



LEGISLATIVE ACTION

Senate	.	House
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	.	
Floor: WD/2R	.	
04/30/2009 10:55 AM	.	
	.	

Senator Lawson moved the following:

1 **Senate Substitute for Amendment (273708) (with title**
2 **amendment)**

3
4 Delete everything after the enacting clause
5 and insert:

6 Section 1. Subsections (10), (11), (18), (29), (39), (52),
7 and (53) of section 121.021, Florida Statutes, are amended, and
8 subsections (63) and (64) are added to that section, to read:

9 121.021 Definitions.—The following words and phrases as
10 used in this chapter have the respective meanings set forth
11 unless a different meaning is plainly required by the context:

12 (10) "Employer" means any agency, branch, department,



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

25 (11) "Officer or employee" means any person receiving
26 salary payments for work performed in a regularly established
27 position and, if employed by a municipality ~~city,~~ a metropolitan
28 planning organization, or a special district, employed in a
29 covered group. The term does not apply to state employees
30 covered by a leasing agreement under s. 110.191, other public
31 employees covered by a leasing agreement, or a co-employer
32 relationship.

33 (18) "Past service" of any member, as provided in s.
34 121.081(1), means the number of years and complete months and
35 any fractional part of a month, recognized and credited by an
36 employer and approved by the administrator, during which the
37 member was in the active employ of a governmental ~~an~~ employer
38 and for which the employee is not entitled to a benefit before
39 prior to his or her date of participation.

40 (29) "Normal retirement date" means the ~~first day of any~~
41 ~~month following the~~ date a member attains normal retirement age



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42 and is vested, which is determined as follows ~~one of the~~
43 ~~following statuses:~~

44 (a) If a Regular Class member, a Senior Management Service
45 Class member, or an Elected Officers' Class ~~the~~ member:

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

48 2. The first day of the month following the date the member
49 completes 30 years of creditable service, regardless of age,
50 ~~which may include a maximum of 4 years of military service~~
51 ~~credit as long as such credit is not claimed under any other~~
52 ~~system.~~

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

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

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

60 3. The first day of the month following the date the member
61 completes 25 years of creditable service and attains age 52,
62 which service may include a maximum of 4 years of military
63 service credit as long as such credit is not claimed under any
64 other system and the remaining years are in the Special Risk
65 Class.

66 ~~(c) If a Senior Management Service Class member, the~~
67 ~~member:~~

68 1. ~~Completes 6 years of creditable service in the Senior~~
69 ~~Management Service Class and attains age 62; or~~

70 2. ~~Completes 30 years of any creditable service, regardless~~



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71 ~~of age, which may include a maximum of 4 years of military~~
72 ~~service credit as long as such credit is not claimed under any~~
73 ~~other system.~~

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

75 ~~1. Completes 6 years of creditable service in the Elected~~
76 ~~Officers' Class and attains age 62; or~~

77 ~~2. Completes 30 years of any creditable service, regardless~~
78 ~~of age, which may include a maximum of 4 years of military~~
79 ~~service credit as long as such credit is not claimed under any~~
80 ~~other system.~~

81
82 "Normal retirement age" is attained on the "normal retirement
83 date."

84 (39) (a) "Termination" occurs, except as provided in
85 paragraph (b), when a member ceases all employment relationships
86 with an employer, however: ~~employers under this system, as~~
87 ~~defined in subsection (10), but in the event~~

88 1. For retirements effective before July 1, 2010, if a
89 member is ~~should be~~ employed by any such employer within the
90 next calendar month, termination shall be deemed not to have
91 occurred. A leave of absence constitutes ~~shall constitute~~ a
92 continuation of the employment relationship, except that a leave
93 of absence without pay due to disability may constitute
94 termination ~~for a member,~~ if such member makes application for
95 and is approved for disability retirement in accordance with s.
96 121.091(4). The department or state board may require other
97 evidence of termination as it deems necessary.

98 2. For retirements effective on or after July 1, 2010, if a
99 member is employed by any such employer within the next 6



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100 calendar months, termination shall be deemed not to have
101 occurred. A leave of absence constitutes a continuation of the
102 employment relationship, except that a leave of absence without
103 pay due to disability may constitute termination if such member
104 makes application for and is approved for disability retirement
105 in accordance with s. 121.091(4). The department or state board
106 may require other evidence of termination as it deems necessary.

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

112 1. For termination dates occurring before July 1, 2010, if
113 in the event the Deferred Retirement Option Program participant
114 is ~~should be~~ employed by any such employer within the next
115 calendar month, termination will be deemed not to have occurred,
116 except as provided in s. 121.091(13)(b)4.c. A leave of absence
117 shall constitute a continuation of the employment relationship.

118 2. For termination dates occurring on or after July 1,
119 2010, if the DROP participant becomes employed by any such
120 employer within the next 6 calendar months, termination will be
121 deemed not to have occurred, except as provided in s.
122 121.091(13)(b)4.c. A leave of absence constitutes a continuation
123 of the employment relationship.

124 (52) "Regularly established position" means ~~is defined as~~
125 ~~follows:~~

126 (a) With respect to ~~In~~ a state employer agency, ~~the term~~
127 ~~means~~ a position that ~~which~~ is authorized and established
128 pursuant to law and is compensated from a salaries and benefits



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129 appropriation pursuant to s. 216.011(1) (mm) ~~(dd)~~, or an
130 established position that ~~which~~ is authorized pursuant to s.
131 216.262(1) (a) and (b) and is compensated from a salaries account
132 as provided in s. 216.011(1) (nn) ~~by rule~~.

133 (b) With respect to ~~In~~ a local employer agency (district
134 school board, county agency, community college, city,
135 metropolitan planning organization, charter school, charter
136 technical career center, or special district), ~~the term means~~ a
137 regularly established position that ~~which~~ will be in existence
138 for a period beyond 6 consecutive months, except as provided by
139 rule.

140 (53) "Temporary position" means ~~is defined as follows:~~

141 (a) With respect to ~~In~~ a state employer agency, a ~~the term~~
142 ~~means an employment~~ position that ~~which~~ is compensated from an
143 other personal services (OPS) account, ~~as provided for~~ in s.
144 216.011(1) (dd).

145 (b) With respect to ~~In~~ a local employer agency, a ~~the term~~
146 ~~means an employment~~ position that ~~which~~ will exist for less than
147 6 consecutive months, or other ~~employment~~ position as determined
148 by rule of the division, regardless of whether it will exist for
149 6 consecutive months or longer.

150 (63) "State board" means the State Board of Administration.

151 (64) "Trustees" means the Board of Trustees of the State
152 Board of Administration.

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

155 121.031 Administration of system; appropriation; oaths;
156 actuarial studies; public records.—

157 (6) Unless prior written approval is obtained from the



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158 department or state board, any promotional materials or
159 advertisements that, directly or indirectly, refer to the
160 "Florida Retirement System" or the "FRS" must contain a
161 disclaimer that the information is not approved or endorsed by
162 the Florida Retirement System.

163 Section 3. Paragraph (a) of subsection (1) and paragraphs
164 (c) and (f) of subsection (2) of section 121.051, Florida
165 Statutes, are amended to read:

166 121.051 Participation in the system.—

167 (1) COMPULSORY PARTICIPATION.—

168 (a) Participation in the Florida Retirement System is The
169 ~~provisions of this law shall be~~ compulsory for ~~as to~~ all
170 officers and employees, except elected officers who meet the
171 requirements of s. 121.052(3), who are employed on or after
172 December 1, 1970, by ~~of~~ an employer other than those referred to
173 in paragraph (2) (b) ~~.~~, ~~and~~ Each officer or employee, as a
174 condition of employment, becomes ~~shall become~~ a member of the
175 system on the ~~as of his or her~~ date of employment, except that a
176 person who is retired from any state retirement system and is
177 reemployed on or after December 1, 1970, may not renew his or
178 her membership in any state retirement system except as provided
179 in s. 121.091(4) (h) for a person who recovers from disability,
180 ~~and~~ as provided in s. 121.053 ~~s. 121.091(9) (b) 8.~~ for a person
181 who is elected to public office, and, effective July 1, 1991, as
182 provided in s. 121.122 for all other retirees.

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



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187 ~~2.1.~~ Any person appointed on or after July 1, 1989, to a
188 faculty position in a college at the J. Hillis Miller Health
189 Center at the University of Florida or the Medical Center at the
190 University of South Florida which has a faculty practice plan
191 adopted ~~provided~~ by rule ~~adopted~~ by the Board of Regents may not
192 participate in the Florida Retirement System. Effective July 1,
193 2008, any person appointed ~~thereafter~~ to a faculty position,
194 including clinical faculty, in a college at a state university
195 that has a faculty practice plan authorized by the Board of
196 Governors may not participate in the Florida Retirement System.
197 A faculty member so appointed shall participate in the optional
198 retirement program for the State University System
199 notwithstanding ~~the provisions of~~ s. 121.35(2) (a).

200 ~~2.~~ For purposes of this subparagraph ~~paragraph~~, the term:

201 a. "Faculty position" means ~~is defined as~~ a position
202 assigned the principal responsibility of teaching, research, or
203 public service activities or administrative responsibility
204 directly related to the academic mission of the college. ~~The~~
205 ~~term~~

206 b. "Clinical faculty" means ~~is defined as~~ a faculty
207 position appointment in conjunction with a professional position
208 in a hospital or other clinical environment at a college. ~~The~~
209 ~~term~~

210 c. "Faculty practice plan" includes professional services
211 to patients, institutions, or other parties which are rendered
212 by the clinical faculty employed by a college that has a faculty
213 practice plan at a state university authorized by the Board of
214 Governors.

215 (2) OPTIONAL PARTICIPATION.—



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216 (c) Employees of public community colleges or charter
217 technical career centers sponsored by public community colleges,
218 ~~as~~ designated in s. 1000.21(3), who are members of the Regular
219 Class of the Florida Retirement System and who comply with the
220 criteria set forth in this paragraph and ~~in~~ s. 1012.875 may
221 ~~elect~~, in lieu of participating in the Florida Retirement
222 System, elect to withdraw from the ~~Florida Retirement~~ system
223 altogether and participate in the State Community College System
224 ~~an~~ Optional Retirement Program provided by the employing agency
225 under s. 1012.875, ~~to be known as the State Community College~~
226 ~~System Optional Retirement Program. Pursuant thereto:~~

227 1. Through June 30, 2001, the cost to the employer for such
228 annuity equals ~~shall equal~~ the normal cost portion of the
229 employer retirement contribution which would be required if the
230 employee were a member of the Regular Class defined benefit
231 program, plus the portion of the contribution rate required by
232 s. 112.363(8) which ~~that~~ would otherwise be assigned to the
233 Retiree Health Insurance Subsidy Trust Fund. Effective July 1,
234 2001, each employer shall contribute on behalf of each
235 participant in the optional program an amount equal to 10.43
236 percent of the participant's gross monthly compensation. The
237 employer shall deduct an amount ~~to provide~~ for the
238 administration of the ~~optional retirement~~ program. The employer
239 ~~providing the optional program~~ shall contribute an additional
240 amount to the Florida Retirement System Trust Fund equal to the
241 unfunded actuarial accrued liability portion of the Regular
242 Class contribution rate.

243 2. The decision to participate in ~~such~~ an optional
244 retirement program is ~~shall be~~ irrevocable ~~for~~ as long as the



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245 employee holds a position eligible for participation, except as
246 provided in subparagraph 3. Any service creditable under the
247 Florida Retirement System is ~~shall be~~ retained after the member
248 withdraws from the ~~Florida Retirement~~ system; however,
249 additional service credit in the ~~Florida Retirement~~ system may
250 ~~shall~~ not be earned while a member of the optional retirement
251 program.

252 3. An employee who has elected to participate in the
253 optional retirement program shall have one opportunity, at the
254 employee's discretion, ~~to choose~~ to transfer from the optional
255 retirement program to the defined benefit program of the Florida
256 Retirement System or to the Public Employee Optional Retirement
257 Program, subject to the terms of the applicable optional
258 retirement program contracts.

259 a. If the employee chooses to move to the Public Employee
260 Optional Retirement Program, any contributions, interest, and
261 earnings creditable to the employee under the State Community
262 College System Optional Retirement Program is ~~shall be~~ retained
263 by the employee in the State Community College System Optional
264 Retirement Program, and the applicable provisions of s.
265 121.4501(4) ~~shall~~ govern the election.

266 b. If the employee chooses to move to the defined benefit
267 program of the Florida Retirement System, the employee shall
268 receive service credit equal to his or her years of service
269 under the State Community College System Optional Retirement
270 Program.

271 (I) The cost for such credit is the ~~shall be an~~ amount
272 representing the present value of the ~~that~~ employee's
273 accumulated benefit obligation for the affected period of



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274 service. The cost shall be calculated as if the benefit
275 commencement occurs on the first date the employee becomes ~~would~~
276 ~~become~~ eligible for unreduced benefits, using the discount rate
277 and other relevant actuarial assumptions that were used to value
278 the Florida Retirement System defined benefit plan liabilities
279 in the most recent actuarial valuation. The calculation must
280 ~~shall~~ include any service already maintained under the defined
281 benefit plan in addition to the years under the State Community
282 College System Optional Retirement Program. The present value of
283 any service already maintained must ~~under the defined benefit~~
284 ~~plan shall~~ be applied as a credit to total cost resulting from
285 the calculation. The division shall ensure that the transfer sum
286 is prepared using a formula and methodology certified by an
287 enrolled actuary.

288 (II) The employee must transfer from his or her State
289 Community College System Optional Retirement Program account and
290 from other employee moneys as necessary, a sum representing the
291 present value of the ~~that~~ employee's accumulated benefit
292 obligation immediately following the time of such movement,
293 determined assuming that attained service equals the sum of
294 service in the defined benefit program and service in the State
295 Community College System Optional Retirement Program.

296 4. Participation in the optional retirement program is
297 ~~shall be~~ limited to ~~those~~ employees who satisfy the following
298 eligibility criteria:

299 a. The employee must be otherwise eligible for membership
300 or renewed membership in the Regular Class of the Florida
301 Retirement System, as provided in s. 121.021(11) and (12) or s.
302 121.122.



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

306 (I) Instructional; or

307 (II) Executive Management, Instructional Management, or
308 Institutional Management, if a community college determines that
309 recruiting to fill a vacancy in the position is to be conducted
310 in the national or regional market, and:

311 ~~(A) the duties and responsibilities of the position include~~
312 ~~either the formulation, interpretation, or implementation of~~
313 ~~policies, or~~

314 ~~(B) The duties and responsibilities of the position include~~
315 the performance of functions that are unique or specialized
316 within higher education and that frequently ~~involve the support~~
317 ~~of~~ the mission of the community college.

