

By the Committee on Governmental Oversight and Accountability

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1 A bill to be entitled
2 An act relating to the Florida Retirement System;
3 amending s. 121.021, F.S.; redefining the terms
4 "employer," "officer or employee," "past service,"
5 "normal retirement date," "regularly established
6 position," and "temporary position"; defining the
7 terms "state board" and "trustees"; amending s.
8 121.031, F.S.; requiring promotional materials that
9 refer to the Florida Retirement System to include a
10 disclaimer unless approval is obtained from the
11 Department of Management Services; amending s.
12 121.051, F.S.; conforming a cross-reference; revising
13 provisions relating to participation in the system;
14 excluding the participation of entities under a lease
15 agreement; amending s. 121.052, F.S.; revising the
16 dates a governing body of a municipality or special
17 district may elect to designate its elected positions
18 for inclusion in the Elected Officers' Class; amending
19 s. 121.071, F.S.; expanding the mechanisms for
20 employees to pay contributions to the system; amending
21 s. 121.081, F.S.; revising provisions relating to
22 receiving credit for past or prior service;
23 prohibiting a member from receiving credit for service
24 covered and reported by both a public employer and a
25 private employer; amending s. 121.091, F.S.; revising
26 provisions relating to retirement benefits; deleting a
27 restriction on the reemployment of certain personnel
28 by the Florida School for the Deaf and the Blind;
29 extending the period of time that instructional

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30 personnel employed by a developmental research school
31 may participate in the Deferred Retirement Option
32 Program; clarifying that DROP participation may not be
33 cancelled; providing for the suspension of DROP
34 benefits to a participant who is reemployed; deleting
35 obsolete provisions; authorizing the Division of
36 Retirement to issue benefits pursuant to a qualified
37 domestic relations order directly to the alternate
38 payee; amending s. 121.1115, F.S.; revising provisions
39 relating to receiving retirement credit for out-of-
40 state service; providing that a member is not eligible
41 for and may not receive a benefit based on that
42 service; amending s. 121.1122, F.S.; revising
43 provisions relating to receiving retirement credit for
44 in-state service; providing that a member may not be
45 eligible for or receiving a benefit based on service;
46 amending s. 121.136, F.S.; revising provisions
47 relating to the annual statement of benefits provided
48 to certain active members of the Florida Retirement
49 System; amending s. 121.1905, F.S.; deleting
50 provisions describing the mission of the Division of
51 Retirement; amending s. 121.23, F.S.; requiring the
52 State Retirement Commission to meet the same
53 requirements used by the Secretary of Management
54 Services before approving a disability retirement
55 benefit; amending s. 121.24, F.S.; requiring a quorum
56 of three members for all appeal hearings held by the
57 State Retirement Commission; amending s. 1012.33,
58 F.S.; deleting the provision preventing persons who

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59 have retired from the public school system from
60 renewing membership in the Florida Retirement System
61 upon reemployment by the school system; repealing s.
62 121.093, F.S., relating to instructional personnel
63 reemployment after retirement from a developmental
64 research school or the Florida School for the Deaf and
65 the Blind; repealing s. 121.094, F.S., relating to
66 instructional personnel reemployment after retirement
67 from a charter school; repealing s. 121.45, F.S.,
68 relating to interstate compacts relating to pension
69 portability; providing a declaration of important
70 state interest; providing an effective date.

71
72 Be It Enacted by the Legislature of the State of Florida:

73
74 Section 1. Subsections (10), (11), (18), (29), (52), and
75 (53) of section 121.021, Florida Statutes, are amended, and
76 subsections (63) and (64) are added to that section, to read:

77 121.021 Definitions.—The following words and phrases as
78 used in this chapter have the respective meanings set forth
79 unless a different meaning is plainly required by the context:

80 (10) "Employer" means any agency, branch, department,
81 institution, university, institution of higher education, or
82 board of the state, or any county agency, branch, department,
83 board, district school board, or special district of the state,
84 or any city of the state which participates in the system for
85 the benefit of certain of its employees, or a charter school or
86 charter technical career center that participates as provided in
87 s. 121.051(2)(d). Employers are not agents of the department,

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88 the state board, or the Division of Retirement, and the
89 department, the state board, and the division are not
90 responsible for erroneous information provided by
91 representatives of employers.

92 (11) "Officer or employee" means any person receiving
93 salary payments for work performed in a regularly established
94 position and, if employed by a city, a metropolitan planning
95 organization, or a special district, employed in a covered
96 group. The term does not apply to state employees covered by a
97 leasing agreement under s. 110.191, other public employees
98 covered by a leasing agreement, or to a co-employer
99 relationship.

100 (18) "Past service" of any member, as provided in s.
101 121.081(1), means the number of years and complete months and
102 any fractional part of a month, recognized and credited by an
103 employer and approved by the administrator, during which the
104 member was in the active employ of a governmental ~~an~~ employer
105 and for which the employee is not entitled to a benefit before
106 ~~prior to~~ his or her date of participation.

107 (29) "Normal retirement date" means the ~~first day of any~~
108 ~~month following the~~ date a member attains normal retirement age
109 and is vested, which is determined as follows ~~one of the~~
110 ~~following statuses:~~

111 (a) If a Regular Class member, ~~the member:~~

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

114 2. The first day of the month following the date the member
115 completes 30 years of creditable service, regardless of age,
116 which may include a maximum of 4 years of military service

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117 credit as long as such credit is not claimed under any other
118 system.

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

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

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

126 3. The first day of the month following the date the member
127 completes 25 years of creditable service and attains age 52,
128 which service may include a maximum of 4 years of military
129 service credit as long as such credit is not claimed under any
130 other system and the remaining years are in the Special Risk
131 Class.

132 (c) If a Senior Management Service Class member, ~~the~~
133 ~~member~~:

134 1. The first day of the month the member completes 6 years
135 of creditable service in the Senior Management Service Class and
136 attains age 62; or

137 2. The first day of the month following the date the member
138 completes 30 years of any creditable service, regardless of age,
139 which may include a maximum of 4 years of military service
140 credit as long as such credit is not claimed under any other
141 system.

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

143 1. The first day of the month the member completes 6 years
144 of creditable service in the Elected Officers' Class and attains
145 age 62; or

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146 2. The first day of the month following the date the member
147 completes 30 years of any creditable service, regardless of age,
148 which may include a maximum of 4 years of military service
149 credit as long as such credit is not claimed under any other
150 system.

151
152 "Normal retirement age" is attained on the "normal retirement
153 date."

154 (52) "Regularly established position" is defined as
155 follows:

156 (a) With respect to employment for ~~In~~ a state employer
157 ~~agency~~, the term means a position that ~~which~~ is authorized and
158 established pursuant to law and is compensated from a salaries
159 appropriation pursuant to s. 216.011(1)(dd), or an established
160 position which is authorized pursuant to s. 216.262(1)(a) and
161 (b) and is compensated from a salaries account as provided by
162 rule.

163 (b) With respect to employment for ~~In~~ a local employer
164 ~~agency~~ (district school board, county agency, community college,
165 city, metropolitan planning organization, or special district),
166 the term means a regularly established position that ~~which~~ will
167 be in existence for a period beyond 6 consecutive months, except
168 as provided by rule.

169 (53) "Temporary position" is defined as follows:

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

174 (b) With respect to employment for ~~In~~ a local employer

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175 agency, the term means an employment position that ~~which~~ will
176 exist for less than 6 consecutive months, or other employment
177 position as determined by rule of the division, regardless of
178 whether it will exist for 6 consecutive months or longer.

179 (63) "State board" or "board" means the State Board of
180 Administration.

181 (64) "Trustees" means the Board of Trustees of the State
182 Board of Administration.

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

185 121.031 Administration of system; appropriation; oaths;
186 actuarial studies; public records.—

187 (6) Unless prior written approval is obtained from the
188 department or state board, any promotional materials or
189 advertisements that, directly or indirectly, refer to the
190 Florida Retirement System or the FRS, must contain a disclaimer
191 that the information is not approved or endorsed by the Florida
192 Retirement System.

