

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

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1 A bill to be entitled
2 An act relating to the state retirement system;
3 amending s. 121.021, F.S.; redefining the terms
4 "employer," "termination," and "retiree"; amending s.
5 121.051, F.S.; conforming a cross-reference;
6 clarifying when a State Community College System
7 Optional Retirement Program participant is considered
8 a retiree; amending s. 121.052, F.S.; limiting the
9 membership of elected officers of a municipality or
10 special district in the Elected Officers Class unless
11 designated for inclusion during a specified period;
12 amending s. 121.053, F.S.; prohibiting elected
13 officials who retire after a certain date from
14 reenrolling in the Florida Retirement System; amending
15 s. 121.055, F.S.; prohibiting elected officials who
16 retire after a certain date from renewing membership
17 in the Senior Management Service Class or in the
18 Senior Management Service Optional Annuity Program;
19 revising provisions relating to de minimum accounts;
20 amending s. 121.091, F.S.; revising and clarifying
21 provisions relating to retirement benefits; providing
22 that retirees of a state-administered retirement
23 system may not be reemployed by an employer
24 participating in the Florida Retirement System for 6
25 months; deleting limitations relating to reemploying
26 retires within 12 months after retirement; revising
27 provisions relating to the Deferred Retirement Option
28 Program; extending DROP participation for
29 instructional personnel employed by a developmental

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30 research school; clarifying that DROP participation
31 cannot be canceled; revising DROP provisions for
32 elected officials; providing that DROP participants
33 who end DROP after a certain date may not renew
34 membership in a state-administered retirement system;
35 deleting obsolete provisions; amending s. 121.122,
36 F.S.; prohibiting a retiree from renewing membership
37 in the State Retirement System; revising conditions
38 under which a retiree is entitled to certain
39 additional retirement benefits; amending s. 121.35,
40 F.S.; revising provisions relating to participation in
41 the state university optional retirement program;
42 defining the term "retiree"; amending s. 121.4501,
43 F.S.; revising the term "eligible employee"; amending
44 s. 121.591, F.S.; conforming provisions; amending ss.
45 238.183 and 1012.33, F.S.; conforming cross-
46 references; repealing ss. 121.093 and 121.094, F.S.,
47 relating to the reemployment of instructional
48 personnel after retirement from a developmental
49 research school, the Florida School for the Deaf and
50 the Blind, or a charter school, the provisions of
51 which are included in ss. 238.183 and 238.184, F.S.;
52 providing a declaration of important state interest;
53 requiring the Department of Management Services to
54 request an actuarial study to determine the effect of
55 the act on employer contributions and to notify the
56 Governor and Legislature of the results; providing a
57 contingent effective date.

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59 Be It Enacted by the Legislature of the State of Florida:

60
61 Section 1. Subsections (10), (39), and (60) of section
62 121.021, Florida Statutes, are amended to read:

63 121.021 Definitions.—The following words and phrases as
64 used in this chapter have the respective meanings set forth
65 unless a different meaning is plainly required by the context:

66 (10) "Employer" means any agency, branch, department,
67 institution, university, institution of higher education, or
68 board of the state, or any county agency, branch, department,
69 board, district school board, municipality, metropolitan
70 planning organization, or special district of the state, ~~or any~~
71 ~~city of the state~~ which participates in the system for the
72 benefit of certain of its employees, or a charter school or
73 charter technical career center that participates as provided in
74 s. 121.051(2)(d). Employers are not agents of the department,
75 the state board, or the Division of Retirement, and the
76 department, the state board, and the division are not
77 responsible for erroneous information provided by
78 representatives of employers.

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

83 1. For termination dates occurring before January 1, 2010,
84 if a member is ~~should be~~ employed by any such employer within
85 the next calendar month, termination shall be deemed not to have
86 occurred. A leave of absence constitutes ~~shall constitute~~ a
87 continuation of the employment relationship, except that a leave

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88 of absence without pay due to disability may constitute
89 termination ~~for a member~~, if such member makes application for
90 and is approved for disability retirement in accordance with s.
91 121.091(4). The department or state board may require other
92 evidence of termination as it deems necessary.

93 2. For termination dates occurring on or after January 1,
94 2010, if a member is employed by any such employer within the
95 next 6 calendar months, termination shall be deemed not to have
96 occurred. A leave of absence constitutes a continuation of the
97 employment relationship, except that a leave of absence without
98 pay due to disability may constitute termination if such member
99 makes application for and is approved for disability retirement
100 in accordance with s. 121.091(4). The department or state board
101 may require other evidence of termination as it deems necessary.

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

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

114 2. For termination dates occurring on or after January 1,
115 2010, if the DROP participant becomes employed by any such
116 employer within the next 6 calendar months, termination will be

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117 deemed not to have occurred, except as provided in s.
118 121.091(13)(b)4.c. A leave of absence constitutes a continuation
119 of the employment relationship.

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

124 (a) A person who retired and is receiving benefits under s.
125 112.05;

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

128 (c) A former participant who receives a distribution
129 pursuant to the State Community College Optional Retirement
130 Program as provided in s. 121.051(2)(c), the Senior Management
131 Service Optional Annuity Program as provided in s. 121.055(6),
132 an alternative program for members of the Senior Management
133 Class who withdrew from the Florida Retirement System under s.
134 121.055(1)(b), or the State University System Retirement
135 Optional Retirement Program as provided in s. 121.35(5). The
136 term "distribution" means receiving funds that include employer
137 contributions and associated earnings, whether received as a
138 full or partial rollover, or trustee-to-trustee transfer, lump-
139 sum payment, periodic payment, annuity payment, or any
140 combination of these payment methods.

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

144 121.051 Participation in the system.—

145 (1) COMPULSORY PARTICIPATION.—

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146 (a) Participation in the Florida Retirement System is ~~The~~
147 ~~provisions of this law shall be~~ compulsory for ~~as to~~ all
148 officers and employees, except elected officers who meet the
149 requirements of s. 121.052(3), who are employed on or after
150 December 1, 1970, by ~~of~~ an employer other than those referred to
151 in paragraph (2) (b) ~~.~~ and Each officer or employee, as a
152 condition of employment, becomes ~~shall become~~ a member of the
153 system on the ~~as of his or her~~ date of employment, except that a
154 person who is retired from any state retirement system and is
155 reemployed on or after December 1, 1970, may not renew his or
156 her membership in any state retirement system except as provided
157 in s. 121.091(4) (h) for a person who recovers from disability,
158 ~~and as provided in s. 121.053 s. 121.091(9) (b) 8.~~ for a person
159 who is elected to public office, and, effective July 1, 1991, as
160 provided in s. 121.122 for all other retirees.

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

165 2.1. Any person appointed on or after July 1, 1989, to a
166 faculty position in a college at the J. Hillis Miller Health
167 Center at the University of Florida or the Medical Center at the
168 University of South Florida which has a faculty practice plan
169 adopted ~~provided~~ by rule ~~adopted~~ by the Board of Regents may not
170 participate in the Florida Retirement System. Effective July 1,
171 2008, any person appointed ~~thereafter~~ to a faculty position,
172 including clinical faculty, in a college at a state university
173 that has a faculty practice plan authorized by the Board of
174 Governors may not participate in the Florida Retirement System.

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175 A faculty member so appointed shall participate in the optional
176 retirement program for the State University System
177 notwithstanding ~~the provisions of~~ s. 121.35(2)(a).

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

179 a. "Faculty position" means ~~is defined as~~ a position
180 assigned the principal responsibility of teaching, research, or
181 public service activities or administrative responsibility
182 directly related to the academic mission of the college. ~~The~~
183 ~~term~~

184 b. "Clinical faculty" means ~~is defined as~~ a faculty
185 position appointment in conjunction with a professional position
186 in a hospital or other clinical environment at a college. ~~The~~
187 ~~term~~

188 c. "Faculty practice plan" includes professional services
189 to patients, institutions, or other parties which are rendered
190 by the clinical faculty employed by a college that has a faculty
191 practice plan at a state university authorized by the Board of
192 Governors.

193 (2) OPTIONAL PARTICIPATION.—

194 (c) Employees of public community colleges or charter
195 technical career centers sponsored by public community colleges,
196 ~~as~~ designated in s. 1000.21(3), who are members of the Regular
197 Class of the Florida Retirement System and who comply with the
198 criteria set forth in this paragraph and ~~in~~ s. 1012.875 may
199 ~~elect~~, in lieu of participating in the Florida Retirement
200 System, elect to withdraw from the ~~Florida Retirement~~ system
201 altogether and participate in the State Community College System
202 ~~an~~ Optional Retirement Program provided by the employing agency
203 under s. 1012.875, ~~to be known as the State Community College~~

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204 ~~System Optional Retirement Program. Pursuant thereto:~~

205 1. Through June 30, 2001, the cost to the employer for such
206 annuity equals ~~shall equal~~ the normal cost portion of the
207 employer retirement contribution which would be required if the
208 employee were a member of the Regular Class defined benefit
209 program, plus the portion of the contribution rate required by
210 s. 112.363(8) which ~~that~~ would otherwise be assigned to the
211 Retiree Health Insurance Subsidy Trust Fund. Effective July 1,
212 2001, each employer shall contribute on behalf of each
213 participant in the optional program an amount equal to 10.43
214 percent of the participant's gross monthly compensation. The
215 employer shall deduct an amount ~~to provide~~ for the
216 administration of the ~~optional retirement~~ program. The employer
217 ~~providing the optional program~~ shall contribute an additional
218 amount to the Florida Retirement System Trust Fund equal to the
219 unfunded actuarial accrued liability portion of the Regular
220 Class contribution rate.

221 2. The decision to participate in ~~such~~ an optional
222 retirement program is ~~shall be~~ irrevocable ~~for~~ as long as the
223 employee holds a position eligible for participation, except as
224 provided in subparagraph 3. Any service creditable under the
225 Florida Retirement System is ~~shall be~~ retained after the member
226 withdraws from the ~~Florida Retirement~~ system; however,
227 additional service credit in the ~~Florida Retirement~~ system may
228 ~~shall~~ not be earned while a member of the optional retirement
229 program.

230 3. An employee who has elected to participate in the
231 optional retirement program shall have one opportunity, at the
232 employee's discretion, ~~to choose~~ to transfer from the optional

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233 retirement program to the defined benefit program of the Florida
234 Retirement System or to the Public Employee Optional Retirement
235 Program, subject to the terms of the applicable optional
236 retirement program contracts.

237 a. If the employee chooses to move to the Public Employee
238 Optional Retirement Program, any contributions, interest, and
239 earnings creditable to the employee under the State Community
240 College System Optional Retirement Program is ~~shall be~~ retained
241 by the employee in the State Community College System Optional
242 Retirement Program, and the applicable provisions of s.
243 121.4501(4) ~~shall~~ govern the election.

244 b. If the employee chooses to move to the defined benefit
245 program of the Florida Retirement System, the employee shall
246 receive service credit equal to his or her years of service
247 under the State Community College System Optional Retirement
248 Program.

249 (I) The cost for such credit is the ~~shall be an~~ amount
250 representing the present value of the ~~that~~ employee's
251 accumulated benefit obligation for the affected period of
252 service. The cost shall be calculated as if the benefit
253 commencement occurs on the first date the employee becomes ~~would~~
254 ~~become~~ eligible for unreduced benefits, using the discount rate
255 and other relevant actuarial assumptions that were used to value
256 the Florida Retirement System defined benefit plan liabilities
257 in the most recent actuarial valuation. The calculation must
258 ~~shall~~ include any service already maintained under the defined
259 benefit plan in addition to the years under the State Community
260 College System Optional Retirement Program. The present value of
261 any service already maintained must ~~under the defined benefit~~

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262 ~~plan shall~~ be applied as a credit to total cost resulting from
263 the calculation. The division shall ensure that the transfer sum
264 is prepared using a formula and methodology certified by an
265 enrolled actuary.

266 (II) The employee must transfer from his or her State
267 Community College System Optional Retirement Program account and
268 from other employee moneys as necessary, a sum representing the
269 present value of the ~~that~~ employee's accumulated benefit
270 obligation immediately following the time of such movement,
271 determined assuming that attained service equals the sum of
272 service in the defined benefit program and service in the State
273 Community College System Optional Retirement Program.

274 4. Participation in the optional retirement program is
275 ~~shall be~~ limited to ~~those~~ employees who satisfy the following
276 eligibility criteria:

277 a. The employee must be otherwise eligible for membership
278 or renewed membership in the Regular Class of the Florida
279 Retirement System, as provided in s. 121.021(11) and (12) or s.
280 121.122.

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

284 (I) Instructional; or

285 (II) Executive Management, Instructional Management, or
286 Institutional Management, if a community college determines that
287 recruiting to fill a vacancy in the position is to be conducted
288 in the national or regional market, and~~÷~~

289 ~~(A)~~ the duties and responsibilities of the position include
290 ~~either~~ the formulation, interpretation, or implementation of

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291 policies, ~~+~~ or

292 ~~(B) The duties and responsibilities of the position include~~
293 the performance of functions that are unique or specialized
294 within higher education and that frequently ~~involve the support~~
295 ~~of~~ the mission of the community college.

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

299 5. Participants in the program are subject to the same
300 reemployment limitations, renewed membership provisions, and
301 forfeiture provisions ~~as are~~ applicable to regular members of
302 the Florida Retirement System under ss. 121.091(9), 121.122, and
303 121.091(5), respectively. A participant who receives a program
304 distribution, including a rollover or trustee-to-trustee
305 transfer, funded by employer contributions shall be deemed to be
306 retired from a state-administered retirement system if the
307 participant is subsequently employed by an employer that
308 participates in the Florida Retirement System.

