



476274

1201 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
1202 ~~authorization by the district school superintendent to~~
1203 ~~participate in the DROP beyond 60 months, the 96-month~~
1204 ~~limitation period as provided in subparagraph 1.~~ For DROP
1205 participation ending: for the nonelected position and
1206 (I) Before January 1, 2010, the officer may continue
1207 employment as an elected officer as provided in s. 121.053. The
1208 elected officer shall will be enrolled as a renewed member in
1209 the Elected Officers' Class or the Regular Class, as provided in
1210 ss. 121.053 and 121.122, on the first day of the month after
1211 termination of employment in the nonelected position and
1212 termination of DROP. Distribution of the DROP benefits shall be
1213 made as provided in paragraph (c).
1214 (II) On or after January 1, 2010, the officer may continue
1215 employment as an elected officer but must defer termination as
1216 provided in s. 121.053.
1217 (c) Benefits payable under ~~the~~ DROP.-
1218 1. Effective on ~~with~~ the date of DROP participation, the
1219 member's initial normal monthly benefit, including creditable
1220 service, optional form of payment, and average final
1221 compensation, and the effective date of retirement are ~~shall be~~
1222 fixed. The beneficiary established under the Florida Retirement
1223 System is ~~shall be~~ the beneficiary eligible to receive any DROP
1224 benefits payable if the DROP participant dies before completing
1225 ~~prior to the completion of~~ the period of DROP participation. If
1226 ~~In the event~~ a joint annuitant predeceases the member, the
1227 member may name a beneficiary to receive accumulated DROP
1228 benefits payable. The ~~Such~~ retirement benefit, the annual cost
1229 of living adjustments provided in s. 121.101, and interest ~~shall~~



476274

1230 accrue monthly in the Florida Retirement System Trust Fund. The
1231 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate
1232 of 6.5 percent compounded monthly, on the prior month's
1233 accumulated ending balance, up to the month of termination or
1234 death.

1235 2. Each employee who elects to participate in ~~the~~ DROP may
1236 ~~shall be allowed to~~ elect to receive a lump-sum payment for
1237 accrued annual leave earned in accordance with agency policy
1238 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
1239 leave payment certified to the division upon commencement of
1240 DROP must ~~shall~~ be included in the calculation of the member's
1241 average final compensation. The employee electing the ~~such~~ lump-
1242 sum payment is ~~upon beginning participation in~~ DROP will not be
1243 eligible to receive a second lump-sum payment upon termination,
1244 except to the extent the employee has earned additional annual
1245 leave which combined with the original payment does not exceed
1246 the maximum lump-sum payment allowed by the employing agency's
1247 policy or rules. An ~~Such~~ early lump-sum payment shall be based
1248 on the hourly wage of the employee at the time he or she begins
1249 participation in ~~the~~ DROP. If the member elects to wait and
1250 receive a such lump-sum payment upon termination of DROP and
1251 termination of employment with the employer, any accumulated
1252 leave payment made at that time may not ~~cannot~~ be included in
1253 the member's retirement benefit, which was determined and fixed
1254 by law when the employee elected to participate in ~~the~~ DROP.

1255 3. The effective date of DROP participation and the
1256 effective date of retirement of a DROP participant is ~~shall be~~
1257 the first day of the month selected by the member to begin
1258 participation in ~~the~~ DROP, if ~~provided~~ such date is properly



476274

1259 established, with the written confirmation of the employer, and
1260 the approval of the division, on forms required by the division.

1261 4. Normal retirement benefits and any interest ~~thereon~~
1262 ~~shall~~ continue to accrue in ~~the~~ DROP until the established
1263 termination date of ~~the~~ DROP, or until the participant
1264 terminates employment or dies before ~~prior to~~ such date.
1265 Although individual DROP accounts may ~~shall~~ not be established,
1266 a separate accounting of each participant's accrued benefits
1267 under ~~the~~ DROP shall be calculated and provided to participants.

