

By the Committee on Community Affairs; and Senators Fasano,
Gaetz, and Dockery

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1 A bill to be entitled
2 An act relating to the state retirement system;
3 amending s. 121.021, F.S.; defining the term
4 "retiree"; amending s. 121.051, F.S.; conforming a
5 cross-reference; clarifying when a State Community
6 College System Optional Retirement Program participant
7 is considered a retiree; amending s. 121.053, F.S.;
8 revising membership criteria for renewed elected
9 officials; amending s. 121.055, F.S.; revising benefit
10 payment procedures for the Senior Management Service
11 Optional Annuity Program; clarifying when a
12 participant is considered retired; amending s.
13 121.091, F.S.; revising and clarifying provisions
14 relating to retirement benefits; deleting a
15 restriction on the reemployment of certain personnel
16 by the Florida School for the Deaf and the Blind;
17 extending the period of time that instructional
18 personnel employed by a developmental research school
19 may participate in the Deferred Retirement Option
20 Program (DROP); authorizing developmental research
21 school and charter schools to reemploy certain retired
22 members under specified conditions; providing
23 applicability; clarifying that DROP participation
24 cannot be canceled; clarifying maximum DROP
25 participation; providing for the suspension of DROP
26 benefits to a participant who is reemployed; deleting
27 obsolete provisions; amending s. 121.122, F.S.;
28 revising conditions under which a retiree is entitled
29 to certain additional retirement benefits; amending s.

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30 121.35, F.S.; revising a compulsory membership
31 exception for certain members failing to elect
32 membership in the optional retirement program;
33 amending s. 121.4501, F.S.; defining the term
34 "retiree" for purposes of the State University System
35 Optional Retirement Program; amending s. 121.591,
36 F.S.; conforming provisions; repealing ss. 121.093 and
37 121.094, F.S., relating to instructional personnel
38 reemployment after retirement from a developmental
39 research school or the Florida School for the Deaf and
40 the Blind, the provisions of which are reenacted in s.
41 121.091, F.S., and relating to instructional personnel
42 reemployment after retirement from a charter school,
43 the provisions of which are reenacted in s. 121.091,
44 F.S., respectively; providing a declaration of
45 important state interest; providing an effective date.
46

47 Be It Enacted by the Legislature of the State of Florida:
48

49 Section 1. Subsection (60) of section 121.021, Florida
50 Statutes, is amended to read:

51 121.021 Definitions.—The following words and phrases as
52 used in this chapter have the respective meanings set forth
53 unless a different meaning is plainly required by the context:

54 (60) "Retiree" means:

55 (a) A former member of the Florida Retirement System or an
56 existing system who has terminated employment and is receiving
57 benefit payments from the system in which he or she was a
58 member. This term also includes a person who retired and is

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59 receiving benefits under s. 112.05 and a retiree under the
60 Public Employee Optional Retirement Program defined in s.
61 121.4501(2).

62 (b) A former participant of the following programs who has
63 received a distribution from the State Community College
64 Optional Retirement Program as defined in s. 121.051(2)(c), the
65 Senior Management Service Optional Annuity Program as defined in
66 s. 121.055(6), an alternative program for local agency employer
67 senior managers who withdrew from the Florida Retirement System
68 under s. 121.055(1)(b), or the State University System
69 Retirement Optional Retirement Program as defined in s.
70 121.35(5)(g). A distribution is receiving funds that include
71 employer contributions and associated earnings, whether received
72 as a full or partial rollover, or trustee-to-trustee transfer,
73 lump-sum payment, periodic payment, annuity payment, or any
74 combination of these payment methods.

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

78 121.051 Participation in the system.—

79 (1) COMPULSORY PARTICIPATION.—

80 (a) The provisions of this law are ~~shall be~~ compulsory as
81 to all officers and employees, except elected officers who meet
82 the requirements of s. 121.052(3), who are employed on or after
83 December 1, 1970, by ~~of~~ an employer other than those referred to
84 in paragraph (2)(b), and each officer or employee, as a
85 condition of employment, shall become a member of the system as
86 of his or her date of employment, except that a person who is
87 retired from any state retirement system and is reemployed on or

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88 after December 1, 1970, may not renew his or her membership in
89 any state retirement system except as provided in s.
90 121.091(4)(h) for a person who recovers from disability, ~~and~~ as
91 provided in s. 121.091(9)(b)10. ~~s. 121.091(9)(b)8.~~ for a person
92 who is elected to public office, and, effective July 1, 1991, as
93 provided in s. 121.122 for all other retirees. Officers and
94 employees of the University Athletic Association, Inc., a
95 nonprofit association connected with the University of Florida,
96 employed on and after July 1, 1979, may ~~shall~~ not participate in
97 any state-supported retirement system.

98 1. Any person appointed on or after July 1, 1989, to a
99 faculty position in a college at the J. Hillis Miller Health
100 Center at the University of Florida or the Medical Center at the
101 University of South Florida which has a faculty practice plan
102 provided by rule adopted by the Board of Regents may not
103 participate in the Florida Retirement System. Effective July 1,
104 2008, any person appointed thereafter to a faculty position,
105 including clinical faculty, in a college at a state university
106 that has a faculty practice plan authorized by the Board of
107 Governors may not participate in the Florida Retirement System.
108 A faculty member so appointed shall participate in the optional
109 retirement program for the State University System
110 notwithstanding ~~the provisions of~~ s. 121.35(2)(a).

111 2. For purposes of this paragraph, the term "faculty
112 position" is defined as a position assigned the principal
113 responsibility of teaching, research, or public service
114 activities or administrative responsibility directly related to
115 the academic mission of the college. The term "clinical faculty"
116 is defined as a faculty position appointment in conjunction with

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117 a professional position in a hospital or other clinical
118 environment at a college. The term "faculty practice plan"
119 includes professional services to patients, institutions, or
120 other parties which are rendered by the clinical faculty
121 employed by a college that has a faculty practice plan at a
122 state university authorized by the Board of Governors.

123 (2) OPTIONAL PARTICIPATION.—

124 (c) Employees of public community colleges or charter
125 technical career centers sponsored by public community colleges,
126 as designated in s. 1000.21(3), who are members of the Regular
127 Class of the Florida Retirement System and who comply with the
128 criteria set forth in this paragraph and in s. 1012.875 may
129 elect, in lieu of participating in the Florida Retirement
130 System, to withdraw from the Florida Retirement System
131 altogether and participate in an optional retirement program
132 provided by the employing agency under s. 1012.875, to be known
133 as the State Community College System Optional Retirement
134 Program. Pursuant thereto:

135 1. Through June 30, 2001, the cost to the employer for such
136 annuity shall equal the normal cost portion of the employer
137 retirement contribution which would be required if the employee
138 were a member of the Regular Class defined benefit program, plus
139 the portion of the contribution rate required by s. 112.363(8)
140 that would otherwise be assigned to the Retiree Health Insurance
141 Subsidy Trust Fund. Effective July 1, 2001, each employer shall
142 contribute on behalf of each participant in the optional program
143 an amount equal to 10.43 percent of the participant's gross
144 monthly compensation. The employer shall deduct an amount to
145 provide for the administration of the optional retirement

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146 program. The employer providing the optional program shall
147 contribute an additional amount to the Florida Retirement System
148 Trust Fund equal to the unfunded actuarial accrued liability
149 portion of the Regular Class contribution rate.

150 2. The decision to participate in such an optional
151 retirement program shall be irrevocable for as long as the
152 employee holds a position eligible for participation, except as
153 provided in subparagraph 3. Any service creditable under the
154 Florida Retirement System shall be retained after the member
155 withdraws from the Florida Retirement System; however,
156 additional service credit in the Florida Retirement System shall
157 not be earned while a member of the optional retirement program.

158 3. An employee who has elected to participate in the
159 optional retirement program shall have one opportunity, at the
160 employee's discretion, to choose to transfer from the optional
161 retirement program to the defined benefit program of the Florida
162 Retirement System or to the Public Employee Optional Retirement
163 Program, subject to the terms of the applicable optional
164 retirement program contracts.

165 a. If the employee chooses to move to the Public Employee
166 Optional Retirement Program, any contributions, interest, and
167 earnings creditable to the employee under the State Community
168 College System Optional Retirement Program shall be retained by
169 the employee in the State Community College System Optional
170 Retirement Program, and the applicable provisions of s.
171 121.4501(4) shall govern the election.

172 b. If the employee chooses to move to the defined benefit
173 program of the Florida Retirement System, the employee shall
174 receive service credit equal to his or her years of service

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175 under the State Community College System Optional Retirement
176 Program.

177 (I) The cost for such credit shall be an amount
178 representing the present value of that employee's accumulated
179 benefit obligation for the affected period of service. The cost
180 shall be calculated as if the benefit commencement occurs on the
181 first date the employee would become eligible for unreduced
182 benefits, using the discount rate and other relevant actuarial
183 assumptions that were used to value the Florida Retirement
184 System defined benefit plan liabilities in the most recent
185 actuarial valuation. The calculation shall include any service
186 already maintained under the defined benefit plan in addition to
187 the years under the State Community College System Optional
188 Retirement Program. The present value of any service already
189 maintained under the defined benefit plan shall be applied as a
190 credit to total cost resulting from the calculation. The
191 division shall ensure that the transfer sum is prepared using a
192 formula and methodology certified by an enrolled actuary.

193 (II) The employee must transfer from his or her State
194 Community College System Optional Retirement Program account and
195 from other employee moneys as necessary, a sum representing the
196 present value of that employee's accumulated benefit obligation
197 immediately following the time of such movement, determined
198 assuming that attained service equals the sum of service in the
199 defined benefit program and service in the State Community
200 College System Optional Retirement Program.

201 4. Participation in the optional retirement program shall
202 be limited to those employees who satisfy the following
203 eligibility criteria:

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204 a. The employee must be otherwise eligible for membership
205 or renewed membership in the Regular Class of the Florida
206 Retirement System, as provided in s. 121.021(11) and (12) or s.
207 121.122.

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

211 (I) Instructional; or

212 (II) Executive Management, Instructional Management, or
213 Institutional Management, if a community college determines that
214 recruiting to fill a vacancy in the position is to be conducted
215 in the national or regional market, and:

216 (A) The duties and responsibilities of the position include
217 either the formulation, interpretation, or implementation of
218 policies; or

219 (B) The duties and responsibilities of the position include
220 the performance of functions that are unique or specialized
221 within higher education and that frequently involve the support
222 of the mission of the community college.

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

226 5. A participant who receives a program distribution,
227 including a rollover or trustee-to-trustee transfer, funded by
228 employer contributions shall be deemed to be retired from a
229 state-administered retirement system in the event of subsequent
230 employment with any employer that participates in the Florida
231 Retirement System. Participants in the program are subject to
232 the same reemployment limitations, renewed membership

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233 provisions, and forfeiture provisions as are applicable to
234 regular members of the Florida Retirement System under ss.
235 121.091(9), 121.122, and 121.091(5), respectively.

236 6. Eligible community college employees shall be compulsory
237 members of the Florida Retirement System until, pursuant to the
238 procedures set forth in s. 1012.875, a written election to
239 withdraw from the Florida Retirement System and to participate
240 in the State Community College System Optional Retirement
241 Program is filed with the program administrator and received by
242 the division.

243 a. Any community college employee whose program eligibility
244 results from initial employment shall be enrolled in the State
245 Community College System Optional Retirement Program retroactive
246 to the first day of eligible employment. The employer retirement
247 contributions paid through the month of the employee plan change
248 shall be transferred to the community college for the employee's
249 optional program account, and, effective the first day of the
250 next month, the employer shall pay the applicable contributions
251 based upon subparagraph 1.

252 b. Any community college employee whose program eligibility
253 results from a change in status due to the subsequent
254 designation of the employee's position as one of those specified
255 in subparagraph 4. or due to the employee's appointment,
256 promotion, transfer, or reclassification to a position specified
257 in subparagraph 4. shall be enrolled in the program upon the
258 first day of the first full calendar month that such change in
259 status becomes effective. The employer retirement contributions
260 paid from the effective date through the month of the employee
261 plan change shall be transferred to the community college for

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262 the employee's optional program account, and, effective the
263 first day of the next month, the employer shall pay the
264 applicable contributions based upon subparagraph 1.

265 7. Effective July 1, 2003, through December 31, 2008, any
266 participant of the State Community College System Optional
267 Retirement Program who has service credit in the defined benefit
268 plan of the Florida Retirement System for the period between his
269 or her first eligibility to transfer from the defined benefit
270 plan to the optional retirement program and the actual date of
271 transfer may, during his or her employment, elect to transfer to
272 the optional retirement program a sum representing the present
273 value of the accumulated benefit obligation under the defined
274 benefit retirement program for such period of service credit.
275 Upon such transfer, all such service credit previously earned
276 under the defined benefit program of the Florida Retirement
277 System during this period shall be nullified for purposes of
278 entitlement to a future benefit under the defined benefit
279 program of the Florida Retirement System.

