

By the Committees on Ethics and Elections; and Community Affairs; and Senators Fasano, Gaetz, and Dockery

582-04470-09

20091182c2

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  
22          retirees 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.

582-04470-09

20091182c2

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; requiring the Department of  
46 Management Services to request an actuarial study to  
47 determine the effect of this act on employer  
48 contributions and to notify the Governor and  
49 Legislature of the results; providing a contingent  
50 effective date.

51  
52 Be It Enacted by the Legislature of the State of Florida:

53  
54 Section 1. Subsection (60) of section 121.021, Florida  
55 Statutes, is amended to read:

56 121.021 Definitions.—The following words and phrases as  
57 used in this chapter have the respective meanings set forth  
58 unless a different meaning is plainly required by the context:

582-04470-09

20091182c2

59 (60) "Retiree" means:

60 (a) A former member of the Florida Retirement System or an  
61 existing system who has terminated employment and is receiving  
62 benefit payments from the system in which he or she was a  
63 member. ~~The This~~ term also includes a person who retired and is  
64 receiving benefits under s. 112.05 and a retiree under the  
65 Public Employee Optional Retirement Program defined in s.  
66 121.4501(2).

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

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

83 121.051 Participation in the system.—

84 (1) COMPULSORY PARTICIPATION.—

85 (a) The provisions of this law are ~~shall be~~ compulsory as  
86 to all officers and employees, except elected officers who meet  
87 the requirements of s. 121.052(3), who are employed on or after

582-04470-09

20091182c2

88 December 1, 1970, by ~~of~~ an employer other than those referred to  
89 in paragraph (2)(b), and each officer or employee, as a  
90 condition of employment, shall become a member of the system as  
91 of his or her date of employment, except that a person who is  
92 retired from any state retirement system and is reemployed on or  
93 after December 1, 1970, may not renew his or her membership in  
94 any state retirement system except as provided in s.  
95 121.091(4)(h) for a person who recovers from disability, ~~and~~ as  
96 provided in s. 121.091(9)(b) ~~s. 121.091(9)(b)8.~~ for a person who  
97 is elected to public office, and, effective July 1, 1991, as  
98 provided in s. 121.122 for all other retirees. Officers and  
99 employees of the University Athletic Association, Inc., a  
100 nonprofit association connected with the University of Florida,  
101 employed on and after July 1, 1979, may ~~shall~~ not participate in  
102 any state-supported retirement system.

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

116 2. For purposes of this paragraph, the term "faculty

582-04470-09

20091182c2

117 position" means ~~is defined as~~ a position assigned the principal  
118 responsibility of teaching, research, or public service  
119 activities or administrative responsibility directly related to  
120 the academic mission of the college. The term "clinical faculty"  
121 means ~~is defined as~~ a faculty position appointment in  
122 conjunction with a professional position in a hospital or other  
123 clinical environment at a college. The term "faculty practice  
124 plan" includes professional services to patients, institutions,  
125 or other parties which are rendered by the clinical faculty  
126 employed by a college that has a faculty practice plan at a  
127 state university authorized by the Board of Governors.

128 (2) OPTIONAL PARTICIPATION.—

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

140 1. Through June 30, 2001, the cost to the employer for such  
141 annuity equals ~~shall equal~~ the normal cost portion of the  
142 employer retirement contribution which would be required if the  
143 employee were a member of the Regular Class defined benefit  
144 program, plus the portion of the contribution rate required by  
145 s. 112.363(8) which ~~that~~ would otherwise be assigned to the

582-04470-09

20091182c2

146 Retiree Health Insurance Subsidy Trust Fund. Effective July 1,  
147 2001, each employer shall contribute on behalf of each  
148 participant in the optional program an amount equal to 10.43  
149 percent of the participant's gross monthly compensation. The  
150 employer shall deduct an amount ~~to provide~~ for the  
151 administration of the optional retirement program. The employer  
152 ~~providing the optional program~~ shall contribute an additional  
153 amount to the Florida Retirement System Trust Fund equal to the  
154 unfunded actuarial accrued liability portion of the Regular  
155 Class contribution rate.

156 2. The decision to participate in ~~such~~ an optional  
157 retirement program is ~~shall be~~ irrevocable for as long as the  
158 employee holds a position eligible for participation, except as  
159 provided in subparagraph 3. Any service creditable under the  
160 Florida Retirement System is ~~shall be~~ retained after the member  
161 withdraws from the ~~Florida Retirement~~ system; however,  
162 additional service credit in the Florida Retirement System may  
163 ~~shall~~ not be earned while a member of the optional retirement  
164 program.

165 3. An employee who has elected to participate in the  
166 optional retirement program shall have one opportunity, at the  
167 employee's discretion, ~~to choose~~ to transfer from the optional  
168 retirement program to the defined benefit program of the Florida  
169 Retirement System or to the Public Employee Optional Retirement  
170 Program, subject to the terms of the applicable optional  
171 retirement program contracts.

172 a. If the employee chooses to move to the Public Employee  
173 Optional Retirement Program, any contributions, interest, and  
174 earnings creditable to the employee under the State Community

582-04470-09

20091182c2

175 College System Optional Retirement Program must ~~shall~~ be  
176 retained by the employee in the State Community College System  
177 Optional Retirement Program, and the applicable provisions of s.  
178 121.4501(4) ~~shall~~ govern the election.

179 b. If the employee chooses to move to the defined benefit  
180 program of the Florida Retirement System, the employee shall  
181 receive service credit equal to his or her years of service  
182 under the State Community College System Optional Retirement  
183 Program.

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

201 (II) The employee must transfer from his or her State  
202 Community College System Optional Retirement Program account and  
203 from other employee moneys as necessary, a sum representing the

582-04470-09

20091182c2

204 present value of that employee's accumulated benefit obligation  
205 immediately following the time of such movement, determined  
206 assuming that attained service equals the sum of service in the  
207 defined benefit program and service in the State Community  
208 College System Optional Retirement Program.

209 4. Participation in the optional retirement program is  
210 ~~shall be~~ limited to those employees who satisfy the following  
211 eligibility criteria:

212 a. The employee must be otherwise eligible for membership  
213 or renewed membership in the Regular Class of the Florida  
214 Retirement System, as provided in s. 121.021(11) and (12) or s.  
215 121.122.

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

219 (I) Instructional; or

220 (II) Executive Management, Instructional Management, or  
221 Institutional Management, if a community college determines that  
222 recruiting to fill a vacancy in the position is to be conducted  
223 in the national or regional market, and:

224 (A) The duties and responsibilities of the position include  
225 ~~either~~ the formulation, interpretation, or implementation of  
226 policies; or

227 (B) The duties and responsibilities of the position include  
228 the performance of functions that are unique or specialized  
229 within higher education and that frequently involve the support  
230 of the mission of the community college.

231 c. The employee must be employed in a position not included  
232 in the Senior Management Service Class of the Florida Retirement



582-04470-09

20091182c2

233 System, as described in s. 121.055.

234       5. A participant who receives a program distribution,  
235 including a rollover or trustee-to-trustee transfer, funded by  
236 employer contributions shall be deemed to be retired from a  
237 state-administered retirement system if the participant is  
238 subsequently employed by an employer that participates in the  
239 Florida Retirement System. Participants in the program are  
240 subject to the same reemployment limitations, renewed membership  
241 provisions, and forfeiture provisions ~~as are~~ applicable to  
242 regular members of the Florida Retirement System under ss.  
243 121.091(9), 121.122, and 121.091(5), respectively.

244       6. Eligible community college employees are ~~shall be~~  
245 compulsory members of the Florida Retirement System until,  
246 pursuant to the procedures set forth in s. 1012.875, a written  
247 election to withdraw from the ~~Florida Retirement~~ system and ~~to~~  
248 participate in the State Community College System Optional  
249 Retirement Program is filed with the program administrator and  
250 received by the division.

251       a. A ~~Any~~ community college employee whose program  
252 eligibility results from initial employment must ~~shall~~ be  
253 enrolled in the State Community College System Optional  
254 Retirement Program retroactive to the first day of eligible  
255 employment. The employer retirement contributions paid through  
256 the month of the employee plan change shall be transferred to  
257 the community college to ~~for~~ the employee's optional program  
258 account, and, effective the first day of the next month, the  
259 employer shall pay the applicable contributions based upon  
260 subparagraph 1.

261       b. Any community college employee whose program eligibility

582-04470-09

20091182c2

262 ~~is results from a change in status~~ due to the subsequent  
263 designation of the employee's position as one of those specified  
264 in subparagraph 4. or due to the employee's appointment,  
265 promotion, transfer, or reclassification to a position specified  
266 in subparagraph 4. must ~~shall~~ be enrolled in the program on ~~upon~~  
267 the first day of the first full calendar month that such change  
268 in status becomes effective. The employer retirement  
269 contributions paid from the effective date through the month of  
270 the employee plan change must ~~shall~~ be transferred to the  
271 community college to ~~for~~ the employee's optional program  
272 account, and, effective the first day of the next month, the  
273 employer shall pay the applicable contributions based upon  
274 subparagraph 1.

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

290 (f)1. If ~~Whenever~~ an employer that participates in the

582-04470-09

20091182c2

291 Florida Retirement System undertakes the transfer, merger, or  
292 consolidation of governmental services or functions, the  
293 employer must notify the department at least 60 days before  
294 ~~prior to~~ such action and ~~shall~~ provide documentation as required  
295 by the department.

296 2. If ~~When~~ the agency to which a member's employing unit is  
297 transferred, merged, or consolidated does not participate in the  
298 Florida Retirement System, a member may ~~shall~~ elect in writing  
299 to remain in the Florida Retirement System or to transfer to the  
300 local retirement system operated by the ~~such~~ agency. If the ~~such~~  
301 agency does not participate in a local retirement system, the  
302 member shall continue membership in the Florida Retirement  
303 System. In either case, the membership continues ~~shall continue~~  
304 for as long as the member is employed by the agency to which his  
305 or her unit was transferred, merged, or consolidated.

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

308 121.053 Participation in the Elected Officers' Class for  
309 retired members.—

310 (1) (a) 1. A retiree of a state-administered retirement  
311 system who initially serves in an elective office in a regularly  
312 established position with a covered employer on or after January  
313 1, 2010, may not enroll in the Florida Retirement System as a  
314 renewed member.

315 2. An elected officer who is elected or appointed to an  
316 elective office and is participating in the Deferred Retirement  
317 Option Program is subject to termination as provided in s.  
318 121.021(39)(b), and reemployment limitations as provided in s.  
319 121.091(9), upon completion of his or her DROP participation

582-04470-09

20091182c2

320 period. An elected official may defer termination as provided in  
321 subparagraph (c)5.

322 (b) A member who retired before January 1, 2010, under any  
323 existing system as defined in s. 121.021(2), and receives a  
324 benefit thereof, who is initially reemployed before January 1,  
325 2010, and who serves in an office covered by the Elected  
326 Officers' Class for a period of at least 6 years, is entitled to  
327 receive an additional retirement benefit for such elected  
328 officer service before July 1, 1990, under the Elected Officers'  
329 Class of the Florida Retirement System, as follows:

330 1. Upon completion of 6 or more years of creditable service  
331 in an office covered by the Elected Officers' Class, as provided  
332 in s. 121.052, the member shall notify the administrator of his  
333 or her intent to purchase elected officer service before July 1,  
334 1990, and shall pay the member contribution applicable for the  
335 period being claimed, plus 4 percent interest compounded  
336 annually from the first year of service claimed until July 1,  
337 1975, and 6.5 percent interest compounded annually thereafter,  
338 until full payment is made to the Florida Retirement System  
339 Trust Fund; however, the member may purchase retirement credit  
340 under the Elected Officers' Class only for service as an elected  
341 officer.