1268 5. At the conclusion of the participant's DROP, the
1269 division shall distribute the participant's total accumulated
1270 DROP benefits, subject to the following ~~provisions~~:

1271 a. The division shall receive verification by the
1272 participant's employer or employers that the ~~such~~ participant
1273 has terminated all employment relationships as provided in s.
1274 121.021(39) ~~(b)~~.

1275 b. The terminated DROP participant or, if deceased, the
1276 ~~such~~ participant's named beneficiary, shall elect on forms
1277 provided by the division to receive payment of ~~the~~ DROP benefits
1278 in accordance with one of the options listed below. If ~~For~~ a
1279 participant or beneficiary ~~who~~ fails to elect a method of
1280 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
1281 division shall ~~will~~ pay a lump sum as provided in sub-sub-
1282 subparagraph (I).

1283 (I) Lump sum.—All accrued DROP benefits, plus interest,
1284 less withholding taxes remitted to the Internal Revenue Service,
1285 shall be paid to ~~the~~ DROP participant or surviving beneficiary.

1286 (II) Direct rollover.—All accrued DROP benefits, plus
1287 interest, shall be paid from ~~the~~ DROP directly to the custodian



476274

1288 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
1289 the Internal Revenue Code. However, in the case of an eligible
1290 rollover distribution to the surviving spouse of a deceased
1291 participant, an eligible retirement plan is an individual
1292 retirement account or an individual retirement annuity as
1293 described in s. 402(c)(9) of the Internal Revenue Code.

1294 (III) Partial lump sum.—A portion of the accrued DROP
1295 benefits shall be paid to ~~the~~ DROP participant or surviving
1296 spouse, less withholding taxes remitted to the Internal Revenue
1297 Service, and the remaining DROP benefits must ~~shall~~ be
1298 transferred directly to the custodian of an eligible retirement
1299 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.
1300 However, in the case of an eligible rollover distribution to the
1301 surviving spouse of a deceased participant, an eligible
1302 retirement plan is an individual retirement account or an
1303 individual retirement annuity as described in s. 402(c)(9) of
1304 the Internal Revenue Code. The proportions must ~~shall~~ be
1305 specified by the DROP participant or surviving beneficiary.

1306 c. The form of payment selected by the DROP participant or
1307 surviving beneficiary must comply ~~complies~~ with the minimum
1308 distribution requirements of the Internal Revenue Code.

1309 d. A DROP participant who fails to terminate all employment
1310 relationships as provided ~~defined~~ in s. 121.021(39) ~~(b)~~ shall be
1311 deemed as not ~~to be~~ retired, and the DROP election is ~~shall be~~
1312 null and void. Florida Retirement System membership shall be
1313 reestablished retroactively to the date of the commencement of
1314 ~~the~~ DROP, and each employer with whom the participant continues
1315 employment must ~~shall be required to~~ pay to the Florida
1316 Retirement System Trust Fund the difference between the DROP



476274

1317 contributions paid in paragraph (i) and the contributions
1318 required for the applicable Florida Retirement System class of
1319 membership during the period the member participated in ~~the~~
1320 DROP, plus 6.5 percent interest compounded annually.

1321 6. The accrued benefits of any DROP participant, and any
1322 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
1323 ~~be~~ subject to assignment, execution, attachment, or to any legal
1324 process whatsoever, except for qualified domestic relations
1325 orders by a court of competent jurisdiction, income deduction
1326 orders as provided in s. 61.1301, and federal income tax levies.

1327 7. DROP participants are ~~shall~~ not ~~be~~ eligible for
1328 disability retirement benefits as provided in subsection (4).

1329 (d) *Death benefits under ~~the~~ DROP.*—

1330 1. Upon the death of a DROP participant, the named
1331 beneficiary is ~~shall be~~ entitled to apply for and receive the
1332 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
1333 (c)5.b.

1334 2. The normal retirement benefit accrued to ~~the~~ DROP during
1335 the month of a participant's death is ~~shall be~~ the final monthly
1336 benefit credited for such DROP participant.