280 (f)1. Whenever an employer that participates in the Florida
281 Retirement System undertakes the transfer, merger, or
282 consolidation of governmental services or functions, the
283 employer must notify the department at least 60 days before
284 ~~prior to~~ such action and shall provide documentation as required
285 by the department.

286 2. When the agency to which a member's employing unit is
287 transferred, merged, or consolidated does not participate in the
288 Florida Retirement System, a member shall elect in writing to
289 remain in the Florida Retirement System or to transfer to the
290 local retirement system operated by the ~~such~~ agency. If the ~~such~~

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291 agency does not participate in a local retirement system, the
292 member shall continue membership in the Florida Retirement
293 System. In either case, the membership shall continue for as
294 long as the member is employed by the agency to which his or her
295 unit was transferred, merged, or consolidated.

296 Section 3. Subsections (1) and (2) of section 121.053,
297 Florida Statutes, are amended to read:

298 121.053 Participation in the Elected Officers' Class for
299 retired members.—

300 (1) (a) 1. Any retiree of a state-administered retirement
301 system who initially serves in an elective office in a regularly
302 established position with a covered employer on or after January
303 1, 2010, may not enroll in the Florida Retirement System as a
304 renewed member.

305 2. An elected officer who is elected or appointed to an
306 elective office and is participating in the Deferred Retirement
307 Option Program is subject to termination as provided in s.
308 121.021(39)(b), and reemployment limitations as provided in s.
309 121.091(9), upon completion of his or her DROP participation
310 period. An elected official may defer termination as provided in
311 subparagraph (c)5.

312 (b) Any member who retired before January 1, 2010, under
313 any existing system as defined in s. 121.021(2), and receives a
314 benefit thereof, who is initially reemployed before January 1,
315 2010, and who serves in an office covered by the Elected
316 Officers' Class for a period of at least 6 years, is entitled to
317 receive an additional retirement benefit for such elected
318 officer service before July 1, 1990, under the Elected Officers'
319 Class of the Florida Retirement System, as follows:

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320 1. Upon completion of 6 or more years of creditable service
321 in an office covered by the Elected Officers' Class, as provided
322 in s. 121.052, the member shall notify the administrator of his
323 or her intent to purchase elected officer service before July 1,
324 1990, and shall pay the member contribution applicable for the
325 period being claimed, plus 4 percent interest compounded
326 annually from the first year of service claimed until July 1,
327 1975, and 6.5 percent interest compounded annually thereafter,
328 until full payment is made to the Florida Retirement System
329 Trust Fund; however, the member may purchase retirement credit
330 under the Elected Officers' Class only for such service as an
331 elected officer.

332 2. Upon payment of the amount specified in subparagraph 1.,
333 the employer shall pay into the Florida Retirement System Trust
334 Fund the applicable employer contribution for the period of
335 elected officer service before to July 1, 1990, being claimed by
336 the member, plus 4 percent interest compounded annually from the
337 first year of service claimed until July 1, 1975, and 6.5
338 percent interest compounded annually thereafter, until full
339 payment is made to the Florida Retirement System Trust Fund.

340 (c) Any retired member of the Florida Retirement System, or
341 any existing system as defined in s. 121.021(2), who, on or
342 after July 1, 1990, through December 31, 2009, is serving in, or
343 is elected or appointed to, an elective office covered by the
344 Elected Officers' Class shall be enrolled in the appropriate
345 subclass of the Elected Officers' Class of the Florida
346 Retirement System, and applicable contributions shall be paid
347 into the Florida Retirement System Trust Fund as provided in s.
348 121.052(7). Pursuant thereto: ~~Any member who retired under any~~

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349 ~~existing system as defined in s. 121.021(2), and receives a~~
350 ~~benefit thereof, and who serves in an office covered by the~~
351 ~~Elected Officers' Class for a period of at least 6 years, shall~~
352 ~~be entitled to receive an additional retirement benefit for such~~
353 ~~elected officer service prior to July 1, 1990, under the Elected~~
354 ~~Officers' Class of the Florida Retirement System, as follows:~~

355 1. ~~Upon completion of 6 or more years of creditable service~~
356 ~~in an office covered by the Elected Officers' Class, s. 121.052,~~
357 ~~such member shall notify the administrator of his or her intent~~
358 ~~to purchase elected officer service prior to July 1, 1990, and~~
359 ~~shall pay the member contribution applicable for the period~~
360 ~~being claimed, plus 4 percent interest compounded annually from~~
361 ~~the first year of service claimed until July 1, 1975, and 6.5~~
362 ~~percent interest compounded annually thereafter, until full~~
363 ~~payment is made to the Florida Retirement System Trust Fund;~~
364 ~~however, such member may purchase retirement credit under the~~
365 ~~Elected Officers' Class only for such service as an elected~~
366 ~~officer.~~

367 2. ~~Upon payment of the amount specified in subparagraph 1.,~~
368 ~~the employer shall pay into the Florida Retirement System Trust~~
369 ~~Fund the applicable employer contribution for the period of~~
370 ~~elected officer service prior to July 1, 1990, being claimed by~~
371 ~~the member, plus 4 percent interest compounded annually from the~~
372 ~~first year of service claimed until July 1, 1975, and 6.5~~
373 ~~percent interest compounded annually thereafter, until full~~
374 ~~payment is made to the Florida Retirement System Trust Fund.~~

375 (b) ~~Any retired member of the Florida Retirement System, or~~
376 ~~any existing system as defined in s. 121.021(2), who, on or~~
377 ~~after July 1, 1990, is serving in, or is elected or appointed~~

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378 ~~to, an elective office covered by the Elected Officers' Class~~
379 ~~shall be enrolled in the appropriate subclass of the Elected~~
380 ~~Officers' Class of the Florida Retirement System, and applicable~~
381 ~~contributions shall be paid into the Florida Retirement System~~
382 ~~Trust Fund as provided in s. 121.052(7). Pursuant thereto:~~

383 1. Any such retired member shall be eligible to continue to
384 receive retirement benefits as well as compensation for the
385 elected officer service for as long as he or she remains in an
386 elective office covered by the Elected Officers' Class.

387 2. If any such member serves in an elective office covered
388 by the Elected Officers' Class and becomes vested under that
389 class, he or she shall be entitled to receive an additional
390 retirement benefit for such elected officer service.

391 3. Such member shall be entitled to purchase additional
392 retirement credit in the Elected Officers' Class for any
393 postretirement service performed in an elected position eligible
394 for the Elected Officers' Class before ~~prior to~~ July 1, 1990, or
395 in the Regular Class for any postretirement service performed in
396 any other regularly established position prior to July 1, 1991,
397 by paying the applicable Elected Officers' Class or Regular
398 Class employee and employer contributions for the period being
399 claimed, plus 4 percent interest compounded annually from the
400 first year of service claimed until July 1, 1975, and 6.5
401 percent interest compounded thereafter, until full payment is
402 made to the Florida Retirement System Trust Fund. The
403 contribution for postretirement Regular Class service between
404 July 1, 1985, and July 1, 1991, for which the reemployed retiree
405 contribution was paid, shall be the difference between such
406 contribution and the total applicable contribution for the

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407 period being claimed, plus interest. The employer of such member
408 may pay the applicable employer contribution in lieu of the
409 member. If a member does not wish to claim credit for all of the
410 postretirement service for which he or she is eligible, the
411 service the member claims must be the most recent service.

412 4. Creditable service for which credit was received, or
413 which remained unclaimed, at retirement may not be claimed or
414 applied toward service credit earned following renewed
415 membership. However, service earned in accordance with the
416 renewed membership provisions in s. 121.122 may be used in
417 conjunction with creditable service earned under this paragraph,
418 provided applicable vesting requirements and other existing
419 statutory conditions required by this chapter are met.

420 5. An elected officer who is elected or appointed to an
421 elective office and is participating in the Deferred Retirement
422 Option Program is not subject to termination as provided in s.
423 121.021(39)(b), or reemployment limitations as provided in s.
424 121.091(9), until the end of his or her current term of office
425 or, if the officer is consecutively elected or reelected to an
426 elective office eligible for coverage under the Florida
427 Retirement System, until he or she no longer holds such an
428 elective office, as follows:

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

430 (I) The officer's DROP account shall accrue no additional
431 monthly benefits, but shall continue to earn interest as
432 provided in s. 121.091(13).

433 (II) No retirement contributions shall be required of the
434 employer of the elected officer and no additional retirement
435 credit shall be earned under the Florida Retirement System.

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436 b. Nothing herein shall prevent an elected officer from
437 voluntarily terminating his or her elective office at any time
438 and electing to receive his or her DROP proceeds. However, until
439 termination requirements are fulfilled as provided in s.
440 121.021(39), any elected officer whose termination limitations
441 are extended by this section shall be ineligible for renewed
442 membership in the system and shall receive no pension payments,
443 DROP lump sum payments, or any other state payment other than
444 the statutorily determined salary, travel, and per diem for the
445 elective office.

446 c. Upon termination, the officer shall receive his or her
447 accumulated DROP account, plus interest, and shall accrue and
448 commence receiving monthly retirement benefits, which shall be
449 paid on a prospective basis only.

450

451 However, an officer electing to participate in the Deferred
452 Retirement Option Program on or before June 30, 2002, shall not
453 be required to terminate and shall remain subject to the
454 provisions of this subparagraph as adopted in section 1 of
455 chapter 2001-235, Laws of Florida.

456 (2) Upon attaining his or her normal retirement date and
457 payment of the amount specified in paragraphs (1)(b) and (c)
458 ~~(1)(a) and (b)~~, and upon application to the administrator of the
459 intent to retire, the member shall receive a monthly benefit
460 under this section, in addition to any benefits already being
461 received, which shall commence on the last day of the month of
462 retirement and be payable on the last day of the month
463 thereafter during his or her lifetime. The amount of such
464 monthly benefit shall be the total percentage of retirement

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465 credit purchased under this section multiplied by the member's
466 average monthly compensation as an elected officer, adjusted
467 according to the option selected at retirement under s.
468 121.091(6).

469 Section 4. Paragraph (f) of subsection (1) and paragraphs
470 (c) and (e) of subsection (6) of section 121.055, Florida
471 Statutes, are amended to read:

472 121.055 Senior Management Service Class.—There is hereby
473 established a separate class of membership within the Florida
474 Retirement System to be known as the "Senior Management Service
475 Class," which shall become effective February 1, 1987.

476 (1)

477 (f) Effective July 1, 1997:

478 1. Except as provided in subparagraph 3., any elected state
479 officer eligible for membership in the Elected Officers' Class
480 under s. 121.052(2)(a), (b), or (c) who elects membership in the
481 Senior Management Service Class under s. 121.052(3)(c) may,
482 within 6 months after assuming office or within 6 months after
483 this act becomes a law for serving elected state officers, elect
484 to participate in the Senior Management Service Optional Annuity
485 Program, as provided in subsection (6), in lieu of membership in
486 the Senior Management Service Class.

487 2. Except as provided in subparagraph 3., any elected
488 ~~county~~ officer of a local agency employer eligible for
489 membership in the Elected Officers' Class under s. 121.052(2)(d)
490 who elects membership in the Senior Management Service Class
491 under s. 121.052(3)(c) may, within 6 months after assuming
492 office, or within 6 months after this act becomes a law for
493 serving elected ~~county~~ officers of a local agency employer,

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494 elect to withdraw from the Florida Retirement System ~~participate~~
495 ~~in a lifetime monthly annuity program~~, as provided in
496 subparagraph (b)2., in lieu of membership in the Senior
497 Management Service Class.

498 3. Any retiree of a state-administered retirement system
499 who is initially reemployed on or after January 1, 2010, as an
500 elected official eligible for Elected Officers' Class membership
501 shall not be eligible for renewed membership in the Senior
502 Management Service Class or in the Senior Management Service
503 Optional Annuity Program as provided in subsection (6), or to
504 withdraw from the Florida Retirement System as a renewed member
505 as provided in subparagraph (b)2., as applicable, in lieu of
506 Senior Management Service Class membership.

507 (6)

508 (c) *Participation.*—

509 1. a. Except as provided in b., any eligible employee who
510 is employed on or before February 1, 1987, may elect to
511 participate in the optional annuity program in lieu of
512 participation in the Senior Management Service Class. Such
513 election shall be made in writing and filed with the department
514 and the personnel officer of the employer on or before May 1,
515 1987. Any eligible employee who is employed on or before
516 February 1, 1987, and who fails to make an election to
517 participate in the optional annuity program by May 1, 1987,
518 shall be deemed to have elected membership in the Senior
519 Management Service Class.

520 b. Any retiree of a state-administered retirement system
521 who is initially reemployed on or after January 1, 2010, is not
522 eligible for renewed membership in the Senior Management Service

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523 Optional Annuity Program.

524 2. Any employee who becomes eligible to participate in the
525 optional annuity program by reason of initial employment
526 commencing after February 1, 1987, may, within 90 days after the
527 date of commencement of employment, elect to participate in the
528 optional annuity program. Such election shall be made in writing
529 and filed with the personnel officer of the employer. Any
530 eligible employee who does not within 90 days after commencement
531 of such employment elect to participate in the optional annuity
532 program shall be deemed to have elected membership in the Senior
533 Management Service Class.