309 6. Eligible community college employees are ~~shall be~~
310 compulsory members of the Florida Retirement System until,
311 pursuant to ~~the procedures set forth in~~ s. 1012.875, a written
312 election to withdraw from the ~~Florida Retirement~~ system and ~~to~~
313 participate in the State Community College System Optional
314 Retirement Program is filed with the program administrator and
315 received by the division.

316 a. A ~~Any~~ community college employee whose program
317 eligibility results from initial employment must ~~shall~~ be
318 enrolled in the State Community College System Optional
319 Retirement Program retroactive to the first day of eligible

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320 employment. The employer retirement contributions paid through
321 the month of the employee plan change shall be transferred to
322 the community college to ~~for~~ the employee's optional program
323 account, and, effective the first day of the next month, the
324 employer shall pay the applicable contributions based upon
325 subparagraph 1.

326 b. A ~~Any~~ community college employee whose program
327 eligibility is ~~results from a change in status~~ due to the
328 subsequent designation of the employee's position as one of
329 those specified in subparagraph 4., or due to the employee's
330 appointment, promotion, transfer, or reclassification to a
331 position specified in subparagraph 4., must ~~shall~~ be enrolled in
332 the program on ~~upon~~ the first day of the first full calendar
333 month that such change in status becomes effective. The employer
334 retirement contributions paid from the effective date through
335 the month of the employee plan change must ~~shall~~ be transferred
336 to the community college to ~~for~~ the employee's optional program
337 account, and, effective the first day of the next month, the
338 employer shall pay the applicable contributions based upon
339 subparagraph 1.

340 7. Effective July 1, 2003, through December 31, 2008, any
341 participant of the State Community College System Optional
342 Retirement Program who has service credit in the defined benefit
343 plan of the Florida Retirement System for the period between his
344 or her first eligibility to transfer from the defined benefit
345 plan to the optional retirement program and the actual date of
346 transfer may, during ~~his or her~~ employment, ~~elect to~~ transfer to
347 the optional retirement program a sum representing the present
348 value of the accumulated benefit obligation under the defined

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349 benefit retirement program for the ~~such~~ period of service
350 credit. Upon ~~such~~ transfer, all ~~such~~ service credit previously
351 earned under the defined benefit program of the Florida
352 Retirement System during this period is ~~shall be~~ nullified for
353 purposes of entitlement to a future benefit under the defined
354 benefit program of the Florida Retirement System.

355 (f) ~~1. If whenever~~ an employer that participates in the
356 Florida Retirement System undertakes the transfer, merger, or
357 consolidation of governmental services or functions, the
358 employer must notify the department at least 60 days before
359 ~~prior to~~ such action and ~~shall~~ provide documentation as required
360 by the department. If

361 ~~2. When~~ the agency to which a member's employing unit is
362 transferred, merged, or consolidated does not participate in the
363 Florida Retirement System, a member may ~~shall~~ elect in writing
364 to remain in the Florida Retirement System or ~~to~~ transfer to the
365 local retirement system operated by the ~~such~~ agency. If the ~~such~~
366 agency does not participate in a local retirement system, the
367 member shall continue membership in the Florida Retirement
368 System. In either case, the membership continues ~~shall continue~~
369 for as long as the member is employed by the agency to which his
370 or her unit was transferred, merged, or consolidated.

371 Section 3. Paragraph (f) of subsection (2) and paragraph
372 (e) of subsection (3) of section 121.052, Florida Statutes, are
373 amended to read:

374 121.052 Membership class of elected officers.—

375 (2) MEMBERSHIP.—The following holders of elective office,
376 hereinafter referred to as "elected officers," whether assuming
377 elective office by election, reelection, or appointment, are

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378 members of the Elected Officers' Class, except as provided in
379 subsection (3):

380 (f) Any elected officer of a municipality or special
381 district assuming office on or after July 1, 1997, through
382 December 31, 2009, as provided in subsection (3) paragraph
383 (3)(e). On or after January 1, 2010, an elected officer shall
384 become a member only if the governing body of the municipality
385 or special district, at the time it joins the Florida Retirement
386 System for its elected officers, elects, by majority vote, to
387 include all its elected positions in the Elected Officers'
388 Class.

389 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
390 1, 1990, participation in the Elected Officers' Class shall be
391 compulsory for elected officers listed in paragraphs (2)(a)-(d)
392 and (f) assuming office on or after said date, unless the
393 elected officer elects membership in another class or withdraws
394 from the Florida Retirement System as provided in paragraphs
395 (3)(a)-(d):

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

400 1. Effective July 1, 1997, such election must be made
401 between July 1, 1997, and December 31, 1997, and is irrevocable.
402 The designation of such positions is effective the first day of
403 the month following receipt by the department of the ordinance
404 or resolution passed by the governing body.

405 2. Effective July 1, 2001, such election must ~~shall~~ be made
406 between July 1, 2001, and December 31, 2001, and is ~~shall be~~

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407 irrevocable. The designation of such positions is ~~shall be~~
408 effective the first day of the month following receipt by the
409 department of the ordinance or resolution passed by the
410 governing body.

411 3. Effective July 1, 2009, such election must be made
412 between July 1, 2009, and December 31, 2009, and is irrevocable.
413 The designation of such positions is effective the first day of
414 the month following receipt by the department of the ordinance
415 or resolution passed by the governing body.

416 Section 4. Section 121.053, Florida Statutes, is amended to
417 read:

418 121.053 Participation in the Elected Officers' Class for
419 retired members.—

420 (1) ~~(a)~~ A ~~Any~~ member who retired under an ~~any~~ existing
421 system as defined in s. 121.021(2) ~~r~~ and receives a retirement
422 benefit ~~thereof~~, and who is subsequently reemployed ~~serves~~ in an
423 office covered by the Elected Officers' Class for a period of at
424 least 6 years, is ~~shall be~~ entitled to receive an additional
425 retirement benefit for ~~such~~ elected officer service completed
426 before ~~prior to~~ July 1, 1990, under the Elected Officers' Class
427 of the Florida Retirement System, as follows:

428 (a)1. Upon completion of 6 or more years of creditable
429 service in an office covered by the Elected Officers' Class, ~~s.~~
430 ~~121.052~~, such member shall notify the administrator of his or
431 her intent to purchase elected officer service completed before
432 ~~prior to~~ July 1, 1990, and shall pay the member contribution
433 applicable for the period being claimed, plus 4 percent interest
434 compounded annually from the first year of service claimed until
435 July 1, 1975, and 6.5 percent interest compounded annually

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436 thereafter, until full payment is made to the Florida Retirement
437 System Trust Fund; however, such member may purchase retirement
438 credit under the Elected Officers' Class only for ~~such~~ service
439 as an elected officer.

440 (b)2. Upon payment of the amount specified in paragraph (a)
441 ~~subparagraph 1.~~, the employer shall pay into the Florida
442 Retirement System Trust Fund the applicable employer
443 contribution for the period of elected officer service completed
444 before ~~prior to~~ July 1, 1990, ~~being claimed by the member,~~ plus
445 4 percent interest compounded annually from the first year of
446 service claimed until July 1, 1975, and 6.5 percent interest
447 compounded annually thereafter, until full payment is made to
448 the Florida Retirement System Trust Fund.

449 (2)(b) ~~A~~ A Any retired member of the Florida Retirement
450 System, or an ~~any~~ existing system as defined in s. 121.021(2),
451 who, beginning ~~on or after~~ July 1, 1990, through December 31,
452 2009, ~~is serving in, or is elected or appointed to,~~ an
453 elective office covered by the Elected Officers' Class shall be
454 enrolled in the appropriate subclass of the Elected Officers'
455 Class of the Florida Retirement System, and applicable
456 contributions shall be paid into the Florida Retirement System
457 Trust Fund as provided in s. 121.052(7). ~~Pursuant thereto:~~

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

463 (b)2. If the ~~any~~ ~~such~~ member serves in an elective office
464 covered by the Elected Officers' Class and becomes vested under

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465 that class, he or she is ~~shall be~~ entitled to receive an
466 additional retirement benefit for the ~~such~~ elected officer
467 service.

468 (c)3. ~~The Such~~ member is ~~shall be~~ entitled to purchase
469 additional retirement credit in the Elected Officers' Class for
470 any postretirement service performed in an elected position
471 eligible for the Elected Officers' Class before ~~prior to~~ July 1,
472 1990, or in the Regular Class for any postretirement service
473 performed in any other regularly established position before
474 ~~prior to~~ July 1, 1991, by paying the applicable Elected
475 Officers' Class or Regular Class employee and employer
476 contributions for the period being claimed, plus 4 percent
477 interest compounded annually from the first year of service
478 claimed until July 1, 1975, and 6.5 percent interest compounded
479 thereafter, until full payment is made to the Florida Retirement
480 System Trust Fund. The contribution for postretirement Regular
481 Class service between July 1, 1985, and July 1, 1991, for which
482 the reemployed retiree contribution was paid, is ~~shall be~~ the
483 difference between the ~~such~~ contribution and the total
484 applicable contribution for the period being claimed, plus
485 interest. The employer ~~of such member~~ may pay the applicable
486 employer contribution in lieu of the member. If a member does
487 not wish to claim credit for all of the postretirement service
488 for which he or she is eligible, the service the member claims
489 must be the most recent service.

490 (d)4. Creditable service for which credit was received, or
491 which remained unclaimed, at retirement may not be claimed or
492 applied toward service credit earned following renewed
493 membership. However, service earned in accordance with the

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494 renewed membership provisions of ~~in~~ s. 121.122 may be used in
495 conjunction with creditable service earned under this subsection
496 ~~paragraph, if provided~~ applicable vesting requirements and other
497 existing statutory conditions required by this chapter are met.

498 (e)5. ~~A member who~~ An elected officer who is elected or
499 ~~appointed to an elective office and~~ is participating in the
500 Deferred Retirement Option Program is not subject to termination
501 as defined in s. 121.021(39) ~~provided in s. 121.021(39)(b),~~ or
502 reemployment limitations as provided in s. 121.091(9), until the
503 end of his or her current term of office or, if the officer is
504 consecutively elected or reelected to an elective office
505 eligible for coverage under the Florida Retirement System, until
506 he or she no longer holds such an elective office, as follows:

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

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

511 b.(II) ~~No~~ Retirement contributions are not ~~shall be~~
512 required of the employer of the elected officer and ~~no~~
513 additional retirement credit may not ~~shall~~ be earned under the
514 Florida Retirement System.

515 2.b. ~~Nothing herein shall prevent~~ An elected officer may
516 ~~from~~ voluntarily terminate ~~terminating~~ his or her elective
517 office at any time and ~~electing to~~ receive his or her DROP
518 proceeds. However, until termination ~~requirements are fulfilled~~
519 as defined ~~provided~~ in s. 121.021(39) occurs, an ~~any~~ elected
520 officer whose termination limitations are extended by this
521 section is ~~shall be~~ ineligible for renewed membership in the
522 system and may not ~~shall~~ receive ~~no~~ pension payments, DROP lump

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523 sum payments, or any other state payment other than the
524 statutorily determined salary, travel, and per diem for the
525 elective office.

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

530

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

536 (3) ~~(2)~~ Upon attaining his or her normal retirement date and
537 ~~payment of the amount specified in paragraphs (1) (a) and (b),~~
538 and upon application to the administrator of the intent to
539 retire, a ~~the~~ member qualifying under subsection (1) or
540 subsection (2) shall receive a monthly benefit under this
541 section, in addition to any benefits already being received,
542 which shall commence on the last day of the month of retirement
543 and be payable on the last day of the month thereafter during
544 his or her lifetime. The amount of the ~~such~~ monthly benefit is
545 ~~shall be~~ the total percentage of retirement credit purchased
546 under this section multiplied by the member's average monthly
547 compensation as an elected officer, adjusted according to the
548 option selected at retirement under s. 121.091(6).

549 (4) ~~(3)~~ Any renewed member, as described in subsection (1)
550 or subsection (2), who is not receiving the maximum health
551 insurance subsidy provided in s. 112.363 is ~~shall be~~ entitled to

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552 earn additional credit toward the maximum health insurance
553 subsidy. Any additional subsidy due because of such additional
554 credit may ~~shall~~ be received only at the time of payment of the
555 second career retirement benefit. ~~In no case shall~~ The total
556 health insurance subsidy received ~~by a retiree receiving~~
557 ~~benefits~~ from initial and renewed membership may not exceed the
558 maximum allowed in s. 112.363.

559 (5)-(4) A ~~No~~ retired judge consenting to temporary duty in
560 any court, as assigned by the Chief Justice of the Supreme Court
561 in accordance with s. 2, Art. V of the State Constitution, is
562 not ~~shall be~~ subject to the renewed membership provisions of
563 subsection (1) or subsection (2) this section.

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

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

569 (b) An elected officer who is elected or appointed to an
570 elective office and is participating in the Deferred Retirement
571 Optional Program is subject to termination as defined in s.
572 121.021(39) upon completion of his or her DROP participation
573 period. An elected official may defer termination as provided in
574 paragraph (2) (e).

575 Section 5. Paragraph (f) of subsection (1) and paragraphs
576 (c) and (e) of subsection (6) of section 121.055, Florida
577 Statutes, are amended to read:

578 121.055 Senior Management Service Class.—There is hereby
579 established a separate class of membership within the Florida
580 Retirement System to be known as the "Senior Management Service

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581 Class," which shall become effective February 1, 1987.

582 (1)

583 (f) Effective July 1, 1997:

584 1. Except as provided in subparagraph 3., an any elected
585 state officer eligible for membership in the Elected Officers'
586 Class under s. 121.052(2)(a), (b), or (c) who elects membership
587 in the Senior Management Service Class under s. 121.052(3)(c)
588 may, within 6 months after assuming office or within 6 months
589 after this act becomes a law for serving elected state officers,
590 elect to participate in the Senior Management Service Optional
591 Annuity Program, as provided in subsection (6), in lieu of
592 membership in the Senior Management Service Class.