1337 3. Eligibility to participate in ~~the~~ DROP terminates upon
1338 death of the participant. If the participant dies on or after
1339 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~
1340 ~~to~~ the first monthly benefit is ~~being~~ credited to ~~the~~ DROP,
1341 Florida Retirement System benefits are ~~shall be~~ paid in
1342 accordance with subparagraph (7)(c)1. or subparagraph 2.

1343 4. A DROP participant's ~~participants'~~ survivors are ~~shall~~
1344 not ~~be~~ eligible to receive Florida Retirement System death
1345 benefits as provided in paragraph (7)(d).



476274

1346 (e) *Cost-of-living adjustment.*—On each July 1, the
1347 participant's participants' normal retirement benefit shall be
1348 increased as provided in s. 121.101.

1349 (f) *Retiree health insurance subsidy.*—DROP participants are
1350 not eligible to apply for the retiree health insurance subsidy
1351 payments ~~as~~ provided in s. 112.363 until such participants have
1352 terminated employment and participation in ~~the~~ DROP.

1353 (g) *Renewed membership.*—

1354 1. DROP participants who end DROP participation before
1355 January 1, 2010, are shall not be eligible for renewed
1356 membership in the Florida Retirement System under ss. 121.053
1357 and 121.122 until termination of employment is effectuated as
1358 provided in s. 121.021(39) ~~(b)~~.

1359 2. DROP participants who end DROP participation on or after
1360 January 1, 2010, are not eligible for renewed membership in a
1361 state-administered retirement system.

1362 (h) *Employment limitation after DROP participation.*—Upon
1363 ~~satisfying the definition of~~ termination of all employment
1364 relationships as provided in s. 121.021(39) ~~(b)~~, DROP
1365 participants are shall be subject to the same such reemployment
1366 limitations as other retirees. Reemployment restrictions
1367 applicable to retirees as provided in subsection (9) do shall
1368 not apply to DROP participants until their employment and
1369 participation in ~~the~~ DROP are terminated.

1370 (i) *Contributions.*—

1371 1. All employers paying the salary of a DROP participant
1372 filling a regularly established position shall contribute 8.0
1373 percent of such participant's gross compensation for the period
1374 of July 1, 2002, through June 30, 2003, and the 11.56 percent of



476274

1375 such compensation required by s. 121.71 thereafter, which shall
1376 constitute the entire employer DROP contribution with respect to
1377 such participant. Such contributions, payable to the Florida
1378 Retirement System Trust Fund in the same manner as required in
1379 s. 121.071, must ~~shall~~ be made as appropriate for each pay
1380 period and are in addition to contributions required for social
1381 security and the Retiree Health Insurance Subsidy Trust Fund.
1382 Such employer, social security, and health insurance subsidy
1383 contributions are not included in ~~the~~ DROP.

1384 2. The employer shall, in addition to subparagraph 1., also
1385 withhold one-half of the entire social security contribution
1386 required for the participant. Contributions for social security
1387 by each participant and each employer, in the amount required
1388 for social security coverage as ~~now or hereafter~~ provided by the
1389 federal Social Security Act, are ~~shall be~~ in addition to
1390 contributions specified in subparagraph 1.

1391 3. All employers paying the salary of a DROP participant
1392 filling a regularly established position shall contribute the
1393 percent of such participant's gross compensation required in s.
1394 121.071(4), which ~~shall~~ constitute the employer's health
1395 insurance subsidy contribution with respect to such participant.
1396 Such contributions must ~~shall~~ be deposited by the administrator
1397 in the Retiree Health Insurance Subsidy Trust Fund.

1398 (j) *Forfeiture of retirement benefits.* ~~Nothing in~~ This
1399 section does not ~~shall be construed to~~ remove DROP participants
1400 from the scope of s. 8(d), Art. II of the State Constitution, s.
1401 112.3173, and paragraph (5)(f). DROP participants who commit a
1402 specified felony offense while employed are ~~will be~~ subject to
1403 forfeiture of all retirement benefits, including DROP benefits,



476274

1404 pursuant to those provisions of law.