534 3. A person who is appointed to a position in the Senior
535 Management Service Class and who is a member of an existing
536 retirement system or the Special Risk or Special Risk
537 Administrative Support Classes of the Florida Retirement System
538 may elect to remain in such system or class in lieu of
539 participation in the Senior Management Service Class or optional
540 annuity program. Such election shall be made in writing and
541 filed with the department and the personnel officer of the
542 employer within 90 days of such appointment. Any eligible
543 employee who fails to make an election to participate in the
544 existing system, the Special Risk Class of the Florida
545 Retirement System, the Special Risk Administrative Support Class
546 of the Florida Retirement System, or the optional annuity
547 program shall be deemed to have elected membership in the Senior
548 Management Service Class.

549 4. Except as provided in subparagraph 5., an employee's
550 election to participate in the optional annuity program is
551 irrevocable as long as such employee continues to be employed in

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552 an eligible position and continues to meet the eligibility
553 requirements set forth in this paragraph.

554 5. Effective from July 1, 2002, through September 30, 2002,
555 any active employee in a regularly established position who has
556 elected to participate in the Senior Management Service Optional
557 Annuity Program has one opportunity to choose to move from the
558 Senior Management Service Optional Annuity Program to the
559 Florida Retirement System defined benefit program.

560 a. The election must be made in writing and must be filed
561 with the department and the personnel officer of the employer
562 before October 1, 2002, or, in the case of an active employee
563 who is on a leave of absence on July 1, 2002, within 90 days
564 after the conclusion of the leave of absence. This election is
565 irrevocable.

566 b. The employee will receive service credit under the
567 defined benefit program of the Florida Retirement System equal
568 to his or her years of service under the Senior Management
569 Service Optional Annuity Program. The cost for such credit shall
570 be an amount representing the present value of that employee's
571 accumulated benefit obligation for the affected period of
572 service.

573 c. The employee must transfer the total accumulated
574 employer contributions and earnings on deposit in his or her
575 Senior Management Service Optional Annuity Program account. If
576 the transferred amount is not sufficient to pay the amount due,
577 the employee must pay a sum representing the remainder of the
578 amount due. In no case may the employee retain any employer
579 contributions or earnings thereon from the Senior Management
580 Service Optional Annuity Program account.

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581 (e) *Benefits.*—

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

595 a. A lump-sum payment to the beneficiary upon the death of
596 the participant;

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

607 c. A mandatory distribution of a de minimis account of a
608 former participant who has been terminated for a minimum of 6
609 months from the employment that entitled him or her to optional

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610 annuity program participation as authorized by the department;
611 or

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

617
618 As used in this subparagraph, a "de minimis account" means an
619 account with a provider company containing employer
620 contributions and accumulated earnings of not more than \$5,000
621 made under this chapter.

622 2. The benefits payable to any person under the Senior
623 Management Service Optional Annuity Program, and any
624 contribution accumulated under such program, shall not be
625 subject to assignment, execution, or attachment or to any legal
626 process whatsoever.

627 3. Except as provided in subparagraph 4., a participant who
628 terminates employment and receives a distribution, including a
629 rollover or trustee-to-trustee transfer, ~~optional annuity~~
630 program benefits funded by employer contributions shall be
631 deemed to be retired from a state-administered retirement system
632 in the event of subsequent employment with any employer that
633 participates in the Florida Retirement System.

634 4. A participant who receives optional annuity program
635 benefits funded by employer contributions as a mandatory
636 distribution of a de minimis account authorized by the
637 department will not be considered a retiree.

638 Section 5. Subsections (9), (13), and (14) of section

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639 121.091, Florida Statutes, are amended to read:

640 121.091 Benefits payable under the system.—Benefits may not
641 be paid under this section unless the member has terminated
642 employment as provided in s. 121.021(39) (a) or begun
643 participation in the Deferred Retirement Option Program as
644 provided in subsection (13), and a proper application has been
645 filed in the manner prescribed by the department. The department
646 may cancel an application for retirement benefits when the
647 member or beneficiary fails to timely provide the information
648 and documents required by this chapter and the department's
649 rules. The department shall adopt rules establishing procedures
650 for application for retirement benefits and for the cancellation
651 of such application when the required information or documents
652 are not received.

653 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

654 (a) Any person who is retired under this chapter, except
655 under the disability retirement provisions of subsection (4),
656 may be employed by any private employer or public employer that
657 does not participate in a state-administered retirement system
658 and may receive compensation from that employment without
659 limiting or restricting in any way the retirement benefits
660 payable to that person.

661 (b) The limitations on receiving a retirement benefit while
662 reemployed by an employer participating in a state-administered
663 retirement system are:

664 1. For retirements effective on or after January 1, 2010,
665 or DROP participation ending on or after January 1, 2010, the
666 retiree may not receive a retirement benefit if receiving salary
667 or wages from reemployment with any agency participating in the

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668 Florida Retirement System subsequent to the date of retirement.
669 However, a DROP participant may continue employment and receive
670 a salary during the period of participation in DROP, as provided
671 in subsection (13). Any person employed in violation of this
672 subparagraph and any employing agency that employs or appoints
673 such person without notifying the Division of Retirement to
674 suspend retirement benefits are jointly and severally liable for
675 any benefits paid during reemployment. To avoid liability, the
676 employing agency must have a written statement from the retiree
677 that he or she is not retired from a state-administered
678 retirement system. Any retirement benefits received by a retired
679 member while reemployed by an employer participating in a state-
680 administered retirement system must be repaid to the Florida
681 Retirement System Trust Fund, and retirement benefits shall
682 remain suspended until repayment is made.

683 2.a. For retirements effective on or after January 1, 2010
684 or DROP participation ending on or after January 1, 2010, there
685 shall be no exceptions to reemployment limitations and the
686 exceptions in subparagraphs (b)4. and 5. do not apply.

687 b. For retirements effective before January 1, 2010, or
688 DROP participation ending before January 1, 2010, a retiree may
689 not receive a salary from reemployment with any agency
690 participating in the Florida Retirement System and retirement
691 benefits under this chapter for 12 calendar months immediately
692 after retirement. However, a DROP participant may continue
693 employment and receive a salary during the period of
694 participation in DROP, as provided in subsection (13). Any
695 person to whom the limitation in this subparagraph applies who
696 is reemployed with any agency participating in the Florida

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697 Retirement System after he or she has been retired and met the
698 definition of termination in s. 121.021(39), but before
699 completion of the 12-month limitation period must give timely
700 notice of this fact in writing to the employer and to the
701 Division of Retirement and shall have his or her retirement
702 benefits suspended while employed during the balance of the 12-
703 month limitation period unless the person exceeds the 780-hour
704 reemployment limitation set forth in law. Any person employed in
705 violation of this sub-subparagraph and any employing agency that
706 employs or appoints such person without notifying the division
707 to suspend retirement benefits are jointly and severally liable
708 for any benefits paid during the reemployment limitation period.
709 To avoid liability, the employing agency must have a written
710 statement from the retiree that he or she is not retired from a
711 state-administered retirement system. Any retirement benefits
712 received by a retired member while reemployed during this
713 reemployment limitation period must be repaid to the Florida
714 Retirement System Trust Fund, and retirement benefits shall
715 remain suspended until repayment is made. Benefits suspended
716 beyond the reemployment limitation shall apply toward repayment
717 of benefits received in violation of the reemployment
718 limitation.

719 3.a. A district school board may reemploy a retired member
720 as a substitute or hourly teacher, education paraprofessional,
721 transportation assistant, bus driver, or food service worker on
722 a noncontractual basis after he or she has been retired and met
723 the definition of termination in s. 121.021(39). A district
724 school board may reemploy a retired member as instructional
725 personnel, as defined in s. 1012.01(2)(a), on an annual

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726 contractual basis after he or she has met the definition of
727 termination in s. 121.021(39). Any other retired member who is
728 reemployed before meeting the definition of termination voids
729 his or her application for retirement benefits. A district
730 school board that reemploys such teachers, education
731 paraprofessionals, transportation assistants, bus drivers, or
732 food service workers is subject to the retirement contribution
733 required by law.

734 b. A community college board of trustees may reemploy a
735 retired member as an adjunct instructor or as a participant in a
736 phased retirement program within the Florida Community College
737 System after he or she has been retired and met the definition
738 of termination in s. 121.021(39). Any retired member who is
739 reemployed within 1 calendar month after retirement voids his or
740 her application for retirement benefits. A board of trustees
741 that reemploys such instructors are subject to the retirement
742 contribution required by law. A retired member may be reemployed
743 as an adjunct instructor for no more than 780 hours during the
744 first 12 calendar months of retirement. Any retired member
745 reemployed for more than 780 hours during the first 12 months of
746 retirement must give timely notice in writing to the employer
747 and to the Division of Retirement of the date he or she will
748 exceed the limitation. The division shall suspend his or her
749 retirement benefits for the remainder of the 12-month limitation
750 period. Any person employed in violation of this subparagraph
751 and any employing agency that employs or appoints such person
752 without notifying the division to suspend retirement benefits
753 are jointly and severally liable for any benefits paid during
754 the reemployment limitation period. The retiree must submit a

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755 written statement to the employing agency stating that he or she
756 is not retired from a state-administered retirement system. Any
757 retirement benefits received by a retired member while
758 reemployed in excess of 780 hours during the 12-month limitation
759 period must be repaid to the Florida Retirement System Trust
760 Fund, and retirement benefits shall remain suspended until
761 repayment is made. Benefits suspended beyond the end of the 12-
762 month limitation period shall apply toward repayment of benefits
763 received in violation of the 780-hour reemployment limitation.

764 c. The State University System may reemploy a retired
765 member as an adjunct faculty member or as a participant in a
766 phased retirement program within the State University System
767 after the retired member has met the definition of termination
768 in s. 121.021(39). Any retired member who is reemployed before
769 meeting the definition of termination voids his or her
770 application for retirement benefits. The State University System
771 is subject to the retired contribution required in subparagraph
772 3., as appropriate. A retired member may be reemployed as an
773 adjunct faculty member or a participant in a phased retirement
774 program for no more than 780 hours during the first 12 calendar
775 months of his or her retirement. Any retired member reemployed
776 for more than 780 hours during the 12-month limitation period
777 shall give timely notice in writing to the employer and to the
778 Division of Retirement of the date he or she will exceed the
779 limitation. The division shall suspend his or her retirement
780 benefits for the remainder of the 12-month limitation period.
781 Any person employed in violation of this subparagraph and any
782 employing agency that employs or appoints such person without
783 notifying the division to suspend retirement benefits are

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784 jointly and severally liable for any benefits paid during the
785 reemployment limitation period. The retiree must submit a
786 written statement to the employing agency stating that he or she
787 is not retired from a state-administered retirement system. Any
788 retirement benefits received by a retired member while
789 reemployed in excess of 780 hours during the first 12 months of
790 retirement must be repaid to the Florida Retirement System Trust
791 Fund, and retirement benefits remain suspended until repayment
792 is made. Benefits suspended beyond the end of the retired
793 member's 12-month limitation period shall apply toward repayment
794 of benefits received in violation of the 780-hour reemployment
795 limitation.

796 d. The Board of Trustees of the Florida School for the Deaf
797 and the Blind may reemploy a retired member as a substitute
798 teacher, substitute residential instructor, or substitute nurse
799 on a noncontractual basis after he or she has met the definition
800 of termination in s. 121.021(39). The Board of Trustees of the
801 Florida School for the Deaf and the Blind may reemploy a retired
802 member as instructional personnel, as defined in s. 1012.01(2),
803 on an annual contractual basis after he or she has been retired
804 and met the definition of termination in s. 121.021(39). Any
805 retired member who is reemployed before meeting the definition
806 of termination voids his or her application for retirement
807 benefits. The Board of Trustees of the Florida School for the
808 Deaf and the Blind reemploying such teachers, residential
809 instructors, or nurses is subject to the retirement contribution
810 required by this subparagraph.

811 e. A developmental research school may reemploy a retired
812 member as a substitute or hourly teacher or an education

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813 paraprofessional, as defined in s. 1012.01(2), on a
814 noncontractual basis after he or she has been retired and met
815 the definition of termination in s. 121.021(39). A developmental
816 research school may reemploy a retired member as instructional
817 personnel, as defined in s. 1012.01(2), on an annual contractual
818 basis after he or she has been retired and met the definition of
819 termination in s. 121.021(39). A developmental research school
820 that reemploys retired teachers and education paraprofessionals
821 are subject to the retirement contribution required by
822 subparagraph 3.

823 f. A charter school may reemploy a retired member as a
824 substitute or hourly teacher on a noncontractual basis after he
825 or she has been retired and met the definition of termination in
826 s. 121.021(39). A charter school may reemploy a retired member
827 as instructional personnel, as defined in s. 1012.01(2), on an
828 annual contractual basis after he or she has been retired and
829 met the definition of termination in s. 121.021(39). A charter
830 school that reemploys such members is subject to the retirement
831 contribution required by this subparagraph.