342 2. Upon payment of the amount specified in subparagraph 1.,  
343 the employer shall pay into the Florida Retirement System Trust  
344 Fund the applicable employer contribution for the period of  
345 elected officer service before July 1, 1990, being claimed by  
346 the member, plus 4 percent interest compounded annually from the  
347 first year of service claimed until July 1, 1975, and 6.5  
348 percent interest compounded annually thereafter, until full

582-04470-09

20091182c2

349 payment is made to the Florida Retirement System Trust Fund.

350 (c) Any retiree of the Florida Retirement System, or any  
351 existing system as defined in s. 121.021(2), who, on or after  
352 July 1, 1990, through December 31, 2009, is serving in, or is  
353 elected or appointed to, an elective office covered by the  
354 Elected Officers' Class shall be enrolled in the appropriate  
355 subclass of the Elected Officers' Class of the Florida  
356 Retirement System, and applicable contributions shall be paid  
357 into the Florida Retirement System Trust Fund as provided in s.  
358 121.052(7). Any member who retired under any existing system as  
359 defined in s. 121.021(2), and receives a benefit thereof, and  
360 who serves in an office covered by the Elected Officers' Class  
361 for a period of at least 6 years, shall be entitled to receive  
362 an additional retirement benefit for such elected officer  
363 service prior to July 1, 1990, under the Elected Officers' Class  
364 of the Florida Retirement System, as follows:

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

377 2. Upon payment of the amount specified in subparagraph 1.,

582-04470-09

20091182c2

378 ~~the employer shall pay into the Florida Retirement System Trust~~  
379 ~~Fund the applicable employer contribution for the period of~~  
380 ~~elected officer service prior to July 1, 1990, being claimed by~~  
381 ~~the member, plus 4 percent interest compounded annually from the~~  
382 ~~first year of service claimed until July 1, 1975, and 6.5~~  
383 ~~percent interest compounded annually thereafter, until full~~  
384 ~~payment is made to the Florida Retirement System Trust Fund.~~

385 ~~(b) Any retired member of the Florida Retirement System, or~~  
386 ~~any existing system as defined in s. 121.021(2), who, on or~~  
387 ~~after July 1, 1990, is serving in, or is elected or appointed~~  
388 ~~to, an elective office covered by the Elected Officers' Class~~  
389 ~~shall be enrolled in the appropriate subclass of the Elected~~  
390 ~~Officers' Class of the Florida Retirement System, and applicable~~  
391 ~~contributions shall be paid into the Florida Retirement System~~  
392 ~~Trust Fund as provided in s. 121.052(7). Pursuant thereto:~~

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

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

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

582-04470-09

20091182c2

407 1990, or in the Regular Class for any postretirement service  
408 performed in any other regularly established position before  
409 ~~prior to~~ July 1, 1991, by paying the applicable Elected  
410 Officers' Class or Regular Class employee and employer  
411 contributions for the period being claimed, plus 4 percent  
412 interest compounded annually from the first year of service  
413 claimed until July 1, 1975, and 6.5 percent interest compounded  
414 thereafter, until full payment is made to the Florida Retirement  
415 System Trust Fund. The contribution for postretirement Regular  
416 Class service between July 1, 1985, and July 1, 1991, for which  
417 the reemployed retiree contribution was paid, is ~~shall be~~ the  
418 difference between the ~~such~~ contribution and the total  
419 applicable contribution for the period being claimed, plus  
420 interest. The employer of such member may pay the applicable  
421 employer contribution in lieu of the member. If a member does  
422 not wish to claim credit for all of the postretirement service  
423 for which he or she is eligible, the service the member claims  
424 must be the most recent service.

425 4. Creditable service for which credit was received, or  
426 which remained unclaimed, at retirement may not be claimed or  
427 applied toward service credit earned following renewed  
428 membership. However, service earned in accordance with the  
429 renewed membership provisions of ~~in~~ s. 121.122 may be used in  
430 conjunction with creditable service earned under this paragraph,  
431 if provided applicable vesting requirements and other existing  
432 statutory conditions required by this chapter are met.

433 5. An elected officer who is elected or appointed to an  
434 elective office and is participating in the Deferred Retirement  
435 Option Program is not subject to termination as provided in s.

582-04470-09

20091182c2

436 121.021(39)(b), or reemployment limitations as provided in s.  
437 121.091(9), until the end of his or her current term of office  
438 or, if the officer is consecutively elected or reelected to an  
439 elective office eligible for coverage under the Florida  
440 Retirement System, until he or she no longer holds such an  
441 elective office, as follows:

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

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

446 (II) ~~No~~ Retirement contributions are not ~~shall be~~ required  
447 of the employer of the elected officer and ~~no~~ additional  
448 retirement credit may not ~~shall~~ be earned under the Florida  
449 Retirement System.

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

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

464



582-04470-09

20091182c2

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

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

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

486 121.055 Senior Management Service Class.—There is hereby  
487 established a separate class of membership within the Florida  
488 Retirement System to be known as the "Senior Management Service  
489 Class," which shall become effective February 1, 1987.

490 (1)

491 (f) Effective July 1, 1997:

492 1. Except as provided in subparagraph 3., an ~~any~~ elected  
493 state officer eligible for membership in the Elected Officers'

582-04470-09

20091182c2

494 Class under s. 121.052(2)(a), (b), or (c) who elects membership  
495 in the Senior Management Service Class under s. 121.052(3)(c)  
496 may, within 6 months after assuming office or within 6 months  
497 after this act becomes a law for serving elected state officers,  
498 elect to participate in the Senior Management Service Optional  
499 Annuity Program, as provided in subsection (6), in lieu of  
500 membership in the Senior Management Service Class.

501 2. Except as provided in subparagraph 3., an ~~any~~ elected  
502 ~~county~~ officer of a local agency employer eligible for  
503 membership in the Elected Officers' Class under s. 121.052(2)(d)  
504 who elects membership in the Senior Management Service Class  
505 under s. 121.052(3)(c) may, within 6 months after assuming  
506 office, or within 6 months after this act becomes a law for  
507 serving elected ~~county~~ officers of a local agency employer,  
508 elect to withdraw from the Florida Retirement System ~~participate~~  
509 ~~in a lifetime monthly annuity program,~~ as provided in  
510 subparagraph (b)2., in lieu of membership in the Senior  
511 Management Service Class.

512 3. A retiree of a state-administered retirement system who  
513 is initially reemployed on or after January 1, 2010, as an  
514 electd official eligible for the Elected Officers' Class is not  
515 eligible for renewed membership in the Senior Management Service  
516 Class or in the Senior Management Service Optional Annuity  
517 Program as provided in subsection (6), or to withdraw from the  
518 Florida Retirement System as a renewed member as provided in  
519 subparagraph (b)2., as applicable, in lieu of Senior Management  
520 Service Class membership.

521 (6)

522 (c) *Participation.*—

582-04470-09

20091182c2

523           1. An ~~any~~ eligible employee who is employed on or before  
524 February 1, 1987, may elect to participate in the optional  
525 annuity program in lieu of participation in the Senior  
526 Management Service Class. Such election must ~~shall~~ be made in  
527 writing and filed with the department and the personnel officer  
528 of the employer on or before May 1, 1987. An ~~Any~~ eligible  
529 employee who is employed on or before February 1, 1987, and who  
530 fails to make an election to participate in the optional annuity  
531 program by May 1, 1987, shall be deemed to have elected  
532 membership in the Senior Management Service Class. However, a  
533 retiree of a state-administered retirement system who is  
534 initially reemployed on or after January 1, 2010, is not  
535 eligible for renewed membership in the Senior Management Service  
536 Optional Annuity Program.

537           2. An ~~Any~~ employee who becomes eligible to participate in  
538 the optional annuity program by reason of initial employment  
539 commencing after February 1, 1987, may, within 90 days after the  
540 date of commencing ~~commencement~~ of employment, elect to  
541 participate in the optional annuity program. Such election must  
542 ~~shall~~ be made in writing and filed with the personnel officer of  
543 the employer. An ~~Any~~ eligible employee who does not within 90  
544 days after commencing ~~commencement~~ of ~~such~~ employment elect to  
545 participate in the optional annuity program shall be deemed to  
546 have elected membership in the Senior Management Service Class.

547           3. A person who is appointed to a position in the Senior  
548 Management Service Class and who is a member of an existing  
549 retirement system or the Special Risk or Special Risk  
550 Administrative Support Classes of the Florida Retirement System  
551 may elect to remain in such system or class in lieu of

582-04470-09

20091182c2

552 participation in the Senior Management Service Class or optional  
553 annuity program. Such election must ~~shall~~ be made in writing and  
554 filed with the department and the personnel officer of the  
555 employer within 90 days of such appointment. Any eligible  
556 employee who fails to make an election to participate in the  
557 existing system, the Special Risk Class of the Florida  
558 Retirement System, the Special Risk Administrative Support Class  
559 of the Florida Retirement System, or the optional annuity  
560 program shall be deemed to have elected membership in the Senior  
561 Management Service Class.

562 4. Except as provided in subparagraph 5., an employee's  
563 election to participate in the optional annuity program is  
564 irrevocable if the ~~as long as such~~ employee continues to be  
565 employed in an eligible position and continues to meet the  
566 eligibility requirements set forth in this paragraph.

567 5. Effective from July 1, 2002, through September 30, 2002,  
568 any active employee in a regularly established position who has  
569 elected to participate in the Senior Management Service Optional  
570 Annuity Program has one opportunity to choose to move from the  
571 Senior Management Service Optional Annuity Program to the  
572 Florida Retirement System defined benefit program.

573 a. The election must be made in writing and must be filed  
574 with the department and the personnel officer of the employer  
575 before October 1, 2002, or, in the case of an active employee  
576 who is on a leave of absence on July 1, 2002, within 90 days  
577 after the conclusion of the leave of absence. This election is  
578 irrevocable.

579 b. The employee shall ~~will~~ receive service credit under the  
580 defined benefit program of the Florida Retirement System equal

582-04470-09

20091182c2

581 to his or her years of service under the Senior Management  
582 Service Optional Annuity Program. The cost for such credit is  
583 the ~~shall be an~~ amount representing the present value of that  
584 employee's accumulated benefit obligation for the affected  
585 period of service.

586 c. The employee must transfer the total accumulated  
587 employer contributions and earnings on deposit in his or her  
588 Senior Management Service Optional Annuity Program account. If  
589 the transferred amount is not sufficient to pay the amount due,  
590 the employee must pay a sum representing the remainder of the  
591 amount due. ~~In no case may~~ The employee may not retain any  
592 employer contributions or earnings thereon from the Senior  
593 Management Service Optional Annuity Program account.