193 Section 3. Paragraph (a) of subsection (1) and paragraph
194 (f) of subsection (2) of section 121.051, Florida Statutes, are
195 amended to read:

196 121.051 Participation in the system.—

197 (1) COMPULSORY PARTICIPATION.—

198 (a) The provisions of this law are ~~shall be~~ compulsory as
199 to all officers and employees, except elected officers who meet
200 the requirements of s. 121.052(3), who are employed on or after
201 December 1, 1970, by ~~of~~ an employer other than those referred to
202 in paragraph (2)(b), and each officer or employee, as a
203 condition of employment, becomes ~~shall become~~ a member of the

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204 system as of his or her date of employment, except that a person
205 who is retired from any state retirement system and is
206 reemployed on or after December 1, 1970, may not renew his or
207 her membership in any state retirement system except as provided
208 in s. 121.091(4)(h) for a person who recovers from disability,
209 and as provided in s. 121.091(9)(b)10. ~~s. 121.091(9)(b)8.~~ for a
210 person who is elected to public office, and, effective July 1,
211 1991, as provided in s. 121.122 for all other retirees. Officers
212 and employees of the University Athletic Association, Inc., a
213 nonprofit association connected with the University of Florida,
214 employed on and after July 1, 1979, may ~~shall~~ not participate in
215 any state-supported retirement system.

216 1. Any person appointed on or after July 1, 1989, to a
217 faculty position in a college at the J. Hillis Miller Health
218 Center at the University of Florida or the Medical Center at the
219 University of South Florida which has a faculty practice plan
220 adopted ~~provided~~ by rule ~~adopted by the Board of Regents~~ may not
221 participate in the Florida Retirement System. Effective July 1,
222 2008, any person appointed thereafter to a faculty position,
223 including clinical faculty, in a college at a state university
224 that has a faculty practice plan authorized by the Board of
225 Governors may not participate in the Florida Retirement System.
226 A faculty member so appointed shall participate in the optional
227 retirement program for the State University System
228 notwithstanding the provisions of s. 121.35(2)(a).

229 2. For purposes of this paragraph, the term "faculty
230 position" is defined as a position assigned the principal
231 responsibility of teaching, research, or public service
232 activities or administrative responsibility directly related to

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233 the academic mission of the college. The term "clinical faculty"
234 is defined as a faculty position appointment in conjunction with
235 a professional position in a hospital or other clinical
236 environment at a college. The term "faculty practice plan"
237 includes professional services to patients, institutions, or
238 other parties which are rendered by the clinical faculty
239 employed by a college that has a faculty practice plan at a
240 state university authorized by the Board of Governors.

241 (2) OPTIONAL PARTICIPATION.—

242 (f)1. If ~~Whenever~~ an employer that participates in the
243 Florida Retirement System undertakes the transfer, merger, or
244 consolidation of governmental services or assumes the functions
245 or activities of an employing governmental entity that was not
246 an employer under the system, the employer must notify the
247 department at least 60 days before ~~prior to~~ such action and
248 ~~shall~~ provide documentation as required by the department. The
249 transfer, merger, or consolidation of governmental services or
250 assumption of governmental functions and activities must occur
251 between public employers. The current or former employer may pay
252 the employees' past service cost unless prohibited under this
253 chapter. This paragraph does not apply to the transfer, merger,
254 or consolidation of governmental services or assumption of
255 functions and activities of a public entity under a leasing
256 agreement having a co-employer relationship. Employers and
257 employees of a public governmental employer whose service is
258 covered by a leasing agreement under s. 110.191, other leasing
259 agreement, or a co-employer relationship are not eligible to
260 participate in the Florida Retirement System.

261 2. If ~~When~~ the agency to which a member's employing unit is

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262 transferred, merged, or consolidated does not participate in the
263 Florida Retirement System, a member may ~~shall~~ elect in writing
264 to remain in the Florida Retirement System or to transfer to the
265 local retirement system operated by the ~~such~~ agency. If such
266 agency does not participate in a local retirement system, the
267 member shall continue membership in the Florida Retirement
268 System. In either case, ~~the~~ membership continues ~~shall continue~~
269 for as long as the member is employed by the agency to which his
270 or her unit was transferred, merged, or consolidated.

271 Section 4. Paragraph (e) of subsection (3) of section
272 121.052, Florida Statutes, is amended to read:

273 121.052 Membership class of elected officers.—

274 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
275 1, 1990, participation in the Elected Officers' Class shall be
276 compulsory for elected officers listed in paragraphs (2) (a)-(d)
277 and (f) assuming office on or after said date, unless the
278 elected officer elects membership in another class or withdraws
279 from the Florida Retirement System as provided in paragraphs
280 (3) (a)-(d):

281 (e) Effective July 1, 2009 ~~July 1, 2001~~, the governing body
282 of a municipality or special district may, by majority vote,
283 elect to designate all its elected positions for inclusion in
284 the Elected Officers' Class. Such election shall be made between
285 July 1, 2009, and December 31, 2009 ~~July 1, 2001, and December~~
286 ~~31, 2001~~, and is ~~shall be~~ irrevocable. The designation of such
287 positions is ~~shall be~~ effective on the first day of the month
288 following receipt by the department of the ordinance or
289 resolution passed by the governing body.

290 Section 5. Paragraph (a) of subsection (6) of section

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291 121.071, Florida Statutes, is amended to read:

292 121.071 Contributions.—Contributions to the system shall be
293 made as follows:

294 (6) (a) Required employee contributions for all service
295 other than current service, including, but not limited to, prior
296 service, past service, military service, leave-of-absence
297 service, out-of-state service, and certain non-Florida
298 Retirement System in-state service, shall be paid by cash,
299 personal check, cashier's check, ~~or~~ money order, or a direct
300 rollover or transfer from a qualified plan as provided under the
301 Internal Revenue Code. The payment must only; shall be
302 accompanied by a statement identifying the service for which
303 payment is made, and and shall be made in a lump sum for the total
304 amount due or in annual payments of not less than \$100, except
305 for the final payment if less than \$100, unless another method
306 of payment is authorized by law or rule.

307 Section 6. Paragraphs (f) and (h) of subsection (1) of
308 section 121.081, Florida Statutes, are amended to read:

309 121.081 Past service; prior service; contributions.—
310 Conditions under which past service or prior service may be
311 claimed and credited are:

312 (1)

313 (f) If ~~When~~ any person, ~~either prior to this act or~~
314 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~
315 in one of the retirement systems under ~~consolidated within or~~
316 ~~created by~~ this chapter through the consolidation or merger of
317 governments or the transfer of functions between units of
318 government, ~~either~~ at the state or local level or between state
319 and local units, or through the assumption of functions or

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320 activities by a state or local unit from an employing
321 governmental entity that ~~which~~ was not an employer under the
322 system, and such person becomes a member of the Florida
323 Retirement System, such person is ~~shall be~~ entitled to receive
324 past-service credit ~~as defined in s. 121.021(18)~~ for the time
325 the ~~such~~ person performed services for, and was an employee of,
326 such state or local unit or other governmental employing entity
327 before ~~prior to~~ the transfer, merger, consolidation, or
328 assumption of functions and activities. Past-service credit
329 allowed by this paragraph is ~~shall~~ also ~~be~~ available to any
330 person who becomes a member of an existing system before, ~~as~~
331 ~~defined in s. 121.021(2)~~, ~~prior to~~ December 1, 1970, through the
332 transfer, merger, consolidation, or assumption of functions and
333 activities set forth in this paragraph and who subsequently
334 becomes a member of the Florida Retirement System. However,
335 credit for ~~the~~ past service may not be granted until
336 contributions are made as ~~in the manner~~ provided in this
337 subsection. If a person rejected Florida Retirement System
338 membership at the time of the transfer, merger, ~~or~~
339 consolidation, or assumption, the required contributions shall
340 be at total actuarial cost as specified in paragraph (e). Such
341 contributions or accrued interest may not be paid from public
342 ~~any state~~ funds.

343 (h) The following provisions apply to the purchase of past
344 service:

345 1. Notwithstanding any of the provisions of this
346 subsection, past-service credit may not be purchased ~~under this~~
347 ~~chapter~~ for any service that is used to obtain a pension or
348 benefit from a ~~any~~ local retirement system. Eligibility to

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349 receive or the receipt of contributions to a retirement plan
350 made by the employer on behalf of the employee is considered a
351 benefit.

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

357 3. A member may not receive past service credit for co-
358 employer service. Co-employer service or a co-employer
359 relationship is employment in a single position simultaneously
360 covered and reported by both a public employer and a private
361 employer.