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

321 5. Participants in the program are subject to the same
322 reemployment limitations, renewed membership provisions, and
323 forfeiture provisions as are applicable to regular members of
324 the Florida Retirement System under ss. 121.091(9), 121.122, and
325 121.091(5), respectively. A participant who receives a program
326 distribution funded by employer contributions shall be deemed to
327 be retired from a state-administered retirement system if the
328 participant is subsequently employed with an employer that
329 participates in the Florida Retirement System.

330 6. Eligible community college employees are ~~shall be~~
331 compulsory members of the Florida Retirement System until,



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332 pursuant to ~~the procedures set forth in~~ s. 1012.875, a written
333 election to withdraw from the ~~Florida Retirement~~ system and ~~to~~
334 participate in the State Community College System Optional
335 Retirement Program is filed with the program administrator and
336 received by the division.

337 a. A ~~Any~~ community college employee whose program
338 eligibility results from initial employment must ~~shall~~ be
339 enrolled in the State Community College System Optional
340 Retirement Program retroactive to the first day of eligible
341 employment. The employer retirement contributions paid through
342 the month of the employee plan change shall be transferred to
343 the community college to ~~for~~ the employee's optional program
344 account, and, effective the first day of the next month, the
345 employer shall pay the applicable contributions based upon
346 subparagraph 1.

347 b. A ~~Any~~ community college employee whose program
348 eligibility is ~~results from a change in status~~ due to the
349 subsequent designation of the employee's position as one of
350 those specified in subparagraph 4., or due to the employee's
351 appointment, promotion, transfer, or reclassification to a
352 position specified in subparagraph 4., must ~~shall~~ be enrolled in
353 the program on ~~upon~~ the first day of the first full calendar
354 month that such change in status becomes effective. The employer
355 retirement contributions paid from the effective date through
356 the month of the employee plan change must ~~shall~~ be transferred
357 to the community college to ~~for~~ the employee's optional program
358 account, and, effective the first day of the next month, the
359 employer shall pay the applicable contributions based upon
360 subparagraph 1.



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361 7. Effective July 1, 2003, through December 31, 2008, any
362 participant of the State Community College System Optional
363 Retirement Program who has service credit in the defined benefit
364 plan of the Florida Retirement System for the period between his
365 or her first eligibility to transfer from the defined benefit
366 plan to the optional retirement program and the actual date of
367 transfer may, during ~~his or her~~ employment, ~~elect to~~ transfer to
368 the optional retirement program a sum representing the present
369 value of the accumulated benefit obligation under the defined
370 benefit retirement program for the ~~such~~ period of service
371 credit. Upon ~~such~~ transfer, all ~~such~~ service credit previously
372 earned under the defined benefit program of the Florida
373 Retirement System during this period is ~~shall be~~ nullified for
374 purposes of entitlement to a future benefit under the defined
375 benefit program of the Florida Retirement System.

376 (f)1. If ~~whenever~~ an employer that participates in the
377 Florida Retirement System undertakes the transfer, merger, or
378 consolidation of governmental services or assumes the functions
379 and activities of an employing governmental entity that was not
380 an employer under the system, the employer must notify the
381 department at least 60 days before ~~prior to~~ such action and
382 ~~shall~~ provide documentation as required by the department. The
383 transfer, merger, or consolidation of governmental services or
384 assumption of governmental functions and activities must occur
385 between public employers. The current or former employer may pay
386 the employees' past service cost, unless prohibited under this
387 chapter. This subparagraph does not apply to the transfer,
388 merger, or consolidation of governmental services or assumption
389 of functions and activities of a public entity under a leasing



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390 agreement having a co-employer relationship. Employers and
391 employees of a public governmental employer whose service is
392 covered by a leasing agreement under s. 110.191, any other
393 leasing agreement, or a co-employer relationship are not
394 eligible to participate in the Florida Retirement System.

395 2. ~~If when~~ the agency to which a member's employing unit is
396 transferred, merged, or consolidated does not participate in the
397 Florida Retirement System, a member may ~~shall~~ elect in writing
398 to remain in the Florida Retirement System or to transfer to the
399 local retirement system operated by the ~~such~~ agency. If the ~~such~~
400 agency does not participate in a local retirement system, the
401 member shall continue membership in the Florida Retirement
402 System. In either case, ~~the~~ membership continues ~~shall continue~~
403 for as long as the member is employed by the agency to which his
404 or her unit was transferred, merged, or consolidated.

405 Section 4. Paragraph (f) of subsection (2) and paragraph
406 (e) of subsection (3) of section 121.052, Florida Statutes, are
407 amended to read:

408 121.052 Membership class of elected officers.—

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

414 (f) Any elected officer of a municipality or special
415 district assuming office on or after July 1, 1997, through June
416 30, 2009, as provided in subsection (3) paragraph (3)(e). On or
417 after July 1, 2010, an elected officer shall become a member
418 only if the governing body of the municipality or special



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419 district, at the time it joins the Florida Retirement System for
420 its elected officers, elects, by majority vote, to include all
421 its elected positions in the Elected Officers' Class.

422 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
423 1, 1990, participation in the Elected Officers' Class shall be
424 compulsory for elected officers listed in paragraphs (2) (a)-(d)
425 and (f) assuming office on or after said date, unless the
426 elected officer elects membership in another class or withdraws
427 from the Florida Retirement System as provided in paragraphs
428 (3) (a)-(d):

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

433 1. Effective July 1, 1997, such election must be made
434 between July 1, 1997, and December 31, 1997, and is irrevocable.
435 The designation of such positions is effective the first day of
436 the month following receipt by the department of the ordinance
437 or resolution passed by the governing body.

438 2. Effective July 1, 2001, such election ~~must~~ shall be made
439 between July 1, 2001, and December 31, 2001, and ~~is~~ shall be
440 irrevocable. The designation of such positions ~~is~~ shall be
441 effective the first day of the month following receipt by the
442 department of the ordinance or resolution passed by the
443 governing body.

444 3. Effective July 1, 2009, such election must be made
445 between July 1, 2009, and December 31, 2009, and is irrevocable.
446 The designation of such positions is effective the first day of
447 the month following receipt by the department of the ordinance



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448 or resolution passed by the governing body.

449 Section 5. Paragraph (b) of subsection (1) of section
450 121.053, Florida Statutes, is amended to read:

451 121.053 Participation in the Elected Officers' Class for
452 retired members.—

453 (1)

454 (b) A ~~Any~~ retired member of the Florida Retirement System,
455 or an ~~any~~ existing system as defined in s. 121.021(2), who, on
456 or after July 1, 1990, serves in ~~is serving in, or is elected or~~
457 ~~appointed to,~~ an elective office covered by the Elected
458 Officers' Class shall be enrolled in the appropriate subclass of
459 the Elected Officers' Class of the Florida Retirement System,
460 and applicable contributions shall be paid into the Florida
461 Retirement System Trust Fund as provided in s. 121.052(7).

462 ~~Pursuant thereto:~~

463 1. The ~~Any such~~ retired member may ~~shall be eligible to~~
464 continue to receive retirement benefits as well as compensation
465 for the elected officer service if ~~for as long as~~ he or she
466 remains in an elective office covered by the Elected Officers'
467 Class.

468 2. If the ~~any such~~ member serves in an elective office
469 covered by the Elected Officers' Class and becomes vested under
470 that class, he or she is ~~shall be~~ entitled to receive an
471 additional retirement benefit for the ~~such~~ elected officer
472 service.

473 3. The ~~Such~~ member is ~~shall be~~ entitled to purchase
474 additional retirement credit in the Elected Officers' Class for
475 any postretirement service performed in an elected position
476 eligible for the Elected Officers' Class before ~~prior to~~ July 1,



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477 1990, or in the Regular Class for any postretirement service
478 performed in any other regularly established position before
479 ~~prior to~~ July 1, 1991, by paying the applicable Elected
480 Officers' Class or Regular Class employee and employer
481 contributions for the period being claimed, plus 4 percent
482 interest compounded annually from the first year of service
483 claimed until July 1, 1975, and 6.5 percent interest compounded
484 thereafter, until full payment is made to the Florida Retirement
485 System Trust Fund. The contribution for postretirement Regular
486 Class service between July 1, 1985, and July 1, 1991, for which
487 the reemployed retiree contribution was paid, is ~~shall be~~ the
488 difference between the ~~such~~ contribution and the total
489 applicable contribution for the period being claimed, plus
490 interest. The employer ~~of such member~~ may pay the applicable
491 employer contribution in lieu of the member. If a member does
492 not wish to claim credit for all of the postretirement service
493 for which he or she is eligible, the service the member claims
494 must be the most recent service. Any retiree who served in an
495 elective office before July 1, 1990, suspended his or her
496 retirement benefits, and had his or her Florida Retirement
497 System membership reinstated shall, upon retirement from such
498 office, have his or her retirement benefit recalculated to
499 include the additional service and compensation earned.

500 4. Creditable service for which credit was received, or
501 which remained unclaimed, at retirement may not be claimed or
502 applied toward service credit earned following renewed
503 membership. However, service earned in accordance with the
504 renewed membership provisions of ~~in~~ s. 121.122 may be used in
505 conjunction with creditable service earned under this paragraph,



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506 ~~if provided~~ applicable vesting requirements and other existing
507 statutory conditions required by this chapter are met.

508 5. A member ~~An elected officer who is elected or appointed~~
509 ~~to an elective office and is~~ participating in the Deferred
510 Retirement Option Program before July 1, 2010, is not subject to
511 termination as provided in s. 121.021(39)(b), or reemployment
512 limitations as provided in s. 121.091(9), until the end of his
513 or her current term of office or, if the officer is
514 consecutively elected or reelected to an elective office
515 eligible for coverage under the Florida Retirement System, until
516 he or she no longer holds such an elective office, as follows:

517 a. At the end of the 60-month DROP period:

518 (I) The officer's DROP account may not ~~shall~~ accrue ~~no~~
519 additional monthly benefits, but shall continue to earn interest
520 as provided in s. 121.091(13). However, an officer whose DROP
521 participation begins on or after July 1, 2010, may not continue
522 to earn interest as provided in s. 121.091(13).

523 (II) ~~No~~ Retirement contributions are not ~~shall be~~ required
524 of the employer of the elected officer and ~~no~~ additional
525 retirement credit may not ~~shall~~ be earned under the Florida
526 Retirement System.

527 b. ~~Nothing herein shall prevent~~ An elected officer may ~~from~~
528 voluntarily terminate ~~terminating~~ his or her elective office at
529 any time and ~~electing to~~ receive his or her DROP proceeds.
530 However, until termination ~~requirements are fulfilled~~ as defined
531 ~~provided~~ in s. 121.021(39) occurs, an ~~any~~ elected officer whose
532 termination limitations are extended by this section is ~~shall be~~
533 ineligible for renewed membership in the system and may not
534 ~~shall~~ receive ~~no~~ pension payments, DROP lump sum payments, or



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535 any other state payment other than the statutorily determined
536 salary, travel, and per diem for the elective office.

537 c. Upon termination, the officer shall receive his or her
538 accumulated DROP account, plus interest, and shall accrue and
539 commence receiving monthly retirement benefits, which must ~~shall~~
540 be paid on a prospective basis only.

541
542 However, an officer electing to participate in the Deferred
543 Retirement Option Program on or before June 30, 2002, is ~~shall~~
544 not ~~be~~ required to terminate and remains ~~shall remain~~ subject to
545 the provisions of this subparagraph as adopted in section 1 of
546 chapter 2001-235, Laws of Florida.

547 Section 6. Paragraph (f) of subsection (1) and paragraph
548 (e) of subsection (6) of section 121.055, Florida Statutes, are
549 amended to read:

550 121.055 Senior Management Service Class.—There is hereby
551 established a separate class of membership within the Florida
552 Retirement System to be known as the "Senior Management Service
553 Class," which shall become effective February 1, 1987.

554 (1)

555 (f) Effective July 1, 1997:

556 1. An ~~Any~~ elected state officer eligible for membership in
557 the Elected Officers' Class under s. 121.052(2)(a), (b), or (c)
558 who elects membership in the Senior Management Service Class
559 under s. 121.052(3)(c) may, within 6 months after assuming
560 office or within 6 months after this act becomes a law for
561 serving elected state officers, elect to participate in the
562 Senior Management Service Optional Annuity Program, as provided
563 in subsection (6), in lieu of membership in the Senior



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564 Management Service Class.

565 2. ~~An~~ Any elected ~~county~~ officer of a local agency employer
566 eligible for membership in the Elected Officers' Class under s.
567 121.052(2) (d) who elects membership in the Senior Management
568 Service Class under s. 121.052(3) (c) may, within 6 months after
569 assuming office, or within 6 months after this act becomes a law
570 for serving elected ~~county~~ officers of a local agency employer,
571 elect to withdraw from the Florida Retirement System ~~participate~~
572 ~~in a lifetime monthly annuity program~~, as provided in
573 subparagraph (b)2., in lieu of membership in the Senior
574 Management Service Class.

575 (6)

576 (e) *Benefits.*—

577 1. Benefits shall be payable under the Senior Management
578 Service Optional Annuity Program only to participants in the
579 program, or their beneficiaries as designated by the participant
580 in the contract with a provider company, and such benefits shall
581 be paid by the designated company in accordance with the terms
582 of the annuity contract or contracts applicable to the
583 participant. A participant must be terminated from all
584 employment with all Florida Retirement System employers as
585 provided in s. 121.021(39) to begin receiving the employer-
586 funded benefit. Benefits funded by employer contributions shall
587 be payable under the terms of the contract ~~only as a lifetime~~
588 ~~annuity~~ to the participant, his or her beneficiary, or his or
589 her estate, in addition to ~~except for~~:

590 a. A lump-sum payment to the beneficiary upon the death of
591 the participant;

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



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

601 c. A mandatory distribution of a de minimis account of a
602 former participant who has been terminated for a minimum of 6
603 months from the employment that entitled him or her to optional
604 annuity program participation as authorized by the department;
605 or

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

611
612 As used in this subparagraph, a "de minimis account" means an
613 account with a provider company containing employer
614 contributions and accumulated earnings of not more than \$5,000
615 made under this chapter.