594 (e) *Benefits.*—

595 1. Benefits are ~~shall be~~ payable under the Senior  
596 Management Service Optional Annuity Program only to participants  
597 in the program, or their beneficiaries as designated by the  
598 participant in the contract with a provider company, and must  
599 ~~such benefits shall~~ be paid by the designated company in  
600 accordance with the terms of the annuity contract or contracts  
601 applicable to the participant. A participant must be terminated  
602 from all employment with all Florida Retirement System employers  
603 as provided in s. 121.021(39) to begin receiving the employer-  
604 funded benefit. Benefits funded by employer contributions are  
605 ~~shall be payable~~ under the terms of the contract ~~only as a~~  
606 ~~lifetime annuity~~ to the participant, his or her beneficiary, or  
607 his or her estate, in addition to ~~except for~~:

608 a. A lump-sum payment to the beneficiary upon the death of  
609 the participant;

582-04470-09

20091182c2

610           b. A cash-out of a de minimis account upon the request of a  
611 former participant who has been terminated for a minimum of 6  
612 months from the employment that entitled him or her to optional  
613 annuity program participation. ~~A de minimis account is an~~  
614 ~~account with a provider company containing employer~~  
615 ~~contributions and accumulated earnings of not more than \$5,000~~  
616 ~~made under the provisions of this chapter.~~ Such cash-out must be  
617 a complete liquidation of the account balance with that company  
618 and is subject to ~~the provisions of~~ the Internal Revenue Code;  
619 ~~or~~

620           c. A mandatory distribution of a de minimis account of a  
621 former participant who has been terminated for a minimum of 6  
622 months from the employment that entitled him or her to optional  
623 annuity program participation as authorized by the department;  
624 or

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

630  
631 As used in this subparagraph, a "de minimis account" means an  
632 account with a provider company containing employer  
633 contributions and accumulated earnings of not more than \$5,000  
634 made under this chapter.

635           2. The benefits payable to any person under the Senior  
636 Management Service Optional Annuity Program, and any  
637 contribution accumulated under such program, are ~~shall not be~~  
638 subject to assignment, execution, or attachment or to any legal

582-04470-09

20091182c2

639 process whatsoever.

640 3. Except as provided in subparagraph 4., a participant who  
641 terminates employment and receives a distribution, including a  
642 rollover or trustee-to-trustee transfer, ~~optional annuity~~  
643 ~~program benefits~~ funded by employer contributions shall be  
644 deemed to be retired from a state-administered retirement system  
645 if the participant is subsequently employed with an ~~in the event~~  
646 ~~of subsequent employment with any~~ employer that participates in  
647 the Florida Retirement System.

648 4. A participant who receives optional annuity program  
649 benefits funded by employer contributions as a mandatory  
650 distribution of a de minimis account authorized by the  
651 department is not considered a retiree.

652 Section 5. Subsections (9) and (13) of section 121.091,  
653 Florida Statutes, are amended to read:

654 121.091 Benefits payable under the system.—Benefits may not  
655 be paid under this section unless the member has terminated  
656 employment as provided in s. 121.021(39)(a) or begun  
657 participation in the Deferred Retirement Option Program as  
658 provided in subsection (13), and a proper application has been  
659 filed in the manner prescribed by the department. The department  
660 may cancel an application for retirement benefits when the  
661 member or beneficiary fails to timely provide the information  
662 and documents required by this chapter and the department's  
663 rules. The department shall adopt rules establishing procedures  
664 for application for retirement benefits and for the cancellation  
665 of such application when the required information or documents  
666 are not received.

667 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

582-04470-09

20091182c2

668       (a) Any person who is retired under this chapter, except  
669 under the disability retirement provisions of subsection (4),  
670 may be employed by any private employer or public employer that  
671 does not participate in a state-administered retirement system  
672 and may receive compensation from that employment without  
673 limiting or restricting in any way the retirement benefits  
674 payable to that person.

675       (b) The limitations on receiving a retirement benefit while  
676 reemployed by an employer participating in a state-administered  
677 retirement system are:

678           1. For retirements effective on or after January 1, 2010,  
679 or DROP participation ending on or after January 1, 2010:

680           a. The retiree may not receive a retirement benefit if the  
681 retiree is receiving a salary or wages from reemployment with an  
682 employer participating in the Florida Retirement System after  
683 the date of retirement. However, a DROP participant may continue  
684 employment and receive a salary during the period of  
685 participation in DROP, as provided in subsection (13). Any  
686 retiree employed in violation of this subparagraph and any  
687 agency that employs or appoints such person without notifying  
688 the Division of Retirement to suspend retirement benefits are  
689 jointly and severally liable for any retirement benefits paid  
690 during reemployment. To avoid liability, the employing agency  
691 must have a written statement from the employee that he or she  
692 is not retired from a state-administered retirement system. Any  
693 benefits received by a retiree while reemployed must be repaid  
694 to the Florida Retirement System Trust Fund, and his or her  
695 benefits remain suspended until repayment is made.

696           b. There are no exceptions to the reemployment limitations



582-04470-09

20091182c2

697 in subparagraph (a) and the exceptions in subparagraphs (b) 3.  
698 and 4. do not apply.

699 2. For retirements effective before January 1, 2010, or  
700 DROP participation ending before January 1, 2010, a retiree may  
701 not receive a salary from reemployment with an employer  
702 participating in the Florida Retirement System and retirement  
703 benefits under this chapter for 12 months immediately after  
704 retirement. However, a DROP participant may continue employment  
705 and receive a salary during the period of participation in DROP  
706 as provided in subsection (13). A retiree who is reemployed with  
707 an employer participating in the Florida Retirement System after  
708 he or she has met the definition of termination in s.  
709 121.021(39), but before completing the 12-month limitation  
710 period must give timely notice of this fact in writing to the  
711 employer and to the Division of Retirement and have his or her  
712 retirement benefits suspended while employed during the balance  
713 of the 12-month limitation period unless the employee exceeds  
714 the 780-hour reemployment limitation set forth in law. Any  
715 retiree employed in violation of this sub-subparagraph and any  
716 agency that employs or appoints such person without notifying  
717 the division to suspend retirement benefits are jointly and  
718 severally liable for any benefits paid during the reemployment  
719 limitation period. To avoid liability, the employing agency must  
720 have a written statement from the employee that he or she is not  
721 retired from a state-administered retirement system. Any  
722 retirement benefits received by a retiree while reemployed  
723 during the reemployment limitation period must be repaid to the  
724 Florida Retirement System Trust Fund, and his or her retirement  
725 benefits remain suspended until repayment is made. Benefits

582-04470-09

20091182c2

726 suspended beyond the reemployment limitation apply toward  
727 repayment of benefits received in violation of the reemployment  
728 limitation.

729 a. A district school board may reemploy a retiree as a  
730 substitute or hourly teacher, education paraprofessional,  
731 transportation assistant, bus driver, or food service worker on  
732 a noncontractual basis after he or she has met the definition of  
733 termination in s. 121.021(39). A district school board may  
734 reemploy a retiree as instructional personnel, as defined in s.  
735 1012.01(2)(a), on an annual contractual basis after he or she  
736 has met the definition of termination in s. 121.021(39). A  
737 retiree who is reemployed before meeting the definition of  
738 termination voids his or her application for retirement  
739 benefits. A district school board that reemploys such teachers,  
740 education paraprofessionals, transportation assistants, bus  
741 drivers, or food service workers is subject to the retirement  
742 contribution.

743 b. A community college board of trustees may reemploy a  
744 retiree as an adjunct instructor or as a participant in a phased  
745 retirement program within the Florida Community College System  
746 after he or she has met the definition of termination in s.  
747 121.021(39). A retiree who is reemployed within 1 calendar month  
748 after retirement voids his or her application for retirement  
749 benefits. A board of trustees that reemploys such instructor is  
750 subject to the retirement contribution. A retiree may be  
751 reemployed as an adjunct instructor for up to 780 hours during  
752 the first 12 months of retirement. A retiree reemployed for more  
753 than 780 hours during the first 12 months of retirement must  
754 give timely notice in writing to the employer and to the

582-04470-09

20091182c2

755 Division of Retirement of the date he or she will exceed the  
756 limitation. The division shall suspend his or her retirement  
757 benefits for the remainder of the 12-month limitation period.  
758 Any retiree employed in violation of this subparagraph and any  
759 agency that employs or appoints such person without notifying  
760 the division are jointly and severally liable for any retirement  
761 benefits paid during the reemployment limitation period. To  
762 avoid liability, the employee must submit a written statement to  
763 the employing agency stating that he or she is not retired from  
764 a state-administered retirement system. Any retirement benefits  
765 received by a retiree while reemployed in excess of 780 hours  
766 during the 12-month limitation period must be repaid to the  
767 Florida Retirement System Trust Fund, and his or her benefits  
768 remain suspended until repayment is made. Benefits suspended  
769 beyond the end of the 12-month limitation period apply toward  
770 repayment of benefits received in violation of the 780-hour  
771 reemployment limitation.

772 c. The State University System may reemploy a retiree  
773 member as an adjunct faculty member or as a participant in a  
774 phased retirement program within the State University System  
775 after he or she has met the definition of termination in s.  
776 121.021(39). A retiree who is reemployed before meeting the  
777 definition of termination voids his or her application for  
778 retirement benefits. The State University System is subject to  
779 the retirement contribution. A retiree may be reemployed as an  
780 adjunct faculty member or a participant in a phased retirement  
781 program for up to 780 hours during the first 12 months of his or  
782 her retirement. Any retiree reemployed for more than 780 hours  
783 during the 12-month limitation period must give timely notice in

582-04470-09

20091182c2

784 writing to the employer and to the Division of Retirement of the  
785 date he or she will exceed the limitation. The division shall  
786 suspend his or her retirement benefits for the remainder of the  
787 12-month limitation period. Any retiree employed in violation of  
788 this subparagraph and any agency that employs or appoints such  
789 person without notifying the division to suspend retirement  
790 benefits are jointly and severally liable for any benefits paid  
791 during the reemployment limitation period. To avoid liability,  
792 the employee must submit a written statement to the employing  
793 agency stating that he or she is not retired from a state-  
794 administered retirement system. Any benefits received by a  
795 retiree while reemployed in excess of 780 hours during the first  
796 12 months of retirement must be repaid to the Florida Retirement  
797 System Trust Fund, and his or her benefits remain suspended  
798 until repayment is made. Benefits suspended beyond the end of  
799 the 12-month limitation period apply toward repayment of  
800 benefits received in violation of the 780-hour reemployment  
801 limitation.

802 d. The Board of Trustees of the Florida School for the Deaf  
803 and the Blind may reemploy a retiree as a substitute teacher,  
804 substitute residential instructor, or substitute nurse on a  
805 noncontractual basis after he or she has met the definition of  
806 termination in s. 121.021(39). The Board of Trustees may  
807 reemploy a retiree as instructional personnel, as defined in s.  
808 1012.01(2)(a), on an annual contractual basis after he or she  
809 has met the definition of termination in s. 121.021(39). A  
810 retiree who is reemployed before meeting the definition of  
811 termination voids his or her application for retirement  
812 benefits. The Board of Trustees reemploying such teachers,

582-04470-09

20091182c2

813 residential instructors, or nurses is subject to the retirement  
814 contribution.

815 e. A developmental research school may reemploy a retiree  
816 as a substitute or hourly teacher or an education  
817 paraprofessional, as defined in s. 1012.01(2), on a  
818 noncontractual basis after he or she has met the definition of  
819 termination in s. 121.021(39). A developmental research school  
820 may reemploy a retiree as instructional personnel, as defined in  
821 s. 1012.01(2)(a), on an annual contractual basis after the  
822 retiree has met the definition of termination in s. 121.021(39).  
823 A developmental research school that reemploys such teachers and  
824 education paraprofessionals is subject to the retirement  
825 contribution.