362 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit for
363 all of his or her past service, the period the member claims
364 must be the most recent past service before ~~prior to his or her~~
365 participation in the Florida Retirement System.

366 ~~5.4.~~ The cost of past service purchased by an employing
367 agency for its employees may be amortized over the ~~such~~ period
368 of time ~~as is~~ provided in the agreement, but not to exceed 15
369 years, calculated in accordance with rule 60S-1.007(5)(f),
370 Florida Administrative Code.

371 ~~6.5.~~ The retirement account of each member for whom past
372 service is being provided by his or her employer shall be
373 credited with all past service the employer agrees to purchase
374 as soon as the agreement between the employer and the department
375 is executed. ~~Pursuant thereto:~~

376 a. Each ~~such~~ member's account shall also be posted with the
377 total contribution his or her employer agrees to make on ~~in~~ the

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378 member's behalf for past service earned before ~~prior to~~ October
379 1, 1975, excluding those contributions representing the
380 employer's matching share and the compound interest calculation
381 on the total contribution. However, a portion of any
382 contributions paid by an employer for past service credit earned
383 on and after October 1, 1975, may not be posted to the a
384 member's account.

385 b. A refund of contributions payable after an employer has
386 made a written agreement to purchase past service for employees
387 of the covered group includes ~~shall include~~ contributions for
388 past service which are posted to a member's account. However,
389 contributions for past service earned on and after October 1,
390 1975, are not refundable.

391 Section 7. Paragraph (b) of subsection (9), paragraphs (a),
392 (b), and (c) of subsection (13), and paragraphs (b), (c), (d),
393 (e), and (f) of subsection (14) of section 121.091, Florida
394 Statutes, are amended to read:

395 121.091 Benefits payable under the system.—Benefits may not
396 be paid under this section unless the member has terminated
397 employment as provided in s. 121.021(39)(a) or begun
398 participation in the Deferred Retirement Option Program as
399 provided in subsection (13), and a proper application has been
400 filed in the manner prescribed by the department. The department
401 may cancel an application for retirement benefits when the
402 member or beneficiary fails to timely provide the information
403 and documents required by this chapter and the department's
404 rules. The department shall adopt rules establishing procedures
405 for application for retirement benefits and for the cancellation
406 of such application when the required information or documents

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407 are not received.

408 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.—

409 (b)1. Any person who is retired under this chapter, except
410 under the disability retirement provisions of subsection (4),
411 may be reemployed by any private or public employer after
412 retirement and receive retirement benefits and compensation from
413 the ~~his or her~~ employer without limitation ~~any limitations~~,
414 except that the ~~a~~ person may not receive ~~both~~ a salary from
415 reemployment with any agency participating in the Florida
416 Retirement System and retirement benefits under this chapter for
417 ~~a period of~~ 12 months immediately after ~~subsequent to~~ the date
418 of retirement. However, a DROP participant may ~~shall~~ continue
419 employment and receive a salary during the period of
420 participation in DROP ~~the Deferred Retirement Option Program~~, as
421 provided in subsection (13).

422 2. Any person to whom the limitation in subparagraph 1.
423 applies who ~~violates such reemployment limitation and who~~ is
424 reemployed with any agency participating in the Florida
425 Retirement System after he or she has been retired for 1
426 calendar month but before completion of the 12-month limitation
427 period must ~~shall~~ give timely notice of this fact in writing to
428 the employer and to the Division of Retirement and shall have
429 his or her retirement benefits suspended while employed during
430 ~~for~~ the balance of the 12-month limitation period unless the
431 person exceeds the 780-hour limitation in subparagraph 4.,
432 subparagraph 5., or subparagraph 11. Any person employed in
433 violation of this paragraph and any employing agency that ~~which~~
434 knowingly employs or appoints such person without notifying the
435 division ~~of Retirement~~ to suspend retirement benefits are ~~shall~~

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436 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
437 ~~retirement trust fund of~~ any benefits paid during the
438 reemployment limitation period. To avoid liability, the ~~such~~
439 employing agency must ~~shall~~ have a written statement from the
440 retiree that he or she is not retired from a state-administered
441 retirement system. Any retirement benefits received while
442 reemployed during this reemployment limitation period must ~~shall~~
443 be repaid to the Florida Retirement System Trust Fund, and
444 retirement benefits ~~shall~~ remain suspended until such repayment
445 has been made. Benefits suspended beyond the reemployment
446 limitation ~~shall~~ apply toward repayment of benefits received in
447 violation of the reemployment limitation.

448 3. A district school board may reemploy a retired member as
449 a substitute or hourly teacher, education paraprofessional,
450 transportation assistant, bus driver, or food service worker on
451 a noncontractual basis after he or she has been retired for 1
452 calendar month, in accordance with s. 121.021(39). A district
453 school board may reemploy a retired member as instructional
454 personnel, as defined in s. 1012.01(2)(a), on an annual
455 contractual basis after he or she has been retired for 1
456 calendar month, in accordance with s. 121.021(39). Any other
457 retired member who is reemployed within 1 calendar month after
458 retirement voids ~~shall void~~ his or her application for
459 retirement benefits. District school boards reemploying such
460 teachers, education paraprofessionals, transportation
461 assistants, bus drivers, or food service workers are subject to
462 the retirement contribution required by subparagraph 9. 7.

463 4. A community college board of trustees may reemploy a
464 retired member as an adjunct instructor, ~~that is, an instructor~~

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465 ~~who is noncontractual and part-time,~~ or as a participant in a
466 phased retirement program within the Florida Community College
467 System, after he or she has been retired for 1 calendar month,
468 in accordance with s. 121.021(39). Any retired member who is
469 reemployed within 1 calendar month after retirement voids ~~shall~~
470 ~~void~~ his or her application for retirement benefits. Boards of
471 trustees reemploying such instructors are subject to the
472 retirement contribution required in subparagraph 7. A retired
473 member may be reemployed as an adjunct instructor for no more
474 than 780 hours during the first 12 months of retirement. Any
475 retired member reemployed for more than 780 hours during the
476 first 12 months of retirement must ~~shall~~ give timely notice in
477 writing to the employer and to the Division of Retirement of the
478 date he or she will exceed the limitation. The division shall
479 suspend his or her retirement benefits for the remainder of the
480 first 12 months of retirement. Any person employed in violation
481 of this subparagraph and any employing agency that ~~which~~
482 knowingly employs or appoints such person without notifying the
483 division ~~of Retirement~~ to suspend retirement benefits are ~~shall~~
484 ~~be~~ jointly and severally liable for ~~reimbursement to the~~
485 ~~retirement trust fund of~~ any benefits paid during the
486 reemployment limitation period. To avoid liability, the ~~such~~
487 employing agency must ~~shall~~ have a written statement from the
488 retiree that he or she is not retired from a state-administered
489 retirement system. Any retirement benefits received by a retired
490 member while reemployed in excess of 780 hours during the first
491 12 months of retirement must ~~shall~~ be repaid to the Florida
492 Retirement System Trust Fund, and retirement benefits ~~shall~~
493 remain suspended until repayment is made. Benefits suspended

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494 beyond the end of the retired member's first 12 months of
495 retirement shall apply toward repayment of benefits received in
496 violation of the 780-hour reemployment limitation.

497 5. The State University System may reemploy a retired
498 member as an adjunct faculty member or as a participant in a
499 phased retirement program within the State University System
500 after the retired member has been retired for 1 calendar month,
501 in accordance with s. 121.021(39). A ~~Any~~ retired member who is
502 reemployed within 1 calendar month after retirement voids ~~shall~~
503 ~~void~~ his or her application for retirement benefits. The State
504 University System is subject to the retired contribution
505 required in subparagraph 9. ~~7.~~, as appropriate. A retired member
506 may be reemployed as an adjunct faculty member or a participant
507 in a phased retirement program for no more than 780 hours during
508 the first 12 months of his or her retirement. Any retired member
509 reemployed for more than 780 hours during the first 12 months of
510 retirement must ~~shall~~ give timely notice in writing to the
511 employer and to the Division of Retirement of the date he or she
512 will exceed the limitation. The division shall suspend his or
513 her retirement benefits for the remainder of the first 12 months
514 of retirement. Any person employed in violation of this
515 subparagraph and any employing agency that ~~which~~ knowingly
516 employs or appoints such person without notifying the division
517 ~~of Retirement~~ to suspend retirement benefits are ~~shall be~~
518 jointly and severally liable for ~~reimbursement to the retirement~~
519 ~~trust fund~~ of any benefits paid during the reemployment
520 limitation period. To avoid liability, such employing agency
521 must ~~shall~~ have a written statement from the retiree that he or
522 she is not retired from a state-administered retirement system.