832 g. An employing agency may reemploy a retired member as a
833 firefighter or paramedic after the retired member has been
834 retired and met the definition of termination in s. 121.021(39).
835 Any retired member who is reemployed within 1 calendar month
836 after retirement shall void his or her application for
837 retirement benefits. The employing agency reemploying such
838 firefighter or paramedic is subject to the retired contribution
839 required in this subparagraph. Reemployment of a retired
840 firefighter or paramedic is limited to no more than 780 hours
841 during the first 12 calendar months of his or her retirement.

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842 Any retired member reemployed for more than 780 hours during the
843 first 12 months of retirement must give timely notice in writing
844 to the employer and to the Division of Retirement of the date he
845 or she will exceed the limitation. The division shall suspend
846 his or her retirement benefits for the remainder of the 12-month
847 limitation period. Any person employed in violation of this
848 subparagraph and any employing agency that employs or appoints
849 such person without notifying the division to suspend retirement
850 benefits are jointly and severally liable for any benefits paid
851 during the reemployment limitation period. The retiree must
852 submit a written statement to the employing agency stating that
853 he or she is not retired from a state-administered retirement
854 system. Any retirement benefits received by a retired member
855 while reemployed in excess of 780 hours during the 12-month
856 limitation period must be repaid to the Florida Retirement
857 System Trust Fund, and retirement benefits shall remain
858 suspended until repayment is made. Benefits suspended beyond the
859 end of the 12-month limitation period shall apply toward
860 repayment of benefits received in violation of the 780-hour
861 reemployment limitation.

862 4.a. The employment of a retiree or DROP participant of a
863 state-administered retirement system does not affect the average
864 final compensation or years of creditable service of the retiree
865 or DROP participant.

866 b.(I) Before to July 1, 1991, upon employment of any
867 person, other than an elected officer as provided in s. 121.053,
868 who is retired under a state-administered retirement program,
869 the employer shall pay retirement contributions in an amount
870 equal to the unfunded actuarial liability portion of the

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871 employer contribution which would be required for regular
872 members of the Florida Retirement System.

873 (II) For retirees initially reemployed from July 1, 1991,
874 through December 31, 2009, contributions shall be made as
875 provided in s. 121.122 for retirees who have renewed membership
876 or as provided in subsection (13) for DROP participants.

877 c. Any person who is retired under a state-administered
878 retirement program and who is initially reemployed on or after
879 January 1, 2010, may not renew membership in the Florida
880 Retirement System. The employer shall pay retirement
881 contributions in an amount equal to the unfunded actuarial
882 liability portion of the employer contribution that would be
883 required for active members of the Florida Retirement System in
884 addition to the contributions required by s. 121.76.

885 5.a. Any person who has retired and who is holding an
886 elective public office or an appointment to an elective public
887 office eligible for the Elected Officers' Class on or after July
888 1, 1990, and initially enrolled through December 31, 2009, shall
889 be enrolled in the Florida Retirement System as provided in s.
890 121.053(1)(c) or, if holding an elective public office that does
891 not qualify for the Elected Officers' Class on or after July 1,
892 1991, and initially enrolled through December 31, 2009, shall be
893 enrolled in the Florida Retirement System as provided in s.
894 121.122, and shall continue to receive retirement benefits as
895 well as compensation for the elected officer's service for as
896 long as he or she remains in elective office. However, any
897 retired member who served in an elective office before July 1,
898 1990, suspended his or her retirement benefit, and had his or
899 her Florida Retirement System membership reinstated shall, upon

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900 retirement from such office, have his or her retirement benefit
901 recalculated to include the additional service and compensation
902 earned.

903 b. A retiree with renewed membership established before
904 January 1, 2010, and who is not receiving a benefit based on
905 this service, who is elected or appointed to an elective office
906 shall become a member of the Elected Officers' Class or the
907 Regular Class depending upon the designation for the position.

908 c. A retiree who is elected or appointed to an elective
909 office on or after January 1, 2010, and who is initially
910 reemployed in a position covered by the Florida Retirement
911 System shall not be enrolled in the Florida Retirement System
912 and shall not receive retirement benefits after meeting the
913 definition of termination in s. 121.021(39).

914 6. Any person who is holding an elective public office
915 which is covered by the Florida Retirement System and who is
916 concurrently employed in nonelected covered employment may elect
917 to retire while continuing employment in the elective public
918 office if he or she terminates his or her nonelected covered
919 employment.

920 a. For retirements effective before January 1, 2010, or
921 DROP participation ending before January 1, 2010, any person who
922 exercises this election shall receive his or her retirement
923 benefits in addition to the compensation of the elective office
924 without regard to the time limitations otherwise provided in
925 this subsection. A person who seeks to exercise the provisions
926 of this subparagraph, as they existed before May 3, 1984, may
927 not be deemed to be retired under those provisions unless the
928 person is eligible to retire under the provisions of this

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929 subparagraph as amended by chapter 84-11, Laws of Florida.

930 b. For retirements effective on or after January 1, 2010 or
931 DROP participation ending on or after January 1, 2010, any
932 person who exercises this election shall not receive his or her
933 retirement benefits in addition to the compensation of the
934 elective office.

935 7. The limitations of this paragraph apply to reemployment
936 in any capacity with an employer irrespective of the category of
937 funds from which the person is compensated.

938 8. This paragraph regarding reemployment after retirement
939 applies to DROP participants effective upon termination from
940 employment and the end of DROP participation.

941 (c) This subsection applies to retirees, as defined in s.
942 121.4501(2), of the Public Employee Optional Retirement Program
943 created in part II, subject to the following conditions:

944 1. Such retirees may not be reemployed with an employer
945 participating in the Florida Retirement System as provided in
946 paragraph (b) until the person has been retired for 3 calendar
947 months, unless the participant has reached the normal retirement
948 requirements of the defined benefit plan as provided in s.
949 121.021(29).

950 2. The retiree employed in violation of this subsection and
951 any employing agency that employs or appoints such person shall
952 be jointly and severally liable for reimbursement of any
953 benefits paid to the retirement trust fund from which the
954 benefits were paid, including the Retirement System Trust Fund
955 and the Public Employee Optional Retirement Program Trust Fund,
956 as appropriate. To be employed, the retiree must submit to the
957 employing agency a written statement that he or she is not

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958 retired from a state-administered retirement system.

959 ~~(a) Any person who is retired under this chapter, except~~
960 ~~under the disability retirement provisions of subsection (4),~~
961 ~~may be employed by an employer that does not participate in a~~
962 ~~state-administered retirement system and may receive~~
963 ~~compensation from that employment without limiting or~~
964 ~~restricting in any way the retirement benefits payable to that~~
965 ~~person.~~

966 ~~(b)1. Any person who is retired under this chapter, except~~
967 ~~under the disability retirement provisions of subsection (4),~~
968 ~~may be reemployed by any private or public employer after~~
969 ~~retirement and receive retirement benefits and compensation from~~
970 ~~his or her employer without any limitations, except that a~~
971 ~~person may not receive both a salary from reemployment with any~~
972 ~~agency participating in the Florida Retirement System and~~
973 ~~retirement benefits under this chapter for a period of 12 months~~
974 ~~immediately subsequent to the date of retirement. However, a~~
975 ~~DROP participant shall continue employment and receive a salary~~
976 ~~during the period of participation in the Deferred Retirement~~
977 ~~Option Program, as provided in subsection (13).~~

978 ~~2. Any person to whom the limitation in subparagraph 1.~~
979 ~~applies who violates such reemployment limitation and who is~~
980 ~~reemployed with any agency participating in the Florida~~
981 ~~Retirement System before completion of the 12-month limitation~~
982 ~~period shall give timely notice of this fact in writing to the~~
983 ~~employer and to the division and shall have his or her~~
984 ~~retirement benefits suspended for the balance of the 12-month~~
985 ~~limitation period. Any person employed in violation of this~~
986 ~~paragraph and any employing agency which knowingly employs or~~

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987 ~~appoints such person without notifying the Division of~~
988 ~~Retirement to suspend retirement benefits shall be jointly and~~
989 ~~severally liable for reimbursement to the retirement trust fund~~
990 ~~of any benefits paid during the reemployment limitation period.~~
991 ~~To avoid liability, such employing agency shall have a written~~
992 ~~statement from the retiree that he or she is not retired from a~~
993 ~~state-administered retirement system. Any retirement benefits~~
994 ~~received while reemployed during this reemployment limitation~~
995 ~~period shall be repaid to the retirement trust fund, and~~
996 ~~retirement benefits shall remain suspended until such repayment~~
997 ~~has been made. Benefits suspended beyond the reemployment~~
998 ~~limitation shall apply toward repayment of benefits received in~~
999 ~~violation of the reemployment limitation.~~

1000 ~~3. A district school board may reemploy a retired member as~~
1001 ~~a substitute or hourly teacher, education paraprofessional,~~
1002 ~~transportation assistant, bus driver, or food service worker on~~
1003 ~~a noncontractual basis after he or she has been retired for 1~~
1004 ~~calendar month, in accordance with s. 121.021(39). A district~~
1005 ~~school board may reemploy a retired member as instructional~~
1006 ~~personnel, as defined in s. 1012.01(2)(a), on an annual~~
1007 ~~contractual basis after he or she has been retired for 1~~
1008 ~~calendar month, in accordance with s. 121.021(39). Any other~~
1009 ~~retired member who is reemployed within 1 calendar month after~~
1010 ~~retirement shall void his or her application for retirement~~
1011 ~~benefits. District school boards reemploying such teachers,~~
1012 ~~education paraprofessionals, transportation assistants, bus~~
1013 ~~drivers, or food service workers are subject to the retirement~~
1014 ~~contribution required by subparagraph 7.~~

1015 ~~4. A community college board of trustees may reemploy a~~

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1016 ~~retired member as an adjunct instructor, that is, an instructor~~
1017 ~~who is noncontractual and part-time, or as a participant in a~~
1018 ~~phased retirement program within the Florida Community College~~
1019 ~~System, after he or she has been retired for 1 calendar month,~~
1020 ~~in accordance with s. 121.021(39). Any retired member who is~~
1021 ~~reemployed within 1 calendar month after retirement shall void~~
1022 ~~his or her application for retirement benefits. Boards of~~
1023 ~~trustees reemploying such instructors are subject to the~~
1024 ~~retirement contribution required in subparagraph 7. A retired~~
1025 ~~member may be reemployed as an adjunct instructor for no more~~
1026 ~~than 780 hours during the first 12 months of retirement. Any~~
1027 ~~retired member reemployed for more than 780 hours during the~~
1028 ~~first 12 months of retirement shall give timely notice in~~
1029 ~~writing to the employer and to the division of the date he or~~
1030 ~~she will exceed the limitation. The division shall suspend his~~
1031 ~~or her retirement benefits for the remainder of the first 12~~
1032 ~~months of retirement. Any person employed in violation of this~~
1033 ~~subparagraph and any employing agency which knowingly employs or~~
1034 ~~appoints such person without notifying the Division of~~
1035 ~~Retirement to suspend retirement benefits shall be jointly and~~
1036 ~~severally liable for reimbursement to the retirement trust fund~~
1037 ~~of any benefits paid during the reemployment limitation period.~~
1038 ~~To avoid liability, such employing agency shall have a written~~
1039 ~~statement from the retiree that he or she is not retired from a~~
1040 ~~state-administered retirement system. Any retirement benefits~~
1041 ~~received by a retired member while reemployed in excess of 780~~
1042 ~~hours during the first 12 months of retirement shall be repaid~~
1043 ~~to the Retirement System Trust Fund, and retirement benefits~~
1044 ~~shall remain suspended until repayment is made. Benefits~~

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1045 ~~suspended beyond the end of the retired member's first 12 months~~
1046 ~~of retirement shall apply toward repayment of benefits received~~
1047 ~~in violation of the 780-hour reemployment limitation.~~

1048 ~~5. The State University System may reemploy a retired~~
1049 ~~member as an adjunct faculty member or as a participant in a~~
1050 ~~phased retirement program within the State University System~~
1051 ~~after the retired member has been retired for 1 calendar month,~~
1052 ~~in accordance with s. 121.021(39). Any retired member who is~~
1053 ~~reemployed within 1 calendar month after retirement shall void~~
1054 ~~his or her application for retirement benefits. The State~~
1055 ~~University System is subject to the retired contribution~~
1056 ~~required in subparagraph 7., as appropriate. A retired member~~
1057 ~~may be reemployed as an adjunct faculty member or a participant~~
1058 ~~in a phased retirement program for no more than 780 hours during~~
1059 ~~the first 12 months of his or her retirement. Any retired member~~
1060 ~~reemployed for more than 780 hours during the first 12 months of~~
1061 ~~retirement shall give timely notice in writing to the employer~~
1062 ~~and to the division of the date he or she will exceed the~~
1063 ~~limitation. The division shall suspend his or her retirement~~
1064 ~~benefits for the remainder of the first 12 months of retirement.~~
1065 ~~Any person employed in violation of this subparagraph and any~~
1066 ~~employing agency which knowingly employs or appoints such person~~
1067 ~~without notifying the Division of Retirement to suspend~~
1068 ~~retirement benefits shall be jointly and severally liable for~~
1069 ~~reimbursement to the retirement trust fund of any benefits paid~~
1070 ~~during the reemployment limitation period. To avoid liability,~~
1071 ~~such employing agency shall have a written statement from the~~
1072 ~~retiree that he or she is not retired from a state-administered~~
1073 ~~retirement system. Any retirement benefits received by a retired~~