593 2. Except as provided in subparagraph 3., an any elected
594 ~~county~~ officer of a local agency employer eligible for
595 membership in the Elected Officers' Class under s. 121.052(2)(d)
596 who elects membership in the Senior Management Service Class
597 under s. 121.052(3)(c) may, within 6 months after assuming
598 office, or within 6 months after this act becomes a law for
599 serving elected ~~county~~ officers of a local agency employer,
600 elect to withdraw from the Florida Retirement System ~~participate~~
601 ~~in a lifetime monthly annuity program~~, as provided in
602 subparagraph (b)2., in lieu of membership in the Senior
603 Management Service Class.

604 3. A retiree of a state-administered retirement system who
605 is initially reemployed on or after January 1, 2010, as an
606 elected official eligible for the Elected Officers' Class is not
607 eligible for renewed membership in the Senior Management Service
608 Class or in the Senior Management Service Optional Annuity
609 Program as provided in subsection (6), or to withdraw from the

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610 Florida Retirement System as a renewed member as provided in
611 subparagraph (b)2., as applicable, in lieu of membership in the
612 Senior Management Service Class.

613 (6)

614 (c) *Participation.*—

615 1. An ~~any~~ eligible employee who is employed on or before
616 February 1, 1987, may elect to participate in the optional
617 annuity program in lieu of participation in the Senior
618 Management Service Class. Such election must ~~shall~~ be made in
619 writing and filed with the department and the personnel officer
620 of the employer on or before May 1, 1987. An ~~Any~~ eligible
621 employee who is employed on or before February 1, 1987, and who
622 fails to make an election to participate in the optional annuity
623 program by May 1, 1987, shall be deemed to have elected
624 membership in the Senior Management Service Class. However, a
625 retiree of a state-administered retirement system who is
626 initially reemployed on or after January 1, 2010, is not
627 eligible for renewed membership in the Senior Management Service
628 Optional Annuity Program.

629 2. An ~~Any~~ employee who becomes eligible to participate in
630 the optional annuity program by reason of initial employment
631 commencing after February 1, 1987, may, within 90 days after the
632 date of commencing ~~commencement~~ of employment, elect to
633 participate in the optional annuity program. Such election must
634 ~~shall~~ be made in writing and filed with the personnel officer of
635 the employer. An ~~Any~~ eligible employee who does not within 90
636 days after commencing ~~commencement~~ of ~~such~~ employment elect to
637 participate in the optional annuity program shall be deemed to
638 have elected membership in the Senior Management Service Class.

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639 3. A person who is appointed to a position in the Senior
640 Management Service Class and who is a member of an existing
641 retirement system or the Special Risk or Special Risk
642 Administrative Support Classes of the Florida Retirement System
643 may elect to remain in such system or class in lieu of
644 participation in the Senior Management Service Class or optional
645 annuity program. Such election must ~~shall~~ be made in writing and
646 filed with the department and the personnel officer of the
647 employer within 90 days of such appointment. Any eligible
648 employee who fails to make an election to participate in the
649 existing system, the Special Risk Class of the Florida
650 Retirement System, the Special Risk Administrative Support Class
651 of the Florida Retirement System, or the optional annuity
652 program shall be deemed to have elected membership in the Senior
653 Management Service Class.

654 4. Except as provided in subparagraph 5., an employee's
655 election to participate in the optional annuity program is
656 irrevocable if the ~~as long as such~~ employee continues to be
657 employed in an eligible position and continues to meet the
658 eligibility requirements set forth in this paragraph.

659 5. Effective from July 1, 2002, through September 30, 2002,
660 any active employee in a regularly established position who has
661 elected to participate in the Senior Management Service Optional
662 Annuity Program has one opportunity to choose to move from the
663 Senior Management Service Optional Annuity Program to the
664 Florida Retirement System defined benefit program.

665 a. The election must be made in writing and must be filed
666 with the department and the personnel officer of the employer
667 before October 1, 2002, or, in the case of an active employee

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668 who is on a leave of absence on July 1, 2002, within 90 days
669 after the conclusion of the leave of absence. This election is
670 irrevocable.

671 b. The employee shall ~~will~~ receive service credit under the
672 defined benefit program of the Florida Retirement System equal
673 to his or her years of service under the Senior Management
674 Service Optional Annuity Program. The cost for such credit is
675 the ~~shall be an~~ amount representing the present value of that
676 employee's accumulated benefit obligation for the affected
677 period of service.

678 c. The employee must transfer the total accumulated
679 employer contributions and earnings on deposit in his or her
680 Senior Management Service Optional Annuity Program account. If
681 the transferred amount is not sufficient to pay the amount due,
682 the employee must pay a sum representing the remainder of the
683 amount due. ~~In no case may~~ The employee may not retain any
684 employer contributions or earnings thereon from the Senior
685 Management Service Optional Annuity Program account.

686 (e) *Benefits.*—

687 1. Benefits ~~shall be payable~~ under the Senior Management
688 Service Optional Annuity Program are payable only to
689 participants in the program, or their beneficiaries as
690 designated by the participant in the contract with the a
691 provider company, and must ~~such benefits shall~~ be paid by the
692 designated company in accordance with the terms of the annuity
693 contract ~~or contracts~~ applicable to the participant. A
694 participant must be terminated from all employment relationships
695 with ~~all~~ Florida Retirement System employers as provided in s.
696 121.021(39) to begin receiving the employer-funded benefit.

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697 Benefits funded by employer contributions are ~~shall be~~ payable
698 under the terms of the contract ~~only as a lifetime annuity~~ to
699 the participant, his or her beneficiary, or his or her estate,
700 in addition to ~~except for~~:

701 a. A lump-sum payment to the beneficiary upon the death of
702 the participant;

703 b. A cash-out of a de minimis account upon the request of a
704 former participant who has been terminated for a minimum of 6
705 calendar months from the employment that entitled him or her to
706 optional annuity program participation. ~~A de minimis account is~~
707 ~~an account with a provider company containing employer~~
708 ~~contributions and accumulated earnings of not more than \$5,000~~
709 ~~made under the provisions of this chapter.~~ Such cash-out must be
710 a complete liquidation of the account balance with that company
711 and is subject to ~~the provisions of~~ the Internal Revenue Code;
712 ~~or~~

713 c. A mandatory distribution of a de minimis account of a
714 former participant who has been terminated for a minimum of 6
715 calendar months from the employment that entitled him or her to
716 optional annuity program participation as authorized by the
717 department; or

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

723
724 As used in this subparagraph, a "de minimis account" means an
725 account with a provider company containing employer

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726 contributions and accumulated earnings of not more than \$5,000
727 made under this chapter.

728 2. The benefits payable to any person under the Senior
729 Management Service Optional Annuity Program, and any
730 contribution accumulated under such program, are shall not be
731 subject to assignment, execution, or attachment or to any legal
732 process whatsoever.

733 3. Except as provided in subparagraph 4., a participant who
734 terminates employment and receives a distribution, including a
735 rollover or trustee-to-trustee transfer, optional annuity
736 program benefits funded by employer contributions shall be
737 deemed to be retired from a state-administered retirement system
738 if the participant is subsequently employed with an in the event
739 of subsequent employment with any employer that participates in
740 the Florida Retirement System.

741 4. A participant who receives optional annuity program
742 benefits funded by employer contributions as a mandatory
743 distribution of a de minimis account authorized by the
744 department is not considered a retiree.

745 Section 6. Subsections (9) and (13) of section 121.091,
746 Florida Statutes, are amended to read:

747 121.091 Benefits payable under the system.—Benefits may not
748 be paid under this section unless the member has terminated all
749 employment as provided in s. 121.021(39) (a) or begun
750 participation in the Deferred Retirement Option Program as
751 provided in subsection (13), and a proper application has been
752 filed in the manner prescribed by the department. The department
753 may cancel an application for retirement benefits when the
754 member or beneficiary fails to timely provide the information

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755 and documents required by this chapter and the department's
756 rules. The department shall adopt rules establishing procedures
757 for application for retirement benefits and for the cancellation
758 of such application when the required information or documents
759 are not received.

760 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

761 (a) Any person who is retired under this chapter, except
762 under the disability retirement provisions of subsection (4),
763 may be employed by an employer that does not participate in a
764 state-administered retirement system and ~~may~~ receive
765 compensation from that employment without limiting or
766 restricting in any way the retirement benefits payable to that
767 person.

768 (b)1. Any person who is retired under this chapter, except
769 under the disability retirement provisions of subsection (4) or
770 as provided in s. 121.053, may be reemployed by an any private
771 or public employer that participates in a state-administered
772 retirement system after retirement and receive retirement
773 benefits and compensation from that ~~his or her~~ employer without
774 any limitations, except that the a person may not be reemployed
775 by an employer receive both a salary from reemployment with any
776 agency participating in the Florida Retirement System and
777 retirement benefits under this chapter for 6 calendar a period
778 of 12 months immediately subsequent to the date of retirement.
779 However, a DROP participant shall continue employment and
780 receive a salary during the period of participation in the
781 Deferred Retirement Option Program, as provided in subsection
782 (13).

783 ~~2. Any person to whom the limitation in subparagraph 1.~~

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784 ~~applies who violates such reemployment limitation and who is~~
785 ~~reemployed with any agency participating in the Florida~~
786 ~~Retirement System before completion of the 12-month limitation~~
787 ~~period shall give timely notice of this fact in writing to the~~
788 ~~employer and to the division and shall have his or her~~
789 ~~retirement benefits suspended for the balance of the 12-month~~
790 ~~limitation period. Any person employed in violation of this~~
791 ~~paragraph and any employing agency which knowingly employs or~~
792 ~~appoints such person without notifying the Division of~~
793 ~~Retirement to suspend retirement benefits shall be jointly and~~
794 ~~severally liable for reimbursement to the retirement trust fund~~
795 ~~of any benefits paid during the reemployment limitation period.~~
796 ~~To avoid liability, such employing agency shall have a written~~
797 ~~statement from the retiree that he or she is not retired from a~~
798 ~~state-administered retirement system. Any retirement benefits~~
799 ~~received while reemployed during this reemployment limitation~~
800 ~~period shall be repaid to the retirement trust fund, and~~
801 ~~retirement benefits shall remain suspended until such repayment~~
802 ~~has been made. Benefits suspended beyond the reemployment~~
803 ~~limitation shall apply toward repayment of benefits received in~~
804 ~~violation of the reemployment limitation.~~

805 2.3. A district school board may reemploy a retired member
806 as a substitute or hourly teacher, education paraprofessional,
807 transportation assistant, bus driver, or food service worker on
808 a noncontractual basis after he or she has been retired for 1
809 calendar month, for no more than 780 hours during the first 6
810 calendar months of retirement in accordance with s. 121.021(39).
811 ~~A district school board may reemploy a retired member as~~
812 ~~instructional personnel, as defined in s. 1012.01(2)(a), on an~~

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813 ~~annual contractual basis after he or she has been retired for 1~~
814 ~~calendar month, in accordance with s. 121.021(39). Any other~~
815 ~~retired member who is reemployed within 1 calendar month after~~
816 ~~retirement shall void his or her application for retirement~~
817 ~~benefits. District school boards reemploying such teachers,~~
818 ~~education paraprofessionals, transportation assistants, bus~~
819 ~~drivers, or food service workers are subject to a the retirement~~
820 ~~contribution that equals the unfunded actuarial liability~~
821 ~~portion of the employer contribution which would be required for~~
822 ~~regular members of the Florida Retirement System required by~~
823 ~~subparagraph 7.~~

824 ~~4. A community college board of trustees may reemploy a~~
825 ~~retired member as an adjunct instructor, that is, an instructor~~
826 ~~who is noncontractual and part-time, or as a participant in a~~
827 ~~phased retirement program within the Florida Community College~~
828 ~~System, after he or she has been retired for 1 calendar month,~~
829 ~~in accordance with s. 121.021(39). Any retired member who is~~
830 ~~reemployed within 1 calendar month after retirement shall void~~
831 ~~his or her application for retirement benefits. Boards of~~
832 ~~trustees reemploying such instructors are subject to the~~
833 ~~retirement contribution required in subparagraph 7. A retired~~
834 ~~member may be reemployed as an adjunct instructor for no more~~
835 ~~than 780 hours during the first 12 months of retirement. Any~~
836 ~~retired member reemployed for more than 780 hours during the~~
837 ~~first 12 months of retirement shall give timely notice in~~
838 ~~writing to the employer and to the division of the date he or~~
839 ~~she will exceed the limitation. The division shall suspend his~~
840 ~~or her retirement benefits for the remainder of the first 12~~
841 ~~months of retirement. Any person employed in violation of this~~

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842 ~~subparagraph and any employing agency which knowingly employs or~~
843 ~~appoints such person without notifying the Division of~~
844 ~~Retirement to suspend retirement benefits shall be jointly and~~
845 ~~severally liable for reimbursement to the retirement trust fund~~
846 ~~of any benefits paid during the reemployment limitation period.~~
847 ~~To avoid liability, such employing agency shall have a written~~
848 ~~statement from the retiree that he or she is not retired from a~~
849 ~~state-administered retirement system. Any retirement benefits~~
850 ~~received by a retired member while reemployed in excess of 780~~
851 ~~hours during the first 12 months of retirement shall be repaid~~
852 ~~to the Retirement System Trust Fund, and retirement benefits~~
853 ~~shall remain suspended until repayment is made. Benefits~~
854 ~~suspended beyond the end of the retired member's first 12 months~~
855 ~~of retirement shall apply toward repayment of benefits received~~
856 ~~in violation of the 780-hour reemployment limitation.~~