616 2. The benefits payable to any person under the Senior
617 Management Service Optional Annuity Program, and any
618 contribution accumulated under such program, shall not be
619 subject to assignment, execution, or attachment or to any legal
620 process whatsoever.

621 3. Except as provided in subparagraph 4., a participant who



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622 terminates employment and receives optional annuity program
623 benefits funded by employer contributions shall be deemed to be
624 retired from a state-administered retirement system in the event
625 of subsequent employment with any employer that participates in
626 the Florida Retirement System.

627 4. A participant who receives optional annuity program
628 benefits funded by employer contributions as a mandatory
629 distribution of a de minimis account authorized by the
630 department will not be considered a retiree.

631 Section 7. Paragraph (a) of subsection (6) of section
632 121.071, Florida Statutes, is amended to read:

633 121.071 Contributions.—Contributions to the system shall be
634 made as follows:

635 (6) (a) Required employee contributions for all service
636 other than current service, including, but not limited to, prior
637 service, past service, military service, leave-of-absence
638 service, out-of-state service, and certain non-Florida
639 Retirement System in-state service, shall be paid by cash,
640 personal check, cashier's check, ~~or~~ money order, or a direct
641 rollover or transfer from a qualified plan as provided under the
642 Internal Revenue Code. The payment must ~~only;~~ shall be
643 accompanied by a statement identifying the service for which
644 payment is made; and shall be made in a lump sum for the total
645 amount due or in annual payments of not less than \$100, except
646 for the final payment if less than \$100, unless another method
647 of payment is authorized by law or rule.

648 Section 8. Paragraphs (a), (b), (e), (f), and (h) of
649 subsection (1) of section 121.081, Florida Statutes, are amended
650 to read:



651 121.081 Past service; prior service; contributions.-
652 Conditions under which past service or prior service may be
653 claimed and credited are:
654 (1) (a) Past service, as defined in s. 121.021(18), may be
655 claimed as creditable service by officers or employees of a
656 municipality city, metropolitan planning organization, charter
657 school, charter technical career center, or special district who
658 ~~that~~ become a covered group under this system. The governing
659 body of a covered group in compliance with s. 121.051(2) (b) may
660 elect to provide benefits for ~~with respect to~~ past service
661 earned before ~~prior to~~ January 1, 1975, in accordance with this
662 chapter, and the cost for such past service is ~~shall be~~
663 established by applying the following formula: The member
664 contribution for both regular and special risk members is ~~shall~~
665 ~~be~~ 4 percent of the gross annual salary for each year of past
666 service claimed, plus 4-percent employer matching contribution,
667 plus 4-percent interest thereon compounded annually, figured on
668 each year of past service, with interest compounded from date of
669 annual salary earned until July 1, 1975, and 6.5-percent
670 interest compounded annually thereafter until date of payment.
671 Once the total cost for a member has been figured to date, then
672 after July 1, 1975, 6.5-percent compounded interest shall be
673 added each June 30 thereafter on any unpaid balance until the
674 cost of such past service liability is paid in full. The
675 following formula shall be used in calculating past service
676 earned before ~~prior to~~ January 1, 1975: (Annual gross salary
677 multiplied by 8 percent) multiplied by the 4-percent or 6.5-
678 percent compound interest table factor, as may be applicable.
679 The resulting product equals cost to date for each particular



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680 year of past service.

681 (b) Past service earned after January 1, 1975, may be
682 claimed by officers or employees of a municipality city,
683 metropolitan planning organization, charter school, charter
684 technical career center, or special district who become that
685 ~~becomes~~ a covered group under this system. The governing body of
686 a covered group may elect to provide benefits for ~~with respect~~
687 to past service earned after January 1, 1975, in accordance with
688 this chapter, and the cost for such past service is ~~shall be~~
689 established by applying the following formula: The employer
690 shall contribute an amount equal to the contribution rate in
691 effect at the time the service was earned, multiplied by the
692 employee's gross salary for each year of past service claimed,
693 plus 6.5-percent interest thereon, compounded annually, figured
694 on each year of past service, with interest compounded from date
695 of annual salary earned until date of payment.

696 (e) Past service, as defined in s. 121.021(18), may be
697 claimed as creditable service by a member of the Florida
698 Retirement System who formerly was an officer or employee of a
699 municipality city, metropolitan planning organization, charter
700 school, charter technical career center, or special district,
701 notwithstanding the status or form of the retirement system, if
702 any, of that municipality city, metropolitan planning
703 organization, charter school, charter technical career center,
704 or special district and irrespective of whether such officers or
705 employees ~~of that city, metropolitan planning organization, or~~
706 ~~special district~~ now or hereafter become a covered group under
707 the Florida Retirement System. Such member may claim creditable
708 service and be entitled to the benefits accruing to the regular



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709 class of members as provided for the past service claimed under
710 this paragraph by paying into the retirement trust fund an
711 amount equal to the total actuarial cost of providing the
712 additional benefit resulting from such past-service credit,
713 discounted by the applicable actuarial factors to date of
714 retirement.

715 (f) ~~If~~ When any person, ~~either prior to this act or~~
716 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~
717 in one of the retirement systems under ~~consolidated within or~~
718 ~~created by~~ this chapter through the consolidation or merger of
719 governments or the transfer of functions between units of
720 government, ~~either~~ at the state or local level or between state
721 and local units, or through the assumption of functions or
722 activities by a state or local unit from an employing
723 governmental entity that ~~which~~ was not an employer under the
724 system, and such person becomes a member of the Florida
725 Retirement System, such person is ~~shall be~~ entitled to receive
726 past-service credit ~~as defined in s. 121.021(18)~~ for the time
727 the ~~such~~ person performed services for, and was an employee of,
728 such state or local unit or other governmental employing entity
729 before ~~prior to~~ the transfer, merger, consolidation, or
730 assumption of functions and activities. Past-service credit
731 allowed by this paragraph is ~~shall~~ also be available to any
732 person who becomes a member of an existing system before, ~~as~~
733 ~~defined in s. 121.021(2), prior to~~ December 1, 1970, through the
734 transfer, merger, consolidation, or assumption of functions and
735 activities set forth in this paragraph and who subsequently
736 becomes a member of the Florida Retirement System. However,
737 credit for the past service may not be granted until



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738 contributions are made in the manner provided in this
739 subsection. If a person rejected Florida Retirement System
740 membership at the time of the transfer, merger, ~~or~~
741 consolidation, or assumption of governmental functions and
742 activities, the required contributions shall be at total
743 actuarial cost as specified in paragraph (e). Such contributions
744 or accrued interest may not be paid from any public state funds.

745 (h) The following provisions apply to the purchase of past
746 service:

747 1. Notwithstanding any of the provisions of this
748 subsection, past-service credit may not be purchased under this
749 chapter for any service that is used to obtain a pension or
750 benefit from a any local retirement system. Eligibility to
751 receive or the receipt of contributions to a retirement plan
752 made by the employer on behalf of the employee is considered a
753 benefit.

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

759 3. A member may not receive past service credit for co-
760 employer service. Co-employer service or a co-employer
761 relationship is employment in a single position simultaneously
762 covered and reported by both a public employer and a private
763 employer.

764 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit for
765 all of his or her past service, the period the member claims
766 must be the most recent past service prior to his or her



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767 participation in the Florida Retirement System.

768 ~~5.4.~~ The cost of past service purchased by an employing
769 agency for its employees may be amortized over the ~~such~~ period
770 of time ~~as is~~ provided in the agreement, but not to exceed 15
771 years, calculated in accordance with rule 60S-1.007(5)(f),
772 Florida Administrative Code.

773 ~~6.5.~~ The retirement account of each member for whom past
774 service is being provided by his or her employer shall be
775 credited with all past service the employer agrees to purchase
776 as soon as the agreement between the employer and the department
777 is executed. ~~Pursuant thereto:~~

778 a. Each ~~such~~ member's account shall also be posted with the
779 total contribution his or her employer agrees to make on ~~in~~ the
780 member's behalf for past service earned before ~~prior to~~ October
781 1, 1975, excluding those contributions representing the
782 employer's matching share and the compound interest calculation
783 on the total contribution. However, a portion of any
784 contributions paid by an employer for past service credit earned
785 on and after October 1, 1975, may not be posted to the ~~a~~
786 member's account.

787 b. A refund of contributions payable after an employer has
788 made a written agreement to purchase past service for employees
789 of the covered group includes ~~shall include~~ contributions for
790 past service which are posted to the ~~a~~ member's account.
791 However, contributions for past service earned on and after
792 October 1, 1975, are not refundable.

793 Section 9. Subsections (9), (13), and (14) of section
794 121.091, Florida Statutes, are amended to read:

795 121.091 Benefits payable under the system.—Benefits may not



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796 be paid under this section unless the member has terminated
797 employment as provided in s. 121.021(39) (a) or begun
798 participation in the Deferred Retirement Option Program as
799 provided in subsection (13), and a proper application has been
800 filed in the manner prescribed by the department. The department
801 may cancel an application for retirement benefits when the
802 member or beneficiary fails to timely provide the information
803 and documents required by this chapter and the department's
804 rules. The department shall adopt rules establishing procedures
805 for application for retirement benefits and for the cancellation
806 of such application when the required information or documents
807 are not received.

808 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

809 (a) Any person who is retired under this chapter, except
810 under the disability retirement provisions of subsection (4),
811 may be employed by an employer that does not participate in a
812 state-administered retirement system and ~~may~~ receive
813 compensation from that employment without limiting or
814 restricting in any way the retirement benefits payable to that
815 person.

816 (b)~~1~~. Any person whose retirement is effective before July
817 1, 2010, or whose participation in the Deferred Retirement
818 Option Program terminates before July 1, 2010, ~~who is retired~~
819 ~~under this chapter,~~ except under the disability retirement
820 provisions of subsection (4) or as provided in s. 121.053, may
821 be reemployed by an any private or public employer that
822 participates in a state-administered retirement system after
823 retirement and receive retirement benefits and compensation from
824 that his or her employer without any limitations, except that



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825 ~~the a~~ person may not be reemployed by an employer ~~receive both a~~
826 ~~salary from reemployment with any agency~~ participating in the
827 Florida Retirement System before meeting the definition of
828 termination in s. 121.021(39) and may not receive both a salary
829 from the employer and retirement benefits ~~under this chapter~~ for
830 ~~a period of~~ 12 calendar months immediately subsequent to the
831 date of retirement. However, a DROP participant shall continue
832 employment and receive a salary during the period of
833 participation in the Deferred Retirement Option Program, as
834 provided in subsection (13).

835 1.2. A retiree ~~Any person to whom the limitation in~~
836 ~~subparagraph 1. applies~~ who violates such reemployment
837 limitation and ~~who is reemployed with any agency participating~~
838 ~~in the Florida Retirement System~~ before completion of the 12-
839 month limitation period must ~~shall~~ give timely notice of this
840 fact in writing to the employer and to the Division of
841 Retirement or the state board and shall have his or her
842 retirement benefits suspended for the months employed or the
843 balance of the 12-month limitation period as required in sub-
844 subparagraphs b. and c. A retiree ~~Any person~~ employed in
845 violation of this paragraph and an employer who ~~any employing~~
846 ~~agency which knowingly~~ employs or appoints such person are
847 ~~without notifying the Division of Retirement to suspend~~
848 ~~retirement benefits shall be~~ jointly and severally liable for
849 reimbursement to the retirement trust fund, including the
850 Florida Retirement System Trust Fund and the Public employee
851 Optional Retirement Program Trust Fund, from which the benefits
852 were paid ~~of any benefits paid during the reemployment~~
853 ~~limitation period.~~ The employer must ~~To avoid liability, such~~



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854 ~~employing agency shall~~ have a written statement from the retiree
855 that he or she is not retired from a state-administered
856 retirement system. ~~Any retirement benefits received while~~
857 ~~reemployed during this reemployment limitation period shall be~~
858 ~~repaid to the retirement trust fund, and~~ Retirement benefits
859 shall remain suspended until ~~such~~ repayment has been made.
860 Benefits suspended beyond the reemployment limitation shall
861 apply toward repayment of benefits received in violation of the
862 reemployment limitation.

863 ~~a.3.~~ A district school board may reemploy a retiree ~~retired~~
864 ~~member~~ as a substitute or hourly teacher, education
865 paraprofessional, transportation assistant, bus driver, or food
866 service worker on a noncontractual basis after he or she has
867 been retired for 1 calendar month, ~~in accordance with s.~~
868 ~~121.021(39).~~ A district school board may reemploy a retiree
869 ~~retired member~~ as instructional personnel, as defined in s.
870 1012.01(2)(a), on an annual contractual basis after he or she
871 has been retired for 1 calendar month, ~~in accordance with s.~~
872 ~~121.021(39).~~ Any ~~other retired~~ member who is reemployed within 1
873 calendar month after retirement shall void his or her
874 application for retirement benefits. District school boards
875 reemploying such teachers, education paraprofessionals,
876 transportation assistants, bus drivers, or food service workers
877 are subject to the retirement contribution required by
878 subparagraph 2. 7.

879 ~~b.4.~~ A community college board of trustees may reemploy a
880 retiree ~~retired member~~ as an adjunct instructor, ~~that is, an~~
881 ~~instructor who is noncontractual and part-time,~~ or as a
882 participant in a phased retirement program within the Florida



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883 Community College System, after he or she has been retired for 1
884 calendar month, ~~in accordance with s. 121.021(39)~~. A Any retired
885 member who is reemployed within 1 calendar month after
886 retirement shall void his or her application for retirement
887 benefits. Boards of trustees reemploying such instructors are
888 subject to the retirement contribution required in subparagraph
889 2. 7. A retiree ~~retired member~~ may be reemployed as an adjunct
890 instructor for no more than 780 hours during the first 12 months
891 of retirement. A retiree ~~Any retired member~~ reemployed for more
892 than 780 hours during the first 12 months of retirement must
893 ~~shall~~ give timely notice in writing to the employer and to the
894 Division of Retirement or the state board of the date he or she
895 will exceed the limitation. The division shall suspend his or
896 her retirement benefits for the remainder of the ~~first~~ 12 months
897 of retirement. Any retiree ~~person~~ employed in violation of this
898 sub-subparagraph ~~subparagraph~~ and any employer who ~~employing~~
899 ~~agency which knowingly~~ employs or appoints such person without
900 notifying the division ~~of Retirement~~ to suspend retirement
901 benefits are ~~shall be~~ jointly and severally liable for
902 ~~reimbursement to the retirement trust fund of~~ any benefits paid
903 during the reemployment limitation period. The employer must ~~To~~
904 ~~avoid liability, such employing agency shall~~ have a written
905 statement from the retiree that he or she is not retired from a
906 state-administered retirement system. Any retirement benefits
907 received by the retiree ~~a retired member~~ while reemployed in
908 excess of 780 hours during the first 12 months of retirement
909 must ~~shall~~ be repaid to the Florida Retirement System Trust
910 Fund, and retirement benefits shall remain suspended until
911 repayment is made. Benefits suspended beyond the end of the



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912 retiree's ~~retired member's~~ first 12 months of retirement shall
913 apply toward repayment of benefits received in violation of the
914 780-hour reemployment limitation.