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1074 ~~member while reemployed in excess of 780 hours during the first~~
1075 ~~12 months of retirement shall be repaid to the Retirement System~~
1076 ~~Trust Fund, and retirement benefits shall remain suspended until~~
1077 ~~repayment is made. Benefits suspended beyond the end of the~~
1078 ~~retired member's first 12 months of retirement shall apply~~
1079 ~~toward repayment of benefits received in violation of the 780-~~
1080 ~~hour reemployment limitation.~~

1081 ~~6. The Board of Trustees of the Florida School for the Deaf~~
1082 ~~and the Blind may reemploy a retired member as a substitute~~
1083 ~~teacher, substitute residential instructor, or substitute nurse~~
1084 ~~on a noncontractual basis after he or she has been retired for 1~~
1085 ~~calendar month, in accordance with s. 121.021(39). Any retired~~
1086 ~~member who is reemployed within 1 calendar month after~~
1087 ~~retirement shall void his or her application for retirement~~
1088 ~~benefits. The Board of Trustees of the Florida School for the~~
1089 ~~Deaf and the Blind reemploying such teachers, residential~~
1090 ~~instructors, or nurses is subject to the retirement contribution~~
1091 ~~required by subparagraph 7. Reemployment of a retired member as~~
1092 ~~a substitute teacher, substitute residential instructor, or~~
1093 ~~substitute nurse is limited to 780 hours during the first 12~~
1094 ~~months of his or her retirement. Any retired member reemployed~~
1095 ~~for more than 780 hours during the first 12 months of retirement~~
1096 ~~shall give timely notice in writing to the employer and to the~~
1097 ~~division of the date he or she will exceed the limitation. The~~
1098 ~~division shall suspend his or her retirement benefits for the~~
1099 ~~remainder of the first 12 months of retirement. Any person~~
1100 ~~employed in violation of this subparagraph and any employing~~
1101 ~~agency which knowingly employs or appoints such person without~~
1102 ~~notifying the Division of Retirement to suspend retirement~~

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1103 ~~benefits shall be jointly and severally liable for reimbursement~~
1104 ~~to the retirement trust fund of any benefits paid during the~~
1105 ~~reemployment limitation period. To avoid liability, such~~
1106 ~~employing agency shall have a written statement from the retiree~~
1107 ~~that he or she is not retired from a state-administered~~
1108 ~~retirement system. Any retirement benefits received by a retired~~
1109 ~~member while reemployed in excess of 780 hours during the first~~
1110 ~~12 months of retirement shall be repaid to the Retirement System~~
1111 ~~Trust Fund, and his or her retirement benefits shall remain~~
1112 ~~suspended until payment is made. Benefits suspended beyond the~~
1113 ~~end of the retired member's first 12 months of retirement shall~~
1114 ~~apply toward repayment of benefits received in violation of the~~
1115 ~~780-hour reemployment limitation.~~

1116 ~~7. The employment by an employer of any retiree or DROP~~
1117 ~~participant of any state-administered retirement system shall~~
1118 ~~have no effect on the average final compensation or years of~~
1119 ~~creditable service of the retiree or DROP participant. Prior to~~
1120 ~~July 1, 1991, upon employment of any person, other than an~~
1121 ~~elected officer as provided in s. 121.053, who has been retired~~
1122 ~~under any state-administered retirement program, the employer~~
1123 ~~shall pay retirement contributions in an amount equal to the~~
1124 ~~unfunded actuarial liability portion of the employer~~
1125 ~~contribution which would be required for regular members of the~~
1126 ~~Florida Retirement System. Effective July 1, 1991, contributions~~
1127 ~~shall be made as provided in s. 121.122 for retirees with~~
1128 ~~renewed membership or subsection (13) with respect to DROP~~
1129 ~~participants.~~

1130 ~~8. Any person who has previously retired and who is holding~~
1131 ~~an elective public office or an appointment to an elective~~

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1132 ~~public office eligible for the Elected Officers' Class on or~~
1133 ~~after July 1, 1990, shall be enrolled in the Florida Retirement~~
1134 ~~System as provided in s. 121.053(1)(b) or, if holding an~~
1135 ~~elective public office that does not qualify for the Elected~~
1136 ~~Officers' Class on or after July 1, 1991, shall be enrolled in~~
1137 ~~the Florida Retirement System as provided in s. 121.122, and~~
1138 ~~shall continue to receive retirement benefits as well as~~
1139 ~~compensation for the elected officer's service for as long as he~~
1140 ~~or she remains in elective office. However, any retired member~~
1141 ~~who served in an elective office prior to July 1, 1990,~~
1142 ~~suspended his or her retirement benefit, and had his or her~~
1143 ~~Florida Retirement System membership reinstated shall, upon~~
1144 ~~retirement from such office, have his or her retirement benefit~~
1145 ~~recalculated to include the additional service and compensation~~
1146 ~~earned.~~

1147 ~~9. Any person who is holding an elective public office~~
1148 ~~which is covered by the Florida Retirement System and who is~~
1149 ~~concurrently employed in nonelected covered employment may elect~~
1150 ~~to retire while continuing employment in the elective public~~
1151 ~~office, provided that he or she shall be required to terminate~~
1152 ~~his or her nonelected covered employment. Any person who~~
1153 ~~exercises this election shall receive his or her retirement~~
1154 ~~benefits in addition to the compensation of the elective office~~
1155 ~~without regard to the time limitations otherwise provided in~~
1156 ~~this subsection. No person who seeks to exercise the provisions~~
1157 ~~of this subparagraph, as the same existed prior to May 3, 1984,~~
1158 ~~shall be deemed to be retired under those provisions, unless~~
1159 ~~such person is eligible to retire under the provisions of this~~
1160 ~~subparagraph, as amended by chapter 84-11, Laws of Florida.~~

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1161 ~~10. The limitations of this paragraph apply to reemployment~~
1162 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~
1163 ~~irrespective of the category of funds from which the person is~~
1164 ~~compensated.~~

1165 ~~11. An employing agency may reemploy a retired member as a~~
1166 ~~firefighter or paramedic after the retired member has been~~
1167 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~
1168 ~~Any retired member who is reemployed within 1 calendar month~~
1169 ~~after retirement shall void his or her application for~~
1170 ~~retirement benefits. The employing agency reemploying such~~
1171 ~~firefighter or paramedic is subject to the retired contribution~~
1172 ~~required in subparagraph 8. Reemployment of a retired~~
1173 ~~firefighter or paramedic is limited to no more than 780 hours~~
1174 ~~during the first 12 months of his or her retirement. Any retired~~
1175 ~~member reemployed for more than 780 hours during the first 12~~
1176 ~~months of retirement shall give timely notice in writing to the~~
1177 ~~employer and to the division of the date he or she will exceed~~
1178 ~~the limitation. The division shall suspend his or her retirement~~
1179 ~~benefits for the remainder of the first 12 months of retirement.~~
1180 ~~Any person employed in violation of this subparagraph and any~~
1181 ~~employing agency which knowingly employs or appoints such person~~
1182 ~~without notifying the Division of Retirement to suspend~~
1183 ~~retirement benefits shall be jointly and severally liable for~~
1184 ~~reimbursement to the Retirement System Trust Fund of any~~
1185 ~~benefits paid during the reemployment limitation period. To~~
1186 ~~avoid liability, such employing agency shall have a written~~
1187 ~~statement from the retiree that he or she is not retired from a~~
1188 ~~state-administered retirement system. Any retirement benefits~~
1189 ~~received by a retired member while reemployed in excess of 780~~

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1190 ~~hours during the first 12 months of retirement shall be repaid~~
1191 ~~to the Retirement System Trust Fund, and retirement benefits~~
1192 ~~shall remain suspended until repayment is made. Benefits~~
1193 ~~suspended beyond the end of the retired member's first 12 months~~
1194 ~~of retirement shall apply toward repayment of benefits received~~
1195 ~~in violation of the 780-hour reemployment limitation.~~

1196 ~~(c) The provisions of this subsection apply to retirees, as~~
1197 ~~defined in s. 121.4501(2)(j), of the Public Employee Optional~~
1198 ~~Retirement Program created in part II, subject to the following~~
1199 ~~conditions:~~

1200 ~~1. Such retirees may not be reemployed with an employer~~
1201 ~~participating in the Florida Retirement System as provided in~~
1202 ~~paragraph (b) until such person has been retired for 3 calendar~~
1203 ~~months, unless the participant has reached the normal retirement~~
1204 ~~requirements of the defined benefit plan as provided in s.~~
1205 ~~121.021(29).~~

1206 ~~2. Such retiree employed in violation of this subsection~~
1207 ~~and any employing agency that knowingly employs or appoints such~~
1208 ~~person shall be jointly and severally liable for reimbursement~~
1209 ~~of any benefits paid to the retirement trust fund from which the~~
1210 ~~benefits were paid, including the Retirement System Trust Fund~~
1211 ~~and the Public Employee Optional Retirement Program Trust Fund,~~
1212 ~~as appropriate. To avoid liability, such employing agency must~~
1213 ~~have a written statement from the retiree that he or she is not~~
1214 ~~retired from a state-administered retirement system.~~

1215 ~~(13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and~~
1216 ~~subject to the provisions of this section, the Deferred~~
1217 ~~Retirement Option Program, hereinafter referred to as the DROP,~~
1218 ~~is a program under which an eligible member of the Florida~~

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1219 Retirement System may elect to participate, deferring receipt of
1220 retirement benefits while continuing employment with his or her
1221 Florida Retirement System employer. The deferred monthly
1222 benefits shall accrue in the Florida Retirement System Trust
1223 Fund on behalf of the participant, plus interest compounded
1224 monthly, for the specified period of ~~the~~ DROP participation, as
1225 provided in paragraph (c). Upon termination of employment, the
1226 participant shall receive the total DROP benefits and begin to
1227 receive the previously determined normal retirement benefits.
1228 Participation in ~~the~~ DROP does not guarantee employment for the
1229 specified period of DROP. Participation in ~~the~~ DROP by an
1230 eligible member beyond the initial 60-month period as authorized
1231 in this subsection shall be on an annual contractual basis for
1232 all participants.

1233 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All
1234 active Florida Retirement System members in a regularly
1235 established position, and all active members of ~~either~~ the
1236 Teachers' Retirement System established in chapter 238 or the
1237 State and County Officers' and Employees' Retirement System
1238 established in chapter 122, which systems are consolidated
1239 within the Florida Retirement System under s. 121.011, are
1240 eligible to elect participation in ~~the~~ DROP if provided that:

1241 1. The member is not a renewed member of ~~the Florida~~
1242 ~~Retirement System~~ under s. 121.122, or a member of the State
1243 Community College System Optional Retirement Program under s.
1244 121.051, the Senior Management Service Optional Annuity Program
1245 under s. 121.055, or the optional retirement program for the
1246 State University System under s. 121.35.

1247 2. Except as provided in subparagraph 6., election to

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1248 participate is made within 12 months immediately following the
1249 date on which the member first reaches normal retirement date,
1250 or, for a member who reaches normal retirement date ~~based on~~
1251 ~~service~~ before he or she reaches age 62, or age 55 for Special
1252 Risk Class members, election to participate may be deferred to
1253 the 12 months immediately following the date the member attains
1254 57, or age 52 for Special Risk Class members. A member who
1255 delays DROP participation during the 12-month period immediately
1256 following his or her maximum DROP deferral date, except as
1257 provided in subparagraph 6., loses a month of DROP participation
1258 for each month delayed. ~~For a member who first reached normal~~
1259 ~~retirement date or the deferred eligibility date described above~~
1260 ~~prior to the effective date of this section, election to~~
1261 ~~participate shall be made within 12 months after the effective~~
1262 ~~date of this section.~~ A member who fails to make an election
1263 within the such 12-month limitation period forfeits shall
1264 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member shall
1265 advise his or her employer and the division in writing of the
1266 date ~~on which the~~ DROP begins shall begin. The Such beginning
1267 date may be subsequent to the 12-month election period, but must
1268 be within the original 60-month participation ~~or, with respect~~
1269 ~~to members who are instructional personnel employed by the~~
1270 ~~Florida School for the Deaf and the Blind and who have received~~
1271 ~~authorization by the Board of Trustees of the Florida School for~~
1272 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1273 ~~months, or who are instructional personnel as defined in s.~~
1274 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
1275 ~~authorization by the district school superintendent to~~
1276 ~~participate in the DROP beyond 60 months, the 96-month~~

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1277 ~~limitation~~ period as provided in subparagraph (b)1. When
1278 establishing eligibility of the member to participate in ~~the~~
1279 ~~DROP for the 60-month or, with respect to members who are~~
1280 ~~instructional personnel employed by the Florida School for the~~
1281 ~~Deaf and the Blind and who have received authorization by the~~
1282 ~~Board of Trustees of the Florida School for the Deaf and the~~
1283 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1284 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1285 ~~grades K-12 and who have received authorization by the district~~
1286 ~~school superintendent to participate in the DROP beyond 60~~
1287 ~~months, the 96-month maximum participation period, the member~~
1288 may elect to include or exclude any optional service credit
1289 purchased by the member from the total service used to establish
1290 the normal retirement date. A member who has ~~with~~ dual normal
1291 retirement dates is ~~shall be~~ eligible to elect to participate in
1292 DROP ~~within 12 months~~ after attaining normal retirement date in
1293 either class.