1405 (k) *Administration of program.*—The division shall adopt
1406 ~~make such~~ rules as are necessary for the effective and efficient
1407 administration of this subsection. The division is ~~shall~~ not be
1408 required to advise members of the federal tax consequences of an
1409 election related to the DROP but may advise members to seek
1410 independent advice.

1411 Section 8. Section 121.122, Florida Statutes, is amended to
1412 read:

1413 121.122 Renewed membership in system.—

1414 (1) A retiree of a state-administered retirement system who
1415 is initially reemployed on or after January 1, 2010, is not
1416 eligible for renewed membership.

1417 (2) Except as provided in s. 121.053, effective July 1,
1418 1991, through December 31, 2009, any retiree of a state-
1419 administered retirement system who is initially reemployed
1420 ~~employed~~ in a regularly established position with a covered
1421 employer shall be enrolled as a compulsory member of the Regular
1422 Class of the Florida Retirement System or, effective July 1,
1423 1997, through December 31, 2009, any retiree of a state-
1424 administered retirement system who is initially reemployed
1425 ~~employed~~ in a position included in the Senior Management Service
1426 Class shall be enrolled as a compulsory member of the Senior
1427 Management Service Class of the Florida Retirement System as
1428 provided in s. 121.055, and is ~~shall be~~ entitled to receive an
1429 additional retirement benefit, subject to the following
1430 conditions:

1431 ~~(1)~~(a) Such member must ~~shall~~ resatisfy the age and service
1432 requirements ~~as~~ provided in this chapter for initial membership



476274

1433 under the system, unless the ~~such~~ member elects to participate
1434 in the Senior Management Service Optional Annuity Program in
1435 lieu of the Senior Management Service Class, as provided in s.
1436 121.055(6).

1437 (b) Such member is ~~shall~~ not ~~be~~ entitled to disability
1438 benefits as provided in s. 121.091(4).

1439 (c) Such member must meet the reemployment after retirement
1440 limitations as provided in s. 121.091(9), as applicable.

1441 ~~(3)-(2)~~ Upon reemployment of a retiree ~~renewed membership~~,
1442 the employer of such member shall pay the applicable employer
1443 contributions as required by ss. 121.71, 121.74, 121.76, and
1444 112.363 ~~ss. 121.055(3) and 121.071(1)(a) and (4)~~.

1445 ~~(4)-(3)~~ The retiree of a state-administered retirement
1446 system who is initially reemployed before January 1, 2010, is
1447 ~~Such member shall be~~ entitled to purchase additional retirement
1448 credit in the Regular Class or the Senior Management Service
1449 Class, as applicable, for any postretirement service performed
1450 in a regularly established position as follows:

1451 (a) For regular class service before ~~prior to~~ July 1, 1991,
1452 by paying the Regular Class applicable employee and employer
1453 contributions for the period being claimed, plus 4 percent
1454 interest compounded annually from first year of service claimed
1455 until July 1, 1975, and 6.5 percent interest compounded
1456 thereafter, until full payment is made to the Florida Retirement
1457 System Trust Fund; or

1458 (b) For Senior Management Service Class before ~~prior to~~
1459 June 1, 1997, as provided in s. 121.055(1)(j).

1460
1461 The contribution for postretirement service between July 1,



476274

1462 1985, and July 1, 1991, for which the reemployed retiree
1463 contribution was paid, is ~~shall be~~ the difference between the
1464 ~~such~~ contribution and the total applicable contribution for the
1465 period being claimed, plus interest. The employer of such member
1466 may pay the applicable employer contribution in lieu of the
1467 member. If a member does not wish to claim credit for all of the
1468 postretirement service for which he or she is eligible, the
1469 service the member claims must be the most recent service.

1470 (5) ~~(4)~~ ~~No~~ Creditable service for which credit was received,
1471 or which remained unclaimed, at retirement may not be claimed or
1472 applied toward service credit earned following renewed
1473 membership. However, for retirees initially reemployed before
1474 January 1, 2010, service earned as an elected officer with
1475 renewed membership in the Elected Officers' Class may be used in
1476 conjunction with creditable service earned under this section,
1477 if provided the applicable vesting requirements and other
1478 existing statutory conditions required by this chapter are met.