915 ~~c.5.~~ The State University System may reemploy a retiree
916 ~~retired member~~ as an adjunct faculty member or as a participant
917 in a phased retirement program within the State University
918 System after the retiree ~~retired member~~ has been retired for 1
919 calendar month, ~~in accordance with s. 121.021(39).~~ A ~~Any retired~~
920 member who is reemployed within 1 calendar month after
921 retirement shall void his or her application for retirement
922 benefits. The State University System is subject to the retired
923 contribution required in subparagraph 2. 7., as appropriate. A
924 retiree ~~retired member~~ may be reemployed as an adjunct faculty
925 member or a participant in a phased retirement program for no
926 more than 780 hours during the first 12 months of his or her
927 retirement. A retiree ~~Any retired member~~ reemployed for more
928 than 780 hours during the first 12 months of retirement must
929 ~~shall~~ give timely notice in writing to the employer and to the
930 Division of Retirement or the state board of the date he or she
931 will exceed the limitation. The division shall suspend his or
932 her retirement benefits for the remainder of the ~~first~~ 12 months
933 ~~of retirement.~~ Any retiree ~~person~~ employed in violation of this
934 sub-subparagraph ~~subparagraph~~ and any employer who ~~employing~~
935 ~~agency which knowingly~~ employs or appoints such person without
936 notifying the division ~~of Retirement~~ to suspend retirement
937 benefits are ~~shall be~~ jointly and severally liable for
938 ~~reimbursement to the retirement trust fund of~~ any benefits paid
939 during the reemployment limitation period. The employer must ~~To~~
940 ~~avoid liability, such employing agency shall~~ have a written



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941 statement from the retiree that he or she is not retired from a
942 state-administered retirement system. Any retirement benefits
943 received by the retiree ~~a retired member~~ while reemployed in
944 excess of 780 hours during the first 12 months of retirement
945 must ~~shall~~ be repaid to the Florida Retirement System Trust
946 Fund, and retirement benefits shall remain suspended until
947 repayment is made. Benefits suspended beyond the end of the
948 retiree's ~~retired member's~~ first 12 months of retirement shall
949 apply toward repayment of benefits received in violation of the
950 780-hour reemployment limitation.

951 ~~d.6.~~ The Board of Trustees of the Florida School for the
952 Deaf and the Blind may reemploy a retiree ~~retired member~~ as a
953 substitute teacher, substitute residential instructor, or
954 substitute nurse on a noncontractual basis after he or she has
955 been retired for 1 calendar month, ~~in accordance with s.~~
956 ~~121.021(39)~~. Any ~~retired~~ member who is reemployed within 1
957 calendar month after retirement shall void his or her
958 application for retirement benefits. The Board of Trustees of
959 the Florida School for the Deaf and the Blind reemploying such
960 teachers, residential instructors, or nurses is subject to the
961 retirement contribution required by subparagraph 2. 7.
962 ~~Reemployment of a retired member as a substitute teacher,~~
963 ~~substitute residential instructor, or substitute nurse is~~
964 ~~limited to 780 hours during the first 12 months of his or her~~
965 ~~retirement. Any retired member reemployed for more than 780~~
966 ~~hours during the first 12 months of retirement shall give timely~~
967 ~~notice in writing to the employer and to the division of the~~
968 ~~date he or she will exceed the limitation. The division shall~~
969 ~~suspend his or her retirement benefits for the remainder of the~~



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970 ~~first 12 months of retirement. Any person employed in violation~~
971 ~~of this subparagraph and any employing agency which knowingly~~
972 ~~employs or appoints such person without notifying the division~~
973 ~~of Retirement to suspend retirement benefits shall be jointly~~
974 ~~and severally liable for reimbursement to the retirement trust~~
975 ~~fund of any benefits paid during the reemployment limitation~~
976 ~~period. To avoid liability, such employing agency shall have a~~
977 ~~written statement from the retiree that he or she is not retired~~
978 ~~from a state-administered retirement system. Any retirement~~
979 ~~benefits received by a retired member while reemployed in excess~~
980 ~~of 780 hours during the first 12 months of retirement shall be~~
981 ~~repaid to the Retirement System Trust Fund, and his or her~~
982 ~~retirement benefits shall remain suspended until payment is~~
983 ~~made. Benefits suspended beyond the end of the retired member's~~
984 ~~first 12 months of retirement shall apply toward repayment of~~
985 ~~benefits received in violation of the 780-hour reemployment~~
986 ~~limitation.~~

987 e. A developmental research school may reemploy a retiree
988 as a substitute or hourly teacher or an education
989 paraprofessional as defined in s. 1012.01(2) on a noncontractual
990 basis after he or she has been retired for 1 calendar month. A
991 developmental research school may reemploy a retiree as
992 instructional personnel, as defined in s. 1012.01(2)(a), on an
993 annual contractual basis after he or she has been retired for 1
994 calendar month after retirement. Any member who is reemployed
995 within 1 calendar month voids his or her application for
996 retirement benefits. A developmental research school that
997 reemploys retired teachers and education paraprofessionals is
998 subject to the retirement contribution required by subparagraph



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999 2.

1000 f. A charter school may reemploy a retiree as a substitute
1001 or hourly teacher on a noncontractual basis after he or she has
1002 been retired for 1 calendar month. A charter school may reemploy
1003 a retired member as instructional personnel, as defined in s.
1004 1012.01(2)(a), on an annual contractual basis after he or she
1005 has been retired for 1 calendar month after retirement. Any
1006 member who is reemployed within 1 calendar month voids his or
1007 her application for retirement benefits. A charter school that
1008 reemploys such teachers is subject to the retirement
1009 contribution required by subparagraph 2.

1010 2.7. The employment ~~by an employer~~ of a any retiree or
1011 DROP participant of a any state-administered retirement system
1012 does not affect ~~shall have no effect on~~ the average final
1013 compensation or years of creditable service of the retiree or
1014 DROP participant. Before ~~Prior to~~ July 1, 1991, upon employment
1015 of any person, other than an elected officer as provided in s.
1016 121.053, who is ~~has been~~ retired under a any state-administered
1017 retirement program, the employer shall pay retirement
1018 contributions in an amount equal to the unfunded actuarial
1019 liability portion of the employer contribution which would be
1020 required for regular members of the Florida Retirement System.
1021 Effective July 1, 1991, contributions shall be made as provided
1022 in s. 121.122 for retirees who have ~~with~~ renewed membership or,
1023 as provided in subsection (13), ~~for with respect to~~ DROP
1024 participants.

1025 8. ~~Any person who has previously retired and who is holding~~
1026 ~~an elective public office or an appointment to an elective~~
1027 ~~public office eligible for the Elected Officers' Class on or~~



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1028 ~~after July 1, 1990, shall be enrolled in the Florida Retirement~~
1029 ~~System as provided in s. 121.053(1)(b) or, if holding an~~
1030 ~~elective public office that does not qualify for the Elected~~
1031 ~~Officers' Class on or after July 1, 1991, shall be enrolled in~~
1032 ~~the Florida Retirement System as provided in s. 121.122, and~~
1033 ~~shall continue to receive retirement benefits as well as~~
1034 ~~compensation for the elected officer's service for as long as he~~
1035 ~~or she remains in elective office. However, any retired member~~
1036 ~~who served in an elective office prior to July 1, 1990,~~
1037 ~~suspended his or her retirement benefit, and had his or her~~
1038 ~~Florida Retirement System membership reinstated shall, upon~~
1039 ~~retirement from such office, have his or her retirement benefit~~
1040 ~~recalculated to include the additional service and compensation~~
1041 ~~earned.~~

1042 3.9. Any person who is holding an elective public office
1043 which is covered by the Florida Retirement System and who is
1044 concurrently employed in nonelected covered employment may elect
1045 to retire while continuing employment in the elective public
1046 office if, ~~provided that~~ he or she terminates ~~shall be required~~
1047 ~~to terminate~~ his or her nonelected covered employment. Such ~~Any~~
1048 ~~person who exercises this election~~ shall receive his or her
1049 retirement benefits in addition to the compensation of the
1050 elective office without regard to the time limitations otherwise
1051 provided in this subsection. A ~~No~~ person who seeks to exercise
1052 the provisions of this subparagraph, as they ~~the same~~ existed
1053 before ~~prior to~~ May 3, 1984, may not be ~~shall be~~ deemed to be
1054 retired under those provisions, unless such person is eligible
1055 to retire under ~~the provisions of~~ this subparagraph, as amended
1056 by chapter 84-11, Laws of Florida.



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1057 ~~10. The limitations of this paragraph apply to reemployment~~
1058 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~
1059 ~~irrespective of the category of funds from which the person is~~
1060 ~~compensated.~~

1061 ~~11. An employing agency may reemploy a retired member as a~~
1062 ~~firefighter or paramedic after the retired member has been~~
1063 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~
1064 ~~Any retired member who is reemployed within 1 calendar month~~
1065 ~~after retirement shall void his or her application for~~
1066 ~~retirement benefits. The employing agency reemploying such~~
1067 ~~firefighter or paramedic is subject to the retired contribution~~
1068 ~~required in subparagraph 8. Reemployment of a retired~~
1069 ~~firefighter or paramedic is limited to no more than 780 hours~~
1070 ~~during the first 12 months of his or her retirement. Any retired~~
1071 ~~member reemployed for more than 780 hours during the first 12~~
1072 ~~months of retirement shall give timely notice in writing to the~~
1073 ~~employer and to the division of the date he or she will exceed~~
1074 ~~the limitation. The division shall suspend his or her retirement~~
1075 ~~benefits for the remainder of the first 12 months of retirement.~~
1076 ~~Any person employed in violation of this subparagraph and any~~
1077 ~~employing agency which knowingly employs or appoints such person~~
1078 ~~without notifying the Division of Retirement to suspend~~
1079 ~~retirement benefits shall be jointly and severally liable for~~
1080 ~~reimbursement to the Retirement System Trust Fund of any~~
1081 ~~benefits paid during the reemployment limitation period. To~~
1082 ~~avoid liability, such employing agency shall have a written~~
1083 ~~statement from the retiree that he or she is not retired from a~~
1084 ~~state-administered retirement system. Any retirement benefits~~
1085 ~~received by a retired member while reemployed in excess of 780~~



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1086 ~~hours during the first 12 months of retirement shall be repaid~~
1087 ~~to the Retirement System Trust Fund, and retirement benefits~~
1088 ~~shall remain suspended until repayment is made. Benefits~~
1089 ~~suspended beyond the end of the retired member's first 12 months~~
1090 ~~of retirement shall apply toward repayment of benefits received~~
1091 ~~in violation of the 780-hour reemployment limitation.~~

1092 (c) Any person whose retirement is effective on or after
1093 July 1, 2010, or whose participation in the Deferred Retirement
1094 Option Program terminates on or after July 1, 2010, except as
1095 provided under the disability retirement provisions of
1096 subsection (4) or under s. 121.053, may be reemployed by an
1097 employer that participates in a state-administered retirement
1098 system and receive retirement benefits and compensation from
1099 that his or her employer without limitation, except that the
1100 person may not be reemployed by an employer participating in the
1101 Florida Retirement System for 6 calendar months immediately
1102 subsequent to the date of retirement. However, a DROP
1103 participant shall continue employment and receive a salary
1104 during the period of participation in the Deferred Retirement
1105 Option Program, as provided in subsection (13). A retiree
1106 initially reemployed in violation of this paragraph and an
1107 employer that employs or appoints such person are jointly and
1108 severally liable for reimbursement of any retirement benefits
1109 paid to the retirement trust fund from which the benefits were
1110 paid, including the Florida Retirement System Trust Fund and the
1111 Public Employee Optional Retirement Program Trust Fund, as
1112 appropriate. The employer must have a written statement from the
1113 employee that he or she is not retired from a state-administered
1114 retirement system.



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1115 (d)~~(e)~~ The provisions of this subsection apply to retirees,
1116 as defined in s. 121.4501(2)~~(j)~~, of the Public Employee Optional
1117 Retirement Program ~~created in part II~~, subject to the following
1118 conditions:

1119 1. The ~~Such~~ retirees may not be reemployed with an employer
1120 participating in the Florida Retirement System ~~as provided in~~
1121 ~~paragraph (b)~~ until such person has been retired for 6 ~~3~~
1122 calendar months, ~~unless the participant has reached the normal~~
1123 ~~retirement requirements of the defined benefit plan as provided~~
1124 ~~in s. 121.021(29)~~.

1125 2. A ~~Such~~ retiree employed in violation of this subsection
1126 and an employer ~~any employing agency~~ that ~~knowingly~~ employs or
1127 appoints such person are ~~shall be~~ jointly and severally liable
1128 for reimbursement of any benefits paid to the retirement trust
1129 fund from which the benefits were paid, including the Retirement
1130 System Trust Fund and the Public Employee Optional Retirement
1131 Program Trust Fund, as appropriate. The employer ~~To avoid~~
1132 ~~liability, such employing agency~~ must have a written statement
1133 from the retiree that he or she is not retired from a state-
1134 administered retirement system.

1135 (e) The limitations of this subsection apply to
1136 reemployment in any capacity irrespective of the category of
1137 funds from which the person is compensated.

1138 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
1139 subject to ~~the provisions of~~ this section, the Deferred
1140 Retirement Option Program, hereinafter referred to as ~~the~~ DROP,
1141 is a program under which an eligible member of the Florida
1142 Retirement System may elect to participate, deferring receipt of
1143 retirement benefits while continuing employment with his or her



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1144 Florida Retirement System employer. The deferred monthly
1145 benefits shall accrue in the Florida Retirement System Trust
1146 Fund on behalf of the participant, plus interest compounded
1147 monthly, for the specified period of the DROP participation, as
1148 provided in paragraph (c). Upon termination of employment, the
1149 participant shall receive the total DROP benefits and begin to
1150 receive the previously determined normal retirement benefits.
1151 Participation in the DROP does not guarantee employment for the
1152 specified period of DROP. Participation in ~~the~~ DROP by an
1153 eligible member beyond the initial 60-month period as authorized
1154 in this subsection shall be on an annual contractual basis for
1155 all participants.