1294 3. The employer of a member electing to participate in ~~the~~
1295 DROP, or employers if dually employed, shall acknowledge in
1296 writing to the division the date the member's participation in
1297 ~~the~~ DROP begins and the date the member's employment and DROP
1298 participation will terminate.

1299 4. Simultaneous employment of a participant by additional
1300 Florida Retirement System employers subsequent to the
1301 commencement of participation in ~~the~~ DROP is ~~shall be~~
1302 permissible if the ~~provided such~~ employers acknowledge in
1303 writing a DROP termination date no later than the participant's
1304 existing termination date or the ~~60-month limitation~~ period as
1305 provided in subparagraph (b)1.

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1306 5. A DROP participant may change employers while
1307 participating in ~~the~~ DROP, subject to the following:

1308 a. A change of employment must take place without a break
1309 in service so that the member receives salary for each month of
1310 continuous DROP participation. If a member receives no salary
1311 during a month, DROP participation shall cease unless the
1312 employer verifies a continuation of the employment relationship
1313 for such participant pursuant to s. 121.021(39)(b).

1314 b. Such participant and new employer shall notify the
1315 division of the identity of the new employer on forms required
1316 by the division ~~as to the identity of the new employer~~.

1317 c. The new employer shall acknowledge, in writing, the
1318 participant's DROP termination date, which may be extended but
1319 not beyond the maximum participation ~~original 60-month or, with~~
1320 ~~respect to members who are instructional personnel employed by~~
1321 ~~the Florida School for the Deaf and the Blind and who have~~
1322 ~~received authorization by the Board of Trustees of the Florida~~
1323 ~~School for the Deaf and the Blind to participate in the DROP~~
1324 ~~beyond 60 months, or who are instructional personnel as defined~~
1325 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
1326 ~~authorization by the district school superintendent to~~
1327 ~~participate in the DROP beyond 60 months, the 96-month period~~
1328 provided in subparagraph (b)1., shall acknowledge liability for
1329 any additional retirement contributions and interest required if
1330 the participant fails to timely terminate employment, and is
1331 ~~shall be~~ subject to the adjustment required in sub-subparagraph
1332 (c)5.d.

1333 6. Effective July 1, 2001, for instructional personnel as
1334 defined in s. 1012.01(2), election to participate in ~~the~~ DROP is

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1335 ~~shall be~~ made at any time following the date on which the member
 1336 first reaches normal retirement date. The member shall advise
 1337 his or her employer and the division in writing of the date on
 1338 which DROP begins ~~the Deferred Retirement Option Program shall~~
 1339 ~~begin~~. When establishing eligibility of the member to
 1340 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
 1341 ~~members who are instructional personnel employed by the Florida~~
 1342 ~~School for the Deaf and the Blind and who have received~~
 1343 ~~authorization by the Board of Trustees of the Florida School for~~
 1344 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
 1345 ~~months, or who are instructional personnel as defined in s.~~
 1346 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
 1347 ~~authorization by the district school superintendent to~~
 1348 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
 1349 ~~participation period,~~ as provided in subparagraph (b)1., the
 1350 member may elect to include or exclude any optional service
 1351 credit purchased by the member from the total service used to
 1352 establish the normal retirement date. A member who has ~~with~~ dual
 1353 normal retirement dates is ~~shall be~~ eligible to elect to
 1354 participate in either class.

1355 (b) *Participation in ~~the~~ DROP.*-

1356 1.a. Except as provided in sub-subparagraph b., an eligible
 1357 member may elect to participate in ~~the~~ DROP for a period not to
 1358 exceed a maximum of 60 calendar months. ~~or, with respect to~~

1359 b. Members who are instructional personnel employed by the
 1360 Florida School for the Deaf and the Blind and authorized ~~who~~
 1361 ~~have received authorization~~ by the Board of Trustees of the
 1362 Florida School for the Deaf and the Blind ~~to participate in the~~
 1363 ~~DROP beyond 60 months,~~ or who are instructional personnel as

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1364 defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized
1365 ~~who have received authorization~~ by the district school
1366 superintendent ~~to participate in the DROP beyond 60 calendar~~
1367 months, or who are instructional personnel as defined in s.
1368 1012.01(2) employed by a developmental research school and
1369 authorized by the school's director, or if the school has no
1370 director, by the school's principal, may participate in DROP for
1371 up to 36 calendar months beyond the 60-month period specified in
1372 sub-subparagraph a. 96 calendar months immediately following the
1373 ~~date on which the member first reaches his or her normal~~
1374 ~~retirement date or the date to which he or she is eligible to~~
1375 ~~defer his or her election to participate as provided in~~
1376 ~~subparagraph (a)2. However, a member who has reached normal~~
1377 ~~retirement date prior to the effective date of the DROP shall be~~
1378 ~~eligible to participate in the DROP for a period of time not to~~
1379 ~~exceed 60 calendar months or, with respect to members who are~~
1380 ~~instructional personnel employed by the Florida School for the~~
1381 ~~Deaf and the Blind and who have received authorization by the~~
1382 ~~Board of Trustees of the Florida School for the Deaf and the~~
1383 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1384 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1385 ~~grades K-12 and who have received authorization by the district~~
1386 ~~school superintendent to participate in the DROP beyond 60~~
1387 ~~calendar months, 96 calendar months immediately following the~~
1388 ~~effective date of the DROP, except a member of the Special Risk~~
1389 ~~Class who has reached normal retirement date prior to the~~
1390 ~~effective date of the DROP and whose total accrued value exceeds~~
1391 ~~75 percent of average final compensation as of his or her~~
1392 ~~effective date of retirement shall be eligible to participate in~~

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1393 ~~the DROP for no more than 36 calendar months immediately~~
1394 ~~following the effective date of the DROP.~~

1395 2. Upon deciding to participate in ~~the~~ DROP, the member
1396 shall submit, on forms required by the division:

1397 a. A written election to participate in the DROP;

1398 b. Selection of ~~the~~ DROP participation and termination
1399 dates, which satisfy the limitations stated in paragraph (a) and
1400 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
1401 binding letter of resignation to ~~with~~ the employer, establishing
1402 a deferred termination date. The member may change the
1403 termination date within the limitations of subparagraph 1., but
1404 only with the written approval of the ~~his or her~~ employer;

1405 c. A properly completed DROP application for service
1406 retirement as provided in this section; and

1407 d. Any other information required by the division.

1408 3. The DROP participant is ~~shall be~~ a retiree under the
1409 Florida Retirement System for all purposes, except for paragraph
1410 (5)(f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
1411 and 121.122. DROP participation is final and cannot be canceled
1412 by the participant after the first payment is credited during
1413 the DROP participation period. However, participation in ~~the~~
1414 DROP does not alter the participant's employment status, and the
1415 member is ~~such employee shall~~ not be deemed retired from
1416 employment until his or her deferred resignation is effective
1417 and termination occurs as provided in s. 121.021(39).

1418 4. Elected officers are ~~shall be~~ eligible to participate in
1419 ~~the~~ DROP subject to the following:

1420 a. An elected officer who reaches normal retirement date
1421 during a term of office may defer the election to participate in

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1422 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
1423 elected officer who exercises this option may participate in ~~the~~
1424 DROP for up to 60 calendar months or a period of no longer than
1425 the ~~such~~ succeeding term of office, whichever is less.

1426 b. An elected or a nonelected participant may run for a
1427 term of office while participating in DROP and, if elected,
1428 extend the DROP termination date accordingly; ~~except,~~ however,
1429 if the ~~such~~ additional term of office exceeds the 60-month
1430 limitation established in subparagraph 1., and the officer does
1431 not resign from office within such 60-month limitation, the
1432 retirement and the participant's DROP is ~~shall be~~ null and void
1433 as provided in sub-subparagraph (c)5.d.

1434 c. (I) For DROP participation ending before January 1, 2010,
1435 an elected officer who is dually employed and elects to
1436 participate in DROP must ~~shall be required to~~ satisfy the
1437 definition of termination within the original 60-month period or
1438 maximum participation ~~or, with respect to members who are~~
1439 ~~instructional personnel employed by the Florida School for the~~
1440 ~~Deaf and the Blind and who have received authorization by the~~
1441 ~~Board of Trustees of the Florida School for the Deaf and the~~
1442 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1443 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1444 ~~grades K-12 and who have received authorization by the district~~
1445 ~~school superintendent to participate in the DROP beyond 60~~
1446 ~~months, the 96-month limitation period as provided in~~
1447 subparagraph 1. for the nonelected position and may continue
1448 employment as an elected officer as provided in s. 121.053. The
1449 elected officer shall ~~will~~ be enrolled as a renewed member in
1450 the Elected Officers' Class or the Regular Class, as provided in

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1451 ss. 121.053 and 121.122, on the first day of the month after
1452 termination of employment in the nonelected position and
1453 termination of DROP. Distribution of the DROP benefits shall be
1454 made as provided in paragraph (c).

1455 (II) For DROP participation ending on or after January 1,
1456 2010, an elected officer who is dually employed and elects to
1457 participate in DROP must satisfy the definition of termination
1458 in s. 121.021(39) for the nonelected position within the
1459 original 60-month period or maximum period as provided in
1460 subparagraph 1. If the elected officer does not terminate from
1461 elective office within the original 60-month period or maximum
1462 period, he or she may defer termination as provided in s.
1463 121.053 but is subject to termination in s. 121.021(39) to
1464 finalize retirement.

1465 (c) *Benefits payable under ~~the~~ DROP.*-

1466 1. Effective on ~~with~~ the date of DROP participation, the
1467 member's initial normal monthly benefit, including creditable
1468 service, optional form of payment, and average final
1469 compensation, and the effective date of retirement are ~~shall be~~
1470 fixed. The beneficiary established under the Florida Retirement
1471 System shall be the beneficiary eligible to receive any DROP
1472 benefits payable if the DROP participant dies prior to the
1473 completion of the period of DROP participation. If ~~In the event~~
1474 a joint annuitant predeceases the member, the member may name a
1475 beneficiary to receive accumulated DROP benefits payable. The
1476 ~~Such~~ retirement benefit, the annual cost of living adjustments
1477 provided in s. 121.101, and interest shall accrue monthly in the
1478 Florida Retirement System Trust Fund. The ~~Such~~ interest shall
1479 accrue at an effective annual rate of 6.5 percent compounded

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1480 monthly, on the prior month's accumulated ending balance, up to
1481 the month of termination or death.

1482 2. Each employee who elects to participate in ~~the~~ DROP may
1483 ~~shall be allowed to~~ elect to receive a lump-sum payment for
1484 accrued annual leave earned in accordance with agency policy
1485 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
1486 leave payment certified to the division upon commencement of
1487 DROP shall be included in the calculation of the member's
1488 average final compensation. The employee electing the ~~such~~ lump-
1489 sum payment is ~~upon beginning participation in DROP will~~ not be
1490 eligible to receive a second lump-sum payment upon termination,
1491 except to the extent the employee has earned additional annual
1492 leave which combined with the original payment does not exceed
1493 the maximum lump-sum payment allowed by the employing agency's
1494 policy or rules. An ~~Such~~ early lump-sum payment shall be based
1495 on the hourly wage of the employee at the time he or she begins
1496 participation in ~~the~~ DROP. If the member elects to wait and
1497 receive a such lump-sum payment upon termination of DROP and
1498 termination of employment with the employer, any accumulated
1499 leave payment made at that time may not ~~cannot~~ be included in
1500 the member's retirement benefit, which was determined and fixed
1501 by law when the employee elected to participate in ~~the~~ DROP.

1502 3. The effective date of DROP participation and the
1503 effective date of retirement of a DROP participant shall be the
1504 first day of the month selected by the member to begin
1505 participation in ~~the~~ DROP, provided such date is properly
1506 established, with the written confirmation of the employer, and
1507 the approval of the division, on forms required by the division.