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523 Any retirement benefits received by a retired member while
524 reemployed in excess of 780 hours during the first 12 months of
525 retirement must ~~shall~~ be repaid to the Florida Retirement System
526 Trust Fund, and retirement benefits ~~shall~~ remain suspended until
527 repayment is made. Benefits suspended beyond the end of the
528 retired member's first 12 months of retirement shall apply
529 toward repayment of benefits received in violation of the 780-
530 hour reemployment limitation.

531 6. The Board of Trustees of the Florida School for the Deaf
532 and the Blind may reemploy a retired member as a substitute
533 teacher, substitute residential instructor, or substitute nurse
534 on a noncontractual basis after he or she has been retired for 1
535 calendar month, in accordance with s. 121.021(39). The Board of
536 Trustees of the Florida School for the Deaf and the Blind may
537 reemploy a retired member as instructional personnel, as defined
538 in s. 1012.01(2), on an annual contractual basis after he or she
539 has been retired for 1 calendar month, in accordance with s.
540 121.021(39). Any retired member who is reemployed within 1
541 calendar month after retirement voids ~~shall void~~ his or her
542 application for retirement benefits. The Board of Trustees of
543 the Florida School for the Deaf and the Blind reemploying such
544 teachers, residential instructors, or nurses is subject to the
545 retirement contribution required by subparagraph 9. 7.
546 ~~Reemployment of a retired member as a substitute teacher,~~
547 ~~substitute residential instructor, or substitute nurse is~~
548 ~~limited to 780 hours during the first 12 months of his or her~~
549 ~~retirement. Any retired member reemployed for more than 780~~
550 ~~hours during the first 12 months of retirement shall give timely~~
551 ~~notice in writing to the employer and to the division of the~~

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552 ~~date he or she will exceed the limitation. The division shall~~
553 ~~suspend his or her retirement benefits for the remainder of the~~
554 ~~first 12 months of retirement. Any person employed in violation~~
555 ~~of this subparagraph and any employing agency which knowingly~~
556 ~~employs or appoints such person without notifying the Division~~
557 ~~of Retirement to suspend retirement benefits shall be jointly~~
558 ~~and severally liable for reimbursement to the retirement trust~~
559 ~~fund of any benefits paid during the reemployment limitation~~
560 ~~period. To avoid liability, such employing agency shall have a~~
561 ~~written statement from the retiree that he or she is not retired~~
562 ~~from a state-administered retirement system. Any retirement~~
563 ~~benefits received by a retired member while reemployed in excess~~
564 ~~of 780 hours during the first 12 months of retirement shall be~~
565 ~~repaid to the Retirement System Trust Fund, and his or her~~
566 ~~retirement benefits shall remain suspended until payment is~~
567 ~~made. Benefits suspended beyond the end of the retired member's~~
568 ~~first 12 months of retirement shall apply toward repayment of~~
569 ~~benefits received in violation of the 780-hour reemployment~~
570 ~~limitation.~~

571 7. A developmental research school may reemploy a retired
572 member as a substitute or hourly teacher or an education
573 paraprofessional as defined in s. 1012.01(2) on a noncontractual
574 basis after he or she has been retired for 1 calendar month, in
575 accordance with s. 121.021(39). A developmental research school
576 may reemploy a retired member as instructional personnel, as
577 defined in s. 1012.01(2)(a), on an annual contractual basis
578 after he or she has been retired for 1 calendar month, in
579 accordance with s. 121.021(39). Any other retired member who is
580 reemployed within 1 calendar month after retirement voids his or

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581 her application for retirement benefits. A developmental
582 research school that reemploys retired teachers and education
583 paraprofessionals is subject to the retirement contribution
584 required by subparagraph 9.

585 8. A charter school may reemploy a retired member as a
586 substitute or hourly teacher on a noncontractual basis after he
587 or she has been retired for 1 calendar month, in accordance with
588 s. 121.021(39). A charter school may reemploy a retired member
589 as instructional personnel, as defined in s. 1012.01(2)(a), on
590 an annual contractual basis after he or she has been retired for
591 1 calendar month, in accordance with s. 121.021(39). Any other
592 retired member who is reemployed within 1 calendar month after
593 retirement voids his or her application for retirement benefits.
594 A charter school that reemploys such teachers is subject to the
595 retirement contribution required by subparagraph 9.

596 9.7. The employment ~~by an employer~~ of a any retiree or DROP
597 participant of a any state-administered retirement system does
598 not affect ~~shall have no effect on~~ the average final
599 compensation or years of creditable service of the retiree or
600 DROP participant. ~~Before~~ Prior to July 1, 1991, upon employment
601 of any person, other than an elected officer as provided in s.
602 121.053, who is ~~has been~~ retired under a any state-administered
603 retirement program, the employer shall pay retirement
604 contributions in an amount equal to the unfunded actuarial
605 liability portion of the employer contribution which would be
606 required for regular members of the Florida Retirement System.
607 Effective July 1, 1991, contributions shall be made as provided
608 in s. 121.122 for retirees who have ~~with~~ renewed membership or,
609 as provided in subsection (13), for ~~with respect to~~ DROP

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610 participants.

611 10.8. Any person who has ~~previously~~ retired and who is
612 holding an elective public office or an appointment to an
613 elective public office eligible for the Elected Officers' Class
614 on or after July 1, 1990, shall be enrolled in the Florida
615 Retirement System as provided in s. 121.053(1)(b) or, if holding
616 an elective public office that does not qualify for the Elected
617 Officers' Class on or after July 1, 1991, shall be enrolled in
618 the Florida Retirement System as provided in s. 121.122, and
619 shall continue to receive retirement benefits as well as
620 compensation for the elected officer's service for as long as he
621 or she remains in elective office. However, any retired member
622 who served in an elective office before ~~prior to~~ July 1, 1990,
623 suspended his or her retirement benefit, and had his or her
624 Florida Retirement System membership reinstated shall, upon
625 retirement from such office, have his or her retirement benefit
626 recalculated to include the additional service and compensation
627 earned.

628 11.9. Any person who is holding an elective public office
629 which is covered by the Florida Retirement System and who is
630 concurrently employed in nonelected covered employment may elect
631 to retire while continuing employment in the elective public
632 office, if ~~provided that~~ he or she terminates ~~shall be required~~
633 ~~to terminate~~ his or her nonelected covered employment. Any
634 person who exercises this election shall receive his or her
635 retirement benefits in addition to the compensation of the
636 elective office without regard to the time limitations otherwise
637 provided in this subsection. A ~~No~~ person who seeks to exercise
638 the provisions of this subparagraph, as they ~~the same~~ existed

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639 before ~~prior to~~ May 3, 1984, may not ~~shall~~ be deemed to be
640 retired under those provisions, unless such person is eligible
641 to retire under the provisions of this subparagraph, as amended
642 by chapter 84-11, Laws of Florida.

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

647 12.11. An employing agency may reemploy a retired member as
648 a firefighter or paramedic after the retired member has been
649 retired for 1 calendar month, in accordance with s. 121.021(39).
650 Any retired member who is reemployed within 1 calendar month
651 after retirement voids ~~shall void~~ his or her application for
652 retirement benefits. The employing agency reemploying such
653 firefighter or paramedic is subject to the retired contribution
654 required in subparagraph 9. ~~8.~~ Reemployment of a retired
655 firefighter or paramedic is limited to no more than 780 hours
656 during the first 12 months of his or her retirement. Any retired
657 member reemployed for more than 780 hours during the first 12
658 months of retirement must ~~shall~~ give timely notice in writing to
659 the employer and to the Division of Retirement of the date he or
660 she will exceed the limitation. The division shall suspend his
661 or her retirement benefits for the remainder of the first 12
662 months of retirement. Any person employed in violation of this
663 subparagraph and any employing agency that ~~which~~ knowingly
664 employs or appoints such person without notifying the division
665 ~~of Retirement~~ to suspend retirement benefits shall be jointly
666 and severally liable for ~~reimbursement to the Retirement System~~
667 ~~Trust Fund~~ of any benefits paid during the reemployment

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668 limitation period. To avoid liability, such employing agency
669 must ~~shall~~ have a written statement from the retiree that he or
670 she is not retired from a state-administered retirement system.
671 Any retirement benefits received by a retired member while
672 reemployed in excess of 780 hours during the first 12 months of
673 retirement must ~~shall~~ be repaid to the Florida Retirement System
674 Trust Fund, and retirement benefits ~~shall~~ remain suspended until
675 repayment is made. Benefits suspended beyond the end of the
676 retired member's first 12 months of retirement shall apply
677 toward repayment of benefits received in violation of the 780-
678 hour reemployment limitation.