857 ~~5. The State University System may reemploy a retired~~
858 ~~member as an adjunct faculty member or as a participant in a~~
859 ~~phased retirement program within the State University System~~
860 ~~after the retired member has been retired for 1 calendar month,~~
861 ~~in accordance with s. 121.021(39). Any retired member who is~~
862 ~~reemployed within 1 calendar month after retirement shall void~~
863 ~~his or her application for retirement benefits. The State~~
864 ~~University System is subject to the retired contribution~~
865 ~~required in subparagraph 7., as appropriate. A retired member~~
866 ~~may be reemployed as an adjunct faculty member or a participant~~
867 ~~in a phased retirement program for no more than 780 hours during~~
868 ~~the first 12 months of his or her retirement. Any retired member~~
869 ~~reemployed for more than 780 hours during the first 12 months of~~
870 ~~retirement shall give timely notice in writing to the employer~~

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871 ~~and to the division of the date he or she will exceed the~~
872 ~~limitation. The division shall suspend his or her retirement~~
873 ~~benefits for the remainder of the first 12 months of retirement.~~
874 ~~Any person employed in violation of this subparagraph and any~~
875 ~~employing agency which knowingly employs or appoints such person~~
876 ~~without notifying the Division of Retirement to suspend~~
877 ~~retirement benefits shall be jointly and severally liable for~~
878 ~~reimbursement to the retirement trust fund of any benefits paid~~
879 ~~during the reemployment limitation period. To avoid liability,~~
880 ~~such employing agency shall have a written statement from the~~
881 ~~retiree that he or she is not retired from a state-administered~~
882 ~~retirement system. Any retirement benefits received by a retired~~
883 ~~member while reemployed in excess of 780 hours during the first~~
884 ~~12 months of retirement shall be repaid to the Retirement System~~
885 ~~Trust Fund, and retirement benefits shall remain suspended until~~
886 ~~repayment is made. Benefits suspended beyond the end of the~~
887 ~~retired member's first 12 months of retirement shall apply~~
888 ~~toward repayment of benefits received in violation of the 780-~~
889 ~~hour reemployment limitation.~~

890 ~~6. The Board of Trustees of the Florida School for the Deaf~~
891 ~~and the Blind may reemploy a retired member as a substitute~~
892 ~~teacher, substitute residential instructor, or substitute nurse~~
893 ~~on a noncontractual basis after he or she has been retired for 1~~
894 ~~calendar month, in accordance with s. 121.021(39). Any retired~~
895 ~~member who is reemployed within 1 calendar month after~~
896 ~~retirement shall void his or her application for retirement~~
897 ~~benefits. The Board of Trustees of the Florida School for the~~
898 ~~Deaf and the Blind reemploying such teachers, residential~~
899 ~~instructors, or nurses is subject to the retirement contribution~~

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900 ~~required by subparagraph 7. Reemployment of a retired member as~~
901 ~~a substitute teacher, substitute residential instructor, or~~
902 ~~substitute nurse is limited to 780 hours during the first 12~~
903 ~~months of his or her retirement. Any retired member reemployed~~
904 ~~for more than 780 hours during the first 12 months of retirement~~
905 ~~shall give timely notice in writing to the employer and to the~~
906 ~~division of the date he or she will exceed the limitation. The~~
907 ~~division shall suspend his or her retirement benefits for the~~
908 ~~remainder of the first 12 months of retirement. Any person~~
909 ~~employed in violation of this subparagraph and any employing~~
910 ~~agency which knowingly employs or appoints such person without~~
911 ~~notifying the Division of Retirement to suspend retirement~~
912 ~~benefits shall be jointly and severally liable for reimbursement~~
913 ~~to the retirement trust fund of any benefits paid during the~~
914 ~~reemployment limitation period. To avoid liability, such~~
915 ~~employing agency shall have a written statement from the retiree~~
916 ~~that he or she is not retired from a state-administered~~
917 ~~retirement system. Any retirement benefits received by a retired~~
918 ~~member while reemployed in excess of 780 hours during the first~~
919 ~~12 months of retirement shall be repaid to the Retirement System~~
920 ~~Trust Fund, and his or her retirement benefits shall remain~~
921 ~~suspended until payment is made. Benefits suspended beyond the~~
922 ~~end of the retired member's first 12 months of retirement shall~~
923 ~~apply toward repayment of benefits received in violation of the~~
924 ~~780-hour reemployment limitation.~~

925 ~~7. The employment by an employer of any retiree or DROP~~
926 ~~participant of any state-administered retirement system shall~~
927 ~~have no effect on the average final compensation or years of~~
928 ~~creditable service of the retiree or DROP participant. Prior to~~

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929 ~~July 1, 1991, upon employment of any person, other than an~~
930 ~~elected officer as provided in s. 121.053, who has been retired~~
931 ~~under any state-administered retirement program, the employer~~
932 ~~shall pay retirement contributions in an amount equal to the~~
933 ~~unfunded actuarial liability portion of the employer~~
934 ~~contribution which would be required for regular members of the~~
935 ~~Florida Retirement System. Effective July 1, 1991, contributions~~
936 ~~shall be made as provided in s. 121.122 for retirees with~~
937 ~~renewed membership or subsection (13) with respect to DROP~~
938 ~~participants.~~

939 ~~8. Any person who has previously retired and who is holding~~
940 ~~an elective public office or an appointment to an elective~~
941 ~~public office eligible for the Elected Officers' Class on or~~
942 ~~after July 1, 1990, shall be enrolled in the Florida Retirement~~
943 ~~System as provided in s. 121.053(1)(b) or, if holding an~~
944 ~~elective public office that does not qualify for the Elected~~
945 ~~Officers' Class on or after July 1, 1991, shall be enrolled in~~
946 ~~the Florida Retirement System as provided in s. 121.122, and~~
947 ~~shall continue to receive retirement benefits as well as~~
948 ~~compensation for the elected officer's service for as long as he~~
949 ~~or she remains in elective office. However, any retired member~~
950 ~~who served in an elective office prior to July 1, 1990,~~
951 ~~suspended his or her retirement benefit, and had his or her~~
952 ~~Florida Retirement System membership reinstated shall, upon~~
953 ~~retirement from such office, have his or her retirement benefit~~
954 ~~recalculated to include the additional service and compensation~~
955 ~~earned.~~

956 ~~9. Any person who is holding an elective public office~~
957 ~~which is covered by the Florida Retirement System and who is~~

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958 ~~concurrently employed in nonelected covered employment may elect~~
959 ~~to retire while continuing employment in the elective public~~
960 ~~office, provided that he or she shall be required to terminate~~
961 ~~his or her nonelected covered employment. Any person who~~
962 ~~exercises this election shall receive his or her retirement~~
963 ~~benefits in addition to the compensation of the elective office~~
964 ~~without regard to the time limitations otherwise provided in~~
965 ~~this subsection. No person who seeks to exercise the provisions~~
966 ~~of this subparagraph, as the same existed prior to May 3, 1984,~~
967 ~~shall be deemed to be retired under those provisions, unless~~
968 ~~such person is eligible to retire under the provisions of this~~
969 ~~subparagraph, as amended by chapter 84-11, Laws of Florida.~~

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

974 ~~11. An employing agency may reemploy a retired member as a~~
975 ~~firefighter or paramedic after the retired member has been~~
976 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~
977 ~~Any retired member who is reemployed within 1 calendar month~~
978 ~~after retirement shall void his or her application for~~
979 ~~retirement benefits. The employing agency reemploying such~~
980 ~~firefighter or paramedic is subject to the retired contribution~~
981 ~~required in subparagraph 8. Reemployment of a retired~~
982 ~~firefighter or paramedic is limited to no more than 780 hours~~
983 ~~during the first 12 months of his or her retirement. Any retired~~
984 ~~member reemployed for more than 780 hours during the first 12~~
985 ~~months of retirement shall give timely notice in writing to the~~
986 ~~employer and to the division of the date he or she will exceed~~

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987 ~~the limitation. The division shall suspend his or her retirement~~
988 ~~benefits for the remainder of the first 12 months of retirement.~~
989 ~~Any person employed in violation of this subparagraph and any~~
990 ~~employing agency which knowingly employs or appoints such person~~
991 ~~without notifying the Division of Retirement to suspend~~
992 ~~retirement benefits shall be jointly and severally liable for~~
993 ~~reimbursement to the Retirement System Trust Fund of any~~
994 ~~benefits paid during the reemployment limitation period. To~~
995 ~~avoid liability, such employing agency shall have a written~~
996 ~~statement from the retiree that he or she is not retired from a~~
997 ~~state-administered retirement system. Any retirement benefits~~
998 ~~received by a retired member while reemployed in excess of 780~~
999 ~~hours during the first 12 months of retirement shall be repaid~~
1000 ~~to the Retirement System Trust Fund, and retirement benefits~~
1001 ~~shall remain suspended until repayment is made. Benefits~~
1002 ~~suspended beyond the end of the retired member's first 12 months~~
1003 ~~of retirement shall apply toward repayment of benefits received~~
1004 ~~in violation of the 780-hour reemployment limitation.~~

1005 (c) The provisions of this subsection apply to retirees, as
1006 defined in s. 121.4501(2) ~~(j)~~, of the Public Employee Optional
1007 Retirement Program ~~created in part II~~, subject to the following
1008 conditions:

1009 1. The ~~Such~~ retirees may not be reemployed with an employer
1010 participating in the Florida Retirement System ~~as provided in~~
1011 ~~paragraph (b)~~ until such person has been retired for 6 ~~3~~
1012 calendar months, ~~unless the participant has reached the normal~~
1013 ~~retirement requirements of the defined benefit plan as provided~~
1014 ~~in s. 121.021(29).~~

1015 2. A ~~Such~~ retiree employed in violation of this subsection

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1016 and an employer ~~any employing agency~~ that knowingly employs or
1017 appoints such person are ~~shall be~~ jointly and severally liable
1018 for reimbursement of any benefits paid to the retirement trust
1019 fund from which the benefits were paid, including the Retirement
1020 System Trust Fund and the Public Employee Optional Retirement
1021 Program Trust Fund, as appropriate. To be employed, the employer
1022 ~~avoid liability, such employing agency~~ must have a written
1023 statement from the retiree that he or she is not retired from a
1024 state-administered retirement system.

1025 (d) On or after January 1, 2010, upon employment of any
1026 person who has been retired under a state-administered
1027 retirement program, the employer shall pay retirement
1028 contributions to the system trust fund in an amount equal to the
1029 unfunded actuarial liability portion of the employer
1030 contribution which would be required for members of the Florida
1031 Retirement System.

1032 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
1033 subject to ~~the provisions of~~ this section, the Deferred
1034 Retirement Option Program, hereinafter referred to as the DROP,
1035 is a program under which an eligible member of the Florida
1036 Retirement System may elect to participate, deferring receipt of
1037 retirement benefits while continuing employment with his or her
1038 Florida Retirement System employer. The deferred monthly
1039 benefits shall accrue in the Florida Retirement System Trust
1040 Fund on behalf of the participant, plus interest compounded
1041 monthly, for the specified period of ~~the~~ DROP participation, as
1042 provided in paragraph (c). Upon termination of employment, the
1043 participant shall receive the total DROP benefits and begin to
1044 receive the previously determined normal retirement benefits.

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1045 Participation in ~~the~~ DROP does not guarantee employment for the
1046 specified period of DROP. Participation in ~~the~~ DROP by an
1047 eligible member beyond the initial 60-month period as authorized
1048 in this subsection shall be on an annual contractual basis for
1049 all participants.

1050 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All
1051 active Florida Retirement System members in a regularly
1052 established position, and all active members of ~~either~~ the
1053 Teachers' Retirement System established in chapter 238 or the
1054 State and County Officers' and Employees' Retirement System
1055 established in chapter 122, which systems are consolidated
1056 within the Florida Retirement System under s. 121.011, are
1057 eligible to elect participation in ~~the~~ DROP if provided that:

1058 1. The member is not a renewed member ~~of the Florida~~
1059 ~~Retirement System~~ under s. 121.122, or a member of the State
1060 Community College System Optional Retirement Program under s.
1061 121.051, the Senior Management Service Optional Annuity Program
1062 under s. 121.055, or the optional retirement program for the
1063 State University System under s. 121.35.

1064 2. Except as provided in subparagraph 6., election to
1065 participate is made within 12 months immediately following the
1066 date ~~on which~~ the member first reaches normal retirement date,
1067 or, for a member who reaches normal retirement date ~~based on~~
1068 ~~service~~ before he or she reaches age 62, or age 55 for Special
1069 Risk Class members, election to participate may be deferred to
1070 the 12 months immediately following the date the member attains
1071 57, or age 52 for Special Risk Class members. Except as provided
1072 in subparagraph 6., a member who delays DROP participation
1073 during the 12-month period immediately following his or her

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1074 maximum DROP deferral date, loses a month of DROP participation
1075 for each month delayed. ~~For a member who first reached normal~~
1076 ~~retirement date or the deferred eligibility date described above~~
1077 ~~prior to the effective date of this section, election to~~
1078 ~~participate shall be made within 12 months after the effective~~
1079 ~~date of this section.~~ A member who fails to make an election
1080 within the such 12-month limitation period forfeits ~~shall~~
1081 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member must
1082 ~~shall~~ advise his or her employer and the division in writing of
1083 the date ~~on which the~~ DROP begins ~~shall begin.~~ The Such
1084 beginning date may be after ~~subsequent to~~ the 12-month election
1085 period, but must be within the original 60-month participation
1086 ~~or, with respect to members who are instructional personnel~~
1087 ~~employed by the Florida School for the Deaf and the Blind and~~
1088 ~~who have received authorization by the Board of Trustees of the~~
1089 ~~Florida School for the Deaf and the Blind to participate in the~~
1090 ~~DROP beyond 60 months, or who are instructional personnel as~~
1091 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
1092 ~~received authorization by the district school superintendent to~~
1093 ~~participate in the DROP beyond 60 months, the 96-month~~
1094 ~~limitation~~ period as provided in subparagraph (b)1. When
1095 establishing eligibility of the member to participate in ~~the~~
1096 ~~DROP for the 60-month or, with respect to members who are~~
1097 ~~instructional personnel employed by the Florida School for the~~
1098 ~~Deaf and the Blind and who have received authorization by the~~
1099 ~~Board of Trustees of the Florida School for the Deaf and the~~
1100 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1101 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1102 ~~grades K-12 and who have received authorization by the district~~

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1103 ~~school superintendent to participate in the DROP beyond 60~~
1104 ~~months, the 96-month maximum participation period,~~ the member
1105 may elect to include or exclude any optional service credit
1106 purchased by the member from the total service used to establish
1107 the normal retirement date. A member who has ~~with~~ dual normal
1108 retirement dates is ~~shall be~~ eligible to elect to participate in
1109 DROP ~~within 12 months~~ after attaining normal retirement date in
1110 either class.