826 f. A charter school may reemploy a retiree as a substitute  
827 or hourly teacher on a noncontractual basis after he or she has  
828 met the definition of termination in s. 121.021(39). A charter  
829 school may reemploy a retiree as instructional personnel, as  
830 defined in s. 1012.01(2)(a), on an annual contractual basis  
831 after he or she has met the definition of termination in s.  
832 121.021(39). A charter school that reemploys such teachers and  
833 instructional personnel is subject to the retirement  
834 contribution.

835 g. An agency may reemploy a retiree as a firefighter or  
836 paramedic after he or she has met the definition of termination  
837 in s. 121.021(39). Any retiree who is reemployed within 1  
838 calendar month after retirement shall void his or her  
839 application for retirement benefits. The agency reemploying such  
840 firefighter or paramedic is subject to the retirement  
841 contribution. A retiree may be reemployed as a firefighter or

582-04470-09

20091182c2

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

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

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

582-04470-09

20091182c2

871 the unfunded actuarial liability portion of the employer  
872 contribution which would be required for regular members of the  
873 Florida Retirement System.

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

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

886 4.a. A retiree who is elected or appointed to an elective  
887 office eligible for the Elected Officers' Class on or after July  
888 1, 1990, and initially enrolled through December 31, 2009, must  
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, must 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 as long  
896 as he or she remains in elective office. However, a retiree who  
897 served in an elective office before July 1, 1990, suspended his  
898 or her retirement benefit, and had his or her Florida Retirement  
899 System membership reinstated shall, upon retirement from such

582-04470-09

20091182c2

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

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

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

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

918 a. For retirement effective before January 1, 2010, or DROP  
919 participation ending before January 1, 2010, any person who  
920 exercises this election shall receive his or her retirement  
921 benefits in addition to the compensation of the elective office  
922 without regard to the time limitations otherwise provided in  
923 this subsection. A person who seeks to exercise the provisions  
924 of this subparagraph, as they existed before May 3, 1984, is not  
925 deemed retired under those provisions unless the person is  
926 eligible to retire under this subparagraph as amended by chapter  
927 84-11, Laws of Florida.

928 b. For retirement effective on or after January 1, 2010, or



582-04470-09

20091182c2

929 DROP participation ending on or after January 1, 2010, any  
930 person who exercises this election may not receive retirement  
931 benefits in addition to compensation for the elective office.

932 6. The limitations of this paragraph apply to reemployment  
933 in any capacity with an employer irrespective of the category of  
934 funds from which the person is compensated.

935 7. This paragraph regarding reemployment after retirement  
936 applies to DROP participants effective upon termination from  
937 employment and the end of DROP participation.

938 (c) This subsection applies to retirees, as defined in s.  
939 121.4501(2), of the Public Employee Optional Retirement Program  
940 created in part II, subject to the following conditions:

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

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

956 ~~(a) Any person who is retired under this chapter, except~~  
957 ~~under the disability retirement provisions of subsection (4),~~

582-04470-09

20091182c2

958 ~~may be employed by an employer that does not participate in a~~  
959 ~~state-administered retirement system and may receive~~  
960 ~~compensation from that employment without limiting or~~  
961 ~~restricting in any way the retirement benefits payable to that~~  
962 ~~person.~~

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

975 ~~2. Any person to whom the limitation in subparagraph 1.~~  
976 ~~applies who violates such reemployment limitation and who is~~  
977 ~~reemployed with any agency participating in the Florida~~  
978 ~~Retirement System before completion of the 12-month limitation~~  
979 ~~period shall give timely notice of this fact in writing to the~~  
980 ~~employer and to the division and shall have his or her~~  
981 ~~retirement benefits suspended for the balance of the 12-month~~  
982 ~~limitation period. Any person employed in violation of this~~  
983 ~~paragraph and any employing agency which knowingly employs or~~  
984 ~~appoints such person without notifying the Division of~~  
985 ~~Retirement to suspend retirement benefits shall be jointly and~~  
986 ~~severally liable for reimbursement to the retirement trust fund~~

582-04470-09

20091182c2

987 ~~of any benefits paid during the reemployment limitation period.~~  
988 ~~To avoid liability, such employing agency shall have a written~~  
989 ~~statement from the retiree that he or she is not retired from a~~  
990 ~~state-administered retirement system. Any retirement benefits~~  
991 ~~received while reemployed during this reemployment limitation~~  
992 ~~period shall be repaid to the retirement trust fund, and~~  
993 ~~retirement benefits shall remain suspended until such repayment~~  
994 ~~has been made. Benefits suspended beyond the reemployment~~  
995 ~~limitation shall apply toward repayment of benefits received in~~  
996 ~~violation of the reemployment limitation.~~

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

1012 ~~4. A community college board of trustees may reemploy a~~  
1013 ~~retired member as an adjunct instructor, that is, an instructor~~  
1014 ~~who is noncontractual and part-time, or as a participant in a~~  
1015 ~~phased retirement program within the Florida Community College~~

582-04470-09

20091182c2

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

582-04470-09

20091182c2

1045       ~~5. The State University System may reemploy a retired~~  
1046 ~~member as an adjunct faculty member or as a participant in a~~  
1047 ~~phased retirement program within the State University System~~  
1048 ~~after the retired member has been retired for 1 calendar month,~~  
1049 ~~in accordance with s. 121.021(39). Any retired member who is~~  
1050 ~~reemployed within 1 calendar month after retirement shall void~~  
1051 ~~his or her application for retirement benefits. The State~~  
1052 ~~University System is subject to the retired contribution~~  
1053 ~~required in subparagraph 7., as appropriate. A retired member~~  
1054 ~~may be reemployed as an adjunct faculty member or a participant~~  
1055 ~~in a phased retirement program for no more than 780 hours during~~  
1056 ~~the first 12 months of his or her retirement. Any retired member~~  
1057 ~~reemployed for more than 780 hours during the first 12 months of~~  
1058 ~~retirement shall give timely notice in writing to the employer~~  
1059 ~~and to the division of the date he or she will exceed the~~  
1060 ~~limitation. The division shall suspend his or her retirement~~  
1061 ~~benefits for the remainder of the first 12 months of retirement.~~  
1062 ~~Any person employed in violation of this subparagraph and any~~  
1063 ~~employing agency which knowingly employs or appoints such person~~  
1064 ~~without notifying the Division of Retirement to suspend~~  
1065 ~~retirement benefits shall be jointly and severally liable for~~  
1066 ~~reimbursement to the retirement trust fund of any benefits paid~~  
1067 ~~during the reemployment limitation period. To avoid liability,~~  
1068 ~~such employing agency shall have a written statement from the~~  
1069 ~~retiree that he or she is not retired from a state-administered~~  
1070 ~~retirement system. Any retirement benefits received by a retired~~  
1071 ~~member while reemployed in excess of 780 hours during the first~~  
1072 ~~12 months of retirement shall be repaid to the Retirement System~~  
1073 ~~Trust Fund, and retirement benefits shall remain suspended until~~

582-04470-09

20091182c2

1074 ~~repayment is made. Benefits suspended beyond the end of the~~  
1075 ~~retired member's first 12 months of retirement shall apply~~  
1076 ~~toward repayment of benefits received in violation of the 780-~~  
1077 ~~hour reemployment limitation.~~

1078 ~~6. The Board of Trustees of the Florida School for the Deaf~~  
1079 ~~and the Blind may reemploy a retired member as a substitute~~  
1080 ~~teacher, substitute residential instructor, or substitute nurse~~  
1081 ~~on a noncontractual basis after he or she has been retired for 1~~  
1082 ~~calendar month, in accordance with s. 121.021(39). Any retired~~  
1083 ~~member who is reemployed within 1 calendar month after~~  
1084 ~~retirement shall void his or her application for retirement~~  
1085 ~~benefits. The Board of Trustees of the Florida School for the~~  
1086 ~~Deaf and the Blind reemploying such teachers, residential~~  
1087 ~~instructors, or nurses is subject to the retirement contribution~~  
1088 ~~required by subparagraph 7. Reemployment of a retired member as~~  
1089 ~~a substitute teacher, substitute residential instructor, or~~  
1090 ~~substitute nurse is limited to 780 hours during the first 12~~  
1091 ~~months of his or her retirement. Any retired member reemployed~~  
1092 ~~for more than 780 hours during the first 12 months of retirement~~  
1093 ~~shall give timely notice in writing to the employer and to the~~  
1094 ~~division of the date he or she will exceed the limitation. The~~  
1095 ~~division shall suspend his or her retirement benefits for the~~  
1096 ~~remainder of the first 12 months of retirement. Any person~~  
1097 ~~employed in violation of this subparagraph and any employing~~  
1098 ~~agency which knowingly employs or appoints such person without~~  
1099 ~~notifying the Division of Retirement to suspend retirement~~  
1100 ~~benefits shall be jointly and severally liable for reimbursement~~  
1101 ~~to the retirement trust fund of any benefits paid during the~~  
1102 ~~reemployment limitation period. To avoid liability, such~~

582-04470-09

20091182c2

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

1113 ~~7. The employment by an employer of any retiree or DROP~~  
1114 ~~participant of any state-administered retirement system shall~~  
1115 ~~have no effect on the average final compensation or years of~~  
1116 ~~creditable service of the retiree or DROP participant. Prior to~~  
1117 ~~July 1, 1991, upon employment of any person, other than an~~  
1118 ~~elected officer as provided in s. 121.053, who has been retired~~  
1119 ~~under any state-administered retirement program, the employer~~  
1120 ~~shall pay retirement contributions in an amount equal to the~~  
1121 ~~unfunded actuarial liability portion of the employer~~  
1122 ~~contribution which would be required for regular members of the~~  
1123 ~~Florida Retirement System. Effective July 1, 1991, contributions~~  
1124 ~~shall be made as provided in s. 121.122 for retirees with~~  
1125 ~~renewed membership or subsection (13) with respect to DROP~~  
1126 ~~participants.~~

1127 ~~8. Any person who has previously retired and who is holding~~  
1128 ~~an elective public office or an appointment to an elective~~  
1129 ~~public office eligible for the Elected Officers' Class on or~~  
1130 ~~after July 1, 1990, shall be enrolled in the Florida Retirement~~  
1131 ~~System as provided in s. 121.053(1)(b) or, if holding an~~

582-04470-09

20091182c2

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

1144 ~~9. Any person who is holding an elective public office~~  
1145 ~~which is covered by the Florida Retirement System and who is~~  
1146 ~~concurrently employed in nonelected covered employment may elect~~  
1147 ~~to retire while continuing employment in the elective public~~  
1148 ~~office, provided that he or she shall be required to terminate~~  
1149 ~~his or her nonelected covered employment. Any person who~~  
1150 ~~exercises this election shall receive his or her retirement~~  
1151 ~~benefits in addition to the compensation of the elective office~~  
1152 ~~without regard to the time limitations otherwise provided in~~  
1153 ~~this subsection. No person who seeks to exercise the provisions~~  
1154 ~~of this subparagraph, as the same existed prior to May 3, 1984,~~  
1155 ~~shall be deemed to be retired under those provisions, unless~~  
1156 ~~such person is eligible to retire under the provisions of this~~  
1157 ~~subparagraph, as amended by chapter 84-11, Laws of Florida.~~

1158 ~~10. The limitations of this paragraph apply to reemployment~~  
1159 ~~in any capacity with an "employer" as defined in s. 121.021(10),~~  
1160 ~~irrespective of the category of funds from which the person is~~



582-04470-09

20091182c2

1161 compensated.