679 13. The limitations of this paragraph apply to reemployment
680 in any capacity with an employer, as defined in s. 121.021,
681 irrespective of the category of funds from which the person is
682 compensated.

683 14. The reemployment after retirement provisions of this
684 paragraph apply to DROP participants effective upon termination
685 from employment and the end of DROP participation.

686 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
687 subject to the provisions of this section, the Deferred
688 Retirement Option Program, hereinafter referred to as the DROP,
689 is a program under which an eligible member of the Florida
690 Retirement System may elect to participate, deferring receipt of
691 retirement benefits while continuing employment with his or her
692 Florida Retirement System employer. The deferred monthly
693 benefits shall accrue in the System Trust Fund on behalf of the
694 participant, plus interest compounded monthly, for the specified
695 period of the DROP participation, as provided in paragraph (c).
696 Upon termination of employment, the participant shall receive

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697 the total DROP benefits and begin to receive the previously
698 determined normal retirement benefits. Participation in the DROP
699 does not guarantee employment for the specified period of DROP.
700 Participation in the DROP by an eligible member beyond the
701 initial 60-month period as authorized in this subsection shall
702 be on an annual contractual basis for all participants.

703 (a) *Eligibility of member to participate in ~~the~~ DROP.*—All
704 active Florida Retirement System members in a regularly
705 established position, and all active members of ~~either~~ the
706 Teachers' Retirement System established in chapter 238 or the
707 State and County Officers' and Employees' Retirement System
708 established in chapter 122, which systems are consolidated
709 within the Florida Retirement System under s. 121.011, are
710 eligible to elect participation in ~~the~~ DROP if provided that:

711 1. The member is not a renewed member ~~of the Florida~~
712 ~~Retirement System~~ under s. 121.122, or a member of the State
713 Community College System Optional Retirement Program under s.
714 121.051, the Senior Management Service Optional Annuity Program
715 under s. 121.055, or the optional retirement program for the
716 State University System under s. 121.35.

717 2. Except as provided in subparagraph 6., election to
718 participate is made within 12 months immediately following the
719 date on which the member first reaches normal retirement date,
720 or, for a member who reaches normal retirement date ~~based on~~
721 ~~service~~ before he or she reaches age 62, or age 55 for Special
722 Risk Class members, election to participate may be deferred to
723 the 12 months immediately following the date the member attains
724 57, or age 52 for Special Risk Class members. ~~For a member who~~
725 ~~first reached normal retirement date or the deferred eligibility~~

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726 ~~date described above prior to the effective date of this~~
727 ~~section, election to participate shall be made within 12 months~~
728 ~~after the effective date of this section.~~ A member who fails to
729 make an election within the ~~such~~ 12-month limitation period
730 forfeits ~~shall forfeit~~ all rights to participate in ~~the~~ DROP.
731 The member shall advise his or her employer and the division in
732 writing of the date ~~on which the~~ DROP begins ~~shall begin.~~ The
733 ~~Such~~ beginning date may be subsequent to the 12-month election
734 period, but must be within the original 60-month participation
735 ~~or, with respect to members who are instructional personnel~~
736 ~~employed by the Florida School for the Deaf and the Blind and~~
737 ~~who have received authorization by the Board of Trustees of the~~
738 ~~Florida School for the Deaf and the Blind to participate in the~~
739 ~~DROP beyond 60 months, or who are instructional personnel as~~
740 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
741 ~~received authorization by the district school superintendent to~~
742 ~~participate in the DROP beyond 60 months, the 96-month~~
743 ~~limitation period as provided in subparagraph (b)1. When~~
744 ~~establishing eligibility of the member to participate in the~~
745 ~~DROP for the 60-month or, with respect to members who are~~
746 ~~instructional personnel employed by the Florida School for the~~
747 ~~Deaf and the Blind and who have received authorization by the~~
748 ~~Board of Trustees of the Florida School for the Deaf and the~~
749 ~~Blind to participate in the DROP beyond 60 months, or who are~~
750 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
751 ~~grades K-12 and who have received authorization by the district~~
752 ~~school superintendent to participate in the DROP beyond 60~~
753 ~~months, the 96-month maximum participation period, the member~~
754 may elect to include or exclude any optional service credit

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755 purchased by the member from the total service used to establish
756 the normal retirement date. A member who has ~~with~~ dual normal
757 retirement dates is ~~shall be~~ eligible to elect to participate in
758 DROP within 12 months after attaining normal retirement date in
759 either class.

760 3. The employer of a member electing to participate in ~~the~~
761 DROP, or employers if dually employed, shall acknowledge in
762 writing to the division the date the member's participation in
763 the DROP begins and the date the member's employment and DROP
764 participation will terminate.

765 4. Simultaneous employment of a participant by additional
766 Florida Retirement System employers subsequent to the
767 commencement of participation in ~~the~~ DROP is ~~shall be~~
768 permissible if ~~provided~~ such employers acknowledge in writing a
769 DROP termination date no later than the participant's existing
770 termination date or the maximum participation ~~60-month~~
771 ~~limitation~~ period as provided in subparagraph (b)1.

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

774 a. A change of employment must take place without a break
775 in service so that the member receives salary for each month of
776 continuous DROP participation. If a member receives no salary
777 during a month, DROP participation shall cease unless the
778 employer verifies a continuation of the employment relationship
779 for such participant pursuant to s. 121.021(39)(b).

780 b. Such participant and new employer shall notify the
781 division of the identity of the new employer on forms required
782 by the division ~~as to the identity of the new employer~~.

783 c. The new employer shall acknowledge, in writing, the

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784 participant's DROP termination date, which may be extended but
785 not beyond the original 60-month participation ~~or, with respect~~
786 ~~to members who are instructional personnel employed by the~~
787 ~~Florida School for the Deaf and the Blind and who have received~~
788 ~~authorization by the Board of Trustees of the Florida School for~~
789 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
790 ~~months, or who are instructional personnel as defined in s.~~
791 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
792 ~~authorization by the district school superintendent to~~
793 ~~participate in the DROP beyond 60 months, the 96-month period~~
794 provided in subparagraph (b)1., shall acknowledge liability for
795 any additional retirement contributions and interest required if
796 the participant fails to timely terminate employment, and is
797 ~~shall be~~ subject to the adjustment required in sub-subparagraph
798 (c)5.d.

799 6. Effective July 1, 2001, for instructional personnel as
800 defined in s. 1012.01(2), election to participate in ~~the~~ DROP
801 may shall be made at any time following the date on which the
802 member first reaches normal retirement date. The member shall
803 advise his or her employer and the division in writing of the
804 date on which DROP begins ~~the Deferred Retirement Option Program~~
805 ~~shall begin~~. When establishing eligibility of the member to
806 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
807 ~~members who are instructional personnel employed by the Florida~~
808 ~~School for the Deaf and the Blind and who have received~~
809 ~~authorization by the Board of Trustees of the Florida School for~~
810 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
811 ~~months, or who are instructional personnel as defined in s.~~
812 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~

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813 ~~authorization by the district school superintendent to~~
814 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
815 ~~participation period, as provided in sub-subparagraph (b) (1) a.~~
816 ~~subparagraph (b)1.,~~ the member may elect to include or exclude
817 any optional service credit purchased by the member from the
818 total service used to establish the normal retirement date. A
819 member who has ~~with~~ dual normal retirement dates is ~~shall be~~
820 eligible to elect to participate in either class.