1479 (6) ~~(5)~~ Notwithstanding any other limitations ~~provided~~ in
1480 this section, a participant of the State University System
1481 Optional Retirement Program, the State Community College
1482 Optional Retirement Program, or the Senior Management Service
1483 Optional Annuity Program who terminated employment and commenced
1484 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~
1485 optional program, who initially renews membership before January
1486 1, 2010, ~~in the Regular Class~~ as required by this section upon
1487 reemployment after retirement, and who had previously earned
1488 creditable Florida Retirement System service that was not
1489 included in any retirement benefit may include such previous
1490 service toward vesting and service credit in the second career



476274

1491 benefit provided under renewed membership.

1492 ~~(7)-(6)~~ A Any renewed member who is not receiving the
1493 maximum health insurance subsidy provided in s. 112.363 is shall
1494 ~~be~~ entitled to earn additional credit toward the maximum health
1495 insurance subsidy. Any additional subsidy due because of such
1496 additional credit may shall be received only at the time of
1497 payment of the second career retirement benefit. ~~In no case~~
1498 ~~shall~~ The total health insurance subsidy received by a retiree
1499 receiving benefits from initial and renewed membership may not
1500 exceed the maximum allowed in s. 112.363.

1501 Section 9. Paragraph (h) of subsection (3) and paragraphs
1502 (a) and (e) of subsection (5) of section 121.35, Florida
1503 Statutes, are amended, and paragraph (g) is added to subsection
1504 (5) of that section, to read:

1505 121.35 Optional retirement program for the State University
1506 System.—

1507 (3) ELECTION OF OPTIONAL PROGRAM.—

1508 (h) A participant in the optional retirement program may
1509 not participate in more than one state-administered retirement
1510 system, plan, or class simultaneously. Except as provided in s.
1511 121.052(6)(d), a participant who is or becomes dually employed
1512 in two or more positions covered by the Florida Retirement
1513 System, one of which is eligible for the optional program and
1514 one of which is not, may remain a member of the optional program
1515 and contributions shall be paid as required only on the salary
1516 earned in the position eligible for the optional program during
1517 the such period of dual employment; or, within 90 days after
1518 becoming dually employed, he or she may elect membership in the
1519 Regular Class of the Florida Retirement System in lieu of the



476274

1520 optional program and contributions shall be paid as required on
1521 the total salary received for all employment. At retirement, the
1522 average final compensation used to calculate any benefits for
1523 which the member becomes eligible under the Florida Retirement
1524 System must ~~shall~~ be based on all salary reported for both
1525 positions during such period of dual employment. If the ~~When~~
1526 ~~such~~ member ceases to be dually employed, he or she may, within
1527 90 days, elect to remain in the Florida Retirement System class
1528 for which he or she is eligible or to again become a participant
1529 in the optional retirement program. Failure to elect membership
1530 in the optional program within 90 days shall result in
1531 compulsory membership in the Florida Retirement System, except
1532 that a member filling a faculty position at ~~under~~ a college with
1533 a faculty practice plan at the University of Florida, at ~~or~~ the
1534 Medical Center at the University of South Florida, or other
1535 state university shall again participate in the optional
1536 retirement program as required in s. 121.051(1)(a).

1537 (5) BENEFITS.—

1538 (a) Benefits are ~~shall be~~ payable under the optional
1539 retirement program only to vested participants in the program,
1540 or their beneficiaries as designated by the participant in the
1541 contract with a provider company, and such benefits shall be
1542 paid only by the designated company in accordance with s. 403(b)
1543 of the Internal Revenue Code and ~~in accordance with~~ the terms of
1544 the annuity contract or contracts applicable to the participant.
1545 Benefits ~~shall~~ accrue in individual accounts that are
1546 participant-directed, portable, and funded by employer
1547 contributions and the earnings thereon. The participant must be
1548 terminated from all employment relationships with all Florida



476274

1549 Retirement System employers, as provided in s. 121.021(39), to
1550 begin receiving the employer-funded benefit. Benefits funded by
1551 employer contributions are ~~shall be~~ payable in accordance with
1552 the following terms and conditions:

1553 1. Benefits shall be paid ~~payable~~ only to a participant, to
1554 his or her beneficiaries, or to his or her estate, as designated
1555 by the participant.