1156 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All
1157 active Florida Retirement System members in a regularly
1158 established position, and all active members of ~~either~~ the
1159 Teachers' Retirement System established in chapter 238 or the
1160 State and County Officers' and Employees' Retirement System
1161 established in chapter 122, which ~~systems~~ are consolidated
1162 within the Florida Retirement System under s. 121.011, are
1163 eligible to elect participation in ~~the~~ DROP if ~~provided that:~~

1164 1. The member is not a renewed member ~~of the Florida~~
1165 ~~Retirement System~~ under s. 121.122, or a member of the State
1166 Community College System Optional Retirement Program under s.
1167 121.051, the Senior Management Service Optional Annuity Program
1168 under s. 121.055, or the optional retirement program for the
1169 State University System under s. 121.35.

1170 2. Except as provided in subparagraph 6., election to
1171 participate is made within 12 months immediately following the
1172 date on which the member first reaches normal retirement date,



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1173 or, for a member who reaches normal retirement date based on
1174 service before he or she reaches age 62, or age 55 for Special
1175 Risk Class members, election to participate may be deferred to
1176 the 12 months immediately following the date the member attains
1177 57, or age 52 for Special Risk Class members. A member who
1178 delays DROP participation during the 12-month period immediately
1179 following his or her maximum DROP deferral date, except as
1180 provided in subparagraph 6., loses a month of DROP participation
1181 for each month delayed. ~~For a member who first reached normal~~
1182 ~~retirement date or the deferred eligibility date described above~~
1183 ~~prior to the effective date of this section, election to~~
1184 ~~participate shall be made within 12 months after the effective~~
1185 ~~date of this section.~~ A member who fails to make an election
1186 within the such 12-month limitation period forfeits shall
1187 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member shall
1188 advise his or her employer and the division in writing of the
1189 date ~~on which the~~ DROP begins shall begin. The Such beginning
1190 date may be subsequent to the 12-month election period, but must
1191 be within the original 60-month participation or, with respect
1192 ~~to members who are instructional personnel employed by the~~
1193 ~~Florida School for the Deaf and the Blind and who have received~~
1194 ~~authorization by the Board of Trustees of the Florida School for~~
1195 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1196 ~~months, or who are instructional personnel as defined in s.~~
1197 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
1198 ~~authorization by the district school superintendent to~~
1199 ~~participate in the DROP beyond 60 months, the 96-month~~
1200 ~~limitation period as provided in subparagraph (b)1. When~~
1201 ~~establishing eligibility of the member to participate in the~~



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1202 ~~DROP for the 60-month or, with respect to members who are~~
1203 ~~instructional personnel employed by the Florida School for the~~
1204 ~~Deaf and the Blind and who have received authorization by the~~
1205 ~~Board of Trustees of the Florida School for the Deaf and the~~
1206 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1207 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1208 ~~grades K-12 and who have received authorization by the district~~
1209 ~~school superintendent to participate in the DROP beyond 60~~
1210 ~~months, the 96-month maximum participation period, the member~~
1211 ~~may elect to include or exclude any optional service credit~~
1212 ~~purchased by the member from the total service used to establish~~
1213 ~~the normal retirement date. A member who has with dual normal~~
1214 ~~retirement dates is shall be eligible to elect to participate in~~
1215 ~~DROP within 12 months after attaining normal retirement date in~~
1216 ~~either class.~~

1217 3. The employer of a member electing to participate in ~~the~~
1218 ~~DROP, or employers if dually employed, shall acknowledge in~~
1219 ~~writing to the division the date the member's participation in~~
1220 ~~the DROP begins and the date the member's employment and DROP~~
1221 ~~participation will terminate.~~

1222 4. Simultaneous employment of a participant by additional
1223 Florida Retirement System employers subsequent to the
1224 commencement of participation in ~~the DROP is shall be~~
1225 ~~permissible if provided~~ such employers acknowledge in writing a
1226 DROP termination date no later than the participant's existing
1227 termination date or the maximum participation 60-month
1228 ~~limitation~~ period as provided in subparagraph (b)1.

1229 5. A DROP participant may change employers while
1230 participating in ~~the~~ DROP, subject to the following:



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1231 a. A change of employment must take place without a break
1232 in service so that the member receives salary for each month of
1233 continuous DROP participation. If a member receives no salary
1234 during a month, DROP participation shall cease unless the
1235 employer verifies a continuation of the employment relationship
1236 for such participant pursuant to s. 121.021(39)(b).

1237 b. Such participant and new employer shall notify the
1238 division of the identity of the new employer on forms required
1239 by the division ~~as to the identity of the new employer.~~

1240 c. The new employer shall acknowledge, in writing, the
1241 participant's DROP termination date, which may be extended but
1242 not beyond the maximum participation ~~original 60-month or, with~~
1243 ~~respect to members who are instructional personnel employed by~~
1244 ~~the Florida School for the Deaf and the Blind and who have~~
1245 ~~received authorization by the Board of Trustees of the Florida~~
1246 ~~School for the Deaf and the Blind to participate in the DROP~~
1247 ~~beyond 60 months, or who are instructional personnel as defined~~
1248 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
1249 ~~authorization by the district school superintendent to~~
1250 ~~participate in the DROP beyond 60 months, the 96-month period~~
1251 provided in subparagraph (b)1., shall acknowledge liability for
1252 any additional retirement contributions and interest required if
1253 the participant fails to timely terminate employment, and is
1254 ~~shall be~~ subject to the adjustment required in sub-subparagraph
1255 (c)5.d.

1256 6. Effective July 1, 2001, for instructional personnel as
1257 defined in s. 1012.01(2), election to participate in ~~the~~ DROP
1258 may shall be made at any time following the date on which the
1259 member first reaches normal retirement date. The member shall



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1260 advise his or her employer and the division in writing of the
1261 date on which DROP begins ~~the Deferred Retirement Option Program~~
1262 ~~shall begin~~. When establishing eligibility of the member to
1263 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
1264 ~~members who are instructional personnel employed by the Florida~~
1265 ~~School for the Deaf and the Blind and who have received~~
1266 ~~authorization by the Board of Trustees of the Florida School for~~
1267 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1268 ~~months, or who are instructional personnel as defined in s.~~
1269 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
1270 ~~authorization by the district school superintendent to~~
1271 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
1272 ~~participation period, as provided in subparagraph (b)1., the~~
1273 member may elect to include or exclude any optional service
1274 credit purchased by the member from the total service used to
1275 establish the normal retirement date. A member who has ~~with~~ dual
1276 normal retirement dates is ~~shall be~~ eligible to elect to
1277 participate in either class.

1278 (b) *Participation in ~~the~~ DROP.-*

1279 1. An eligible member may elect to participate in ~~the~~ DROP
1280 for a period not to exceed a maximum of 60 calendar months.
1281 However, ~~or, with respect to~~ members who are instructional
1282 personnel employed by the Florida School for the Deaf and the
1283 Blind and authorized ~~who have received authorization~~ by the
1284 Board of Trustees of the Florida School for the Deaf and the
1285 Blind ~~to participate in the DROP beyond 60 months, or~~ who are
1286 instructional personnel as defined in s. 1012.01(2) (a)-(d) in
1287 grades K-12 and authorized ~~who have received authorization~~ by
1288 the district school superintendent ~~to participate in the DROP~~



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1289 ~~beyond 60 calendar months, or who are instructional personnel as~~
1290 ~~defined in s. 1012.01(2) (a) employed by a developmental research~~
1291 ~~school and authorized by the school's director, or if the school~~
1292 ~~has no director, by the school's principal, may participate in~~
1293 ~~DROP for up to 36 calendar months beyond the 60-month period. 96~~
1294 ~~calendar months immediately following the date on which the~~
1295 ~~member first reaches his or her normal retirement date or the~~
1296 ~~date to which he or she is eligible to defer his or her election~~
1297 ~~to participate as provided in subparagraph (a)2. However, a~~
1298 ~~member who has reached normal retirement date prior to the~~
1299 ~~effective date of the DROP shall be eligible to participate in~~
1300 ~~the DROP for a period of time not to exceed 60 calendar months~~
1301 ~~or, with respect to members who are instructional personnel~~
1302 ~~employed by the Florida School for the Deaf and the Blind and~~
1303 ~~who have received authorization by the Board of Trustees of the~~
1304 ~~Florida School for the Deaf and the Blind to participate in the~~
1305 ~~DROP beyond 60 months, or who are instructional personnel as~~
1306 ~~defined in s. 1012.01(2) (a) - (d) in grades K-12 and who have~~
1307 ~~received authorization by the district school superintendent to~~
1308 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
1309 ~~months immediately following the effective date of the DROP,~~
1310 ~~except a member of the Special Risk Class who has reached normal~~
1311 ~~retirement date prior to the effective date of the DROP and~~
1312 ~~whose total accrued value exceeds 75 percent of average final~~
1313 ~~compensation as of his or her effective date of retirement shall~~
1314 ~~be eligible to participate in the DROP for no more than 36~~
1315 ~~calendar months immediately following the effective date of the~~
1316 ~~DROP.~~

1317 2. Upon deciding to participate in the DROP, the member



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1318 shall submit, on forms required by the division:
1319 a. A written election to participate in ~~the~~ DROP;
1320 b. Selection of ~~the~~ DROP participation and termination
1321 dates ~~that, which~~ satisfy the limitations stated in paragraph
1322 (a) and subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be
1323 in a binding letter of resignation to ~~with~~ the employer,
1324 establishing a deferred termination date. The member may change
1325 the termination date within the limitations of subparagraph 1.,
1326 but only with the written approval of the ~~his or her~~ employer;
1327 c. A properly completed DROP application for service
1328 retirement as provided in this section; and
1329 d. Any other information required by the division.
1330 3. The DROP participant is ~~shall be~~ a retiree under the
1331 Florida Retirement System for all purposes, except for paragraph
1332 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
1333 and 121.122. DROP participation is final and may not be canceled
1334 by the participant after the first payment is credited during
1335 the DROP participation period. However, participation in ~~the~~
1336 DROP does not alter the participant's employment status, and the
1337 member is ~~such employee shall~~ not ~~be~~ deemed retired from
1338 employment until his or her deferred resignation is effective
1339 and termination occurs as provided in s. 121.021(39).
1340 4. Elected officers are ~~shall be~~ eligible to participate in
1341 ~~the~~ DROP subject to the following:
1342 a. An elected officer who reaches normal retirement date
1343 during a term of office may defer the election to participate ~~in~~
1344 ~~the DROP~~ until the next succeeding term in that office. An Such
1345 elected officer who exercises this option may participate in ~~the~~
1346 DROP for up to 60 calendar months or ~~a period of~~ no longer than



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1347 ~~the such~~ succeeding term of office, whichever is less.

1348 b. An elected or a nonelected participant may run for a
1349 term of office while participating in DROP and, if elected,
1350 extend the DROP termination date accordingly; ~~except~~, however,
1351 if such additional term of office exceeds the 60-month
1352 limitation established in subparagraph 1., and the officer does
1353 not resign from office within such 60-month limitation, the
1354 retirement and the participant's DROP is ~~shall be~~ null and void
1355 as provided in sub-subparagraph (c)5.d.

1356 c. An elected officer who is dually employed and elects to
1357 participate in DROP must meet ~~shall be required to satisfy~~ the
1358 definition of termination in s. 121.021(39) within the original
1359 60-month period or maximum participation, ~~with respect to~~
1360 ~~members who are instructional personnel employed by the Florida~~
1361 ~~School for the Deaf and the Blind and who have received~~
1362 ~~authorization by the Board of Trustees of the Florida School for~~
1363 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1364 ~~months, or who are instructional personnel as defined in s.~~
1365 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
1366 ~~authorization by the district school superintendent to~~
1367 ~~participate in the DROP beyond 60 months, the 96-month~~
1368 ~~limitation~~ period as provided in subparagraph 1. for the
1369 nonelected position and may continue employment as an elected
1370 officer as provided in s. 121.053. The elected officer shall
1371 ~~will~~ be enrolled as a renewed member in the Elected Officers'
1372 Class or the Regular Class, as provided in ss. 121.053 and
1373 121.122, on the first day of the month after termination of
1374 employment in the nonelected position and termination of DROP.
1375 Distribution of ~~the~~ DROP benefits shall be made as provided in



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1376 paragraph (c).

1377 (c) *Benefits payable under ~~the~~ DROP.*—

1378 1. Effective on ~~with~~ the date of DROP participation, the
1379 member's initial normal monthly benefit, including creditable
1380 service, optional form of payment, and average final
1381 compensation, and the effective date of retirement are ~~shall be~~
1382 fixed. The beneficiary established under the Florida Retirement
1383 System is ~~shall be~~ the beneficiary eligible to receive any DROP
1384 benefits payable if the DROP participant dies before completing
1385 ~~prior to the completion of~~ the period of DROP participation. If
1386 ~~In the event~~ a joint annuitant predeceases the member, the
1387 member may name a beneficiary to receive accumulated DROP
1388 benefits payable. The ~~Such~~ retirement benefit, the annual cost
1389 of living adjustments provided in s. 121.101, and interest ~~shall~~
1390 accrue monthly in the Florida Retirement System Trust Fund. The
1391 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate
1392 of 6.5 percent compounded monthly, on the prior month's
1393 accumulated ending balance, up to the month of termination or
1394 death, except as provided in s. 121.053(1)(b)5.

1395 2. Each employee who elects to participate in ~~the~~ DROP may
1396 ~~shall be allowed to~~ elect to receive a lump-sum payment for
1397 accrued annual leave earned in accordance with agency policy
1398 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
1399 leave payment certified to the division upon commencement of
1400 DROP shall be included in the calculation of the member's
1401 average final compensation. The employee electing the ~~such~~ lump-
1402 sum payment is ~~upon beginning participation in~~ DROP will not be
1403 eligible to receive a second lump-sum payment upon termination,
1404 except to the extent the employee has earned additional annual



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1405 leave which, combined with the original payment, does not exceed
1406 the maximum lump-sum payment allowed by the employing agency's
1407 policy or rules. An ~~Such~~ early lump-sum payment shall be based
1408 on the hourly wage of the employee at the time he or she begins
1409 participation in ~~the~~ DROP. If the member elects to wait and
1410 receive a a ~~such~~ lump-sum payment upon termination of DROP and
1411 termination of employment with the employer, any accumulated
1412 leave payment made at that time may not ~~cannot~~ be included in
1413 the member's retirement benefit, which was determined and fixed
1414 by law when the employee elected to participate in ~~the~~ DROP.