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

822 1. An eligible member may elect to participate in ~~the~~ DROP
823 for a period not to exceed a maximum of 60 calendar months.
824 However, ~~or,~~ with respect to members who are instructional
825 personnel employed by the Florida School for the Deaf and the
826 Blind and authorized ~~who have received authorization~~ by the
827 Board of Trustees of the Florida School for the Deaf and the
828 Blind ~~to participate in the DROP beyond 60 months,~~ or who are
829 instructional personnel as defined in s. 1012.01(2) (a)-(d) in
830 grades K-12 and authorized ~~who have received authorization~~ by
831 the district school superintendent ~~to participate in the DROP~~
832 ~~beyond 60 calendar months,~~ or who are instructional personnel,
833 as defined in s. 1012.01(2), employed by a developmental
834 research school and authorized by the school's director, or if
835 the school has no director, by the school's principal, may
836 participate in DROP for up to 36 calendar months beyond the 60-
837 month period. ~~96 calendar months immediately following the date~~
838 ~~on which the member first reaches his or her normal retirement~~
839 ~~date or the date to which he or she is eligible to defer his or~~
840 ~~her election to participate as provided in subparagraph (a)2.~~
841 ~~However, a member who has reached normal retirement date prior~~

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842 ~~to the effective date of the DROP shall be eligible to~~
843 ~~participate in the DROP for a period of time not to exceed 60~~
844 ~~calendar months or, with respect to members who are~~
845 ~~instructional personnel employed by the Florida School for the~~
846 ~~Deaf and the Blind and who have received authorization by the~~
847 ~~Board of Trustees of the Florida School for the Deaf and the~~
848 ~~Blind to participate in the DROP beyond 60 months, or who are~~
849 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
850 ~~grades K-12 and who have received authorization by the district~~
851 ~~school superintendent to participate in the DROP beyond 60~~
852 ~~calendar months, 96 calendar months immediately following the~~
853 ~~effective date of the DROP, except a member of the Special Risk~~
854 ~~Class who has reached normal retirement date prior to the~~
855 ~~effective date of the DROP and whose total accrued value exceeds~~
856 ~~75 percent of average final compensation as of his or her~~
857 ~~effective date of retirement shall be eligible to participate in~~
858 ~~the DROP for no more than 36 calendar months immediately~~
859 ~~following the effective date of the DROP.~~

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

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

863 b. Selection of the DROP participation and termination
864 dates, which satisfy the limitations stated in paragraph (a) and
865 subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be in a
866 binding letter of resignation to ~~with~~ the employer, establishing
867 a deferred termination date. The member may change the
868 termination date within the limitations of subparagraph 1., but
869 only with the written approval of the ~~his or her~~ employer;

870 c. A properly completed DROP application for service

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871 retirement as provided in this section; and

872 d. Any other information required by the division.

873 3. The DROP participant is ~~shall be~~ a retiree under the
874 Florida Retirement System for all purposes, except for paragraph
875 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
876 and 121.122. DROP participation is final and may not be
877 cancelled by the participant after the first payment is credited
878 during the DROP participation period. However, participation in
879 ~~the~~ DROP does not alter the participant's employment status and
880 the member is such employee shall not be deemed retired from
881 employment until his or her deferred resignation is effective
882 and termination occurs as provided in s. 121.021(39).

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

885 a. An elected officer who reaches normal retirement date
886 during a term of office may defer the election to participate in
887 ~~the~~ DROP until the next succeeding term in that office. An Such
888 elected officer who exercises this option may participate in ~~the~~
889 DROP for up to 60 calendar months or a period of no longer than
890 the such succeeding term of office, whichever is less.

891 b. An elected or a nonelected participant may run for a
892 term of office while participating in DROP and, if elected,
893 extend the DROP termination date accordingly, except that,
894 ~~however,~~ if such additional term of office exceeds the 60-month
895 limitation established in subparagraph 1., and the officer does
896 not resign from office within the such 60-month limitation, the
897 retirement and the participant's DROP is ~~shall be~~ null and void
898 as provided in sub-subparagraph (c)5.d.

899 c. An elected officer who is dually employed and elects to

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900 participate in DROP must ~~shall be required to~~ satisfy the
901 definition of termination within the 60-month participation or,
902 ~~with respect to members who are instructional personnel employed~~
903 ~~by the Florida School for the Deaf and the Blind and who have~~
904 ~~received authorization by the Board of Trustees of the Florida~~
905 ~~School for the Deaf and the Blind to participate in the DROP~~
906 ~~beyond 60 months, or who are instructional personnel as defined~~
907 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~
908 ~~authorization by the district school superintendent to~~
909 ~~participate in the DROP beyond 60 months, the 96-month~~
910 ~~limitation~~ period as provided in subparagraph 1. for the
911 nonelected position and may continue employment as an elected
912 officer as provided in s. 121.053. The elected officer shall
913 ~~will~~ be enrolled as a renewed member in the Elected Officers'
914 Class or the Regular Class, as provided in ss. 121.053 and
915 121.122, on the first day of the month after termination of
916 employment in the nonelected position and termination of DROP.
917 Distribution of ~~the~~ DROP benefits shall be made as provided in
918 paragraph (c).

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

920 1. Effective on ~~with~~ the date of DROP participation, the
921 member's initial normal monthly benefit, including creditable
922 service, optional form of payment, and average final
923 compensation, and the effective date of retirement are ~~shall be~~
924 fixed. The beneficiary established under the Florida Retirement
925 System shall be the beneficiary eligible to receive any DROP
926 benefits payable if the DROP participant dies before ~~prior to~~
927 the completion of the period of DROP participation. If ~~In the~~
928 ~~event~~ a joint annuitant predeceases the member, the member may

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929 name a beneficiary to receive accumulated DROP benefits payable.
930 The ~~Such~~ retirement benefit, the annual cost of living
931 adjustments provided in s. 121.101, and interest shall accrue
932 monthly in the Florida Retirement System Trust Fund. The ~~Such~~
933 interest shall accrue at an effective annual rate of 6.5 percent
934 compounded monthly, on the prior month's accumulated ending
935 balance, up to the month of termination or death.

936 2. Each employee who elects to participate in ~~the~~ DROP may
937 ~~shall be allowed to~~ elect to receive a lump-sum payment for
938 accrued annual leave earned in accordance with agency policy
939 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
940 leave payment certified to the division upon commencement of
941 DROP shall be included in the calculation of the member's
942 average final compensation. The employee electing the ~~such~~ lump-
943 sum payment is ~~upon beginning participation in DROP will~~ not be
944 eligible to receive a second lump-sum payment upon termination,
945 except to the extent the employee has earned additional annual
946 leave which, combined with the original payment, does not exceed
947 the maximum lump-sum payment allowed by the employing agency's
948 policy or rules. An ~~Such~~ early lump-sum payment shall be based
949 on the hourly wage of the employee at the time he or she begins
950 participation in ~~the~~ DROP. If the member elects to wait and
951 receive a ~~such~~ lump-sum payment upon termination of DROP and
952 termination of employment with the employer, any accumulated
953 leave payment made at that time may not ~~cannot~~ be included in
954 the member's retirement benefit, which was determined and fixed
955 by law when the employee elected to participate in ~~the~~ DROP.

956 3. The effective date of DROP participation and the
957 effective date of retirement of a DROP participant shall be the

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958 first day of the month selected by the member to begin
 959 participation in the DROP, provided such date is properly
 960 established, with the written confirmation of the employer, and
 961 the approval of the division, on forms required by the division.

962 4. Normal retirement benefits and any interest ~~thereon~~
 963 shall continue to accrue in ~~the~~ DROP until the established
 964 termination date of ~~the~~ DROP, or until the participant
 965 terminates employment or dies prior to such date. Although
 966 individual DROP accounts shall not be established, a separate
 967 accounting of each participant's accrued benefits under ~~the~~ DROP
 968 shall be calculated and provided to participants.

969 5. At the conclusion of the participant's DROP, the
 970 division shall distribute the participant's total accumulated
 971 DROP benefits, subject to the following provisions:

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

975 b. The terminated DROP participant or, if deceased, the
 976 ~~such~~ participant's named beneficiary, shall elect on forms
 977 provided by the division to receive payment of ~~the~~ DROP benefits
 978 in accordance with one of the options listed below. If ~~For~~ a
 979 participant or beneficiary ~~who~~ fails to elect a method of
 980 payment within 60 days of termination of ~~the~~ DROP, the division
 981 shall ~~will~~ pay a lump sum as provided in sub-sub-subparagraph
 982 (I).