1556 2. Benefits shall be paid by the provider company or
1557 companies in accordance with the law, the provisions of the
1558 contract, and any applicable department ~~board~~ rule or policy.

1559 3. In the event of a participant's death, moneys
1560 accumulated by, or on behalf of, the participant, less
1561 withholding taxes remitted to the Internal Revenue Service, if
1562 any, shall be distributed to the participant's designated
1563 beneficiary or beneficiaries, or to the participant's estate, as
1564 if the participant retired on the date of death, as provided in
1565 paragraph (c). No other death benefits are ~~shall be~~ available to
1566 ~~for~~ survivors of participants under the optional retirement
1567 program except for such benefits, or coverage for such benefits,
1568 as are separately afforded by the employer, at the employer's
1569 discretion.

1570 (e) A participant who chooses to receive his or her
1571 benefits upon termination as defined in s. 121.021(39) must ~~of~~
1572 ~~employment shall have responsibility to~~ notify the provider
1573 company of the date ~~on which~~ he or she wishes benefits funded by
1574 employer contributions to begin. Benefits may be deferred until
1575 ~~such time as~~ the participant chooses to make such application.

1576 (g) For purposes of this section, the term "retiree" means
1577 a former participant of the optional retirement program who has



476274

1578 terminated employment and has taken a distribution, including a
1579 rollover or trustee-to-trustee transfer, as provided in this
1580 subsection, except for a mandatory distribution of a de minimis
1581 account authorized by the department.

1582 Section 10. Paragraph (f) of subsection (2) of section
1583 121.4501, Florida Statutes, is amended to read:

1584 121.4501 Public Employee Optional Retirement Program.—

1585 (2) DEFINITIONS.—As used in this part, the term:

1586 (f) "Eligible employee" means an officer or employee, as
1587 defined in s. 121.021(11), who:

1588 1. Is a member of, or is eligible for membership in, the
1589 Florida Retirement System, including any renewed member of the
1590 Florida Retirement System initially reemployed before January 1,
1591 2010; or

1592 2. Participates in, or is eligible to participate in, the
1593 Senior Management Service Optional Annuity Program as
1594 established under s. 121.055(6), the State Community College
1595 System Optional Retirement Program as established under s.
1596 121.051(2)(c), or the State University System Optional
1597 Retirement Program established under s. 121.35.

1598
1599 The term does not include any member participating in the
1600 Deferred Retirement Option Program established under s.
1601 121.091(13), a retiree of a state-administered retirement system
1602 initially reemployed on or after January 1, 2010, or a mandatory
1603 participant of the State University System Optional Retirement
1604 Program established under s. 121.35.

1605 Section 11. Paragraph (b) of subsection (1) of section
1606 121.591, Florida Statutes, is amended to read:



476274

1607 121.591 Benefits payable under the Public Employee Optional
1608 Retirement Program of the Florida Retirement System.—Benefits
1609 may not be paid under this section unless the member has
1610 terminated all employment relationships as provided in s.
1611 121.021(39) ~~(a)~~ or is deceased and a proper application has been
1612 filed in the manner prescribed by the state board or the
1613 department. The state board or department, as appropriate, may
1614 cancel an application for retirement benefits when the member or
1615 beneficiary fails to timely provide the information and
1616 documents required by this chapter and the rules of the state
1617 board and department. In accordance with their respective
1618 responsibilities as provided herein, the State Board of
1619 Administration and the Department of Management Services shall
1620 adopt rules establishing procedures for application for
1621 retirement benefits and for the cancellation of such application
1622 when the required information or documents are not received. The
1623 State Board of Administration and the Department of Management
1624 Services, as appropriate, are authorized to cash out a de
1625 minimis account of a participant who has been terminated from
1626 Florida Retirement System covered employment for a minimum of 6
1627 calendar months. A de minimis account is an account containing
1628 employer contributions and accumulated earnings of not more than
1629 \$5,000 made under the provisions of this chapter. Such cash-out
1630 must either be a complete lump-sum liquidation of the account
1631 balance, subject to the provisions of the Internal Revenue Code,
1632 or a lump-sum direct rollover distribution paid directly to the
1633 custodian of an eligible retirement plan, as defined by the
1634 Internal Revenue Code, on behalf of the participant. If any
1635 financial instrument issued for the payment of retirement