1162 ~~11. An employing agency may reemploy a retired member as a~~  
1163 ~~firefighter or paramedic after the retired member has been~~  
1164 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~  
1165 ~~Any retired member who is reemployed within 1 calendar month~~  
1166 ~~after retirement shall void his or her application for~~  
1167 ~~retirement benefits. The employing agency reemploying such~~  
1168 ~~firefighter or paramedic is subject to the retired contribution~~  
1169 ~~required in subparagraph 8. Reemployment of a retired~~  
1170 ~~firefighter or paramedic is limited to no more than 780 hours~~  
1171 ~~during the first 12 months of his or her retirement. Any retired~~  
1172 ~~member reemployed for more than 780 hours during the first 12~~  
1173 ~~months of retirement shall give timely notice in writing to the~~  
1174 ~~employer and to the division of the date he or she will exceed~~  
1175 ~~the limitation. The division shall suspend his or her retirement~~  
1176 ~~benefits for the remainder of the first 12 months of retirement.~~  
1177 ~~Any person employed in violation of this subparagraph and any~~  
1178 ~~employing agency which knowingly employs or appoints such person~~  
1179 ~~without notifying the Division of Retirement to suspend~~  
1180 ~~retirement benefits shall be jointly and severally liable for~~  
1181 ~~reimbursement to the Retirement System Trust Fund of any~~  
1182 ~~benefits paid during the reemployment limitation period. To~~  
1183 ~~avoid liability, such employing agency shall have a written~~  
1184 ~~statement from the retiree that he or she is not retired from a~~  
1185 ~~state-administered retirement system. Any retirement benefits~~  
1186 ~~received by a retired member while reemployed in excess of 780~~  
1187 ~~hours during the first 12 months of retirement shall be repaid~~  
1188 ~~to the Retirement System Trust Fund, and retirement benefits~~  
1189 ~~shall remain suspended until repayment is made. Benefits~~

582-04470-09

20091182c2

1190 ~~suspended beyond the end of the retired member's first 12 months~~  
1191 ~~of retirement shall apply toward repayment of benefits received~~  
1192 ~~in violation of the 780-hour reemployment limitation.~~

1193 ~~(c) The provisions of this subsection apply to retirees, as~~  
1194 ~~defined in s. 121.4501(2)(j), of the Public Employee Optional~~  
1195 ~~Retirement Program created in part II, subject to the following~~  
1196 ~~conditions:~~

1197 ~~1. Such retirees may not be reemployed with an employer~~  
1198 ~~participating in the Florida Retirement System as provided in~~  
1199 ~~paragraph (b) until such person has been retired for 3 calendar~~  
1200 ~~months, unless the participant has reached the normal retirement~~  
1201 ~~requirements of the defined benefit plan as provided in s.~~  
1202 ~~121.021(29).~~

1203 ~~2. Such retiree employed in violation of this subsection~~  
1204 ~~and any employing agency that knowingly employs or appoints such~~  
1205 ~~person shall be jointly and severally liable for reimbursement~~  
1206 ~~of any benefits paid to the retirement trust fund from which the~~  
1207 ~~benefits were paid, including the Retirement System Trust Fund~~  
1208 ~~and the Public Employee Optional Retirement Program Trust Fund,~~  
1209 ~~as appropriate. To avoid liability, such employing agency must~~  
1210 ~~have a written statement from the retiree that he or she is not~~  
1211 ~~retired from a state-administered retirement system.~~

1212 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and  
1213 subject to ~~the provisions of this section,~~ the Deferred  
1214 Retirement Option Program, hereinafter referred to as the DROP,  
1215 is a program under which an eligible member of the Florida  
1216 Retirement System may elect to participate, deferring receipt of  
1217 retirement benefits while continuing employment with his or her  
1218 Florida Retirement System employer. The deferred monthly

582-04470-09

20091182c2

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

1230 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All  
1231 active Florida Retirement System members in a regularly  
1232 established position, and all active members of ~~either~~ the  
1233 Teachers' Retirement System established in chapter 238 or the  
1234 State and County Officers' and Employees' Retirement System  
1235 established in chapter 122, which systems are consolidated  
1236 within the Florida Retirement System under s. 121.011, are  
1237 eligible to elect participation in ~~the~~ DROP if provided that:

1238 1. The member is not a renewed member ~~of the Florida~~  
1239 ~~Retirement System~~ under s. 121.122, or a member of the State  
1240 Community College System Optional Retirement Program under s.  
1241 121.051, the Senior Management Service Optional Annuity Program  
1242 under s. 121.055, or the optional retirement program for the  
1243 State University System under s. 121.35.

1244 2. Except as provided in subparagraph 6., election to  
1245 participate is made within 12 months immediately following the  
1246 date ~~on which~~ the member first reaches normal retirement date,  
1247 or, for a member who reaches normal retirement date ~~based on~~

582-04470-09

20091182c2

1248 ~~service~~ before he or she reaches age 62, or age 55 for Special  
1249 Risk Class members, election to participate may be deferred to  
1250 the 12 months immediately following the date the member attains  
1251 57, or age 52 for Special Risk Class members. Except as provided  
1252 in subparagraph 6., a member who delays DROP participation  
1253 during the 12-month period immediately following his or her  
1254 maximum DROP deferral date, loses a month of DROP participation  
1255 for each month delayed. For a member who first reached normal  
1256 retirement date or the deferred eligibility date described above  
1257 prior to the effective date of this section, election to  
1258 participate shall be made within 12 months after the effective  
1259 date of this section. A member who fails to make an election  
1260 within the such 12-month limitation period forfeits shall  
1261 forfeit all rights to participate in ~~the~~ DROP. The member must  
1262 shall advise his or her employer and the division in writing of  
1263 the date ~~on which the~~ DROP begins shall begin. The Such  
1264 beginning date may be after ~~subsequent to~~ the 12-month election  
1265 period, but must be within the original 60-month participation  
1266 ~~or, with respect to members who are instructional personnel~~  
1267 ~~employed by the Florida School for the Deaf and the Blind and~~  
1268 ~~who have received authorization by the Board of Trustees of the~~  
1269 ~~Florida School for the Deaf and the Blind to participate in the~~  
1270 ~~DROP beyond 60 months, or who are instructional personnel as~~  
1271 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~  
1272 ~~received authorization by the district school superintendent to~~  
1273 ~~participate in the DROP beyond 60 months, the 96-month~~  
1274 ~~limitation~~ period as provided in subparagraph (b)1. When  
1275 establishing eligibility of the member to participate in ~~the~~  
1276 DROP ~~for the 60-month or, with respect to members who are~~

582-04470-09

20091182c2

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

1291 3. The employer of a member electing to participate in ~~the~~  
1292 DROP, or employers if dually employed, shall acknowledge in  
1293 writing to the division the date the member's participation in  
1294 ~~the~~ DROP begins and the date the member's employment and DROP  
1295 participation will terminate.

1296 4. Simultaneous employment of a participant by additional  
1297 Florida Retirement System employers subsequent to the  
1298 commencement of participation in ~~the~~ DROP is ~~shall be~~  
1299 permissible if the ~~provided such~~ employers acknowledge in  
1300 writing a DROP termination date no later than the participant's  
1301 existing termination date or the maximum participation ~~60-month~~  
1302 ~~limitation~~ period as provided in subparagraph (b)1.

1303 5. A DROP participant may change employers while  
1304 participating in ~~the~~ DROP, subject to the following:

1305 a. A change of employment must take place without a break

582-04470-09

20091182c2

1306 in service so that the member receives salary for each month of  
1307 continuous DROP participation. If a member receives no salary  
1308 during a month, DROP participation ceases ~~shall cease~~ unless the  
1309 employer verifies a continuation of the employment relationship  
1310 for such participant pursuant to s. 121.021(39)(b).

1311 b. Such participant and new employer shall notify the  
1312 division of the identity of the new employer on forms required  
1313 by the division ~~as to the identity of the new employer~~.

1314 c. The new employer shall acknowledge, in writing, the  
1315 participant's DROP termination date, which may be extended but  
1316 not beyond the maximum participation ~~original 60-month or, with~~  
1317 ~~respect to members who are instructional personnel employed by~~  
1318 ~~the Florida School for the Deaf and the Blind and who have~~  
1319 ~~received authorization by the Board of Trustees of the Florida~~  
1320 ~~School for the Deaf and the Blind to participate in the DROP~~  
1321 ~~beyond 60 months, or who are instructional personnel as defined~~  
1322 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~  
1323 ~~authorization by the district school superintendent to~~  
1324 ~~participate in the DROP beyond 60 months, the 96-month period~~  
1325 provided in subparagraph (b)1., shall acknowledge liability for  
1326 any additional retirement contributions and interest required if  
1327 the participant fails to timely terminate employment, and is  
1328 ~~shall be~~ subject to the adjustment required in sub-subparagraph  
1329 (c)5.d.

1330 6. Effective July 1, 2001, for instructional personnel as  
1331 defined in s. 1012.01(2), election to participate in ~~the~~ DROP is  
1332 ~~shall be~~ made at any time following the date on which the member  
1333 first reaches normal retirement date. The member shall advise  
1334 his or her employer and the division in writing of the date on

582-04470-09

20091182c2

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

1352 (b) *Participation in ~~the~~ DROP.*—

1353 1. An eligible member may elect to participate in ~~the~~ DROP  
1354 for a period not to exceed a maximum of 60 calendar months.  
1355 However, ~~or, with respect to~~ members who are instructional  
1356 personnel employed by the Florida School for the Deaf and the  
1357 Blind and authorized ~~who have received authorization~~ by the  
1358 Board of Trustees of the Florida School for the Deaf and the  
1359 Blind ~~to participate in the DROP beyond 60 months, or who are~~  
1360 instructional personnel as defined in s. 1012.01(2) (a)-(d) in  
1361 grades K-12 and authorized ~~who have received authorization~~ by  
1362 the district school superintendent ~~to participate in the DROP~~  
1363 ~~beyond 60 calendar months, or who are instructional personnel as~~

582-04470-09

20091182c2

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

1391 2. Upon deciding to participate in ~~the~~ DROP, the member  
1392 shall submit, on forms required by the division:



582-04470-09

20091182c2

- 1393 a. A written election to participate in the DROP;
- 1394 b. Selection of ~~the~~ DROP participation and termination
- 1395 dates, which satisfy the limitations stated in paragraph (a) and
- 1396 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
- 1397 binding letter of resignation to ~~with~~ the employer, establishing
- 1398 a deferred termination date. The member may change the
- 1399 termination date within the limitations of subparagraph 1., but
- 1400 only with the written approval of the ~~his or her~~ employer;
- 1401 c. A properly completed DROP application for service
- 1402 retirement as provided in this section; and
- 1403 d. Any other information required by the division.
- 1404 3. The DROP participant is ~~shall be~~ a retiree under the
- 1405 Florida Retirement System for all purposes, except for paragraph
- 1406 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
- 1407 and 121.122. DROP participation is final and cannot be cancelled
- 1408 by the participant after the first payment is credited during
- 1409 the DROP participation period. However, participation in ~~the~~
- 1410 DROP does not alter the participant's employment status, and the
- 1411 member is ~~such employee shall~~ not ~~be~~ deemed retired from
- 1412 employment until his or her deferred resignation is effective
- 1413 and termination occurs as provided in s. 121.021(39).
- 1414 4. Elected officers are ~~shall be~~ eligible to participate in
- 1415 ~~the~~ DROP subject to the following:
- 1416 a. An elected officer who reaches normal retirement date
- 1417 during a term of office may defer the election to participate ~~in~~
- 1418 ~~the DROP~~ until the next succeeding term in that office. An ~~Such~~
- 1419 elected officer who exercises this option may participate in ~~the~~
- 1420 DROP for up to 60 calendar months or ~~a period of~~ no longer than
- 1421 the ~~such~~ succeeding term of office, whichever is less.