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

986 (II) Direct rollover.—All accrued DROP benefits, plus

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987 interest, shall be paid from ~~the~~ DROP directly to the custodian
988 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
989 the Internal Revenue Code. However, in the case of an eligible
990 rollover distribution to the surviving spouse of a deceased
991 participant, an eligible retirement plan is an individual
992 retirement account or an individual retirement annuity as
993 described in s. 402(c)(9) of the Internal Revenue Code.

994 (III) Partial lump sum.—A portion of the accrued DROP
995 benefits shall be paid to the DROP participant or surviving
996 spouse, less withholding taxes remitted to the Internal Revenue
997 Service, and the remaining DROP benefits shall be transferred
998 directly to the custodian of an eligible retirement plan as
999 defined in s. 402(c)(8)(B) of the Internal Revenue Code.

1000 However, in the case of an eligible rollover distribution to the
1001 surviving spouse of a deceased participant, an eligible
1002 retirement plan is an individual retirement account or an
1003 individual retirement annuity as described in s. 402(c)(9) of
1004 the Internal Revenue Code. The proportions shall be specified by
1005 the DROP participant or surviving beneficiary.

1006 c. The form of payment selected by the DROP participant or
1007 surviving beneficiary must comply ~~complies~~ with the minimum
1008 distribution requirements of the Internal Revenue Code.

1009 d. A DROP participant who fails to terminate employment as
1010 defined in s. 121.021(39)(b) shall be deemed as not ~~to be~~
1011 retired, and the DROP election is ~~shall be~~ null and void.
1012 Florida Retirement System membership shall be reestablished
1013 retroactively to the date of the commencement of ~~the~~ DROP, and
1014 each employer with whom the participant continues employment
1015 must ~~shall be required to~~ pay to the Florida Retirement System

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1016 Trust Fund the difference between the DROP contributions paid in
1017 paragraph (i) and the contributions required for the applicable
1018 Florida Retirement System class of membership during the period
1019 the member participated in the DROP, plus 6.5 percent interest
1020 compounded annually.

1021 6. The retirement benefits of any DROP participant who
1022 meets the definition of termination, as provided in s.
1023 121.021(39)(b), but is in violation of the reemployment
1024 provisions provided in subsection (9), shall be suspended during
1025 those months in which the member is in violation. Any member
1026 employed in violation of this subparagraph and any employing
1027 agency that knowingly employs or appoints such member without
1028 notifying the Division of Retirement to suspend retirement
1029 benefits are jointly and severally liable for any benefits paid
1030 during the reemployment limitation period. To avoid liability,
1031 the employing agency must have a written statement from the
1032 retiree that he or she is not retired from a state-administered
1033 retirement system. Any retirement benefits received by a retired
1034 member while employed in violation of the reemployment
1035 limitations during the first 12 months of retirement must be
1036 repaid to the Florida Retirement System Trust Fund, and his or
1037 her retirement benefits remain suspended until payment is made.
1038 Benefits suspended beyond the end of the retired member's first
1039 12 months of retirement apply toward repayment of benefits
1040 received in violation of the reemployment limitations.

1041 7.6- The accrued benefits of any DROP participant, and any
1042 contributions accumulated under the such program, are shall not
1043 ~~be~~ subject to assignment, execution, attachment, or to any legal
1044 process whatsoever, except for qualified domestic relations

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1045 orders by a court of competent jurisdiction, income deduction
1046 orders as provided in s. 61.1301, and federal income tax levies.

1047 ~~8.7.~~ DROP participants are ~~shall~~ not be eligible for
1048 disability retirement benefits as provided in subsection (4).

1049 (14) PAYMENT OF BENEFITS.—This subsection applies to the
1050 payment of benefits to a payee (retiree or beneficiary) under
1051 the Florida Retirement System:

1052 (b) Subject to approval by the division in accordance with
1053 rule 60S-4.015, Florida Administrative Code, a payee receiving
1054 retirement benefits under the ~~Florida Retirement~~ system may also
1055 have the following payments deducted from his or her monthly
1056 benefit:

1057 1. Premiums for life and health-related insurance policies
1058 from approved companies.

1059 2. Life insurance premiums for the State Group Life
1060 Insurance Plan, if authorized in writing by the payee and by the
1061 department ~~of Management Services~~.

1062 3. Repayment of overpayments from the Florida Retirement
1063 System Trust Fund, the State Employees' Health Insurance Trust
1064 Fund, or the State Employees' Life Insurance Trust Fund, upon
1065 notification of the payee.

1066 4. Payments to an alternate payee for alimony or, child
1067 support pursuant to an income deduction order under s. 61.1301,
1068 or division of marital assets pursuant to a qualified domestic
1069 relations order under s. 222.21 ~~or an income deduction order~~
1070 ~~under s. 61.1301.~~

1071 5. Payments to the Internal Revenue Service for federal
1072 income tax levies, upon notification of the division by the
1073 Internal Revenue Service.

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1074 (c) A payee must ~~shall~~ notify the division of any change in
1075 his or her address. The division may suspend benefit payments to
1076 a payee if correspondence sent to the payee's mailing address is
1077 returned due to an incorrect address. Benefit payments shall be
1078 resumed upon notification to the division of the payee's new
1079 address.

1080 (d) A payee whose retirement benefits are reduced by the
1081 application of maximum benefit limits under s. 415(b) of the
1082 Internal Revenue Code, as specified in s. 121.30(5), shall have
1083 the portion of his or her calculated benefit in the Florida
1084 Retirement System defined benefit plan which exceeds such
1085 federal limitation paid through the Florida Retirement System
1086 Preservation of Benefits Plan, as provided in s. 121.1001.

1087 (e) The Division of Retirement may issue retirement
1088 benefits payable for division of marital assets pursuant to a
1089 qualified domestic relations order directly to the alternate
1090 payee, any court order to the contrary notwithstanding, in order
1091 to meet Internal Revenue Code requirements.

1092 (f)-(e) A ~~No~~ benefit may not be reduced for the purpose of
1093 preserving the member's eligibility for a federal program.

1094 (g)-(f) The division shall adopt rules establishing
1095 procedures for determining that ~~the~~ persons to whom benefits are
1096 being paid are still living. The division shall suspend the
1097 benefits being paid to any payee if ~~when~~ it is unable to contact
1098 such payee and to confirm that he or she is still living.

1099 Section 8. Section 121.1115, Florida Statutes, is amended
1100 to read:

1101 121.1115 Purchase of retirement credit for out-of-state and
1102 federal service.—Effective January 1, 1995, a member ~~of the~~

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1103 ~~Florida Retirement System~~ may purchase creditable service for
 1104 periods of public employment in another state and receive
 1105 creditable service for such periods of employment. Service with
 1106 the Federal Government, including any active military service,
 1107 may be claimed. Upon completion of each year of service earned
 1108 under the Florida Retirement System, a member may purchase up to
 1109 1 year of retirement credit for his or her out-of-state service,
 1110 subject to the following provisions:

1111 (1) LIMITATIONS AND CONDITIONS.—To receive credit for the
 1112 out-of-state service:

1113 (a) The out-of-state service ~~being claimed~~ must have been:

1114 1. Performed in a position of employment with the state or
 1115 a political subdivision thereof or with the Federal Government;

1116 2. Covered by a retirement or pension plan provided by the
 1117 state or political subdivision, or by the Federal Government, as
 1118 appropriate; and

1119 3. Performed prior to a period of membership in the Florida
 1120 Retirement System.

1121 (b) The member must have completed a minimum of 6 years of
 1122 creditable service under the Florida Retirement System,
 1123 excluding out-of-state service and in-state service claimed and
 1124 purchased under s. 121.1122.

1125 (c) Not more than 5 years of creditable service may be
 1126 claimed for creditable service aggregated under the provisions
 1127 of this section and s. 121.1122.

1128 (d) The out-of-state service credit ~~claimed under this~~
 1129 ~~section~~ shall be credited only as service in the Regular Class
 1130 ~~of membership~~, and any benefit or pension based thereon is ~~shall~~
 1131 ~~be~~ subject to the limitations and restrictions of s. 112.65.