476274

1636 benefits under this section is not presented for payment within
1637 180 days after the last day of the month in which it was
1638 originally issued, the third-party administrator or other duly
1639 authorized agent of the State Board of Administration shall
1640 cancel the instrument and credit the amount of the instrument to
1641 the suspense account of the Public Employee Optional Retirement
1642 Program Trust Fund authorized under s. 121.4501(6). Any such
1643 amounts transferred to the suspense account are payable upon a
1644 proper application, not to include earnings thereon, as provided
1645 in this section, within 10 years after the last day of the month
1646 in which the instrument was originally issued, after which time
1647 such amounts and any earnings thereon shall be forfeited. Any
1648 such forfeited amounts are assets of the Public Employee
1649 Optional Retirement Program Trust Fund and are not subject to
1650 the provisions of chapter 717.

1651 (1) NORMAL BENEFITS.—Under the Public Employee Optional
1652 Retirement Program:

1653 (b) If a participant elects to receive his or her benefits
1654 upon termination as defined in s. 121.021(39) of employment, the
1655 participant must submit a written application or an equivalent
1656 form to the third-party administrator indicating his or her
1657 preferred distribution date and selecting an authorized method
1658 of distribution as provided in paragraph (c). The participant
1659 may defer receipt of benefits until he or she chooses to make
1660 such application, subject to federal requirements.

1661 Section 12. Subsection (1) of section 238.183, Florida
1662 Statutes, is amended to read:

1663 238.183 Developmental research school and Florida School
1664 for the Deaf and the Blind instructional personnel; reemployment



476274

1665 after retirement.-

1666 (1) Notwithstanding any other law, instructional personnel,
1667 as defined in s. 1012.01(2), employed by a developmental
1668 research school or the Florida School for the Deaf and the Blind
1669 are eligible for reemployment after retirement in the same
1670 manner as classroom teachers who are employed by the district
1671 school boards, as described in s. ss. 121.091(9)(b)3. and
1672 238.181(2)(c).

1673 Section 13. Paragraph (g) of subsection (3) of section
1674 1012.33, Florida Statutes, is amended to read:

1675 1012.33 Contracts with instructional staff, supervisors,
1676 and school principals.-

1677 (3)

1678 (g) Beginning July 1, 2001, for each employee who enters
1679 into a written contract, pursuant to this section, in a school
1680 district in which the employee was not employed as of June 30,
1681 2001, or was employed as of June 30, 2001, but has since broken
1682 employment with that district for 1 school year or more, for
1683 purposes of pay, a district school board must recognize and
1684 accept each year of full-time public school teaching service
1685 earned in this state ~~the State of Florida~~ or outside the state
1686 and for which the employee received a satisfactory performance
1687 evaluation. ~~Instructional personnel employed pursuant to s.~~
1688 ~~121.091(9)(b)3. are exempt from the provisions of this~~
1689 ~~paragraph.~~

1690 Section 14. Sections 121.093 and 121.094, Florida Statutes,
1691 are repealed.

1692 Section 15. The Legislature finds that a proper and
1693 legitimate state purpose is served when employees and retirees



476274

1694 of the state and its political subdivisions, as well as the
1695 dependents, survivors, and beneficiaries of such employees and
1696 retirees, are extended the basic protections afforded by
1697 governmental retirement systems that provide fair and adequate
1698 benefits and that are managed, administered, and funded in an
1699 actuarially sound manner as required by s. 14, Art. X of the
1700 State Constitution and part VII of chapter 112, Florida
1701 Statutes. Therefore, the Legislature determines and declares
1702 that the amendment of s. 121.091, Florida Statutes, by this act
1703 fulfills an important state interest.