582-04470-09

20091182c2

1422           b. An elected or a nonelected participant may run for a  
1423 term of office while participating in DROP and, if elected,  
1424 extend the DROP termination date accordingly; ~~except~~, however,  
1425 if the ~~such~~ additional term of office exceeds the 60-month  
1426 limitation established in subparagraph 1., and the officer does  
1427 not resign from office within such 60-month limitation, the  
1428 retirement and the participant's DROP is ~~shall be~~ null and void  
1429 as provided in sub-subparagraph (c)5.d.

1430           c. For DROP participation ending:

1431           (I) Before January 1, 2010, an elected officer who is  
1432 dually employed and elects to participate in DROP must ~~shall be~~  
1433 ~~required to~~ satisfy the definition of termination within the  
1434 original 60-month period or maximum participation ~~or, with~~  
1435 ~~respect to members who are instructional personnel employed by~~  
1436 ~~the Florida School for the Deaf and the Blind and who have~~  
1437 ~~received authorization by the Board of Trustees of the Florida~~  
1438 ~~School for the Deaf and the Blind to participate in the DROP~~  
1439 ~~beyond 60 months, or who are instructional personnel as defined~~  
1440 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~  
1441 ~~authorization by the district school superintendent to~~  
1442 ~~participate in the DROP beyond 60 months, the 96-month~~  
1443 ~~limitation~~ period as provided in subparagraph 1. for the  
1444 nonelected position and may continue employment as an elected  
1445 officer as provided in s. 121.053. The elected officer shall  
1446 ~~will~~ be enrolled as a renewed member in the Elected Officers'  
1447 Class or the Regular Class, as provided in ss. 121.053 and  
1448 121.122, on the first day of the month after termination of  
1449 employment in the nonelected position and termination of DROP.  
1450 Distribution of the DROP benefits shall be made as provided in

582-04470-09

20091182c2

1451 paragraph (c).

1452 (II) On or after January 1, 2010, an elected officer who is  
1453 dually employed and elects to participate in DROP must satisfy  
1454 the definition of termination in s. 121.021(39) for the  
1455 nonelected position within the original 60-month period or  
1456 maximum period as provided in subparagraph 1. If the elected  
1457 officer does not terminate from elective office within the  
1458 original 60-month period or maximum period, he or she may defer  
1459 termination as provided in s. 121.053 but is subject to  
1460 termination in s. 121.021(39) to finalize retirement.

1461 (c) *Benefits payable under ~~the~~ DROP.*—

1462 1. Effective on ~~with~~ the date of DROP participation, the  
1463 member's initial normal monthly benefit, including creditable  
1464 service, optional form of payment, and average final  
1465 compensation, and the effective date of retirement are ~~shall be~~  
1466 fixed. The beneficiary established under the Florida Retirement  
1467 System is ~~shall be~~ the beneficiary eligible to receive any DROP  
1468 benefits payable if the DROP participant dies before completing  
1469 ~~prior to the completion of~~ the period of DROP participation. If  
1470 ~~In the event~~ a joint annuitant predeceases the member, the  
1471 member may name a beneficiary to receive accumulated DROP  
1472 benefits payable. The ~~Such~~ retirement benefit, the annual cost  
1473 of living adjustments provided in s. 121.101, and interest ~~shall~~  
1474 accrue monthly in the Florida Retirement System Trust Fund. The  
1475 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate  
1476 of 6.5 percent compounded monthly, on the prior month's  
1477 accumulated ending balance, up to the month of termination or  
1478 death.

1479 2. Each employee who elects to participate in ~~the~~ DROP may

582-04470-09

20091182c2

1480 ~~shall be allowed to~~ elect to receive a lump-sum payment for  
1481 accrued annual leave earned in accordance with agency policy  
1482 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated  
1483 leave payment certified to the division upon commencement of  
1484 DROP must ~~shall~~ be included in the calculation of the member's  
1485 average final compensation. The employee electing the ~~such~~ lump-  
1486 sum payment is ~~upon beginning participation in~~ DROP will not be  
1487 eligible to receive a second lump-sum payment upon termination,  
1488 except to the extent the employee has earned additional annual  
1489 leave which combined with the original payment does not exceed  
1490 the maximum lump-sum payment allowed by the employing agency's  
1491 policy or rules. An ~~Such~~ early lump-sum payment shall be based  
1492 on the hourly wage of the employee at the time he or she begins  
1493 participation in ~~the~~ DROP. If the member elects to wait and  
1494 receive a such lump-sum payment upon termination of DROP and  
1495 termination of employment with the employer, any accumulated  
1496 leave payment made at that time may not ~~cannot~~ be included in  
1497 the member's retirement benefit, which was determined and fixed  
1498 by law when the employee elected to participate in ~~the~~ DROP.

1499 3. The effective date of DROP participation and the  
1500 effective date of retirement of a DROP participant is ~~shall be~~  
1501 the first day of the month selected by the member to begin  
1502 participation in ~~the~~ DROP, if ~~provided~~ such date is properly  
1503 established, with the written confirmation of the employer, and  
1504 the approval of the division, on forms required by the division.

1505 4. Normal retirement benefits and any interest ~~thereon~~  
1506 ~~shall~~ continue to accrue in ~~the~~ DROP until the established  
1507 termination date of ~~the~~ DROP, or until the participant  
1508 terminates employment or dies before ~~prior to~~ such date.

582-04470-09

20091182c2

1509 Although individual DROP accounts may ~~shall~~ not be established,  
1510 a separate accounting of each participant's accrued benefits  
1511 under ~~the~~ DROP shall be calculated and provided to participants.

1512 5. At the conclusion of the participant's DROP, the  
1513 division shall distribute the participant's total accumulated  
1514 DROP benefits, subject to the following provisions:

1515 a. The division shall receive verification by the  
1516 participant's employer or employers that the ~~such~~ participant  
1517 has terminated employment as provided in s. 121.021(39)(b).

1518 b. The terminated DROP participant or, if deceased, the  
1519 ~~such~~ participant's named beneficiary, shall elect on forms  
1520 provided by the division to receive payment of ~~the~~ DROP benefits  
1521 in accordance with one of the options listed below. If ~~For~~ a  
1522 participant or beneficiary ~~who~~ fails to elect a method of  
1523 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the  
1524 division shall ~~will~~ pay a lump sum as provided in sub-sub-  
1525 subparagraph (I).

1526 (I) Lump sum.—All accrued DROP benefits, plus interest,  
1527 less withholding taxes remitted to the Internal Revenue Service,  
1528 shall be paid to ~~the~~ DROP participant or surviving beneficiary.

1529 (II) Direct rollover.—All accrued DROP benefits, plus  
1530 interest, shall be paid from ~~the~~ DROP directly to the custodian  
1531 of an eligible retirement plan as defined in s. 402(c)(8)(B) of  
1532 the Internal Revenue Code. However, in the case of an eligible  
1533 rollover distribution to the surviving spouse of a deceased  
1534 participant, an eligible retirement plan is an individual  
1535 retirement account or an individual retirement annuity as  
1536 described in s. 402(c)(9) of the Internal Revenue Code.

1537 (III) Partial lump sum.—A portion of the accrued DROP

582-04470-09

20091182c2

1538 benefits shall be paid to ~~the~~ DROP participant or surviving  
1539 spouse, less withholding taxes remitted to the Internal Revenue  
1540 Service, and the remaining DROP benefits must ~~shall~~ be  
1541 transferred directly to the custodian of an eligible retirement  
1542 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.  
1543 However, in the case of an eligible rollover distribution to the  
1544 surviving spouse of a deceased participant, an eligible  
1545 retirement plan is an individual retirement account or an  
1546 individual retirement annuity as described in s. 402(c)(9) of  
1547 the Internal Revenue Code. The proportions must ~~shall~~ be  
1548 specified by the DROP participant or surviving beneficiary.

1549 c. The form of payment selected by the DROP participant or  
1550 surviving beneficiary must comply ~~complies~~ with the minimum  
1551 distribution requirements of the Internal Revenue Code.

1552 d. A DROP participant who fails to terminate employment as  
1553 defined in s. 121.021(39)(b) shall be deemed as not ~~to be~~  
1554 retired, and the DROP election is ~~shall be~~ null and void.  
1555 Florida Retirement System membership shall be reestablished  
1556 retroactively to the date of the commencement of ~~the~~ DROP, and  
1557 each employer with whom the participant continues employment  
1558 must ~~shall be required to~~ pay to the Florida Retirement System  
1559 Trust Fund the difference between the DROP contributions paid in  
1560 paragraph (i) and the contributions required for the applicable  
1561 Florida Retirement System class of membership during the period  
1562 the member participated in ~~the~~ DROP, plus 6.5 percent interest  
1563 compounded annually.

1564 6. The retirement benefits of a retiree who participated in  
1565 DROP and meets the definition of termination in s.  
1566 121.021(39)(b), but is in violation of the reemployment

582-04470-09

20091182c2

1567 provisions provided in subsection (9), must be suspended during  
1568 the months in which the reemployed retiree is in violation. A  
1569 retiree reemployed in violation of this subparagraph and the  
1570 agency that employs or appoints such member without notifying  
1571 the Division of Retirement to suspend retirement benefits are  
1572 jointly and severally liable for any benefits paid during the  
1573 reemployment limitation period. To avoid liability, the  
1574 employing agency must have a written statement from the retiree  
1575 that he or she is not retired from a state-administered  
1576 retirement system.

1577 a. For DROP participation ending before January 1, 2010,  
1578 any retirement benefits received by a retiree while employed in  
1579 violation of the reemployment limitations during the 12-month  
1580 limitation period must be repaid to the Florida Retirement  
1581 System Trust Fund, and his or her retirement benefits shall  
1582 remain suspended until payment is made. Benefits suspended  
1583 beyond the end of the retiree's 12-calendar month limitation  
1584 period apply toward repayment of benefits received in violation  
1585 of the reemployment limitations.

1586 b. For DROP participation ending on or after January 1,  
1587 2010, any retirement benefits received by a retiree while  
1588 employed in violation of the reemployment limitations must be  
1589 repaid to the Florida Retirement System Trust Fund, and his or  
1590 her retirement benefits remain suspended until payment is made.  
1591 Benefits suspended after the retiree has terminated employment  
1592 apply toward repayment of benefits received in violation of the  
1593 reemployment limitations.

1594 7.6. The accrued benefits of any DROP participant, and any  
1595 contributions accumulated under the ~~such~~ program, are ~~shall~~ not

582-04470-09

20091182c2

1596 ~~be~~ subject to assignment, execution, attachment, or to any legal  
1597 process whatsoever, except for qualified domestic relations  
1598 orders by a court of competent jurisdiction, income deduction  
1599 orders as provided in s. 61.1301, and federal income tax levies.