1508 4. Normal retirement benefits and any interest ~~thereon~~

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1509 shall continue to accrue in ~~the~~ DROP until the established
1510 termination date of ~~the~~ DROP, or until the participant
1511 terminates employment or dies prior to such date. Although
1512 individual DROP accounts shall not be established, a separate
1513 accounting of each participant's accrued benefits under ~~the~~ DROP
1514 shall be calculated and provided to participants.

1515 5. At the conclusion of the participant's DROP, the
1516 division shall distribute the participant's total accumulated
1517 DROP benefits, subject to the following provisions:

1518 a. The division shall receive verification by the
1519 participant's employer or employers that the ~~such~~ participant
1520 has terminated employment as provided in s. 121.021(39)(b).

1521 b. The terminated DROP participant or, if deceased, the
1522 ~~such~~ participant's named beneficiary, shall elect on forms
1523 provided by the division to receive payment of ~~the~~ DROP benefits
1524 in accordance with one of the options listed below. If ~~For~~ a
1525 participant or beneficiary ~~who~~ fails to elect a method of
1526 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
1527 division shall ~~will~~ pay a lump sum as provided in sub-sub-
1528 subparagraph (I).

1529 (I) Lump sum.—All accrued DROP benefits, plus interest,
1530 less withholding taxes remitted to the Internal Revenue Service,
1531 shall be paid to ~~the~~ DROP participant or surviving beneficiary.

1532 (II) Direct rollover.—All accrued DROP benefits, plus
1533 interest, shall be paid from ~~the~~ DROP directly to the custodian
1534 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
1535 the Internal Revenue Code. However, in the case of an eligible
1536 rollover distribution to the surviving spouse of a deceased
1537 participant, an eligible retirement plan is an individual

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1538 retirement account or an individual retirement annuity as
1539 described in s. 402(c)(9) of the Internal Revenue Code.

1540 (III) Partial lump sum.—A portion of the accrued DROP
1541 benefits shall be paid to ~~the~~ DROP participant or surviving
1542 spouse, less withholding taxes remitted to the Internal Revenue
1543 Service, and the remaining DROP benefits shall be transferred
1544 directly to the custodian of an eligible retirement plan as
1545 defined in s. 402(c)(8)(B) of the Internal Revenue Code.
1546 However, in the case of an eligible rollover distribution to the
1547 surviving spouse of a deceased participant, an eligible
1548 retirement plan is an individual retirement account or an
1549 individual retirement annuity as described in s. 402(c)(9) of
1550 the Internal Revenue Code. The proportions shall be specified by
1551 the DROP participant or surviving beneficiary.

1552 c. The form of payment selected by the DROP participant or
1553 surviving beneficiary must comply ~~complies~~ with the minimum
1554 distribution requirements of the Internal Revenue Code.

1555 d. A DROP participant who fails to terminate employment as
1556 defined in s. 121.021(39)(b) shall be deemed as not ~~to be~~
1557 retired, and the DROP election is ~~shall be~~ null and void.
1558 Florida Retirement System membership shall be reestablished
1559 retroactively to the date of the commencement of the DROP, and
1560 each employer with whom the participant continues employment
1561 must ~~shall be required to~~ pay to the Florida Retirement System
1562 Trust Fund the difference between the DROP contributions paid in
1563 paragraph (i) and the contributions required for the applicable
1564 Florida Retirement System class of membership during the period
1565 the member participated in the DROP, plus 6.5 percent interest
1566 compounded annually.

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1567 6. The retirement benefits of a retiree who participated in
1568 DROP and meets the definition of termination in s.
1569 121.021(39)(b), but is in violation of the reemployment
1570 provisions as provided in subsection (9), shall be suspended
1571 during the months in which the reemployed retiree is in
1572 violation. Any retiree reemployed in violation of this
1573 subparagraph and any employing agency that employs or appoints
1574 such member without notifying the Division of Retirement to
1575 suspend retirement benefits are jointly and severally liable for
1576 any benefits paid during the reemployment limitation period. To
1577 avoid liability, the employing agency must have a written
1578 statement from the retiree that he or she is not retired from a
1579 state-administered retirement system.

1580 a. For DROP participation ending before January 1, 2010,
1581 any retirement benefits received by a retiree while employed in
1582 violation of the reemployment limitations during the 12-month
1583 limitation period must be repaid to the Florida Retirement
1584 System Trust Fund, and his or her retirement benefits shall
1585 remain suspended until payment is made. Benefits suspended
1586 beyond the end of the retiree's 12-calendar month limitation
1587 period apply toward repayment of benefits received in violation
1588 of the reemployment limitations.

1589 b. For DROP participation ending on or after January 1,
1590 2010, any retirement benefits received by a retiree while
1591 employed in violation of the reemployment limitations must be
1592 repaid to the Florida Retirement System Trust Fund, and his or
1593 her retirement benefits shall remain suspended until payment is
1594 made. Benefits suspended after the retiree has terminated
1595 employment shall apply toward repayment of benefits received in

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1596 violation of the reemployment limitations.

1597 ~~7.6.~~ The accrued benefits of any DROP participant, and any
1598 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
1599 ~~be~~ subject to assignment, execution, attachment, or to any legal
1600 process whatsoever, except for qualified domestic relations
1601 orders by a court of competent jurisdiction, income deduction
1602 orders as provided in s. 61.1301, and federal income tax levies.

1603 ~~8.7.~~ DROP participants are ~~shall~~ not ~~be~~ eligible for
1604 disability retirement benefits as provided in subsection (4).

1605 (d) *Death benefits under ~~the~~ DROP.*—

1606 1. Upon the death of a DROP participant, the named
1607 beneficiary is ~~shall be~~ entitled to apply for and receive the
1608 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
1609 (c)5.b.

1610 2. The normal retirement benefit accrued to ~~the~~ DROP during
1611 the month of a participant's death shall be the final monthly
1612 benefit credited for such DROP participant.

1613 3. Eligibility to participate in ~~the~~ DROP terminates upon
1614 death of the participant. If the participant dies on or after
1615 the effective date of enrollment in ~~the~~ DROP, but prior to the
1616 first monthly benefit being credited to the DROP, Florida
1617 Retirement System benefits shall be paid in accordance with
1618 subparagraph (7)(c)1. or subparagraph 2.

1619 4. A DROP participant's ~~participants'~~ survivors shall not
1620 be eligible to receive Florida Retirement System death benefits
1621 as provided in paragraph (7)(d).

1622 (e) *Cost-of-living adjustment.*—On each July 1, the
1623 participant's ~~participants'~~ normal retirement benefit shall be
1624 increased as provided in s. 121.101.

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1625 (f) *Retiree health insurance subsidy.*—DROP participants are
1626 not eligible to apply for the retiree health insurance subsidy
1627 payments as provided in s. 112.363 until such participants have
1628 terminated employment and participation in ~~the~~ DROP.

1629 (g) *Renewed membership.*—

1630 1. DROP participants who end DROP participation before
1631 January 1, 2010 are ~~shall not be~~ eligible for renewed membership
1632 in the Florida Retirement System under ss. 121.053 and 121.122
1633 until termination of employment is effectuated as provided in s.
1634 121.021(39) (b) .

1635 2. DROP participants who end DROP participation on or after
1636 January 1, 2010, are not eligible for renewed membership in a
1637 state-administered retirement system.

1638 (h) *Employment limitation after DROP participation.*—Upon
1639 satisfying the definition of termination of employment as
1640 provided in s. 121.021(39) (b), DROP participants shall be
1641 subject to such reemployment limitations as other retirees.
1642 Reemployment restrictions applicable to retirees as provided in
1643 subsection (9) shall not apply to DROP participants until their
1644 employment and participation in ~~the~~ DROP are terminated.

1645 (i) *Contributions.*—

1646 1. All employers paying the salary of a DROP participant
1647 filling a regularly established position shall contribute 8.0
1648 percent of such participant's gross compensation for the period
1649 of July 1, 2002, through June 30, 2003, and the 11.56 percent of
1650 such compensation required by s. 121.71 thereafter, which shall
1651 constitute the entire employer DROP contribution with respect to
1652 such participant. Such contributions, payable to the Florida
1653 Retirement System Trust Fund in the same manner as required in

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1654 s. 121.071, shall be made as appropriate for each pay period and
1655 are in addition to contributions required for social security
1656 and the Retiree Health Insurance Subsidy Trust Fund. Such
1657 employer, social security, and health insurance subsidy
1658 contributions are not included in ~~the~~ DROP.

1659 2. The employer shall, in addition to subparagraph 1., also
1660 withhold one-half of the entire social security contribution
1661 required for the participant. Contributions for social security
1662 by each participant and each employer, in the amount required
1663 for social security coverage as now or hereafter provided by the
1664 federal Social Security Act, shall be in addition to
1665 contributions specified in subparagraph 1.

1666 3. All employers paying the salary of a DROP participant
1667 filling a regularly established position shall contribute the
1668 percent of such participant's gross compensation required in s.
1669 121.071(4), which shall constitute the employer's health
1670 insurance subsidy contribution with respect to such participant.
1671 Such contributions shall be deposited by the administrator in
1672 the Retiree Health Insurance Subsidy Trust Fund.

1673 (j) *Forfeiture of retirement benefits.*—Nothing in this
1674 section shall be construed to remove DROP participants from the
1675 scope of s. 8(d), Art. II of the State Constitution, s.
1676 112.3173, and paragraph (5)(f). DROP participants who commit a
1677 specified felony offense while employed will be subject to
1678 forfeiture of all retirement benefits, including DROP benefits,
1679 pursuant to those provisions of law.

1680 (k) *Administration of program.*—The division shall make such
1681 rules as are necessary for the effective and efficient
1682 administration of this subsection. The division shall not be

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1683 required to advise members of the federal tax consequences of an
1684 election related to the DROP but may advise members to seek
1685 independent advice.

1686 (14) PAYMENT OF BENEFITS.—This subsection applies to the
1687 payment of benefits to a payee (retiree or beneficiary) under
1688 the Florida Retirement System:

1689 (a) Federal income tax shall be withheld in accordance with
1690 federal law, unless the payee elects otherwise on Form W-4P. The
1691 division shall prepare and distribute to each recipient of
1692 monthly retirement benefits an appropriate income tax form that
1693 reflects the recipient's income and federal income tax withheld
1694 for the calendar year just ended.

1695 (b) Subject to approval by the division in accordance with
1696 rule 60S-4.015, Florida Administrative Code, a payee receiving
1697 retirement benefits under the Florida Retirement System may also
1698 have the following payments deducted from his or her monthly
1699 benefit:

1700 1. Premiums for life and health-related insurance policies
1701 from approved companies.

1702 2. Life insurance premiums for the State Group Life
1703 Insurance Plan, if authorized in writing by the payee and by the
1704 Department of Management Services.

1705 3. Repayment of overpayments from the Florida Retirement
1706 System Trust Fund, the State Employees' Health Insurance Trust
1707 Fund, or the State Employees' Life Insurance Trust Fund, upon
1708 notification of the payee.

1709 4. Payments to an alternate payee for alimony, child
1710 support, or division of marital assets pursuant to a qualified
1711 domestic relations order under s. 222.21 or an income deduction

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1712 order under s. 61.1301.

1713 5. Payments to the Internal Revenue Service for federal
1714 income tax levies, upon notification of the division by the
1715 Internal Revenue Service.

1716 (c) A payee shall notify the division of any change in his
1717 or her address. The division may suspend benefit payments to a
1718 payee if correspondence sent to the payee's mailing address is
1719 returned due to an incorrect address. Benefit payments shall be
1720 resumed upon notification to the division of the payee's new
1721 address.

1722 (d) A payee whose retirement benefits are reduced by the
1723 application of maximum benefit limits under s. 415(b) of the
1724 Internal Revenue Code, as specified in s. 121.30(5), shall have
1725 the portion of his or her calculated benefit in the Florida
1726 Retirement System defined benefit plan which exceeds such
1727 federal limitation paid through the Florida Retirement System
1728 Preservation of Benefits Plan, as provided in s. 121.1001.

1729 (e) No benefit may be reduced for the purpose of preserving
1730 the member's eligibility for a federal program.

1731 (f) The division shall adopt rules establishing procedures
1732 for determining that the persons to whom benefits are being paid
1733 are still living. The division shall suspend the benefits being
1734 paid to any payee when it is unable to contact such payee and to
1735 confirm that he or she is still living.

1736 Section 6. Section 121.122, Florida Statutes, is amended to
1737 read:

1738 121.122 Renewed membership in system.—

1739 (1) A retiree of a state-administered retirement system who
1740 is initially reemployed on or after January 1, 2010, is not

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1741 eligible for renewed membership.