1415 3. The effective date of DROP participation and the
1416 effective date of retirement of a DROP participant shall be the
1417 first day of the month selected by the member to begin
1418 participation in ~~the~~ DROP, provided such date is properly
1419 established, with the written confirmation of the employer, and
1420 the approval of the division, on forms required by the division.

1421 4. Normal retirement benefits and any interest ~~thereon~~
1422 shall continue to accrue in ~~the~~ DROP until the established
1423 termination date of ~~the~~ DROP, or until the participant
1424 terminates employment or dies prior to such date, except as
1425 provided in s. 121.053(1)(b)5. Although individual DROP accounts
1426 shall not be established, a separate accounting of each
1427 participant's accrued benefits under ~~the~~ DROP shall be
1428 calculated and provided to participants.

1429 5. At the conclusion of the participant's DROP, the
1430 division shall distribute the participant's total accumulated
1431 DROP benefits, subject to the following provisions:

1432 a. The division shall receive verification by the
1433 participant's employer or employers that the ~~such~~ participant



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1434 has terminated all employment relationships as provided in s.
1435 121.021(39) ~~(b)~~.

1436 b. The terminated DROP participant or, if deceased, the
1437 ~~such~~ participant's named beneficiary, shall elect on forms
1438 provided by the division to receive payment of the DROP benefits
1439 in accordance with one of the options listed below. If ~~For~~ a
1440 participant or beneficiary ~~who~~ fails to elect a method of
1441 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
1442 division shall ~~will~~ pay a lump sum as provided in sub-sub-
1443 subparagraph (I).

1444 (I) Lump sum.—All accrued DROP benefits, plus interest,
1445 less withholding taxes remitted to the Internal Revenue Service,
1446 shall be paid to the DROP participant or surviving beneficiary.

1447 (II) Direct rollover.—All accrued DROP benefits, plus
1448 interest, shall be paid from ~~the~~ DROP directly to the custodian
1449 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
1450 the Internal Revenue Code. However, in the case of an eligible
1451 rollover distribution to the surviving spouse of a deceased
1452 participant, an eligible retirement plan is an individual
1453 retirement account or an individual retirement annuity as
1454 described in s. 402(c)(9) of the Internal Revenue Code.

1455 (III) Partial lump sum.—A portion of the accrued DROP
1456 benefits shall be paid to ~~the~~ DROP participant or surviving
1457 spouse, less withholding taxes remitted to the Internal Revenue
1458 Service, and the remaining DROP benefits must ~~shall~~ be
1459 transferred directly to the custodian of an eligible retirement
1460 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.
1461 However, in the case of an eligible rollover distribution to the
1462 surviving spouse of a deceased participant, an eligible



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1463 retirement plan is an individual retirement account or an
1464 individual retirement annuity as described in s. 402(c)(9) of
1465 the Internal Revenue Code. The proportions must ~~shall~~ be
1466 specified by the DROP participant or surviving beneficiary.

1467 c. The form of payment selected by the DROP participant or
1468 surviving beneficiary must comply ~~complies~~ with the minimum
1469 distribution requirements of the Internal Revenue Code.

1470 d. A DROP participant who fails to terminate all employment
1471 relationships as provided ~~defined~~ in s. 121.021(39) ~~(b)~~ shall be
1472 deemed as not ~~to be~~ retired, and the DROP election is ~~shall be~~
1473 null and void. Florida Retirement System membership shall be
1474 reestablished retroactively to the date of the commencement of
1475 ~~the~~ DROP, and each employer with whom the participant continues
1476 employment must ~~shall be required to~~ pay to the Florida
1477 Retirement System Trust Fund the difference between the DROP
1478 contributions paid in paragraph (i) and the contributions
1479 required for the applicable Florida Retirement System class of
1480 membership during the period the member participated in ~~the~~
1481 DROP, plus 6.5 percent interest compounded annually.

1482 6. The retirement benefits of any DROP participant who
1483 terminates all employment relationships as provided in s.
1484 121.021(39) but is reemployed in violation of the reemployment
1485 provisions subsection (9) shall be suspended during those months
1486 in which the retiree is in violation. Any retiree in violation
1487 of this subparagraph and any employer that employs or appoints
1488 such person without notifying the Division of Retirement to
1489 suspend retirement benefits are jointly and severally liable for
1490 any benefits paid during the reemployment limitation period. To
1491 avoid liability, the employer must have a written statement from



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1492 the retiree that he or she is not retired from a state-
1493 administered retirement system. Any retirement benefits received
1494 by a retiree while employed in violation of the reemployment
1495 limitations must be repaid to the Florida Retirement System
1496 Trust Fund, and his or her retirement benefits shall remain
1497 suspended until payment is made. Benefits suspended beyond the
1498 end of the retired retiree's first 6 calendar months shall apply
1499 toward repayment of benefits received in violation of the
1500 reemployment limitation.

1501 ~~7.6.~~ The accrued benefits of any DROP participant, and any
1502 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
1503 ~~be~~ subject to assignment, execution, attachment, or ~~to~~ any legal
1504 process whatsoever, except for qualified domestic relations
1505 orders by a court of competent jurisdiction, income deduction
1506 orders as provided in s. 61.1301, and federal income tax levies.

1507 ~~8.7.~~ DROP participants are ~~shall~~ not ~~be~~ eligible for
1508 disability retirement benefits as provided in subsection (4).

1509 (d) *Death benefits under ~~the~~ DROP.*-

1510 1. Upon the death of a DROP participant, the named
1511 beneficiary is ~~shall be~~ entitled to apply for and receive the
1512 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
1513 (c)5.b.

1514 2. The normal retirement benefit accrued to ~~the~~ DROP during
1515 the month of a participant's death is ~~shall be~~ the final monthly
1516 benefit credited for such DROP participant.

1517 3. Eligibility to participate in ~~the~~ DROP terminates upon
1518 death of the participant. If the participant dies on or after
1519 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~
1520 ~~to~~ the first monthly benefit is ~~being~~ credited to ~~the~~ DROP,



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1521 Florida Retirement System benefits are ~~shall be~~ paid in
1522 accordance with subparagraph (7)(c)1. or subparagraph 2.

1523 4. A DROP participant's ~~participants'~~ survivors are ~~shall~~
1524 not ~~be~~ eligible to receive Florida Retirement System death
1525 benefits as provided in paragraph (7)(d).

1526 (e) *Cost-of-living adjustment.*—On each July 1, the
1527 participant's ~~participants'~~ normal retirement benefit shall be
1528 increased as provided in s. 121.101.

1529 (f) *Retiree health insurance subsidy.*—DROP participants are
1530 not eligible to apply for the retiree health insurance subsidy
1531 payments as provided in s. 112.363 until such participants have
1532 terminated employment and participation in ~~the~~ DROP.

1533 (g) *Renewed membership.*—DROP participants are ~~shall~~ not ~~be~~
1534 eligible for renewed membership in the Florida Retirement System
1535 under ss. 121.053 and 121.122 until all employment relationships
1536 are terminated ~~termination of employment is effectuated~~ as
1537 provided in s. 121.021(39) ~~(b)~~.

1538 (h) *Employment limitation after DROP participation.*— Upon
1539 ~~satisfying the definition of~~ termination of all employment
1540 relationships as provided in s. 121.021(39) ~~(b)~~, DROP
1541 participants are ~~shall be~~ subject to the same ~~such~~ reemployment
1542 limitations as other retirees. Reemployment restrictions
1543 applicable to retirees as provided in subsection (9) do ~~shall~~
1544 not apply to DROP participants until their employment and
1545 participation in ~~the~~ DROP are terminated.

1546 (i) *Contributions.*—

1547 1. All employers paying the salary of a DROP participant
1548 filling a regularly established position shall contribute 8.0
1549 percent of such participant's gross compensation for the period



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1550 of July 1, 2002, through June 30, 2003, and the percentage 11.56
1551 ~~percent~~ of such compensation required by s. 121.71 thereafter,
1552 which shall constitute the entire employer DROP contribution
1553 with respect to such participant. Such contributions, payable to
1554 the Florida Retirement System Trust Fund in the same manner as
1555 required in s. 121.071, must ~~shall~~ be made as appropriate for
1556 each pay period and are in addition to contributions required
1557 for social security and the Retiree Health Insurance Subsidy
1558 Trust Fund. Such employer, social security, and health insurance
1559 subsidy contributions are not included in ~~the~~ DROP.

1560 2. The employer shall, in addition to subparagraph 1., also
1561 withhold one-half of the entire social security contribution
1562 required for the participant. Contributions for social security
1563 by each participant and each employer, in the amount required
1564 for social security coverage as ~~now or hereafter~~ provided by the
1565 federal Social Security Act, are ~~shall be~~ in addition to
1566 contributions specified in subparagraph 1.

1567 3. All employers paying the salary of a DROP participant
1568 filling a regularly established position shall contribute the
1569 percent of such participant's gross compensation required in s.
1570 121.071(4), which ~~shall~~ constitute the employer's health
1571 insurance subsidy contribution with respect to such participant.
1572 Such contributions must ~~shall~~ be deposited by the administrator
1573 in the Retiree Health Insurance Subsidy Trust Fund.

1574 (j) *Forfeiture of retirement benefits.* ~~Nothing in~~ This
1575 section does not ~~shall be construed to~~ remove DROP participants
1576 from the scope of s. 8(d), Art. II of the State Constitution, s.
1577 112.3173, and paragraph (5)(f). DROP participants who commit a
1578 specified felony offense while employed are ~~will be~~ subject to



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1579 forfeiture of all retirement benefits, including DROP benefits,
1580 pursuant to those provisions of law.

1581 (k) *Administration of program.*—The division shall adopt
1582 ~~make such~~ rules as ~~are~~ necessary for the effective and efficient
1583 administration of this subsection. The division is ~~shall~~ not ~~be~~
1584 required to advise members of the federal tax consequences of an
1585 election related to the DROP but may advise members to seek
1586 independent advice.

1587 (14) PAYMENT OF BENEFITS.—This subsection applies to the
1588 payment of benefits to a payee (retiree or beneficiary) under
1589 the Florida Retirement System:

1590 (a) Federal income tax shall be withheld in accordance with
1591 federal law, unless the payee elects otherwise on Form W-4P. The
1592 division shall prepare and distribute to each recipient of
1593 monthly retirement benefits an appropriate income tax form that
1594 reflects the recipient's income and federal income tax withheld
1595 for the calendar year just ended.

1596 (b) Subject to approval by the division in accordance with
1597 rule 60S-4.015, Florida Administrative Code, a payee receiving
1598 retirement benefits under the ~~Florida Retirement~~ system may also
1599 have the following payments deducted from his or her monthly
1600 benefit:

1601 1. Premiums for life and health-related insurance policies
1602 from approved companies.

1603 2. Life insurance premiums for the State Group Life
1604 Insurance Plan, if authorized in writing by the payee and by the
1605 department ~~of Management Services~~.

1606 3. Repayment of overpayments from the Florida Retirement
1607 System Trust Fund, the State Employees' Health Insurance Trust



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1608 Fund, or the State Employees' Life Insurance Trust Fund, upon
1609 notification of the payee.

1610 4. Payments to an alternate payee for alimony or child
1611 support pursuant to an income deduction order under s. 61.1301,
1612 or division of marital assets pursuant to a qualified domestic
1613 relations order under s. 222.21 ~~or an income deduction order~~
1614 ~~under s. 61.1301.~~

1615 5. Payments to the Internal Revenue Service for federal
1616 income tax levies, upon notification of the division by the
1617 Internal Revenue Service.

1618 (c) A payee must ~~shall~~ notify the division of any change in
1619 his or her address. The division may suspend benefit payments to
1620 a payee if correspondence sent to the payee's mailing address is
1621 returned due to an incorrect address. Benefit payments shall be
1622 resumed upon notification to the division of the payee's new
1623 address.

1624 (d) A payee whose retirement benefits are reduced by the
1625 application of maximum benefit limits under s. 415(b) of the
1626 Internal Revenue Code, as specified in s. 121.30(5), shall have
1627 the portion of his or her calculated benefit in the Florida
1628 Retirement System defined benefit plan which exceeds such
1629 federal limitation paid through the Florida Retirement System
1630 Preservation of Benefits Plan, as provided in s. 121.1001.

1631 (e) The Division of Retirement may issue retirement
1632 benefits payable for division of marital assets pursuant to a
1633 qualified domestic relations order directly to the alternate
1634 payee, any court order to the contrary notwithstanding, in order
1635 to meet Internal Revenue Code requirements.

1636 (f) ~~(e)~~ A ~~Ne~~ benefit may not be reduced for the purpose of



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1637 preserving the member's eligibility for a federal program.

1638 (g) ~~(f)~~ The division shall adopt rules establishing
1639 procedures for determining that ~~the~~ persons to whom benefits are
1640 being paid are still living. The division shall suspend the
1641 benefits being paid to any payee if ~~when~~ it is unable to contact
1642 such payee and to confirm that he or she is still living.

1643 Section 10. Section 121.1115, Florida Statutes, is amended
1644 to read:

1645 121.1115 Purchase of retirement credit for out-of-state or
1646 ~~and~~ federal service.—Effective January 1, 1995, a member ~~of the~~
1647 ~~Florida Retirement System~~ may purchase creditable service for
1648 periods of public employment in another state and receive
1649 creditable service for such periods of employment. Service with
1650 the Federal Government, including any active military service,
1651 may be claimed. Upon completion of each year of service earned
1652 under the Florida Retirement System, a member may purchase up to
1653 1 year of retirement credit for his or her out-of-state service,
1654 subject to the following provisions:

1655 (1) LIMITATIONS AND CONDITIONS.—To receive credit for the
1656 out-of-state service:

1657 (a) The out-of-state service ~~being claimed~~ must have been:

1658 1. Performed in a position of employment with the state or
1659 a political subdivision thereof or with the Federal Government;

1660 2. Covered by a retirement or pension plan provided by the
1661 state or political subdivision, or by the Federal Government, as
1662 appropriate; and

1663 3. Performed prior to a period of membership in the Florida
1664 Retirement System.

1665 (b) The member must have completed a minimum of 6 years of



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1666 creditable service under the Florida Retirement System,
1667 excluding out-of-state service and in-state service claimed and
1668 purchased under s. 121.1122.