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1132 (e) The member is not eligible for and may not receive a
1133 pension or benefit from a retirement or pension plan based on or
1134 including the out-of-state service. Eligibility for or the
1135 receipt of contributions to a retirement plan made by the
1136 employer on behalf of the employee is considered a benefit.

1137 (f) ~~(e) A member shall be eligible~~ To receive service credit
1138 for out-of-state service performed after leaving the Florida
1139 Retirement System, the member must complete only upon return to
1140 ~~membership and completion of~~ at least 1 year of creditable
1141 service in the Florida Retirement System following the out-of-
1142 state service.

1143 (2) COST.—For each year claimed, the member must pay into
1144 the Florida Retirement System Trust Fund an amount equal to 20
1145 percent of the member's annual compensation for the first full
1146 work year of creditable service earned under the Florida
1147 Retirement System, but not less than \$12,000, plus interest at
1148 6.5 percent compounded annually from the date of first annual
1149 salary earned until full payment is made. The employer may pay
1150 all or a portion of the cost of this service credit.

1151 Section 9. Subsection (2) of section 121.1122, Florida
1152 Statutes, is amended to read:

1153 121.1122 Purchase of retirement credit for in-state public
1154 service and in-state service in accredited nonpublic schools and
1155 colleges, including charter schools and charter technical career
1156 centers.—Effective January 1, 1998, a member of the Florida
1157 Retirement System may purchase creditable service for periods of
1158 certain public or nonpublic employment performed in this state,
1159 as provided in this section.

1160 (2) LIMITATIONS AND CONDITIONS.—

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1161 (a) A member is not eligible to receive credit for in-state
1162 service under this section until he or she has completed 6 years
1163 of creditable service under the Florida Retirement System,
1164 excluding service purchased under this section and out-of-state
1165 service claimed and purchased under s. 121.1115.

1166 (b) A member may not purchase and receive credit for more
1167 than 5 years of creditable service aggregated under ~~the~~
1168 ~~provisions of~~ this section and s. 121.1115.

1169 (c) Service credit claimed under this section shall be
1170 credited only as service in the Regular Class ~~of membership~~ and
1171 is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

1172 (d) Service credit may not be purchased under this section
1173 if the member is eligible to receive or is receiving a pension
1174 or benefit from a retirement or pension plan based on or
1175 including the service. Eligibility for or the receipt of
1176 contributions to a retirement plan made by the employer on
1177 behalf of the employee is considered a benefit.

1178 ~~(e)(d)~~ A member is ~~shall be~~ eligible to receive service
1179 credit for in-state service performed after leaving the Florida
1180 Retirement System only after ~~upon returning to membership and~~
1181 completing at least 1 year of creditable service in the Florida
1182 Retirement System following the in-state service.

1183 ~~(f)(e)~~ The service claimed must have been service covered
1184 by a retirement or pension plan provided by the employer.

1185 Section 10. Section 121.136, Florida Statutes, is amended
1186 to read:

1187 121.136 Annual benefit statement to members. ~~Beginning~~
1188 ~~January 1, 1993, and~~ Each January ~~thereafter,~~ the department
1189 shall provide each active member of the Florida Retirement

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1190 System with 5 or more years of creditable service an annual
1191 statement of benefits which provides. ~~Such statement should~~
1192 ~~provide~~ the member with basic data about the member's retirement
1193 account. At a minimum ~~Minimally~~, it must ~~shall~~ include the
1194 member's retirement plan, accrued service credit ~~the amount of~~
1195 ~~funds on deposit in the retirement account~~, and an estimate of
1196 retirement benefits.

1197 Section 11. Section 121.1905, Florida Statutes, is amended
1198 to read:

1199 121.1905 Division of Retirement; creation.-

1200 ~~(1)~~ There is created the Division of Retirement within the
1201 Department of Management Services.

1202 ~~(2) The mission of the Division of Retirement is to provide~~
1203 ~~quality and cost-effective retirement services as measured by~~
1204 ~~member satisfaction and by comparison with administrative costs~~
1205 ~~of comparable retirement systems.~~

1206 Section 12. Paragraph (a) of subsection (2) of section
1207 121.23, Florida Statutes, is amended to read:

1208 121.23 Disability retirement and special risk membership
1209 applications; Retirement Commission; powers and duties; judicial
1210 review.-The provisions of this section apply to all proceedings
1211 in which the administrator has made a written final decision on
1212 the merits respecting applications for disability retirement,
1213 reexamination of retired members receiving disability benefits,
1214 applications for special risk membership, and reexamination of
1215 special risk members in the Florida Retirement System. The
1216 jurisdiction of the State Retirement Commission under this
1217 section shall be limited to written final decisions of the
1218 administrator on the merits.

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1219 (2) A member shall be entitled to a hearing before the
1220 State Retirement Commission pursuant to ss. 120.569 and
1221 120.57(1) on the merits of any written adverse decision of the
1222 administrator, if he or she files with the commission a written
1223 request for such hearing within 21 days after receipt of such
1224 written decision from the administrator. For the purpose of such
1225 hearings, the commission shall be an "agency head" as defined by
1226 s. 120.52.

1227 (a) The commission may ~~shall have the authority to~~ issue
1228 orders as a result of the a hearing that are ~~shall be~~ binding on
1229 all parties to the dispute and. ~~The commission~~ may order any
1230 action that it deems appropriate. Any disability retirement
1231 order of the commission ~~issued pursuant to this subsection~~ which
1232 sustains the application of the member may include an amount, to
1233 be determined by the commission, for reasonable attorney's fees
1234 and taxable costs, which shall be calculated in accordance with
1235 the statewide uniform guidelines for taxation of costs in civil
1236 actions. The amount of the attorney's fee may not exceed 50
1237 percent of the initial yearly benefit awarded under s.
1238 121.091(4). In cases involving disability retirement, the ~~State~~
1239 ~~Retirement~~ commission shall require the member to present
1240 competent substantial medical evidence and meet the requirements
1241 of s. 121.091(4)(c)2. and 3., and may require vocational
1242 evidence, before awarding disability retirement benefits.

1243 Section 13. Paragraph (a) of subsection (1) of section
1244 121.24, Florida Statutes, is amended to read:

1245 121.24 Conduct of commission business; legal and other
1246 assistance; compensation.—

1247 (1) The commission shall conduct its business within the

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1248 following guidelines:

1249 (a) For purposes of hearing appeals under s. 121.23, the
1250 commission may meet in panels ~~consisting of no not~~ fewer than
1251 three members. ~~For the purpose of meeting in these panels, a~~
1252 ~~quorum shall be not fewer than two members. For all other~~
1253 ~~purposes,~~ A quorum shall consist of three members. The
1254 concurring vote of a majority of the members present is ~~shall be~~
1255 required to reach a decision, issue orders, and conduct the
1256 business of the commission.

1257 Section 14. Subsection (8) of section 1012.33, Florida
1258 Statutes, is amended to read:

1259 1012.33 Contracts with instructional staff, supervisors,
1260 and school principals.-

1261 (8) Notwithstanding any other provision of law, a retired
1262 ~~any member who has retired~~ may interrupt retirement and be
1263 reemployed in any public school. A ~~Any~~ member ~~so~~ reemployed by
1264 the same district from which he or she retired may be employed
1265 on a probationary contractual basis as provided in subsection
1266 (1); ~~however, no regular retirement employee shall be eligible~~
1267 ~~to renew membership under a retirement system created by chapter~~
1268 ~~121 or chapter 238.~~

1269 Section 15. Sections 121.093, 121.094, and 121.45, Florida
1270 Statutes, are repealed.

1271 Section 16. The Legislature finds that a proper and
1272 legitimate state purpose is served when employees and retirees
1273 of the state and its political subdivisions, as well as the
1274 dependents, survivors, and beneficiaries of such employees and
1275 retirees, are extended the basic protections afforded by
1276 governmental retirement systems. These persons must be provided

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1277 benefits that are fair and adequate and that are managed,
1278 administered, and funded in an actuarially sound manner as
1279 required by s. 14, Article X of the State Constitution, and part
1280 VII of chapter 112, Florida Statutes. Therefore, the Legislature
1281 determines and declares that the amendment of s. 121.091,
1282 Florida Statutes, by this act fulfills an important state
1283 interest.

1284 Section 17. This act shall take effect July 1, 2009.