1704 Section 16. Effective upon this act becoming a law, the
1705 Department of Management Services shall request an actuarial
1706 special study to determine the employer contribution rates
1707 required by this act. The department shall notify the Governor,
1708 the President of the Senate, and the Speaker of the House of
1709 Representatives of the results of the actuarial special study
1710 within 1 week after receiving the results.

1711 Section 17. Except as otherwise expressly provided in this
1712 act and except for this section, which shall take effect upon
1713 becoming a law, this act shall take effect January 1, 2010;
1714 except that this act shall not take effect if the Department of
1715 Management Services receives an actuarial special study stating
1716 that the provisions of this act require an increase of 0.01
1717 percent or more in the employer contribution rate for any
1718 Florida Retirement System member class, subclass, or the
1719 Deferred Retirement Option Program.

1720
1721 ===== T I T L E A M E N D M E N T =====

1722 And the title is amended as follows:



476274

1723 Delete everything before the enacting clause
1724 and insert:

1725 A bill to be entitled
1726 An act relating to the state retirement system;
1727 amending s. 121.021, F.S.; redefining the terms
1728 "employer," "termination," and "retiree"; amending s.
1729 121.051, F.S.; conforming a cross-reference;
1730 clarifying when a State Community College System
1731 Optional Retirement Program participant is considered
1732 a retiree; amending s. 121.052, F.S.; limiting the
1733 membership of elected officers of a municipality or
1734 special district in the Elected Officers Class unless
1735 designated for inclusion during a specified period;
1736 amending s. 121.053, F.S.; prohibiting elected
1737 officials who retire after a certain date from
1738 reenrolling in the Florida Retirement system; amending
1739 s. 121.055, F.S.; prohibiting elected officials who
1740 retire after a certain date from renewing membership
1741 in the Senior Management Service Class or in the
1742 Senior Management Service Optional Annuity Program;
1743 revising provisions relating to de minimum accounts;
1744 amending s. 121.091, F.S.; revising and clarifying
1745 provisions relating to retirement benefits; providing
1746 that retirees of a state- administered retirement
1747 system may not be reemployed by an employer
1748 participating in the Florida Retirement System for 6
1749 months; deleting limitations relating to reemploying
1750 retirees within 12 months after retirement; revising
1751 provisions relating to the Deferred Retirement Option



476274

1752 Program; extending DROP participation for
1753 instructional personnel employed by a developmental
1754 research school; clarifying that DROP participation
1755 cannot be canceled; revising DROP provisions for
1756 elected officials; providing that DROP participants
1757 who end DROP after a certain date may not renew
1758 membership in a state-administered retirement system;
1759 deleting obsolete provisions; amending s. 121.122,
1760 F.S.; prohibiting a retiree from renewing membership
1761 in the State Retirement System; revising conditions
1762 under which a retiree is entitled to certain
1763 additional retirement benefits; amending s. 121.35,
1764 F.S.; revising provisions relating to participation in
1765 the state university optional retirement program;
1766 defining the term "retiree"; amending s. 121.4501,
1767 F.S.; revising the term "eligible employee"; amending
1768 s. 121.591, F.S.; conforming provisions; amending ss.
1769 238.183 and 1012.33, F.S.; conforming cross-
1770 references; repealing ss. 121.093 and 121.094, F.S.,
1771 relating to instructional personnel reemployment after
1772 retirement from a developmental research school, the
1773 Florida School for the Deaf and the Blind, or a
1774 charter school, the provisions of which are included
1775 in ss. 238.183 and 238.184, F.S.; repealing s.
1776 121.094, F.S.; providing a declaration of important
1777 state interest; requiring the Department of Management
1778 Services to request an actuarial study to determine
1779 the effect of this act on employer contributions and
1780 to notify the Governor and Legislature of the results;



476274

1781

providing a contingent effective date.