1669 (c) Not more than 5 years of creditable service may be
1670 claimed for creditable service aggregated under ~~the provisions~~
1671 ~~of~~ this section and s. 121.1122.

1672 (d) The out-of-state service credit ~~claimed under this~~
1673 ~~section~~ shall be credited only as service in the Regular Class
1674 ~~of membership~~, and any benefit or pension based thereon is ~~shall~~
1675 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1676 (e) The member is not eligible for and may not receive a
1677 pension or benefit from a retirement or pension plan based on or
1678 including the out-of-state service. Eligibility for or the
1679 receipt of contributions to a retirement plan made by the
1680 employer on behalf of the employee is considered a benefit.

1681 (f) ~~(e)~~ ~~A member shall be eligible~~ To receive service credit
1682 for out-of-state service performed after leaving the Florida
1683 Retirement System, the member must complete ~~only upon return to~~
1684 ~~membership and completion of~~ at least 1 year of creditable
1685 service in the Florida Retirement System following the out-of-
1686 state service.

1687 (2) COST.—For each year claimed, the member must pay into
1688 the Florida Retirement System Trust Fund an amount equal to 20
1689 percent of the member's annual compensation for the first full
1690 work year of creditable service earned under the Florida
1691 Retirement System, but not less than \$12,000, plus interest at
1692 6.5 percent compounded annually from the date of first annual
1693 salary earned until full payment is made. The employer may pay
1694 all or a portion of the cost of this service credit.



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1695 Section 11. Subsection (2) of section 121.1122, Florida
1696 Statutes, is amended to read:

1697 121.1122 Purchase of retirement credit for in-state public
1698 service and in-state service in accredited nonpublic schools and
1699 colleges, including charter schools and charter technical career
1700 centers.—Effective January 1, 1998, a member of the Florida
1701 Retirement System may purchase creditable service for periods of
1702 certain public or nonpublic employment performed in this state,
1703 as provided in this section.

1704 (2) LIMITATIONS AND CONDITIONS.—

1705 (a) A member is not eligible to receive credit for in-state
1706 service under this section until he or she has completed 6 years
1707 of creditable service under the Florida Retirement System,
1708 excluding service purchased under this section and out-of-state
1709 service claimed and purchased under s. 121.1115.

1710 (b) A member may not purchase and receive credit for more
1711 than 5 years of creditable service aggregated under ~~the~~
1712 ~~provisions of~~ this section and s. 121.1115.

1713 (c) Service credit claimed under this section shall be
1714 credited only as service in the Regular Class ~~of membership~~ and
1715 is shall be subject to ~~the provisions of~~ s. 112.65.

1716 (d) Service credit may not be purchased under this section
1717 if the member is eligible to receive or is receiving a pension
1718 or benefit from a retirement or pension plan based on or
1719 including the service. Eligibility for or the receipt of
1720 contributions to a retirement plan made by the employer on
1721 behalf of the employee is considered a benefit.

1722 (e)~~(d)~~ A member is shall be eligible to receive service
1723 credit for in-state service performed after leaving the Florida



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1724 Retirement System only after ~~upon returning to membership and~~
1725 completing at least 1 year of creditable service in the Florida
1726 Retirement System following the in-state service.

1727 (f) ~~(e)~~ The service claimed must have been service covered
1728 by a retirement or pension plan provided by the employer.

1729 Section 12. Section 121.122, Florida Statutes, is amended
1730 to read:

1731 121.122 Renewed membership in system.—

1732 (1) Except as provided in s. 121.053, effective July 1,
1733 1991, any retiree of a state-administered retirement system who
1734 is initially reemployed ~~employed~~ in a regularly established
1735 position with a covered employer shall be enrolled as a
1736 compulsory member of the Regular Class of the Florida Retirement
1737 System or, effective July 1, 1997, any retiree of a state-
1738 administered retirement system who is initially reemployed
1739 ~~employed~~ in a position included in the Senior Management Service
1740 Class shall be enrolled as a compulsory member of the Senior
1741 Management Service Class of the Florida Retirement System as
1742 provided in s. 121.055, and shall be entitled to receive an
1743 additional retirement benefit, subject to the following
1744 conditions:

1745 ~~(1)~~ (a) Such member must ~~shall~~ resatisfy the age and service
1746 requirements as provided in this chapter for initial membership
1747 under the system, unless such member elects to participate in
1748 the Senior Management Service Optional Annuity Program in lieu
1749 of the Senior Management Service Class, as provided in s.
1750 121.055(6).

1751 (b) Such member is ~~shall~~ not ~~be~~ entitled to disability
1752 benefits as provided in s. 121.091(4).



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1753 (c) Such member must meet the reemployment after retirement
1754 limitations as provided in s. 121.091(9), as applicable.

1755 (2) Upon renewed membership or reemployment of a retiree,
1756 the employer of such member shall pay the applicable employer
1757 contributions as required by ss. 121.71, 121.74, 121.76, and
1758 112.363 ~~121.055(3) and 121.071(1)(a) and (4).~~

1759 (3) Such member is ~~shall be~~ entitled to purchase additional
1760 retirement credit in the Regular Class or the Senior Management
1761 Service Class, as applicable, for any postretirement service
1762 performed in a regularly established position as follows:

1763 (a) For regular class service prior to July 1, 1991, by
1764 paying the Regular Class applicable employee and employer
1765 contributions for the period being claimed, plus 4 percent
1766 interest compounded annually from first year of service claimed
1767 until July 1, 1975, and 6.5 percent interest compounded
1768 thereafter, until full payment is made to the Florida Retirement
1769 System Trust Fund; or

1770 (b) For Senior Management Service Class prior to June 1,
1771 1997, as provided in s. 121.055(1)(j).

1772
1773 The contribution for postretirement service between July 1,
1774 1985, and July 1, 1991, for which the reemployed retiree
1775 contribution was paid, shall be the difference between such
1776 contribution and the total applicable contribution for the
1777 period being claimed, plus interest. The employer of such member
1778 may pay the applicable employer contribution in lieu of the
1779 member. If a member does not wish to claim credit for all of the
1780 postretirement service for which he or she is eligible, the
1781 service the member claims must be the most recent service.



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1782 (4) No creditable service for which credit was received, or
1783 which remained unclaimed, at retirement may be claimed or
1784 applied toward service credit earned following renewed
1785 membership. However, service earned as an elected officer with
1786 renewed membership in the Elected Officers' Class may be used in
1787 conjunction with creditable service earned under this section,
1788 provided the applicable vesting requirements and other existing
1789 statutory conditions required by this chapter are met.

1790 (5) Notwithstanding any other limitations provided in this
1791 section, a participant of the State University System Optional
1792 Retirement Program, the State Community College Optional
1793 Retirement Program, or the Senior Management Service Optional
1794 Annuity Program who terminated employment and commenced
1795 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~
1796 optional program, who initially renews membership ~~in the Regular~~
1797 ~~Class~~ as required by this section upon reemployment after
1798 retirement, and who had previously earned creditable Florida
1799 Retirement System service that was not included in any
1800 retirement benefit may include such previous service toward
1801 vesting and service credit in the second career benefit provided
1802 under renewed membership.

1803 (6) ~~A~~ Any renewed member who is not receiving the maximum
1804 health insurance subsidy provided in s. 112.363 is ~~shall be~~
1805 entitled to earn additional credit toward the maximum health
1806 insurance subsidy. Any additional subsidy due because of such
1807 additional credit may ~~shall~~ be received only at the time of
1808 payment of the second career retirement benefit. ~~In no case~~
1809 ~~shall~~ The total health insurance subsidy received by a retiree
1810 receiving benefits from initial and renewed membership may not



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1811 exceed the maximum allowed in s. 112.363.

1812 Section 13. Section 121.136, Florida Statutes, is amended
1813 to read:

1814 121.136 Annual benefit statement to members.—Each year
1815 ~~Beginning January 1, 1993, and each January thereafter,~~ the
1816 department shall provide each active member of the Florida
1817 Retirement System with 5 or more years of creditable service an
1818 annual statement of benefits that provides. ~~Such statement~~
1819 ~~should provide~~ the member with basic data about the member's
1820 retirement account. At a minimum ~~Minimally,~~ it must ~~shall~~
1821 include the member's retirement plan, accrued service credit ~~the~~
1822 ~~amount of funds on deposit in the retirement account,~~ and an
1823 estimate of retirement benefits.

1824 Section 14. Section 121.1905, Florida Statutes, is amended
1825 to read:

1826 121.1905 Division of Retirement; creation.—

1827 ~~(1)~~ There is created the Division of Retirement within the
1828 Department of Management Services.

1829 ~~(2) The mission of the Division of Retirement is to provide~~
1830 ~~quality and cost-effective retirement services as measured by~~
1831 ~~member satisfaction and by comparison with administrative costs~~
1832 ~~of comparable retirement systems.~~

1833 Section 15. Paragraph (a) of subsection (2) of section
1834 121.23, Florida Statutes, is amended to read:

1835 121.23 Disability retirement and special risk membership
1836 applications; Retirement Commission; powers and duties; judicial
1837 review.—The provisions of this section apply to all proceedings
1838 in which the administrator has made a written final decision on
1839 the merits respecting applications for disability retirement,



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1840 reexamination of retired members receiving disability benefits,
1841 applications for special risk membership, and reexamination of
1842 special risk members in the Florida Retirement System. The
1843 jurisdiction of the State Retirement Commission under this
1844 section shall be limited to written final decisions of the
1845 administrator on the merits.

1846 (2) A member shall be entitled to a hearing before the
1847 State Retirement Commission pursuant to ss. 120.569 and
1848 120.57(1) on the merits of any written adverse decision of the
1849 administrator, if he or she files with the commission a written
1850 request for such hearing within 21 days after receipt of such
1851 written decision from the administrator. For the purpose of such
1852 hearings, the commission shall be an "agency head" as defined by
1853 s. 120.52.

1854 (a) The commission may ~~shall have the authority to~~ issue
1855 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on
1856 all parties to the dispute and. ~~The commission~~ may order any
1857 action that it deems appropriate. Any disability retirement
1858 order of the commission that ~~issued pursuant to this subsection~~
1859 ~~which~~ sustains the application of the member may include an
1860 amount, to be determined by the commission, for reasonable
1861 attorney's fees and taxable costs, which shall be calculated in
1862 accordance with the statewide uniform guidelines for taxation of
1863 costs in civil actions. The amount of the attorney's fees ~~fee~~
1864 may not exceed 50 percent of the initial yearly benefit awarded
1865 under s. 121.091(4). In cases involving disability retirement,
1866 the ~~State Retirement~~ commission shall require the member to
1867 present substantial competent medical evidence that meets the
1868 requirements of s. 121.091(4)(c)2. and 3., and may require



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1869 vocational evidence, before awarding disability retirement
1870 benefits.

1871 Section 16. Paragraph (a) of subsection (1) of section
1872 121.24, Florida Statutes, is amended to read:

1873 121.24 Conduct of commission business; legal and other
1874 assistance; compensation.—

1875 (1) The commission shall conduct its business within the
1876 following guidelines:

1877 (a) For purposes of hearing appeals under s. 121.23, the
1878 commission may meet in panels ~~consisting of no not~~ fewer than
1879 three members. ~~For the purpose of meeting in these panels, a~~
1880 ~~quorum shall be not fewer than two members. For all other~~
1881 ~~purposes,~~ A quorum shall consist of three members. The
1882 concurring vote of a majority of the members present ~~is shall be~~
1883 required to reach a decision, issue orders, and conduct the
1884 business of the commission.

1885 Section 17. Paragraph (h) of subsection (3) and paragraphs
1886 (a) and (e) of subsection (5) of section 121.35, Florida
1887 Statutes, are amended, and paragraph (g) is added to subsection
1888 (5) of that section, to read:

1889 121.35 Optional retirement program for the State University
1890 System.—

1891 (3) ELECTION OF OPTIONAL PROGRAM.—

1892 (h) A participant in the optional retirement program may
1893 not participate in more than one state-administered retirement
1894 system, plan, or class simultaneously. Except as provided in s.
1895 121.052(6)(d), a participant who is or becomes dually employed
1896 in two or more positions covered by the Florida Retirement
1897 System, one of which is eligible for the optional program and



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1898 one of which is not, may remain a member of the optional program
1899 and contributions shall be paid as required only on the salary
1900 earned in the position eligible for the optional program during
1901 the ~~such~~ period of dual employment; or, within 90 days after
1902 becoming dually employed, he or she may elect membership in the
1903 Regular Class of the Florida Retirement System in lieu of the
1904 optional program and contributions shall be paid as required on
1905 the total salary received for all employment. At retirement, the
1906 average final compensation used to calculate any benefits for
1907 which the member becomes eligible under the Florida Retirement
1908 System must ~~shall~~ be based on all salary reported for both
1909 positions during such period of dual employment. If the ~~When~~
1910 ~~such~~ member ceases to be dually employed, he or she may, within
1911 90 days, elect to remain in the Florida Retirement System class
1912 for which he or she is eligible or to again become a participant
1913 in the optional retirement program. Failure to elect membership
1914 in the optional program within 90 days shall result in
1915 compulsory membership in the Florida Retirement System, except
1916 that a member filling a faculty position at ~~under~~ a college that
1917 has a faculty practice plan at the University of Florida, at ~~or~~
1918 the Medical Center at the University of South Florida, or other
1919 state university shall again participate in the optional
1920 retirement program as required in s. 121.051(1)(a).

1921 (5) BENEFITS.—

1922 (a) Benefits are ~~shall be~~ payable under the optional
1923 retirement program only to vested participants in the program,
1924 or their beneficiaries as designated by the participant in the
1925 contract with a provider company, and such benefits shall be
1926 paid only by the designated company in accordance with s. 403(b)



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1927 of the Internal Revenue Code and ~~in accordance with~~ the terms of
1928 the annuity contract or contracts applicable to the participant.
1929 Benefits ~~shall~~ accrue in individual accounts that are
1930 participant-directed, portable, and funded by employer
1931 contributions and the earnings thereon. The participant must be
1932 terminated from all employment relationships with all Florida
1933 Retirement System employers, as provided in s. 121.021(39), to
1934 begin receiving the employer-funded benefit. Benefits funded by
1935 employer contributions are ~~shall be~~ payable in accordance with
1936 the following terms and conditions:

1937 1. Benefits shall be paid ~~payable~~ only to a participant, to
1938 his or her beneficiaries, or to his or her estate, as designated
1939 by the participant.