1600 8.7. DROP participants are ~~shall~~ not ~~be~~ eligible for  
1601 disability retirement benefits as provided in subsection (4).

1602 (d) *Death benefits under ~~the~~ DROP.*—

1603 1. Upon the death of a DROP participant, the named  
1604 beneficiary is ~~shall be~~ entitled to apply for and receive the  
1605 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph  
1606 (c)5.b.

1607 2. The normal retirement benefit accrued to ~~the~~ DROP during  
1608 the month of a participant's death is ~~shall be~~ the final monthly  
1609 benefit credited for such DROP participant.

1610 3. Eligibility to participate in ~~the~~ DROP terminates upon  
1611 death of the participant. If the participant dies on or after  
1612 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~  
1613 ~~to~~ the first monthly benefit is being credited to ~~the~~ DROP,  
1614 Florida Retirement System benefits are ~~shall be~~ paid in  
1615 accordance with subparagraph (7) (c)1. or subparagraph 2.

1616 4. A DROP participant's ~~participants'~~ survivors are ~~shall~~  
1617 not ~~be~~ eligible to receive Florida Retirement System death  
1618 benefits as provided in paragraph (7) (d).

1619 (e) *Cost-of-living adjustment.*—On each July 1, the  
1620 participant's ~~participants'~~ normal retirement benefit shall be  
1621 increased as provided in s. 121.101.

1622 (f) *Retiree health insurance subsidy.*—DROP participants are  
1623 not eligible to apply for the retiree health insurance subsidy  
1624 payments ~~as~~ provided in s. 112.363 until such participants have



582-04470-09

20091182c2

1625 terminated employment and participation in ~~the~~ DROP.

1626 (g) *Renewed membership.*—

1627 1. DROP participants who end DROP participation before  
1628 January 1, 2010, are ~~shall~~ not ~~be~~ eligible for renewed  
1629 membership in the Florida Retirement System under ss. 121.053  
1630 and 121.122 until termination of employment is effectuated as  
1631 provided in s. 121.021(39)(b).

1632 2. DROP participants who end DROP participation on or after  
1633 January 1, 2010, are not eligible for renewed membership in a  
1634 state-administered retirement system.

1635 (h) *Employment limitation after DROP participation.*—Upon  
1636 ~~satisfying the definition of~~ termination of employment as  
1637 provided in s. 121.021(39)(b), DROP participants are ~~shall be~~  
1638 subject to the same ~~such~~ reemployment limitations as other  
1639 retirees. Reemployment restrictions applicable to retirees as  
1640 provided in subsection (9) do ~~shall~~ not apply to DROP  
1641 participants until their employment and participation in ~~the~~  
1642 DROP are terminated.

1643 (i) *Contributions.*—

1644 1. All employers paying the salary of a DROP participant  
1645 filling a regularly established position shall contribute 8.0  
1646 percent of such participant's gross compensation for the period  
1647 of July 1, 2002, through June 30, 2003, and the 11.56 percent of  
1648 such compensation required by s. 121.71 thereafter, which shall  
1649 constitute the entire employer DROP contribution with respect to  
1650 such participant. Such contributions, payable to the Florida  
1651 Retirement System Trust Fund in the same manner as required in  
1652 s. 121.071, must ~~shall~~ be made as appropriate for each pay  
1653 period and are in addition to contributions required for social

582-04470-09

20091182c2

1654 security and the Retiree Health Insurance Subsidy Trust Fund.  
1655 Such employer, social security, and health insurance subsidy  
1656 contributions are not included in ~~the~~ DROP.

1657 2. The employer shall, in addition to subparagraph 1., also  
1658 withhold one-half of the entire social security contribution  
1659 required for the participant. Contributions for social security  
1660 by each participant and each employer, in the amount required  
1661 for social security coverage as ~~now or hereafter~~ provided by the  
1662 federal Social Security Act, are ~~shall be~~ in addition to  
1663 contributions specified in subparagraph 1.

1664 3. All employers paying the salary of a DROP participant  
1665 filling a regularly established position shall contribute the  
1666 percent of such participant's gross compensation required in s.  
1667 121.071(4), which ~~shall~~ constitute the employer's health  
1668 insurance subsidy contribution with respect to such participant.  
1669 Such contributions must ~~shall~~ be deposited by the administrator  
1670 in the Retiree Health Insurance Subsidy Trust Fund.

1671 (j) *Forfeiture of retirement benefits.* ~~Nothing in~~ This  
1672 section does not ~~shall be construed to~~ remove DROP participants  
1673 from the scope of s. 8(d), Art. II of the State Constitution, s.  
1674 112.3173, and paragraph (5)(f). DROP participants who commit a  
1675 specified felony offense while employed are ~~will be~~ subject to  
1676 forfeiture of all retirement benefits, including DROP benefits,  
1677 pursuant to those provisions of law.

1678 (k) *Administration of program.* ~~The division shall~~ adopt  
1679 ~~make such~~ rules as ~~are~~ necessary for the effective and efficient  
1680 administration of this subsection. The division is ~~shall~~ not be  
1681 required to advise members of the federal tax consequences of an  
1682 election related to the DROP but may advise members to seek

582-04470-09

20091182c2

1683 independent advice.

1684 Section 6. Section 121.122, Florida Statutes, is amended to  
1685 read:

1686 121.122 Renewed membership in system.-

1687 (1) A retiree of a state-administered retirement system who  
1688 is initially reemployed on or after January 1, 2010, is not  
1689 eligible for renewed membership.

1690 (2) Except as provided in s. 121.053, effective July 1,  
1691 1991, through December 31, 2009, any retiree of a state-  
1692 administered retirement system who is initially reemployed  
1693 ~~employed~~ in a regularly established position with a covered  
1694 employer shall be enrolled as a compulsory member of the Regular  
1695 Class of the Florida Retirement System or, effective July 1,  
1696 1997, through December 31, 2009, any retiree of a state-  
1697 administered retirement system who is initially reemployed  
1698 ~~employed~~ in a position included in the Senior Management Service  
1699 Class shall be enrolled as a compulsory member of the Senior  
1700 Management Service Class of the Florida Retirement System as  
1701 provided in s. 121.055, and is ~~shall be~~ entitled to receive an  
1702 additional retirement benefit, subject to the following  
1703 conditions:

1704 ~~(1)~~ (a) Such member must ~~shall~~ resatisfy the age and service  
1705 requirements ~~as~~ provided in this chapter for initial membership  
1706 under the system, unless the ~~such~~ member elects to participate  
1707 in the Senior Management Service Optional Annuity Program in  
1708 lieu of the Senior Management Service Class, as provided in s.  
1709 121.055(6).

1710 (b) Such member is ~~shall~~ not ~~be~~ entitled to disability  
1711 benefits as provided in s. 121.091(4).

582-04470-09

20091182c2

1712 (c) Such member must meet the reemployment after retirement  
1713 limitations as provided in s. 121.091(9), as applicable.

1714 ~~(3)-(2)~~ Upon reemployment of a retiree ~~renewed membership,~~  
1715 the employer of such member shall pay the applicable employer  
1716 contributions as required by ss. 121.71, 121.74, 121.76, and  
1717 112.363 ~~ss. 121.055(3) and 121.071(1)(a) and (4).~~

1718 ~~(4)-(3)~~ The retiree of a state-administered retirement  
1719 system who is initially reemployed before January 1, 2010, is  
1720 ~~Such member shall be~~ entitled to purchase additional retirement  
1721 credit in the Regular Class or the Senior Management Service  
1722 Class, as applicable, for any postretirement service performed  
1723 in a regularly established position as follows:

1724 (a) For regular class service before ~~prior to~~ July 1, 1991,  
1725 by paying the Regular Class applicable employee and employer  
1726 contributions for the period being claimed, plus 4 percent  
1727 interest compounded annually from first year of service claimed  
1728 until July 1, 1975, and 6.5 percent interest compounded  
1729 thereafter, until full payment is made to the Florida Retirement  
1730 System Trust Fund; or

1731 (b) For Senior Management Service Class before ~~prior to~~  
1732 June 1, 1997, as provided in s. 121.055(1)(j).

1733  
1734 The contribution for postretirement service between July 1,  
1735 1985, and July 1, 1991, for which the reemployed retiree  
1736 contribution was paid, is ~~shall be~~ the difference between the  
1737 ~~such~~ contribution and the total applicable contribution for the  
1738 period being claimed, plus interest. The employer of such member  
1739 may pay the applicable employer contribution in lieu of the  
1740 member. If a member does not wish to claim credit for all of the

582-04470-09

20091182c2

1741 postretirement service for which he or she is eligible, the  
1742 service the member claims must be the most recent service.

1743 ~~(5)~~~~(4)~~ ~~No~~ Creditable service for which credit was received,  
1744 or which remained unclaimed, at retirement may not be claimed or  
1745 applied toward service credit earned following renewed  
1746 membership. However, for retirees initially reemployed before  
1747 January 1, 2010, service earned as an elected officer with  
1748 renewed membership in the Elected Officers' Class may be used in  
1749 conjunction with creditable service earned under this section,  
1750 if provided the applicable vesting requirements and other  
1751 existing statutory conditions required by this chapter are met.

1752 ~~(6)~~~~(5)~~ Notwithstanding any other limitations ~~provided~~ in  
1753 this section, a participant of the State University System  
1754 Optional Retirement Program, the State Community College  
1755 Optional Retirement Program, or the Senior Management Service  
1756 Optional Annuity Program who terminated employment and commenced  
1757 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~  
1758 optional program, who initially renews membership before January  
1759 1, 2010, ~~in the Regular Class~~ as required by this section upon  
1760 reemployment after retirement, and who had previously earned  
1761 creditable Florida Retirement System service that was not  
1762 included in any retirement benefit may include such previous  
1763 service toward vesting and service credit in the second career  
1764 benefit provided under renewed membership.

1765 ~~(7)~~~~(6)~~ A Any renewed member who is not receiving the  
1766 maximum health insurance subsidy provided in s. 112.363 is ~~shall~~  
1767 ~~be~~ entitled to earn additional credit toward the maximum health  
1768 insurance subsidy. Any additional subsidy due because of such  
1769 additional credit may ~~shall~~ be received only at the time of

582-04470-09

20091182c2

1770 payment of the second career retirement benefit. ~~In no case~~  
1771 ~~shall~~ The total health insurance subsidy received by a retiree  
1772 receiving benefits from initial and renewed membership may not  
1773 exceed the maximum allowed in s. 112.363.