1111 3. The employer of a member electing to participate in ~~the~~
1112 DROP, or employers if dually employed, shall acknowledge in
1113 writing to the division the date the member's participation in
1114 ~~the~~ DROP begins and the date the member's employment and DROP
1115 participation will terminate.

1116 4. Simultaneous employment of a participant by additional
1117 Florida Retirement System employers subsequent to the
1118 commencement of participation in ~~the~~ DROP is ~~shall be~~
1119 permissible if the ~~provided such~~ employers acknowledge in
1120 writing a DROP termination date no later than the participant's
1121 existing termination date or the maximum participation ~~60-month~~
1122 ~~limitation~~ period as provided in subparagraph (b)1.

1123 5. A DROP participant may change employers while
1124 participating in ~~the~~ DROP, subject to the following:

1125 a. A change of employment must take place without a break
1126 in service so that the member receives salary for each month of
1127 continuous DROP participation. If a member receives no salary
1128 during a month, DROP participation ceases ~~shall cease~~ unless the
1129 employer verifies a continuation of the employment relationship
1130 for such participant ~~pursuant to s. 121.021(39)(b)~~.

1131 b. Such participant and new employer shall notify the

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1132 division of the identity of the new employer on forms required
1133 by the division ~~as to the identity of the new employer.~~

1134 c. The new employer shall acknowledge, in writing, the
1135 participant's DROP termination date, which may be extended but
1136 not beyond the maximum participation ~~original 60-month or, with~~
1137 ~~respect to members who are instructional personnel employed by~~
1138 ~~the Florida School for the Deaf and the Blind and who have~~
1139 ~~received authorization by the Board of Trustees of the Florida~~
1140 ~~School for the Deaf and the Blind to participate in the DROP~~
1141 ~~beyond 60 months, or who are instructional personnel as defined~~
1142 ~~in s. 1012.01(2) (a)-(d) in grades K-12 and who have received~~
1143 ~~authorization by the district school superintendent to~~
1144 ~~participate in the DROP beyond 60 months, the 96-month period~~
1145 provided in subparagraph (b)1., shall acknowledge liability for
1146 any additional retirement contributions and interest required if
1147 the participant fails to timely terminate employment, and is
1148 ~~shall be~~ subject to the adjustment required in sub-subparagraph
1149 (c)5.d.

1150 6. Effective July 1, 2001, for instructional personnel as
1151 defined in s. 1012.01(2), election to participate in ~~the~~ DROP is
1152 ~~shall be~~ made at any time following the date on which the member
1153 first reaches normal retirement date. The member shall advise
1154 his or her employer and the division in writing of the date on
1155 which DROP begins ~~the Deferred Retirement Option Program shall~~
1156 ~~begin.~~ When establishing eligibility of the member to
1157 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
1158 ~~members who are instructional personnel employed by the Florida~~
1159 ~~School for the Deaf and the Blind and who have received~~
1160 ~~authorization by the Board of Trustees of the Florida School for~~

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1161 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1162 ~~months, or who are instructional personnel as defined in s.~~
1163 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
1164 ~~authorization by the district school superintendent to~~
1165 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
1166 ~~participation period, as provided in subparagraph (b)1., the~~
1167 ~~member may elect to include or exclude any optional service~~
1168 ~~credit purchased by the member from the total service used to~~
1169 ~~establish the normal retirement date. A member who has ~~with~~ dual~~
1170 ~~normal retirement dates is ~~shall be~~ eligible to elect to~~
1171 ~~participate in either class.~~

1172 (b) *Participation in ~~the~~ DROP.*-

1173 1. An eligible member may elect to participate in ~~the~~ DROP
1174 for a period not to exceed a maximum of 60 calendar months.
1175 However, or, with respect to members who are instructional
1176 personnel employed by the Florida School for the Deaf and the
1177 Blind and authorized ~~who have received authorization by the~~
1178 Board of Trustees of the Florida School for the Deaf and the
1179 Blind ~~to participate in the DROP beyond 60 months, or who are~~
1180 instructional personnel as defined in s. 1012.01(2) (a)-(d) in
1181 grades K-12 and authorized ~~who have received authorization by~~
1182 the district school superintendent ~~to participate in the DROP~~
1183 ~~beyond 60 calendar months, or who are instructional personnel as~~
1184 defined in s. 1012.01(2) employed by a developmental research
1185 school and authorized by the school's director, or if the school
1186 has no director, by the school's principal, may participate in
1187 DROP for up to 36 calendar months beyond the 60-month period. ~~96~~
1188 ~~calendar months immediately following the date on which the~~
1189 ~~member first reaches his or her normal retirement date or the~~

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1190 ~~date to which he or she is eligible to defer his or her election~~
1191 ~~to participate as provided in subparagraph (a)2. However, a~~
1192 ~~member who has reached normal retirement date prior to the~~
1193 ~~effective date of the DROP shall be eligible to participate in~~
1194 ~~the DROP for a period of time not to exceed 60 calendar months~~
1195 ~~or, with respect to members who are instructional personnel~~
1196 ~~employed by the Florida School for the Deaf and the Blind and~~
1197 ~~who have received authorization by the Board of Trustees of the~~
1198 ~~Florida School for the Deaf and the Blind to participate in the~~
1199 ~~DROP beyond 60 months, or who are instructional personnel as~~
1200 ~~defined in s. 1012.01(2) (a)-(d) in grades K-12 and who have~~
1201 ~~received authorization by the district school superintendent to~~
1202 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
1203 ~~months immediately following the effective date of the DROP,~~
1204 ~~except a member of the Special Risk Class who has reached normal~~
1205 ~~retirement date prior to the effective date of the DROP and~~
1206 ~~whose total accrued value exceeds 75 percent of average final~~
1207 ~~compensation as of his or her effective date of retirement shall~~
1208 ~~be eligible to participate in the DROP for no more than 36~~
1209 ~~calendar months immediately following the effective date of the~~
1210 ~~DROP.~~

1211 2. Upon deciding to participate in the DROP, the member
1212 shall submit, on forms required by the division:

1213 a. A written election to participate in the DROP;

1214 b. Selection of the DROP participation and termination
1215 dates, which satisfy the limitations stated in paragraph (a) and
1216 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
1217 binding letter of resignation to ~~with~~ the employer, establishing
1218 a deferred termination date. The member may change the

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1219 termination date within the limitations of subparagraph 1., but
1220 only with the written approval of the ~~his or her~~ employer;

1221 c. A properly completed DROP application for service
1222 retirement as provided in this section; and

1223 d. Any other information required by the division.

1224 3. The DROP participant is ~~shall be~~ a retiree under the
1225 Florida Retirement System for all purposes, except for paragraph
1226 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
1227 and 121.122. DROP participation is final and cannot be cancelled
1228 by the participant after the first payment is credited during
1229 the DROP participation period. However, participation in ~~the~~
1230 DROP does not alter the participant's employment status, and the
1231 member is ~~such employee shall~~ not be deemed retired from
1232 employment until his or her deferred resignation is effective
1233 and termination occurs as provided in s. 121.021(39).

1234 4. Elected officers are ~~shall be~~ eligible to participate in
1235 ~~the~~ DROP subject to the following:

1236 a. An elected officer who reaches normal retirement date
1237 during a term of office may defer the election to participate ~~in~~
1238 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
1239 elected officer who exercises this option may participate in ~~the~~
1240 DROP for up to 60 calendar months or ~~a period of~~ no longer than
1241 the ~~such~~ succeeding term of office, whichever is less.

1242 b. An elected or a nonelected participant may run for a
1243 term of office while participating in DROP and, if elected,
1244 extend the DROP termination date accordingly; ~~except,~~ however,
1245 if the ~~such~~ additional term of office exceeds the 60-month
1246 limitation established in subparagraph 1., and the officer does
1247 not resign from office within such 60-month limitation, the

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1248 retirement and the participant's DROP ~~is shall be~~ null and void
1249 as provided in sub-subparagraph (c)5.d.

1250 c. An elected officer who is dually employed and elects to
1251 participate in DROP must terminate all employment relationships
1252 as provided in s. 121.021(39) for the nonelected position shall
1253 ~~be required to satisfy the definition of termination within the~~
1254 original 60-month period or maximum participation ~~or, with~~
1255 ~~respect to members who are instructional personnel employed by~~
1256 ~~the Florida School for the Deaf and the Blind and who have~~
1257 ~~received authorization by the Board of Trustees of the Florida~~
1258 ~~School for the Deaf and the Blind to participate in the DROP~~
1259 ~~beyond 60 months, or who are instructional personnel as defined~~
1260 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
1261 ~~authorization by the district school superintendent to~~
1262 ~~participate in the DROP beyond 60 months, the 96-month~~
1263 limitation period as provided in subparagraph 1. For DROP
1264 participation ending: for the nonelected position and

1265 (I) Before January 1, 2010, the officer may continue
1266 employment as an elected officer as provided in s. 121.053. The
1267 elected officer shall ~~will~~ be enrolled as a renewed member in
1268 the Elected Officers' Class or the Regular Class, as provided in
1269 ss. 121.053 and 121.122, on the first day of the month after
1270 termination of employment in the nonelected position and
1271 termination of DROP. Distribution of the DROP benefits shall be
1272 made as provided in paragraph (c).

1273 (II) On or after January 1, 2010, the officer may continue
1274 employment as an elected officer but must defer termination as
1275 provided in s. 121.053.

1276 (c) *Benefits payable under ~~the~~ DROP.-*

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1277 1. Effective on ~~with~~ the date of DROP participation, the
1278 member's initial normal monthly benefit, including creditable
1279 service, optional form of payment, and average final
1280 compensation, and the effective date of retirement are ~~shall be~~
1281 fixed. The beneficiary established under the Florida Retirement
1282 System is ~~shall be~~ the beneficiary eligible to receive any DROP
1283 benefits payable if the DROP participant dies before completing
1284 ~~prior to the completion of~~ the period of DROP participation. If
1285 ~~In the event~~ a joint annuitant predeceases the member, the
1286 member may name a beneficiary to receive accumulated DROP
1287 benefits payable. The ~~Such~~ retirement benefit, the annual cost
1288 of living adjustments provided in s. 121.101, and interest ~~shall~~
1289 accrue monthly in the Florida Retirement System Trust Fund. The
1290 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate
1291 of 6.5 percent compounded monthly, on the prior month's
1292 accumulated ending balance, up to the month of termination or
1293 death.

1294 2. Each employee who elects to participate in ~~the~~ DROP may
1295 ~~shall be allowed to~~ elect to receive a lump-sum payment for
1296 accrued annual leave earned in accordance with agency policy
1297 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
1298 leave payment certified to the division upon commencement of
1299 DROP must ~~shall~~ be included in the calculation of the member's
1300 average final compensation. The employee electing the ~~such~~ lump-
1301 sum payment is ~~upon beginning participation in~~ DROP will not be
1302 eligible to receive a second lump-sum payment upon termination,
1303 except to the extent the employee has earned additional annual
1304 leave which combined with the original payment does not exceed
1305 the maximum lump-sum payment allowed by the employing agency's

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1306 policy or rules. ~~An Such~~ early lump-sum payment shall be based
1307 on the hourly wage of the employee at the time he or she begins
1308 participation in ~~the~~ DROP. If the member elects to wait and
1309 receive a such lump-sum payment upon termination of DROP and
1310 termination of employment with the employer, any accumulated
1311 leave payment made at that time may not ~~cannot~~ be included in
1312 the member's retirement benefit, which was determined and fixed
1313 by law when the employee elected to participate in ~~the~~ DROP.

1314 3. The effective date of DROP participation and the
1315 effective date of retirement of a DROP participant is ~~shall be~~
1316 the first day of the month selected by the member to begin
1317 participation in ~~the~~ DROP, if ~~provided~~ such date is properly
1318 established, with the written confirmation of the employer, and
1319 the approval of the division, on forms required by the division.

1320 4. Normal retirement benefits and any interest ~~thereon~~
1321 ~~shall~~ continue to accrue in ~~the~~ DROP until the established
1322 termination date of ~~the~~ DROP, or until the participant
1323 terminates employment or dies before ~~prior to~~ such date.
1324 Although individual DROP accounts may ~~shall~~ not be established,
1325 a separate accounting of each participant's accrued benefits
1326 under ~~the~~ DROP shall be calculated and provided to participants.

1327 5. At the conclusion of the participant's DROP, the
1328 division shall distribute the participant's total accumulated
1329 DROP benefits, subject to the following ~~provisions~~:

1330 a. The division shall receive verification by the
1331 participant's employer or employers that the ~~such~~ participant
1332 has terminated all employment relationships as provided in s.
1333 121.021(39) ~~(b)~~.

1334 b. The terminated DROP participant or, if deceased, the

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1335 ~~such~~ participant's named beneficiary, shall elect on forms
1336 provided by the division to receive payment of ~~the~~ DROP benefits
1337 in accordance with one of the options listed below. If ~~For~~ a
1338 participant or beneficiary ~~who~~ fails to elect a method of
1339 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
1340 division shall ~~will~~ pay a lump sum as provided in sub-sub-
1341 subparagraph (I).