1742 (2) Except as provided in s. 121.053, effective July 1,
1743 1991, through December 31, 2009, any retiree of a state-
1744 administered retirement system who is initially reemployed
1745 ~~employed~~ in a regularly established position with a covered
1746 employer shall be enrolled as a compulsory member of the Regular
1747 Class of the Florida Retirement System or, effective July 1,
1748 1997, through December 31, 2009, any retiree of a state-
1749 administered retirement system who is initially reemployed
1750 ~~employed~~ in a position included in the Senior Management Service
1751 Class shall be enrolled as a compulsory member of the Senior
1752 Management Service Class of the Florida Retirement System as
1753 provided in s. 121.055, and shall be entitled to receive an
1754 additional retirement benefit, subject to the following
1755 conditions:

1756 ~~(1)~~(a) Such member shall resatisfy the age and service
1757 requirements as provided in this chapter for initial membership
1758 under the system, unless such member elects to participate in
1759 the Senior Management Service Optional Annuity Program in lieu
1760 of the Senior Management Service Class, as provided in s.
1761 121.055(6).

1762 (b) Such member shall not be entitled to disability
1763 benefits as provided in s. 121.091(4).

1764 (c) Such member must meet the reemployment after retirement
1765 limitations as provided in s. 121.091(9), as applicable.

1766 (3)~~(2)~~ Upon reemployment of a retiree ~~renewed membership,~~
1767 the employer of the ~~such~~ member shall pay the applicable
1768 employer contributions as required by ss. 121.71, 121.74,
1769 121.76, and 112.363 ~~ss. 121.055(3) and 121.071(1)(a) and (4).~~

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1770 (4)-(3) The retiree of a state-administered retirement
1771 system who is initially reemployed before January 1, 2010, is
1772 ~~Such member shall be~~ entitled to purchase additional retirement
1773 credit in the Regular Class or the Senior Management Service
1774 Class, as applicable, for any postretirement service performed
1775 in a regularly established position as follows:

1776 (a) For regular class service before ~~prior to~~ July 1, 1991,
1777 by paying the Regular Class applicable employee and employer
1778 contributions for the period being claimed, plus 4 percent
1779 interest compounded annually from first year of service claimed
1780 until July 1, 1975, and 6.5 percent interest compounded
1781 thereafter, until full payment is made to the Florida Retirement
1782 System Trust Fund; or

1783 (b) For Senior Management Service Class before ~~prior to~~
1784 June 1, 1997, as provided in s. 121.055(1)(j).

1785
1786 The contribution for postretirement service between July 1,
1787 1985, and July 1, 1991, for which the reemployed retiree
1788 contribution was paid, shall be the difference between such
1789 contribution and the total applicable contribution for the
1790 period being claimed, plus interest. The employer of such member
1791 may pay the applicable employer contribution in lieu of the
1792 member. If a member does not wish to claim credit for all of the
1793 postretirement service for which he or she is eligible, the
1794 service the member claims must be the most recent service.

1795 (5)-(4) No creditable service for which credit was received,
1796 or which remained unclaimed, at retirement may be claimed or
1797 applied toward service credit earned following renewed
1798 membership. However, for retirees initially reemployed before

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1799 January 1, 2010, service earned as an elected officer with
1800 renewed membership in the Elected Officers' Class may be used in
1801 conjunction with creditable service earned under this section,
1802 provided the applicable vesting requirements and other existing
1803 statutory conditions required by this chapter are met.

1804 (6)~~(5)~~ Notwithstanding any other limitations provided in
1805 this section, a participant of the State University System
1806 Optional Retirement Program, the State Community College
1807 Optional Retirement Program, or the Senior Management Service
1808 Optional Annuity Program who terminated employment and commenced
1809 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~
1810 optional program, who initially renews membership before January
1811 1, 2010, ~~in the Regular Class~~ as required by this section upon
1812 reemployment after retirement, and who had previously earned
1813 creditable Florida Retirement System service that was not
1814 included in any retirement benefit may include such previous
1815 service toward vesting and service credit in the second career
1816 benefit provided under renewed membership.

1817 (7)~~(6)~~ Any renewed member who is not receiving the maximum
1818 health insurance subsidy provided in s. 112.363 shall be
1819 entitled to earn additional credit toward the maximum health
1820 insurance subsidy. Any additional subsidy due because of such
1821 additional credit shall be received only at the time of payment
1822 of the second career retirement benefit. In no case shall the
1823 total health insurance subsidy received by a retiree receiving
1824 benefits from initial and renewed membership exceed the maximum
1825 allowed in s. 112.363.

1826 Section 7. Paragraph (h) of subsection (3) and paragraphs
1827 (a) and (e) of subsection (5) of section 121.35, Florida

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1828 Statutes, are amended, and paragraph (g) is added to subsection
1829 (5) of that section, to read:

1830 121.35 Optional retirement program for the State University
1831 System.—

1832 (3) ELECTION OF OPTIONAL PROGRAM.—

1833 (h) A participant in the optional retirement program may
1834 not participate in more than one state-administered retirement
1835 system, plan, or class simultaneously. Except as provided in s.
1836 121.052(6)(d), a participant who is or becomes dually employed
1837 in two or more positions covered by the Florida Retirement
1838 System, one of which is eligible for the optional program and
1839 one of which is not, may remain a member of the optional program
1840 and contributions shall be paid as required only on the salary
1841 earned in the position eligible for the optional program during
1842 such period of dual employment; or, within 90 days after
1843 becoming dually employed, he or she may elect membership in the
1844 Regular Class of the Florida Retirement System in lieu of the
1845 optional program and contributions shall be paid as required on
1846 the total salary received for all employment. At retirement, the
1847 average final compensation used to calculate any benefits for
1848 which the member becomes eligible under the Florida Retirement
1849 System shall be based on all salary reported for both positions
1850 during such period of dual employment. When such member ceases
1851 to be dually employed, he or she may, within 90 days, elect to
1852 remain in the Florida Retirement System class for which he or
1853 she is eligible or to again become a participant in the optional
1854 retirement program. Failure to elect membership in the optional
1855 program within 90 days shall result in compulsory membership in
1856 the Florida Retirement System, except that a member filling a

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1857 faculty position at ~~under~~ a college with a faculty practice plan
1858 at the University of Florida, at ~~or~~ the Medical Center at the
1859 University of South Florida, or other state university shall
1860 again participate in the optional retirement program as required
1861 in s. 121.051(1)(a).

1862 (5) BENEFITS.—

1863 (a) Benefits shall be payable under the optional retirement
1864 program only to vested participants in the program, or their
1865 beneficiaries as designated by the participant in the contract
1866 with a provider company, and such benefits shall be paid only by
1867 the designated company in accordance with s. 403(b) of the
1868 Internal Revenue Code and in accordance with the terms of the
1869 annuity contract or contracts applicable to the participant.
1870 Benefits shall accrue in individual accounts that are
1871 participant-directed, portable, and funded by employer
1872 contributions and the earnings thereon. The participant must be
1873 terminated from all employment with all Florida Retirement
1874 System employers, as provided in s. 121.021(39), to begin
1875 receiving the employer-funded benefit. Benefits funded by
1876 employer contributions shall be payable in accordance with the
1877 following terms and conditions:

1878 1. Benefits shall be payable only to a participant, to his
1879 or her beneficiaries, or to his or her estate, as designated by
1880 the participant.

1881 2. Benefits shall be paid by the provider company or
1882 companies in accordance with the law, the provisions of the
1883 contract, and any applicable department ~~board~~ rule or policy.

1884 3. In the event of a participant's death, moneys
1885 accumulated by, or on behalf of, the participant, less

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1886 withholding taxes remitted to the Internal Revenue Service, if
1887 any, shall be distributed to the participant's designated
1888 beneficiary or beneficiaries, or to the participant's estate, as
1889 if the participant retired on the date of death, as provided in
1890 paragraph (c). No other death benefits shall be available for
1891 survivors of participants under the optional retirement program
1892 except for such benefits, or coverage for such benefits, as are
1893 separately afforded by the employer, at the employer's
1894 discretion.

1895 (e) A participant who chooses to receive his or her
1896 benefits upon termination of employment as defined in s.
1897 121.021(39) has the ~~shall have~~ responsibility to notify the
1898 provider company of the date on which he or she wishes benefits
1899 funded by employer contributions to begin. Benefits may be
1900 deferred until such time as the participant chooses to make such
1901 application.

1902 (g) For purposes of this section, the term "retiree" means
1903 a former participant of the optional retirement program who has
1904 terminated employment and has taken a distribution, including a
1905 rollover or trustee-to-trustee transfer, as provided in this
1906 subsection, except for a mandatory distribution of a de minimis
1907 account authorized by the department.

1908 Section 8. Paragraph (f) of subsection (2) of section
1909 121.4501, Florida Statutes, is amended to read:

1910 121.4501 Public Employee Optional Retirement Program.—

1911 (2) DEFINITIONS.—As used in this part, the term:

1912 (f) "Eligible employee" means an officer or employee, as
1913 defined in s. 121.021(11), who:

1914 1. Is a member of, or is eligible for membership in, the

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1915 Florida Retirement System, including any renewed member of the
1916 Florida Retirement System initially reemployed before January 1,
1917 2010; or

1918 2. Participates in, or is eligible to participate in, the
1919 Senior Management Service Optional Annuity Program as
1920 established under s. 121.055(6), the State Community College
1921 System Optional Retirement Program as established under s.
1922 121.051(2)(c), or the State University System Optional
1923 Retirement Program established under s. 121.35.

1924
1925 The term does not include any member participating in the
1926 Deferred Retirement Option Program established under s.
1927 121.091(13), a retiree of a state-administered retirement system
1928 initially reemployed on or after January 1, 2010, or a mandatory
1929 participant of the State University System Optional Retirement
1930 Program established under s. 121.35.

1931 Section 9. Paragraph (b) of subsection (1) of section
1932 121.591, Florida Statutes, is amended to read:

1933 121.591 Benefits payable under the Public Employee Optional
1934 Retirement Program of the Florida Retirement System.—Benefits
1935 may not be paid under this section unless the member has
1936 terminated employment as provided in s. 121.021(39)(a) or is
1937 deceased and a proper application has been filed in the manner
1938 prescribed by the state board or the department. The state board
1939 or department, as appropriate, may cancel an application for
1940 retirement benefits when the member or beneficiary fails to
1941 timely provide the information and documents required by this
1942 chapter and the rules of the state board and department. In
1943 accordance with their respective responsibilities as provided

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1944 herein, the State Board of Administration and the Department of
1945 Management Services shall adopt rules establishing procedures
1946 for application for retirement benefits and for the cancellation
1947 of such application when the required information or documents
1948 are not received. The State Board of Administration and the
1949 Department of Management Services, as appropriate, are
1950 authorized to cash out a de minimis account of a participant who
1951 has been terminated from Florida Retirement System covered
1952 employment for a minimum of 6 calendar months. A de minimis
1953 account is an account containing employer contributions and
1954 accumulated earnings of not more than \$5,000 made under the
1955 provisions of this chapter. Such cash-out must either be a
1956 complete lump-sum liquidation of the account balance, subject to
1957 the provisions of the Internal Revenue Code, or a lump-sum
1958 direct rollover distribution paid directly to the custodian of
1959 an eligible retirement plan, as defined by the Internal Revenue
1960 Code, on behalf of the participant. If any financial instrument
1961 issued for the payment of retirement benefits under this section
1962 is not presented for payment within 180 days after the last day
1963 of the month in which it was originally issued, the third-party
1964 administrator or other duly authorized agent of the State Board
1965 of Administration shall cancel the instrument and credit the
1966 amount of the instrument to the suspense account of the Public
1967 Employee Optional Retirement Program Trust Fund authorized under
1968 s. 121.4501(6). Any such amounts transferred to the suspense
1969 account are payable upon a proper application, not to include
1970 earnings thereon, as provided in this section, within 10 years
1971 after the last day of the month in which the instrument was
1972 originally issued, after which time such amounts and any

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1973 earnings thereon shall be forfeited. Any such forfeited amounts
1974 are assets of the Public Employee Optional Retirement Program
1975 Trust Fund and are not subject to the provisions of chapter 717.

1976 (1) NORMAL BENEFITS.—Under the Public Employee Optional
1977 Retirement Program:

1978 (b) If a participant elects to receive his or her benefits
1979 upon termination of employment as defined in s. 121.021(39), the
1980 participant must submit a written application or an equivalent
1981 form to the third-party administrator indicating his or her
1982 preferred distribution date and selecting an authorized method
1983 of distribution as provided in paragraph (c). The participant
1984 may defer receipt of benefits until he or she chooses to make
1985 such application, subject to federal requirements.

1986 Section 10. Sections 121.093 and 121.094, Florida Statutes,
1987 are repealed.

1988 Section 11. The Legislature finds that a proper and
1989 legitimate state purpose is served when employees and retirees
1990 of the state and its political subdivisions, as well as the
1991 dependents, survivors, and beneficiaries of such employees and
1992 retirees, are extended the basic protections afforded by
1993 governmental retirement systems that provide fair and adequate
1994 benefits and that are managed, administered, and funded in an
1995 actuarially sound manner as required by s. 14, Art. X of the
1996 State Constitution and part VII of chapter 112, Florida
1997 Statutes. Therefore, the Legislature determines and declares
1998 that the amendment of s. 121.091, Florida Statutes, by this act
1999 fulfills an important state interest.

2000 Section 12. This act shall take effect July 1, 2009.