1774 Section 7. Paragraph (h) of subsection (3) and paragraphs  
1775 (a) and (e) of subsection (5) of section 121.35, Florida  
1776 Statutes, are amended, and paragraph (g) is added to subsection  
1777 (5) of that section, to read:

1778 121.35 Optional retirement program for the State University  
1779 System.—

1780 (3) ELECTION OF OPTIONAL PROGRAM.—

1781 (h) A participant in the optional retirement program may  
1782 not participate in more than one state-administered retirement  
1783 system, plan, or class simultaneously. Except as provided in s.  
1784 121.052(6)(d), a participant who is or becomes dually employed  
1785 in two or more positions covered by the Florida Retirement  
1786 System, one of which is eligible for the optional program and  
1787 one of which is not, may remain a member of the optional program  
1788 and contributions shall be paid as required only on the salary  
1789 earned in the position eligible for the optional program during  
1790 the ~~such~~ period of dual employment; or, within 90 days after  
1791 becoming dually employed, he or she may elect membership in the  
1792 Regular Class of the Florida Retirement System in lieu of the  
1793 optional program and contributions shall be paid as required on  
1794 the total salary received for all employment. At retirement, the  
1795 average final compensation used to calculate any benefits for  
1796 which the member becomes eligible under the Florida Retirement  
1797 System must ~~shall~~ be based on all salary reported for both  
1798 positions during such period of dual employment. If the ~~When~~

582-04470-09

20091182c2

1799 ~~such~~ member ceases to be dually employed, he or she may, within  
1800 90 days, elect to remain in the Florida Retirement System class  
1801 for which he or she is eligible or to again become a participant  
1802 in the optional retirement program. Failure to elect membership  
1803 in the optional program within 90 days shall result in  
1804 compulsory membership in the Florida Retirement System, except  
1805 that a member filling a faculty position at ~~under~~ a college with  
1806 a faculty practice plan at the University of Florida, at ~~or~~ the  
1807 Medical Center at the University of South Florida, or other  
1808 state university shall again participate in the optional  
1809 retirement program as required in s. 121.051(1)(a).

1810 (5) BENEFITS.—

1811 (a) Benefits are ~~shall be~~ payable under the optional  
1812 retirement program only to vested participants in the program,  
1813 or their beneficiaries as designated by the participant in the  
1814 contract with a provider company, and such benefits shall be  
1815 paid only by the designated company in accordance with s. 403(b)  
1816 of the Internal Revenue Code and ~~in accordance with~~ the terms of  
1817 the annuity contract or contracts applicable to the participant.  
1818 Benefits ~~shall~~ accrue in individual accounts that are  
1819 participant-directed, portable, and funded by employer  
1820 contributions and the earnings thereon. The participant must be  
1821 terminated from all employment with all Florida Retirement  
1822 System employers, as provided in s. 121.021(39), to begin  
1823 receiving the employer-funded benefit. Benefits funded by  
1824 employer contributions are ~~shall be~~ payable in accordance with  
1825 the following terms and conditions:

1826 1. Benefits shall be paid ~~payable~~ only to a participant, to  
1827 his or her beneficiaries, or to his or her estate, as designated

582-04470-09

20091182c2

1828 by the participant.

1829 2. Benefits shall be paid by the provider company or  
1830 companies in accordance with the law, the provisions of the  
1831 contract, and any applicable department ~~board~~ rule or policy.

1832 3. In the event of a participant's death, moneys  
1833 accumulated by, or on behalf of, the participant, less  
1834 withholding taxes remitted to the Internal Revenue Service, if  
1835 any, shall be distributed to the participant's designated  
1836 beneficiary or beneficiaries, or to the participant's estate, as  
1837 if the participant retired on the date of death, as provided in  
1838 paragraph (c). No other death benefits are ~~shall be~~ available to  
1839 ~~for~~ survivors of participants under the optional retirement  
1840 program except for such benefits, or coverage for such benefits,  
1841 as are separately afforded by the employer, at the employer's  
1842 discretion.

1843 (e) A participant who chooses to receive his or her  
1844 benefits upon termination of employment as defined in s.  
1845 121.021(39) ~~must~~ ~~shall have responsibility to~~ notify the  
1846 provider company of the date ~~on which~~ he or she wishes benefits  
1847 funded by employer contributions to begin. Benefits may be  
1848 deferred until ~~such time as~~ the participant chooses to make such  
1849 application.

1850 (g) For purposes of this section, the term "retiree" means  
1851 a former participant of the optional retirement program who has  
1852 terminated employment and has taken a distribution, including a  
1853 rollover or trustee-to-trustee transfer, as provided in this  
1854 subsection, except for a mandatory distribution of a de minimis  
1855 account authorized by the department.

1856 Section 8. Paragraph (f) of subsection (2) of section



582-04470-09

20091182c2

1857 121.4501, Florida Statutes, is amended to read:

1858 121.4501 Public Employee Optional Retirement Program.—

1859 (2) DEFINITIONS.—As used in this part, the term:

1860 (f) "Eligible employee" means an officer or employee, as  
1861 defined in s. 121.021(11), who:

1862 1. Is a member of, or is eligible for membership in, the  
1863 Florida Retirement System, including any renewed member of the  
1864 Florida Retirement System initially reemployed before January 1,  
1865 2010; or

1866 2. Participates in, or is eligible to participate in, the  
1867 Senior Management Service Optional Annuity Program as  
1868 established under s. 121.055(6), the State Community College  
1869 System Optional Retirement Program as established under s.  
1870 121.051(2)(c), or the State University System Optional  
1871 Retirement Program established under s. 121.35.

1872  
1873 The term does not include any member participating in the  
1874 Deferred Retirement Option Program established under s.  
1875 121.091(13), a retiree of a state-administered retirement system  
1876 initially reemployed on or after January 1, 2010, or a mandatory  
1877 participant of the State University System Optional Retirement  
1878 Program established under s. 121.35.

1879 Section 9. Paragraph (b) of subsection (1) of section  
1880 121.591, Florida Statutes, is amended to read:

1881 121.591 Benefits payable under the Public Employee Optional  
1882 Retirement Program of the Florida Retirement System.—Benefits  
1883 may not be paid under this section unless the member has  
1884 terminated employment as provided in s. 121.021(39)(a) or is  
1885 deceased and a proper application has been filed in the manner

582-04470-09

20091182c2

1886 prescribed by the state board or the department. The state board  
1887 or department, as appropriate, may cancel an application for  
1888 retirement benefits when the member or beneficiary fails to  
1889 timely provide the information and documents required by this  
1890 chapter and the rules of the state board and department. In  
1891 accordance with their respective responsibilities as provided  
1892 herein, the State Board of Administration and the Department of  
1893 Management Services shall adopt rules establishing procedures  
1894 for application for retirement benefits and for the cancellation  
1895 of such application when the required information or documents  
1896 are not received. The State Board of Administration and the  
1897 Department of Management Services, as appropriate, are  
1898 authorized to cash out a de minimis account of a participant who  
1899 has been terminated from Florida Retirement System covered  
1900 employment for a minimum of 6 calendar months. A de minimis  
1901 account is an account containing employer contributions and  
1902 accumulated earnings of not more than \$5,000 made under the  
1903 provisions of this chapter. Such cash-out must either be a  
1904 complete lump-sum liquidation of the account balance, subject to  
1905 the provisions of the Internal Revenue Code, or a lump-sum  
1906 direct rollover distribution paid directly to the custodian of  
1907 an eligible retirement plan, as defined by the Internal Revenue  
1908 Code, on behalf of the participant. If any financial instrument  
1909 issued for the payment of retirement benefits under this section  
1910 is not presented for payment within 180 days after the last day  
1911 of the month in which it was originally issued, the third-party  
1912 administrator or other duly authorized agent of the State Board  
1913 of Administration shall cancel the instrument and credit the  
1914 amount of the instrument to the suspense account of the Public

582-04470-09

20091182c2

1915 Employee Optional Retirement Program Trust Fund authorized under  
1916 s. 121.4501(6). Any such amounts transferred to the suspense  
1917 account are payable upon a proper application, not to include  
1918 earnings thereon, as provided in this section, within 10 years  
1919 after the last day of the month in which the instrument was  
1920 originally issued, after which time such amounts and any  
1921 earnings thereon shall be forfeited. Any such forfeited amounts  
1922 are assets of the Public Employee Optional Retirement Program  
1923 Trust Fund and are not subject to the provisions of chapter 717.

1924 (1) NORMAL BENEFITS.—Under the Public Employee Optional  
1925 Retirement Program:

1926 (b) If a participant elects to receive his or her benefits  
1927 upon termination of employment as defined in s. 121.021(39), the  
1928 participant must submit a written application or an equivalent  
1929 form to the third-party administrator indicating his or her  
1930 preferred distribution date and selecting an authorized method  
1931 of distribution as provided in paragraph (c). The participant  
1932 may defer receipt of benefits until he or she chooses to make  
1933 such application, subject to federal requirements.

1934 Section 10. Subsection (1) of section 238.183, Florida  
1935 Statutes, is amended to read:

1936 238.183 Developmental research school and Florida School  
1937 for the Deaf and the Blind instructional personnel; reemployment  
1938 after retirement.—

1939 (1) Notwithstanding any other law, instructional personnel,  
1940 as defined in s. 1012.01(2), employed by a developmental  
1941 research school or the Florida School for the Deaf and the Blind  
1942 are eligible for reemployment after retirement in the same  
1943 manner as classroom teachers who are employed by the district

582-04470-09

20091182c2

1944 school boards, as described in ss. 121.091(9)(b) ~~121.091(9)(b)3.~~  
1945 and 238.181(2)(c).

1946 Section 11. Paragraph (g) of subsection (3) of section  
1947 1012.33, Florida Statutes, is amended to read:

1948 1012.33 Contracts with instructional staff, supervisors,  
1949 and school principals.—

1950 (3)

1951 (g) Beginning July 1, 2001, for each employee who enters  
1952 into a written contract, pursuant to this section, in a school  
1953 district in which the employee was not employed as of June 30,  
1954 2001, or was employed as of June 30, 2001, but has since broken  
1955 employment with that district for 1 school year or more, for  
1956 purposes of pay, a district school board must recognize and  
1957 accept each year of full-time public school teaching service  
1958 earned in this state ~~the State of Florida~~ or outside the state  
1959 and for which the employee received a satisfactory performance  
1960 evaluation. Instructional personnel employed pursuant to s.  
1961 121.091(b) ~~s. 121.091(9)(b)3.~~ are exempt from the provisions of  
1962 this paragraph.

1963 Section 12. Sections 121.093 and 121.094, Florida Statutes,  
1964 are repealed.

1965 Section 13. The Legislature finds that a proper and  
1966 legitimate state purpose is served when employees and retirees  
1967 of the state and its political subdivisions, as well as the  
1968 dependents, survivors, and beneficiaries of such employees and  
1969 retirees, are extended the basic protections afforded by  
1970 governmental retirement systems that provide fair and adequate  
1971 benefits and that are managed, administered, and funded in an  
1972 actuarially sound manner as required by s. 14, Art. X of the

582-04470-09

20091182c2

1973 State Constitution and part VII of chapter 112, Florida  
1974 Statutes. Therefore, the Legislature determines and declares  
1975 that the amendment of s. 121.091, Florida Statutes, by this act  
1976 fulfills an important state interest.

1977 Section 14. Effective upon this act becoming a law, the  
1978 Department of Management Services shall request an actuarial  
1979 special study to determine the employer contribution rates  
1980 required by this act. The department shall notify the Governor,  
1981 the President of the Senate, and the Speaker of the House of  
1982 Representatives of the results of the actuarial special study  
1983 within 1 week after receiving the results.

1984 Section 15. Except as otherwise expressly provided in this  
1985 act and except for this section, which shall take effect upon  
1986 becoming a law, this act shall take effect January 1, 2010;  
1987 except that this act shall not take effect if the Department of  
1988 Management Services receives an actuarial special study stating  
1989 that the provisions of this act require an increase of 0.01  
1990 percent or more in the employer contribution rate for any  
1991 Florida Retirement System member class, subclass, or the  
1992 Deferred Retirement Option Program.