1342 (I) Lump sum.—All accrued DROP benefits, plus interest,
1343 less withholding taxes remitted to the Internal Revenue Service,
1344 shall be paid to ~~the~~ DROP participant or surviving beneficiary.

1345 (II) Direct rollover.—All accrued DROP benefits, plus
1346 interest, shall be paid from ~~the~~ DROP directly to the custodian
1347 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
1348 the Internal Revenue Code. However, in the case of an eligible
1349 rollover distribution to the surviving spouse of a deceased
1350 participant, an eligible retirement plan is an individual
1351 retirement account or an individual retirement annuity as
1352 described in s. 402(c)(9) of the Internal Revenue Code.

1353 (III) Partial lump sum.—A portion of the accrued DROP
1354 benefits shall be paid to ~~the~~ DROP participant or surviving
1355 spouse, less withholding taxes remitted to the Internal Revenue
1356 Service, and the remaining DROP benefits must ~~shall~~ be
1357 transferred directly to the custodian of an eligible retirement
1358 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.
1359 However, in the case of an eligible rollover distribution to the
1360 surviving spouse of a deceased participant, an eligible
1361 retirement plan is an individual retirement account or an
1362 individual retirement annuity as described in s. 402(c)(9) of
1363 the Internal Revenue Code. The proportions must ~~shall~~ be

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1364 specified by the DROP participant or surviving beneficiary.

1365 c. The form of payment selected by the DROP participant or
1366 surviving beneficiary must comply ~~complies~~ with the minimum
1367 distribution requirements of the Internal Revenue Code.

1368 d. A DROP participant who fails to terminate all employment
1369 relationships as provided ~~defined~~ in s. 121.021(39) ~~(b)~~ shall be
1370 deemed as not ~~to be~~ retired, and the DROP election is ~~shall be~~
1371 null and void. Florida Retirement System membership shall be
1372 reestablished retroactively to the date of the commencement of
1373 ~~the~~ DROP, and each employer with whom the participant continues
1374 employment must ~~shall be required to~~ pay to the Florida
1375 Retirement System Trust Fund the difference between the DROP
1376 contributions paid in paragraph (i) and the contributions
1377 required for the applicable Florida Retirement System class of
1378 membership during the period the member participated in ~~the~~
1379 DROP, plus 6.5 percent interest compounded annually.

1380 6. The accrued benefits of any DROP participant, and any
1381 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
1382 ~~be~~ subject to assignment, execution, attachment, or to any legal
1383 process whatsoever, except for qualified domestic relations
1384 orders by a court of competent jurisdiction, income deduction
1385 orders as provided in s. 61.1301, and federal income tax levies.

1386 7. DROP participants are ~~shall~~ not ~~be~~ eligible for
1387 disability retirement benefits as provided in subsection (4).

1388 (d) *Death benefits under ~~the~~ DROP.*—

1389 1. Upon the death of a DROP participant, the named
1390 beneficiary is ~~shall be~~ entitled to apply for and receive the
1391 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
1392 (c)5.b.

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1393 2. The normal retirement benefit accrued to ~~the~~ DROP during
1394 the month of a participant's death is ~~shall be~~ the final monthly
1395 benefit credited for such DROP participant.

1396 3. Eligibility to participate in ~~the~~ DROP terminates upon
1397 death of the participant. If the participant dies on or after
1398 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~
1399 ~~to~~ the first monthly benefit is ~~being~~ credited to ~~the~~ DROP,
1400 Florida Retirement System benefits are ~~shall be~~ paid in
1401 accordance with subparagraph (7) (c)1. or subparagraph 2.

1402 4. A DROP participant's ~~participants'~~ survivors are ~~shall~~
1403 not ~~be~~ eligible to receive Florida Retirement System death
1404 benefits as provided in paragraph (7) (d).

1405 (e) *Cost-of-living adjustment.*—On each July 1, the
1406 participant's ~~participants'~~ normal retirement benefit shall be
1407 increased as provided in s. 121.101.

1408 (f) *Retiree health insurance subsidy.*—DROP participants are
1409 not eligible to apply for the retiree health insurance subsidy
1410 payments ~~as~~ provided in s. 112.363 until such participants have
1411 terminated employment and participation in ~~the~~ DROP.

1412 (g) *Renewed membership.*—

1413 1. DROP participants who end DROP participation before
1414 January 1, 2010, are ~~shall~~ not ~~be~~ eligible for renewed
1415 membership in the Florida Retirement System under ss. 121.053
1416 and 121.122 until termination of employment is effectuated as
1417 provided in s. 121.021(39) ~~(b)~~.

1418 2. DROP participants who end DROP participation on or after
1419 January 1, 2010, are not eligible for renewed membership in a
1420 state-administered retirement system.

1421 (h) *Employment limitation after DROP participation.*—Upon

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1422 ~~satisfying the definition of~~ termination of all employment
1423 relationships as provided in s. 121.021(39) ~~(b)~~, DROP
1424 participants are ~~shall be~~ subject to the same ~~such~~ reemployment
1425 limitations as other retirees. Reemployment restrictions
1426 applicable to retirees as provided in subsection (9) do ~~shall~~
1427 not apply to DROP participants until their employment and
1428 participation in ~~the~~ DROP are terminated.

1429 (i) *Contributions.*—

1430 1. All employers paying the salary of a DROP participant
1431 filling a regularly established position shall contribute 8.0
1432 percent of such participant's gross compensation for the period
1433 of July 1, 2002, through June 30, 2003, and the ~~11.56~~ percent of
1434 such compensation required by s. 121.71 thereafter, which shall
1435 constitute the entire employer DROP contribution with respect to
1436 such participant. Such contributions, payable to the Florida
1437 Retirement System Trust Fund in the same manner as required in
1438 s. 121.071, must ~~shall~~ be made as appropriate for each pay
1439 period and are in addition to contributions required for social
1440 security and the Retiree Health Insurance Subsidy Trust Fund.
1441 Such employer, social security, and health insurance subsidy
1442 contributions are not included in ~~the~~ DROP.

1443 2. The employer shall, in addition to subparagraph 1., also
1444 withhold one-half of the entire social security contribution
1445 required for the participant. Contributions for social security
1446 by each participant and each employer, in the amount required
1447 for social security coverage as ~~now or hereafter~~ provided by the
1448 federal Social Security Act, are ~~shall be~~ in addition to
1449 contributions specified in subparagraph 1.

1450 3. All employers paying the salary of a DROP participant

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1451 filling a regularly established position shall contribute the
1452 percent of such participant's gross compensation required in s.
1453 121.071(4), which ~~shall~~ constitute the employer's health
1454 insurance subsidy contribution with respect to such participant.
1455 Such contributions must ~~shall~~ be deposited by the administrator
1456 in the Retiree Health Insurance Subsidy Trust Fund.

1457 (j) *Forfeiture of retirement benefits.* ~~Nothing in~~ This
1458 section does not ~~shall be construed to~~ remove DROP participants
1459 from the scope of s. 8(d), Art. II of the State Constitution, s.
1460 112.3173, and paragraph (5)(f). DROP participants who commit a
1461 specified felony offense while employed are ~~will be~~ subject to
1462 forfeiture of all retirement benefits, including DROP benefits,
1463 pursuant to those provisions of law.

1464 (k) *Administration of program.* ~~The division shall~~ adopt
1465 ~~make such~~ rules as ~~are~~ necessary for the effective and efficient
1466 administration of this subsection. The division is ~~shall~~ not be
1467 required to advise members of the federal tax consequences of an
1468 election related to the DROP but may advise members to seek
1469 independent advice.

1470 Section 7. Section 121.122, Florida Statutes, is amended to
1471 read:

1472 121.122 Renewed membership in system.—

1473 (1) A retiree of a state-administered retirement system who
1474 is initially reemployed on or after January 1, 2010, is not
1475 eligible for renewed membership.

1476 (2) Except as provided in s. 121.053, effective July 1,
1477 1991, through December 31, 2009, any retiree of a state-
1478 administered retirement system who is initially reemployed
1479 employed in a regularly established position with a covered

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1480 employer shall be enrolled as a compulsory member of the Regular
1481 Class of the Florida Retirement System or, effective July 1,
1482 1997, through December 31, 2009, any retiree of a state-
1483 administered retirement system who is initially reemployed
1484 ~~employed~~ in a position included in the Senior Management Service
1485 Class shall be enrolled as a compulsory member of the Senior
1486 Management Service Class of the Florida Retirement System as
1487 provided in s. 121.055, and is ~~shall be~~ entitled to receive an
1488 additional retirement benefit, subject to the following
1489 conditions:

1490 ~~(1)~~(a) Such member must ~~shall~~ resatisfy the age and service
1491 requirements ~~as~~ provided in this chapter for initial membership
1492 under the system, unless the ~~such~~ member elects to participate
1493 in the Senior Management Service Optional Annuity Program in
1494 lieu of the Senior Management Service Class, as provided in s.
1495 121.055(6).

1496 (b) Such member is ~~shall~~ not be entitled to disability
1497 benefits as provided in s. 121.091(4).

1498 (c) Such member must meet the reemployment after retirement
1499 limitations as provided in s. 121.091(9), as applicable.

1500 ~~(3)~~~~(2)~~ Upon reemployment of a retiree ~~renewed membership,~~
1501 the employer of such member shall pay the applicable employer
1502 contributions as required by ss. 121.71, 121.74, 121.76, and
1503 112.363 ~~ss. 121.055(3) and 121.071(1)(a) and (4).~~

1504 ~~(4)~~~~(3)~~ The retiree of a state-administered retirement
1505 system who is initially reemployed before January 1, 2010, is
1506 ~~Such member shall be~~ entitled to purchase additional retirement
1507 credit in the Regular Class or the Senior Management Service
1508 Class, as applicable, for any postretirement service performed

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1509 in a regularly established position as follows:

1510 (a) For regular class service before ~~prior to~~ July 1, 1991,
1511 by paying the Regular Class applicable employee and employer
1512 contributions for the period being claimed, plus 4 percent
1513 interest compounded annually from first year of service claimed
1514 until July 1, 1975, and 6.5 percent interest compounded
1515 thereafter, until full payment is made to the Florida Retirement
1516 System Trust Fund; or

1517 (b) For Senior Management Service Class before ~~prior to~~
1518 June 1, 1997, as provided in s. 121.055(1)(j).

1519

1520 The contribution for postretirement service between July 1,
1521 1985, and July 1, 1991, for which the reemployed retiree
1522 contribution was paid, is ~~shall be~~ the difference between the
1523 ~~such~~ contribution and the total applicable contribution for the
1524 period being claimed, plus interest. The employer of such member
1525 may pay the applicable employer contribution in lieu of the
1526 member. If a member does not wish to claim credit for all of the
1527 postretirement service for which he or she is eligible, the
1528 service the member claims must be the most recent service.

1529 (5) ~~(4)~~ ~~No~~ Creditable service for which credit was received,
1530 or which remained unclaimed, at retirement may not be claimed or
1531 applied toward service credit earned following renewed
1532 membership. However, for retirees initially reemployed before
1533 January 1, 2010, service earned as an elected officer with
1534 renewed membership in the Elected Officers' Class may be used in
1535 conjunction with creditable service earned under this section,
1536 if provided ~~if provided~~ the applicable vesting requirements and other
1537 existing statutory conditions required by this chapter are met.

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1538 (6)~~(5)~~ Notwithstanding any other limitations ~~provided~~ in
1539 this section, a participant of the State University System
1540 Optional Retirement Program, the State Community College
1541 Optional Retirement Program, or the Senior Management Service
1542 Optional Annuity Program who terminated employment and commenced
1543 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~
1544 optional program, who initially renews membership before January
1545 1, 2010, ~~in the Regular Class~~ as required by this section upon
1546 reemployment after retirement, and who had previously earned
1547 creditable Florida Retirement System service that was not
1548 included in any retirement benefit may include such previous
1549 service toward vesting and service credit in the second career
1550 benefit provided under renewed membership.

1551 (7)~~(6)~~ A ~~Any~~ renewed member who is not receiving the
1552 maximum health insurance subsidy provided in s. 112.363 is shall
1553 ~~be~~ entitled to earn additional credit toward the maximum health
1554 insurance subsidy. Any additional subsidy due because of such
1555 additional credit may shall be received only at the time of
1556 payment of the second career retirement benefit. ~~In no case~~
1557 ~~shall~~ The total health insurance subsidy received by a retiree
1558 receiving benefits from initial and renewed membership may not
1559 exceed the maximum allowed in s. 112.363.

1560 Section 8. Paragraph (h) of subsection (3) and paragraphs
1561 (a) and (e) of subsection (5) of section 121.35, Florida
1562 Statutes, are amended, and paragraph (g) is added to subsection
1563 (5) of that section, to read:

1564 121.35 Optional retirement program for the State University
1565 System.—

1566 (3) ELECTION OF OPTIONAL PROGRAM.—

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1567 (h) A participant in the optional retirement program may
1568 not participate in more than one state-administered retirement
1569 system, plan, or class simultaneously. Except as provided in s.
1570 121.052(6)(d), a participant who is or becomes dually employed
1571 in two or more positions covered by the Florida Retirement
1572 System, one of which is eligible for the optional program and
1573 one of which is not, may remain a member of the optional program
1574 and contributions shall be paid as required only on the salary
1575 earned in the position eligible for the optional program during
1576 the ~~such~~ period of dual employment; or, within 90 days after
1577 becoming dually employed, he or she may elect membership in the
1578 Regular Class of the Florida Retirement System in lieu of the
1579 optional program and contributions shall be paid as required on
1580 the total salary received for all employment. At retirement, the
1581 average final compensation used to calculate any benefits for
1582 which the member becomes eligible under the Florida Retirement
1583 System must ~~shall~~ be based on all salary reported for both
1584 positions during such period of dual employment. If the ~~When~~
1585 ~~such~~ member ceases to be dually employed, he or she may, within
1586 90 days, elect to remain in the Florida Retirement System class
1587 for which he or she is eligible or to again become a participant
1588 in the optional retirement program. Failure to elect membership
1589 in the optional program within 90 days shall result in
1590 compulsory membership in the Florida Retirement System, except
1591 that a member filling a faculty position at ~~under~~ a college that
1592 has a faculty practice plan at the University of Florida, at ~~or~~
1593 the Medical Center at the University of South Florida, or other
1594 state university shall again participate in the optional
1595 retirement program as required in s. 121.051(1)(a).