1940 2. Benefits shall be paid by the provider company or
1941 companies in accordance with the law, the provisions of the
1942 contract, and any applicable department ~~board~~ rule or policy.

1943 3. In the event of a participant's death, moneys
1944 accumulated by, or on behalf of, the participant, less
1945 withholding taxes remitted to the Internal Revenue Service, if
1946 any, shall be distributed to the participant's designated
1947 beneficiary or beneficiaries, or to the participant's estate, as
1948 if the participant retired on the date of death, as provided in
1949 paragraph (c). No other death benefits are ~~shall be~~ available to
1950 ~~for~~ survivors of participants under the optional retirement
1951 program except for such benefits, or coverage for such benefits,
1952 as are separately afforded by the employer, at the employer's
1953 discretion.

1954 (e) A participant who chooses to receive his or her
1955 benefits upon termination as defined in s. 121.021(39) ~~must~~ ~~of~~



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1956 ~~employment shall have responsibility to~~ notify the provider
1957 company of the date ~~on which~~ he or she wishes benefits funded by
1958 employer contributions to begin. Benefits may be deferred until
1959 ~~such time as~~ the participant chooses to make such application.

1960 (g) For purposes of this section, "retiree" means a former
1961 participant of the optional retirement program who has
1962 terminated employment and has taken a distribution as provided
1963 in this subsection, except for a mandatory distribution of a de
1964 minimis account authorized by the department.

1965 Section 18. Paragraphs (a) and (b) of subsection (1) of
1966 section 121.591, Florida Statutes, is amended to read:

1967 121.591 Benefits payable under the Public Employee Optional
1968 Retirement Program of the Florida Retirement System.—Benefits
1969 may not be paid under this section unless the member has
1970 terminated employment as provided in s. 121.021(39)(a) or is
1971 deceased and a proper application has been filed in the manner
1972 prescribed by the state board or the department. The state board
1973 or department, as appropriate, may cancel an application for
1974 retirement benefits when the member or beneficiary fails to
1975 timely provide the information and documents required by this
1976 chapter and the rules of the state board and department. In
1977 accordance with their respective responsibilities as provided
1978 herein, the State Board of Administration and the Department of
1979 Management Services shall adopt rules establishing procedures
1980 for application for retirement benefits and for the cancellation
1981 of such application when the required information or documents
1982 are not received. The State Board of Administration and the
1983 Department of Management Services, as appropriate, are
1984 authorized to cash out a de minimis account of a participant who



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1985 has been terminated from Florida Retirement System covered
1986 employment for a minimum of 6 calendar months. A de minimis
1987 account is an account containing employer contributions and
1988 accumulated earnings of not more than \$5,000 made under the
1989 provisions of this chapter. Such cash-out must either be a
1990 complete lump-sum liquidation of the account balance, subject to
1991 the provisions of the Internal Revenue Code, or a lump-sum
1992 direct rollover distribution paid directly to the custodian of
1993 an eligible retirement plan, as defined by the Internal Revenue
1994 Code, on behalf of the participant. If any financial instrument
1995 issued for the payment of retirement benefits under this section
1996 is not presented for payment within 180 days after the last day
1997 of the month in which it was originally issued, the third-party
1998 administrator or other duly authorized agent of the State Board
1999 of Administration shall cancel the instrument and credit the
2000 amount of the instrument to the suspense account of the Public
2001 Employee Optional Retirement Program Trust Fund authorized under
2002 s. 121.4501(6). Any such amounts transferred to the suspense
2003 account are payable upon a proper application, not to include
2004 earnings thereon, as provided in this section, within 10 years
2005 after the last day of the month in which the instrument was
2006 originally issued, after which time such amounts and any
2007 earnings thereon shall be forfeited. Any such forfeited amounts
2008 are assets of the Public Employee Optional Retirement Program
2009 Trust Fund and are not subject to the provisions of chapter 717.

2010 (1) NORMAL BENEFITS.—Under the Public Employee Optional
2011 Retirement Program:

2012 (a) Benefits in the form of vested accumulations as
2013 described in s. 121.4501(6) shall be payable under this



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2014 subsection in accordance with the following terms and
2015 conditions:

2016 1. To the extent vested, benefits shall be payable only to
2017 a participant.

2018 2. Benefits shall be paid by the third-party administrator
2019 or designated approved providers in accordance with the law, the
2020 contracts, and any applicable board rule or policy.

2021 3. To receive benefits under this subsection, the
2022 participant must be terminated from all employment with all
2023 Florida Retirement System employers, as provided in s.
2024 121.021(39).

2025 4. Benefit payments may not be made until the participant
2026 has been terminated for 3 calendar months, except that the board
2027 may authorize by rule for the distribution of up to 10 percent
2028 of the participant's account after being terminated for 1
2029 calendar month if a participant has reached the normal
2030 retirement requirements of the defined benefit plan, as provided
2031 in s. 121.021(29).

2032 5. If a member or former member of the Florida Retirement
2033 System receives an invalid distribution from the Public Employee
2034 Optional Retirement Program Trust Fund, such person shall repay
2035 the full invalid distribution to the trust fund within 90 days
2036 after receipt of final notification by the State Board of
2037 Administration or the third-party administrator that the
2038 distribution was invalid. If such person fails to repay the full
2039 invalid distribution within 90 days after receipt of final
2040 notification, the person may be deemed retired from the Public
2041 Employee Optional Retirement Program by the state board, as
2042 provided pursuant to s. 121.4501(2)(j), and shall be subject to



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2043 the provisions of s. 121.122. If such person is deemed retired
2044 by the state board, any joint and several liability set out in
2045 s. 121.091(9)(d)2. ~~s. 121.091(9)(e)2.~~ becomes null and void, and
2046 the state board, the Department of Management Services, or the
2047 employing agency is not liable for gains on payroll
2048 contributions that have not been deposited to the person's
2049 account in the Public Employee Optional Retirement Program,
2050 pending resolution of the invalid distribution. The member or
2051 former member who has been deemed retired or who has been
2052 determined by the board to have taken an invalid distribution
2053 may appeal the agency decision through the complaint process as
2054 provided under s. 121.4501(9)(f)3. As used in this subparagraph,
2055 the term "invalid distribution" means any distribution from an
2056 account in the Public Employee Optional Retirement Program which
2057 is taken in violation of the provisions of this section, s.
2058 121.091(9), or s. 121.4501.

2059 (b) If a participant elects to receive his or her benefits
2060 upon termination of employment as defined in s. 121.021(39), the
2061 participant must submit a written application or an equivalent
2062 form to the third-party administrator indicating his or her
2063 preferred distribution date and selecting an authorized method
2064 of distribution as provided in paragraph (c). The participant
2065 may defer receipt of benefits until he or she chooses to make
2066 such application, subject to federal requirements.

2067 Section 19. Subsection (1) of section 238.183, Florida
2068 Statutes, is amended to read:

2069 238.183 Developmental research school and Florida School
2070 for the Deaf and the Blind instructional personnel; reemployment
2071 after retirement.-



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2072 (1) Notwithstanding any other law, instructional personnel,
2073 as defined in s. 1012.01(2), employed by a developmental
2074 research school or the Florida School for the Deaf and the Blind
2075 are eligible for reemployment after retirement in the same
2076 manner as classroom teachers who are employed by the district
2077 school boards, as described in ss. 121.091(9)(b)~~3~~ and
2078 238.181(2)(c).

2079 Section 20. Paragraph (g) of subsection (3) and subsection
2080 (8) of section 1012.33, Florida Statutes, are amended to read:
2081 1012.33 Contracts with instructional staff, supervisors,
2082 and school principals.-

2083 (3)

2084 (g) Beginning July 1, 2001, for each employee who enters
2085 into a written contract, pursuant to this section, in a school
2086 district in which the employee was not employed as of June 30,
2087 2001, or was employed as of June 30, 2001, but has since broken
2088 employment with that district for 1 school year or more, for
2089 purposes of pay, a district school board must recognize and
2090 accept each year of full-time public school teaching service
2091 earned in the State of Florida or outside the state and for
2092 which the employee received a satisfactory performance
2093 evaluation. Instructional personnel employed pursuant to s.
2094 121.091(9)(b)~~3~~ are exempt from the provisions of this
2095 paragraph.

2096 (8) Notwithstanding any other provision of law, a retired
2097 ~~any member who has retired~~ may interrupt retirement and be
2098 reemployed in any public school. A ~~Any~~ member ~~so~~ reemployed by
2099 the same district from which he or she retired may be employed
2100 on a probationary contractual basis as provided in subsection



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2101 ~~(1); however, no regular retirement employee shall be eligible~~
2102 ~~to renew membership under a retirement system created by chapter~~
2103 ~~121 or chapter 238.~~

2104 Section 21. Sections 121.093, 121.094, and 121.45, Florida
2105 Statutes, are repealed.

2106 Section 22. The Legislature finds that a proper and
2107 legitimate state purpose is served when employees and retirees
2108 of the state and its political subdivisions, as well as the
2109 dependents, survivors, and beneficiaries of such employees and
2110 retirees, are extended the basic protections afforded by
2111 governmental retirement systems that provide fair and adequate
2112 benefits and that are managed, administered, and funded in an
2113 actuarially sound manner as required by s. 14, Art. X of the
2114 State Constitution and part VII of chapter 112, Florida
2115 Statutes. Therefore, the Legislature determines and declares
2116 that the amendment of s. 121.091, Florida Statutes, by this act
2117 fulfills an important state interest.

2118 Section 23. This act shall take effect July 1, 2009.

2119
2120 ===== T I T L E A M E N D M E N T =====

2121 And the title is amended as follows:

2122 Delete everything before the enacting clause
2123 and insert:

2124 A bill to be entitled
2125 An act relating to retirement; amending s. 121.021,
2126 F.S.; redefining the terms "employer," "officer or
2127 employee," "past service," "normal retirement date,"
2128 "termination," "regularly established position," and
2129 "temporary position"; defining the terms "state board"



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2130 and "trustees"; amending s. 121.031, F.S.; requiring
2131 promotional materials that refer to the Florida
2132 Retirement System to include a disclaimer unless
2133 approval is obtained from the Department of Management
2134 Services or the State Board of Administration;
2135 amending s. 121.051, F.S.; conforming a cross-
2136 reference; clarifying when a State Community College
2137 System Optional Retirement Program participant is
2138 considered a retiree; revising provisions relating to
2139 participation in the Florida Retirement System by
2140 certain employers; excluding the participation of
2141 certain entities under a lease agreement; amending s.
2142 121.052, F.S.; revising membership criteria for
2143 members of the Elected Officers' Class; revising the
2144 dates when a governing body of a municipality or
2145 special district may elect to designate its elected
2146 positions for inclusion in the Elected Officers'
2147 Class; amending s. 121.053, F.S.; revising provisions
2148 relating to participation in the Elected Officers'
2149 Class for retired members; providing that a member
2150 whose DROP participation begins after a certain date
2151 may not continue to earn interest on his or her DROP
2152 account after the end of the 60-month DROP period;
2153 amending s. 121.055, F.S.; revising provisions
2154 relating to participation in the Senior Management
2155 Service Class; revising provisions relating to de
2156 minimis accounts; amending s. 121.071, F.S.; providing
2157 an additional mechanism for the payment of employee
2158 contributions to the system; amending s. 121.081,



2159 F.S.; providing for receipt of credit for past or
2160 prior service by charter school and charter technical
2161 career center employees; prohibiting a member from
2162 receiving credit for service covered and reported by
2163 both a public employer and a private employer;
2164 amending s. 121.091, F.S.; revising and clarifying
2165 provisions relating to retirement benefits;
2166 authorizing developmental research schools and charter
2167 schools to reemploy certain retired members under
2168 specified conditions; providing that retirees of a
2169 state-administered retirement system who retire after
2170 a certain date may not be reemployed by an employer
2171 participating in the Florida Retirement System for 6
2172 months; revising provisions relating to reemployment
2173 of retirees of the Public Employee Optional Retirement
2174 Program; providing that certain members who delay DROP
2175 participation lose a month of DROP participation for
2176 each month delayed; clarifying that DROP participation
2177 may not be canceled; clarifying maximum DROP
2178 participation; providing for the suspension of DROP
2179 benefits to a participant who is reemployed; deleting
2180 obsolete provisions; revising employer contribution
2181 requirements; authorizing the Division of Retirement
2182 to issue benefits pursuant to a qualified domestic
2183 relations order directly to the alternate payee;
2184 amending s. 121.1115, F.S.; revising provisions
2185 relating to receiving retirement credit for out-of-
2186 state service; providing that a member is not eligible
2187 for and may not receive a benefit based on such



2188 service; amending s. 121.1122, F.S.; revising
2189 provisions relating to receiving retirement credit for
2190 in-state service; providing that certain members are
2191 not eligible to purchase service credit; amending s.
2192 121.122, F.S.; providing that certain retirees
2193 initially reemployed on or after a specified date are
2194 ineligible for renewed membership in the system;
2195 revising conditions under which a retiree is entitled
2196 to certain additional retirement benefits; amending s.
2197 121.136, F.S.; revising provisions relating to the
2198 annual statement of benefits provided to certain
2199 active members of the system; amending s. 121.1905,
2200 F.S.; deleting a provision describing the mission of
2201 the Division of Retirement; amending s. 121.23, F.S.;
2202 requiring the State Retirement Commission to use
2203 certain requirements used by the Secretary of
2204 Management Services before approving a disability
2205 retirement benefit; amending s. 121.24, F.S.;
2206 requiring a quorum of three members for all appeal
2207 hearings held by the commission; amending s. 121.35,
2208 F.S.; revising a compulsory membership exception for
2209 certain members failing to elect membership in the
2210 optional retirement program; providing a cross-
2211 reference; defining the term "retiree" for purposes of
2212 the State University System Optional Retirement
2213 Program; amending ss. 121.591 and 238.183, F.S.;
2214 providing and conforming cross-references; amending s.
2215 1012.33, F.S.; deleting a provision preventing persons
2216 who have retired from the public school system from



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2217 renewing membership in the Florida Retirement System
2218 or Teachers' Retirement System upon reemployment by
2219 the school system; repealing s. 121.093, F.S.,
2220 relating to instructional personnel reemployment after
2221 retirement from a developmental research school or the
2222 Florida School for the Deaf and the Blind; repealing
2223 s. 121.094, F.S., relating to instructional personnel
2224 reemployment after retirement from a charter school;
2225 repealing s. 121.45, F.S., relating to interstate
2226 compacts relating to pension portability; providing a
2227 declaration of important state interest; providing an
2228 effective date.