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1596 (5) BENEFITS.—

1597 (a) Benefits are ~~shall be~~ payable under the optional
1598 retirement program only to vested participants in the program,
1599 or their beneficiaries as designated by the participant in the
1600 contract with a provider company, and such benefits shall be
1601 paid only by the designated company in accordance with s. 403(b)
1602 of the Internal Revenue Code and ~~in accordance with~~ the terms of
1603 the annuity contract or contracts applicable to the participant.
1604 Benefits ~~shall~~ accrue in individual accounts that are
1605 participant-directed, portable, and funded by employer
1606 contributions and the earnings thereon. The participant must be
1607 terminated from all employment relationships with all Florida
1608 Retirement System employers, as provided in s. 121.021(39), to
1609 begin receiving the employer-funded benefit. Benefits funded by
1610 employer contributions are ~~shall be~~ payable in accordance with
1611 the following terms and conditions:

1612 1. Benefits shall be paid ~~payable~~ only to a participant, to
1613 his or her beneficiaries, or to his or her estate, as designated
1614 by the participant.

1615 2. Benefits shall be paid by the provider company or
1616 companies in accordance with the law, the provisions of the
1617 contract, and any applicable department ~~board~~ rule or policy.

1618 3. In the event of a participant's death, moneys
1619 accumulated by, or on behalf of, the participant, less
1620 withholding taxes remitted to the Internal Revenue Service, if
1621 any, shall be distributed to the participant's designated
1622 beneficiary or beneficiaries, or to the participant's estate, as
1623 if the participant retired on the date of death, as provided in
1624 paragraph (c). No other death benefits are ~~shall be~~ available to

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1625 ~~for~~ survivors of participants under the optional retirement
1626 program except for such benefits, or coverage for such benefits,
1627 as are separately afforded by the employer, at the employer's
1628 discretion.

1629 (e) A participant who chooses to receive his or her
1630 benefits upon termination as defined in s. 121.021(39) must ~~of~~
1631 ~~employment shall have responsibility to~~ notify the provider
1632 company of the date ~~on which~~ he or she wishes benefits funded by
1633 employer contributions to begin. Benefits may be deferred until
1634 ~~such time as~~ the participant chooses to make such application.

1635 (g) For purposes of this section, the term "retiree" means
1636 a former participant of the optional retirement program who has
1637 terminated employment and has taken a distribution, including a
1638 rollover or trustee-to-trustee transfer, as provided in this
1639 subsection, except for a mandatory distribution of a de minimis
1640 account authorized by the department.

1641 Section 9. Paragraph (f) of subsection (2) of section
1642 121.4501, Florida Statutes, is amended to read:

1643 121.4501 Public Employee Optional Retirement Program.—

1644 (2) DEFINITIONS.—As used in this part, the term:

1645 (f) "Eligible employee" means an officer or employee, as
1646 defined in s. 121.021(11), who:

1647 1. Is a member of, or is eligible for membership in, the
1648 Florida Retirement System, including any renewed member of the
1649 Florida Retirement System initially reemployed before January 1,
1650 2010; or

1651 2. Participates in, or is eligible to participate in, the
1652 Senior Management Service Optional Annuity Program as
1653 established under s. 121.055(6), the State Community College

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1654 System Optional Retirement Program as established under s.
1655 121.051(2)(c), or the State University System Optional
1656 Retirement Program established under s. 121.35.

1657
1658 The term does not include any member participating in the
1659 Deferred Retirement Option Program established under s.
1660 121.091(13), a retiree of a state-administered retirement system
1661 initially reemployed on or after January 1, 2010, or a mandatory
1662 participant of the State University System Optional Retirement
1663 Program established under s. 121.35.

1664 Section 10. Section 121.591, Florida Statutes, is amended
1665 to read:

1666 121.591 Benefits payable under the Public Employee Optional
1667 Retirement Program of the Florida Retirement System.—Benefits
1668 may not be paid under this section unless the member has
1669 terminated all employment relationships as provided in s.
1670 121.021(39)~~(a)~~ or is deceased and a proper application has been
1671 filed in the manner prescribed by the state board or the
1672 department. The state board or department, as appropriate, may
1673 cancel an application for retirement benefits when the member or
1674 beneficiary fails to timely provide the information and
1675 documents required by this chapter and the rules of the state
1676 board and department. In accordance with their respective
1677 responsibilities as provided herein, the State Board of
1678 Administration and the Department of Management Services shall
1679 adopt rules establishing procedures for application for
1680 retirement benefits and for the cancellation of such application
1681 when the required information or documents are not received. The
1682 State Board of Administration and the Department of Management

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1683 Services, as appropriate, are authorized to cash out a de
1684 minimis account of a participant who has been terminated from
1685 Florida Retirement System covered employment for a minimum of 6
1686 calendar months. A de minimis account is an account containing
1687 employer contributions and accumulated earnings of not more than
1688 \$5,000 made under the provisions of this chapter. Such cash-out
1689 must either be a complete lump-sum liquidation of the account
1690 balance, subject to the provisions of the Internal Revenue Code,
1691 or a lump-sum direct rollover distribution paid directly to the
1692 custodian of an eligible retirement plan, as defined by the
1693 Internal Revenue Code, on behalf of the participant. If any
1694 financial instrument issued for the payment of retirement
1695 benefits under this section is not presented for payment within
1696 180 days after the last day of the month in which it was
1697 originally issued, the third-party administrator or other duly
1698 authorized agent of the State Board of Administration shall
1699 cancel the instrument and credit the amount of the instrument to
1700 the suspense account of the Public Employee Optional Retirement
1701 Program Trust Fund authorized under s. 121.4501(6). Any such
1702 amounts transferred to the suspense account are payable upon a
1703 proper application, not to include earnings thereon, as provided
1704 in this section, within 10 years after the last day of the month
1705 in which the instrument was originally issued, after which time
1706 such amounts and any earnings thereon shall be forfeited. Any
1707 such forfeited amounts are assets of the Public Employee
1708 Optional Retirement Program Trust Fund and are not subject to
1709 the provisions of chapter 717.

1710 (1) NORMAL BENEFITS.—Under the Public Employee Optional
1711 Retirement Program:

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1712 (a) Benefits in the form of vested accumulations as
1713 described in s. 121.4501(6) shall be payable under this
1714 subsection in accordance with the following terms and
1715 conditions:

1716 1. To the extent vested, benefits shall be payable only to
1717 a participant.

1718 2. Benefits shall be paid by the third-party administrator
1719 or designated approved providers in accordance with the law, the
1720 contracts, and any applicable board rule or policy.

1721 3. To receive benefits under this subsection, the
1722 participant must be terminated from all employment with all
1723 Florida Retirement System employers, as provided in s.
1724 121.021(39).

1725 4. Benefit payments may not be made until the participant
1726 has been terminated for 3 calendar months, except that the board
1727 may authorize by rule for the distribution of up to 10 percent
1728 of the participant's account after being terminated for 1
1729 calendar month if a participant has reached the normal
1730 retirement requirements of the defined benefit plan, as provided
1731 in s. 121.021(29).

1732 5. If a member or former member of the Florida Retirement
1733 System receives an invalid distribution from the Public Employee
1734 Optional Retirement Program Trust Fund, such person shall repay
1735 the full invalid distribution to the trust fund within 90 days
1736 after receipt of final notification by the State Board of
1737 Administration or the third-party administrator that the
1738 distribution was invalid. If such person fails to repay the full
1739 invalid distribution within 90 days after receipt of final
1740 notification, the person may be deemed retired from the Public

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1741 Employee Optional Retirement Program by the state board, as
1742 provided pursuant to s. 121.4501(2)(j), and shall be subject to
1743 the provisions of s. 121.122. If such person is deemed retired
1744 by the state board, any joint and several liability set out in
1745 s. 121.091(9)(c)2. becomes null and void, and the state board,
1746 the Department of Management Services, or the employing agency
1747 is not liable for gains on payroll contributions that have not
1748 been deposited to the person's account in the Public Employee
1749 Optional Retirement Program, pending resolution of the invalid
1750 distribution. The member or former member who has been deemed
1751 retired or who has been determined by the board to have taken an
1752 invalid distribution may appeal the agency decision through the
1753 complaint process as provided under s. 121.4501(9)(f)3. As used
1754 in this subparagraph, the term "invalid distribution" means any
1755 distribution from an account in the Public Employee Optional
1756 Retirement Program which is taken in violation of the provisions
1757 of this section, s. 121.091(9), or s. 121.4501.

1758 (b) If a participant elects to receive his or her benefits
1759 upon termination as defined in s. 121.021(39) ~~of employment~~, the
1760 participant must submit a written application or an equivalent
1761 form to the third-party administrator indicating his or her
1762 preferred distribution date and selecting an authorized method
1763 of distribution as provided in paragraph (c). The participant
1764 may defer receipt of benefits until he or she chooses to make
1765 such application, subject to federal requirements.

1766 (c) Upon receipt by the third-party administrator of a
1767 properly executed application for distribution of benefits, the
1768 total accumulated benefit shall be payable to the participant,
1769 as:

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- 1770 1. A lump-sum distribution to the participant;
- 1771 2. A lump-sum direct rollover distribution whereby all
- 1772 accrued benefits, plus interest and investment earnings, are
- 1773 paid from the participant's account directly to the custodian of
- 1774 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
- 1775 the Internal Revenue Code, on behalf of the participant; or
- 1776 3. Periodic distributions, as authorized by the state
- 1777 board.
- 1778 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
- 1779 this subsection are payable in lieu of the benefits which would
- 1780 otherwise be payable under the provisions of subsection (1).
- 1781 Such benefits shall be funded entirely from employer
- 1782 contributions made under s. 121.571, transferred participant
- 1783 funds accumulated pursuant to paragraph (a), and interest and
- 1784 earnings thereon. Pursuant thereto:
- 1785 (a) *Transfer of funds.*—To qualify to receive monthly
- 1786 disability benefits under this subsection:
- 1787 1. All moneys accumulated in the participant's Public
- 1788 Employee Optional Retirement Program accounts, including vested
- 1789 and nonvested accumulations as described in s. 121.4501(6),
- 1790 shall be transferred from such individual accounts to the
- 1791 Division of Retirement for deposit in the disability account of
- 1792 the Florida Retirement System Trust Fund. Such moneys shall be
- 1793 separately accounted for. Earnings shall be credited on an
- 1794 annual basis for amounts held in the disability accounts of the
- 1795 Florida Retirement System Trust Fund based on actual earnings of
- 1796 the Florida Retirement System Trust Fund.
- 1797 2. If the participant has retained retirement credit he or
- 1798 she had earned under the defined benefit program of the Florida

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1799 Retirement System as provided in s. 121.4501(3)(b), a sum
1800 representing the actuarial present value of such credit within
1801 the Florida Retirement System Trust Fund shall be reassigned by
1802 the Division of Retirement from the defined benefit program to
1803 the disability program as implemented under this subsection and
1804 shall be deposited in the disability account of the Florida
1805 Retirement System Trust Fund. Such moneys shall be separately
1806 accounted for.

1807 (b) *Disability retirement; entitlement.*—

1808 1. A participant of the Public Employee Optional Retirement
1809 Program who becomes totally and permanently disabled, as defined
1810 in s. 121.091(4)(b), after completing 8 years of creditable
1811 service, or a participant who becomes totally and permanently
1812 disabled in the line of duty regardless of his or her length of
1813 service, shall be entitled to a monthly disability benefit as
1814 provided herein.

1815 2. In order for service to apply toward the 8 years of
1816 service required to vest for regular disability benefits, or
1817 toward the creditable service used in calculating a service-
1818 based benefit as provided for under paragraph (g), the service
1819 must be creditable service as described below:

1820 a. The participant's period of service under the Public
1821 Employee Optional Retirement Program will be considered
1822 creditable service, except as provided in subparagraph d.

1823 b. If the participant has elected to retain credit for his
1824 or her service under the defined benefit program of the Florida
1825 Retirement System as provided under s. 121.4501(3)(b), all such
1826 service will be considered creditable service.

1827 c. If the participant has elected to transfer to his or her

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1828 participant accounts a sum representing the present value of his
1829 or her retirement credit under the defined benefit program as
1830 provided under s. 121.4501(3)(c), the period of service under
1831 the defined benefit program represented in the present value
1832 amounts transferred will be considered creditable service for
1833 purposes of vesting for disability benefits, except as provided
1834 in subparagraph d.

1835 d. Whenever a participant has terminated employment and has
1836 taken distribution of his or her funds as provided in subsection
1837 (1), all creditable service represented by such distributed
1838 funds is forfeited for purposes of this subsection.

1839 (c) *Disability retirement effective date.*—The effective
1840 retirement date for a participant who applies and is approved
1841 for disability retirement shall be established as provided under
1842 s. 121.091(4)(a)2. and 3.

1843 (d) *Total and permanent disability.*—A participant shall be
1844 considered totally and permanently disabled if, in the opinion
1845 of the division, he or she is prevented, by reason of a
1846 medically determinable physical or mental impairment, from
1847 rendering useful and efficient service as an officer or
1848 employee.

1849 (e) *Proof of disability.*—The division, before approving
1850 payment of any disability retirement benefit, shall require
1851 proof that the participant is totally and permanently disabled
1852 in the same manner as provided for members of the defined
1853 benefit program of the Florida Retirement System under s.
1854 121.091(4)(c).

1855 (f) *Disability retirement benefit.*—Upon the disability
1856 retirement of a participant under this subsection, the

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1857 participant shall receive a monthly benefit that shall begin to
1858 accrue on the first day of the month of disability retirement,
1859 as approved by the division, and shall be payable on the last
1860 day of that month and each month thereafter during his or her
1861 lifetime and continued disability. All disability benefits
1862 payable to such member shall be paid out of the disability
1863 account of the Florida Retirement System Trust Fund established
1864 under this subsection.

1865 (g) *Computation of disability retirement benefit.*—The
1866 amount of each monthly payment shall be calculated in the same
1867 manner as provided for members of the defined benefit program of
1868 the Florida Retirement System under s. 121.091(4)(f). For such
1869 purpose, creditable service under both the defined benefit
1870 program and the Public Employee Optional Retirement Program of
1871 the Florida Retirement System shall be applicable as provided
1872 under paragraph (b).

1873 (h) *Reapplication.*—A participant whose initial application
1874 for disability retirement has been denied may reapply for
1875 disability benefits in the same manner, and under the same
1876 conditions, as provided for members of the defined benefit
1877 program of the Florida Retirement System under s. 121.091(4)(g).

1878 (i) *Membership.*—Upon approval of an application for
1879 disability benefits under this subsection, the applicant shall
1880 be transferred to the defined benefit program of the Florida
1881 Retirement System, effective upon his or her disability
1882 retirement effective date.

1883 (j) *Option to cancel.*—Any participant whose application for
1884 disability benefits is approved may cancel his or her
1885 application for disability benefits, provided that the

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1886 cancellation request is received by the division before a
1887 disability retirement warrant has been deposited, cashed, or
1888 received by direct deposit. Upon such cancellation:

1889 1. The participant's transfer to the defined benefit
1890 program under paragraph (i) shall be nullified;

1891 2. The participant shall be retroactively reinstated in the
1892 Public Employee Optional Retirement Program without hiatus;

1893 3. All funds transferred to the Florida Retirement System
1894 Trust Fund under paragraph (a) shall be returned to the
1895 participant accounts from which such funds were drawn; and

1896 4. The participant may elect to receive the benefit payable
1897 under the provisions of subsection (1) in lieu of disability
1898 benefits as provided under this subsection.

1899 (k) *Recovery from disability.*—

1900 1. The division may require periodic reexaminations at the
1901 expense of the disability program account of the Florida
1902 Retirement System Trust Fund. Except as otherwise provided in
1903 subparagraph 2., the requirements, procedures, and restrictions
1904 relating to the conduct and review of such reexaminations,
1905 discontinuation or termination of benefits, reentry into
1906 employment, disability retirement after reentry into covered
1907 employment, and all other matters relating to recovery from
1908 disability shall be the same as are set forth under s.
1909 121.091(4)(h).

1910 2. Upon recovery from disability, any recipient of
1911 disability retirement benefits under this subsection shall be a
1912 compulsory member of the Public Employee Optional Retirement
1913 Program of the Florida Retirement System. The net difference
1914 between the recipient's original account balance transferred to

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1915 the Florida Retirement System Trust Fund, including earnings,
1916 under paragraph (a) and total disability benefits paid to such
1917 recipient, if any, shall be determined as provided in sub-
1918 subparagraph a.

1919 a. An amount equal to the total benefits paid shall be
1920 subtracted from that portion of the transferred account balance
1921 consisting of vested accumulations as described under s.
1922 121.4501(6), if any, and an amount equal to the remainder of
1923 benefit amounts paid, if any, shall then be subtracted from any
1924 remaining portion consisting of nonvested accumulations as
1925 described under s. 121.4501(6).

1926 b. Amounts subtracted under sub-subparagraph a. shall be
1927 retained within the disability account of the Florida Retirement
1928 System Trust Fund. Any remaining account balance shall be
1929 transferred to the third-party administrator for disposition as
1930 provided under sub-subparagraph c. or sub-subparagraph d., as
1931 appropriate.

1932 c. If the recipient returns to covered employment,
1933 transferred amounts shall be deposited in individual accounts
1934 under the Public Employee Optional Retirement Program, as
1935 directed by the participant. Vested and nonvested amounts shall
1936 be separately accounted for as provided in s. 121.4501(6).

1937 d. If the recipient fails to return to covered employment
1938 upon recovery from disability:

1939 (I) Any remaining vested amount shall be deposited in
1940 individual accounts under the Public Employee Optional
1941 Retirement Program, as directed by the participant, and shall be
1942 payable as provided in subsection (1).

1943 (II) Any remaining nonvested amount shall be held in a

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1944 suspense account and shall be forfeitable after 5 years as
1945 provided in s. 121.4501(6).

1946 3. If present value was reassigned from the defined benefit
1947 program to the disability program of the Florida Retirement
1948 System as provided under subparagraph (a)2., the full present
1949 value amount shall be returned to the defined benefit account
1950 within the Florida Retirement System Trust Fund and the affected
1951 individual's associated retirement credit under the defined
1952 benefit program shall be reinstated in full. Any benefit based
1953 upon such credit shall be calculated as provided in s.
1954 121.091(4)(h)1.

1955 (l) *Nonadmissible causes of disability.*—A participant shall
1956 not be entitled to receive a disability retirement benefit if
1957 the disability results from any injury or disease sustained or
1958 inflicted as described in s. 121.091(4)(i).

1959 (m) *Disability retirement of justice or judge by order of*
1960 *Supreme Court.*—

1961 1. If a participant is a justice of the Supreme Court,
1962 judge of a district court of appeal, circuit judge, or judge of
1963 a county court who has served for 6 years or more as an elected
1964 constitutional judicial officer, including service as a judicial
1965 officer in any court abolished pursuant to Art. V of the State
1966 Constitution, and who is retired for disability by order of the
1967 Supreme Court upon recommendation of the Judicial Qualifications
1968 Commission pursuant to the provisions of Art. V of the State
1969 Constitution, the participant's Option 1 monthly disability
1970 benefit amount as provided in s. 121.091(6)(a)1. shall be two-
1971 thirds of his or her monthly compensation as of the
1972 participant's disability retirement date. Such a participant may

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1973 alternatively elect to receive an actuarially adjusted
1974 disability retirement benefit under any other option as provided
1975 in s. 121.091(6)(a), or to receive the normal benefit payable
1976 under the Public Employee Optional Retirement Program as set
1977 forth in subsection (1).

1978 2. If any justice or judge who is a participant of the
1979 Public Employee Optional Retirement Program of the Florida
1980 Retirement System is retired for disability by order of the
1981 Supreme Court upon recommendation of the Judicial Qualifications
1982 Commission pursuant to the provisions of Art. V of the State
1983 Constitution and elects to receive a monthly disability benefit
1984 under the provisions of this paragraph:

1985 a. Any present value amount that was transferred to his or
1986 her program account and all employer contributions made to such
1987 account on his or her behalf, plus interest and earnings
1988 thereon, shall be transferred to and deposited in the disability
1989 account of the Florida Retirement System Trust Fund; and

1990 b. The monthly benefits payable under this paragraph for
1991 any affected justice or judge retired from the Florida
1992 Retirement System pursuant to Art. V of the State Constitution
1993 shall be paid from the disability account of the Florida
1994 Retirement System Trust Fund.

1995 (n) *Death of retiree or beneficiary.*—Upon the death of a
1996 disabled retiree or beneficiary thereof who is receiving monthly
1997 benefits under this subsection, the monthly benefits shall be
1998 paid through the last day of the month of death and shall
1999 terminate, or be adjusted, if applicable, as of that date in
2000 accordance with the optional form of benefit selected at the
2001 time of retirement. The Department of Management Services may

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2002 adopt rules necessary to administer this paragraph.

2003 (3) DEATH BENEFITS.—Under the Public Employee Optional
2004 Retirement Program:

2005 (a) Survivor benefits shall be payable in accordance with
2006 the following terms and conditions:

2007 1. To the extent vested, benefits shall be payable only to
2008 a participant's beneficiary or beneficiaries as designated by
2009 the participant as provided in s. 121.4501(20).

2010 2. Benefits shall be paid by the third-party administrator
2011 or designated approved providers in accordance with the law, the
2012 contracts, and any applicable board rule or policy.

2013 3. To receive benefits under this subsection, the
2014 participant must be deceased.

2015 (b) In the event of a participant's death, all vested
2016 accumulations as described in s. 121.4501(6), less withholding
2017 taxes remitted to the Internal Revenue Service, shall be
2018 distributed, as provided in paragraph (c) or as described in s.
2019 121.4501(20), as if the participant retired on the date of
2020 death. No other death benefits shall be available for survivors
2021 of participants under the Public Employee Optional Retirement
2022 Program, except for such benefits, or coverage for such
2023 benefits, as are otherwise provided by law or are separately
2024 afforded by the employer, at the employer's discretion.

2025 (c) Upon receipt by the third-party administrator of a
2026 properly executed application for distribution of benefits, the
2027 total accumulated benefit shall be payable by the third-party
2028 administrator to the participant's surviving beneficiary or
2029 beneficiaries, as:

2030 1. A lump-sum distribution payable to the beneficiary or

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2031 beneficiaries, or to the deceased participant's estate;

2032 2. An eligible rollover distribution on behalf of the
2033 surviving spouse of a deceased participant, whereby all accrued
2034 benefits, plus interest and investment earnings, are paid from
2035 the deceased participant's account directly to the custodian of
2036 an eligible retirement plan, as described in s. 402(c)(8)(B) of
2037 the Internal Revenue Code, on behalf of the surviving spouse; or

2038 3. A partial lump-sum payment whereby a portion of the
2039 accrued benefit is paid to the deceased participant's surviving
2040 spouse or other designated beneficiaries, less withholding taxes
2041 remitted to the Internal Revenue Service, and the remaining
2042 amount is transferred directly to the custodian of an eligible
2043 retirement plan, as described in s. 402(c)(8)(B) of the Internal
2044 Revenue Code, on behalf of the surviving spouse. The proportions
2045 must be specified by the participant or the surviving
2046 beneficiary.

2047
2048 This paragraph does not abrogate other applicable provisions of
2049 state or federal law providing for payment of death benefits.

2050 (4) LIMITATION ON LEGAL PROCESS.—The benefits payable to
2051 any person under the Public Employee Optional Retirement
2052 Program, and any contributions accumulated under such program,
2053 are not subject to assignment, execution, attachment, or any
2054 legal process, except for qualified domestic relations orders by
2055 a court of competent jurisdiction, income deduction orders as
2056 provided in s. 61.1301, and federal income tax levies.

2057 Section 11. Subsection (1) of section 238.183, Florida
2058 Statutes, is amended to read:

2059 238.183 Developmental research school and Florida School

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2060 for the Deaf and the Blind instructional personnel; reemployment
2061 after retirement.-

2062 (1) Notwithstanding any other law, instructional personnel,
2063 as defined in s. 1012.01(2), employed by a developmental
2064 research school or the Florida School for the Deaf and the Blind
2065 are eligible for reemployment after retirement in the same
2066 manner as classroom teachers who are employed by the district
2067 school boards, as described in s. ss. 121.091(9)(b)3. and
2068 238.181(2)(c).

2069 Section 12. Paragraph (g) of subsection (3) of section
2070 1012.33, Florida Statutes, is amended to read:

2071 1012.33 Contracts with instructional staff, supervisors,
2072 and school principals.-

2073 (3)

2074 (g) Beginning July 1, 2001, for each employee who enters
2075 into a written contract, pursuant to this section, in a school
2076 district in which the employee was not employed as of June 30,
2077 2001, or was employed as of June 30, 2001, but has since broken
2078 employment with that district for 1 school year or more, for
2079 purposes of pay, a district school board must recognize and
2080 accept each year of full-time public school teaching service
2081 earned in this state ~~the State of Florida~~ or outside the state
2082 and for which the employee received a satisfactory performance
2083 evaluation. ~~Instructional personnel employed pursuant to s.~~
2084 ~~121.091(9)(b)3. are exempt from the provisions of this~~
2085 ~~paragraph.~~

2086 Section 13. Sections 121.093 and 121.094, Florida Statutes,
2087 are repealed.

2088 Section 14. The Legislature finds that a proper and

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2089 legitimate state purpose is served when employees and retirees
2090 of the state and its political subdivisions, as well as the
2091 dependents, survivors, and beneficiaries of such employees and
2092 retirees, are extended the basic protections afforded by
2093 governmental retirement systems that provide fair and adequate
2094 benefits and that are managed, administered, and funded in an
2095 actuarially sound manner as required by s. 14, Article X of the
2096 State Constitution and part VII of chapter 112, Florida
2097 Statutes. Therefore, the Legislature determines and declares
2098 that the amendment of s. 121.091, Florida Statutes, by this act
2099 fulfills an important state interest.

2100 Section 15. Effective upon this act becoming a law, the
2101 Department of Management Services shall request an actuarial
2102 special study to determine the employer contribution rates
2103 required by this act. The department shall notify the Governor,
2104 the President of the Senate, and the Speaker of the House of
2105 Representatives of the results of the actuarial special study
2106 within 1 week after receiving the results.

2107 Section 16. Except as otherwise expressly provided in this
2108 act and except for this section, which shall take effect upon
2109 becoming a law, this act shall take effect January 1, 2010;
2110 except that this act shall not take effect if the Department of
2111 Management Services receives an actuarial special study stating
2112 that the provisions of this act require an increase of 0.01
2113 percent or more in the employer contribution rate for any member
2114 class or subclass of the Florida Retirement System or the
2115 Deferred Retirement Option Program.