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LEGISLATIVE ACTION

Senate	.	House
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Floor: 4/AD/2R	.	Floor: C
04/30/2009 05:13 PM	.	05/01/2009 04:06 PM
	.	

Senators Lawson, King, and Haridopolos moved the following:

Senate Amendment (with title amendment)

Delete lines 1388 - 2347
and insert:

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



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13 Fund on behalf of the participant, plus interest compounded
14 monthly, for the specified period of the DROP participation, as
15 provided in paragraph (c). Upon termination of employment, the
16 participant shall receive the total DROP benefits and begin to
17 receive the previously determined normal retirement benefits.
18 Participation in the DROP does not guarantee employment for the
19 specified period of DROP. Participation in ~~the~~ DROP by an
20 eligible member beyond the initial 60-month period as authorized
21 in this subsection shall be on an annual contractual basis for
22 all participants.

23 (a) Eligibility of member to participate in ~~the~~ DROP.—All
24 active Florida Retirement System members in a regularly
25 established position, and all active members of ~~either~~ the
26 Teachers' Retirement System established in chapter 238 or the
27 State and County Officers' and Employees' Retirement System
28 established in chapter 122, which ~~systems~~ are consolidated
29 within the Florida Retirement System under s. 121.011, are
30 eligible to elect participation in ~~the~~ DROP if provided that:

31 1. The member is not a renewed member of ~~the Florida~~
32 ~~Retirement System~~ under s. 121.122, or a member of the State
33 Community College System Optional Retirement Program under s.
34 121.051, the Senior Management Service Optional Annuity Program
35 under s. 121.055, or the optional retirement program for the
36 State University System under s. 121.35.

37 2. Except as provided in subparagraph 6., election to
38 participate is made within 12 months immediately following the
39 date on which the member first reaches normal retirement date,
40 or, for a member who reaches normal retirement date based on
41 service before he or she reaches age 62, or age 55 for Special



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42 Risk Class members, election to participate may be deferred to
43 the 12 months immediately following the date the member attains
44 57, or age 52 for Special Risk Class members. A member who
45 delays DROP participation during the 12-month period immediately
46 following his or her maximum DROP deferral date, except as
47 provided in subparagraph 6., loses a month of DROP participation
48 for each month delayed. ~~For a member who first reached normal~~
49 ~~retirement date or the deferred eligibility date described above~~
50 ~~prior to the effective date of this section, election to~~
51 ~~participate shall be made within 12 months after the effective~~
52 ~~date of this section.~~ A member who fails to make an election
53 within the such 12-month limitation period forfeits shall
54 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member shall
55 advise his or her employer and the division in writing of the
56 date ~~on which the~~ DROP begins ~~shall begin.~~ The ~~Such~~ beginning
57 date may be subsequent to the 12-month election period, but must
58 be within the original 60-month participation ~~or, with respect~~
59 ~~to members who are instructional personnel employed by the~~
60 ~~Florida School for the Deaf and the Blind and who have received~~
61 ~~authorization by the Board of Trustees of the Florida School for~~
62 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
63 ~~months, or who are instructional personnel as defined in s.~~
64 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
65 ~~authorization by the district school superintendent to~~
66 ~~participate in the DROP beyond 60 months, the 96-month~~
67 ~~limitation period as provided in subparagraph (b)1. When~~
68 ~~establishing eligibility of the member to participate in the~~
69 ~~DROP for the 60-month or, with respect to members who are~~
70 ~~instructional personnel employed by the Florida School for the~~



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71 ~~Deaf and the Blind and who have received authorization by the~~
72 ~~Board of Trustees of the Florida School for the Deaf and the~~
73 ~~Blind to participate in the DROP beyond 60 months, or who are~~
74 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
75 ~~grades K-12 and who have received authorization by the district~~
76 ~~school superintendent to participate in the DROP beyond 60~~
77 ~~months, the 96-month maximum participation period, the member~~
78 may elect to include or exclude any optional service credit
79 purchased by the member from the total service used to establish
80 the normal retirement date. A member who has ~~with~~ dual normal
81 retirement dates is ~~shall be~~ eligible to elect to participate in
82 DROP ~~within 12 months~~ after attaining normal retirement date in
83 either class.

84 3. The employer of a member electing to participate in ~~the~~
85 DROP, or employers if dually employed, shall acknowledge in
86 writing to the division the date the member's participation in
87 ~~the~~ DROP begins and the date the member's employment and DROP
88 participation will terminate.

89 4. Simultaneous employment of a participant by additional
90 Florida Retirement System employers subsequent to the
91 commencement of participation in ~~the~~ DROP is ~~shall be~~
92 permissible if ~~provided~~ such employers acknowledge in writing a
93 DROP termination date no later than the participant's existing
94 termination date or the maximum participation 60-month
95 ~~limitation~~ period ~~as~~ provided in subparagraph (b)1.

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

98 a. A change of employment must take place without a break
99 in service so that the member receives salary for each month of



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100 continuous DROP participation. If a member receives no salary
101 during a month, DROP participation shall cease unless the
102 employer verifies a continuation of the employment relationship
103 for such participant pursuant to s. 121.021(39) (b).

104 b. Such participant and new employer shall notify the
105 division of the identity of the new employer on forms required
106 by the division ~~as to the identity of the new employer.~~

107 c. The new employer shall acknowledge, in writing, the
108 participant's DROP termination date, which may be extended but
109 not beyond the maximum participation ~~original 60-month or, with~~
110 ~~respect to members who are instructional personnel employed by~~
111 ~~the Florida School for the Deaf and the Blind and who have~~
112 ~~received authorization by the Board of Trustees of the Florida~~
113 ~~School for the Deaf and the Blind to participate in the DROP~~
114 ~~beyond 60 months, or who are instructional personnel as defined~~
115 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~
116 ~~authorization by the district school superintendent to~~
117 ~~participate in the DROP beyond 60 months, the 96-month period~~
118 provided in subparagraph (b)1., shall acknowledge liability for
119 any additional retirement contributions and interest required if
120 the participant fails to timely terminate employment, and is
121 ~~shall be~~ subject to the adjustment required in sub-subparagraph
122 (c)5.d.

123 6. Effective July 1, 2001, for instructional personnel as
124 defined in s. 1012.01(2), election to participate in ~~the~~ DROP
125 may shall be made at any time following the date on which the
126 member first reaches normal retirement date. The member shall
127 advise his or her employer and the division in writing of the
128 date on which DROP begins ~~the Deferred Retirement Option Program~~



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129 ~~shall begin.~~ When establishing eligibility of the member to
130 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
131 ~~members who are instructional personnel employed by the Florida~~
132 ~~School for the Deaf and the Blind and who have received~~
133 ~~authorization by the Board of Trustees of the Florida School for~~
134 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
135 ~~months, or who are instructional personnel as defined in s.~~
136 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
137 ~~authorization by the district school superintendent to~~
138 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
139 ~~participation period, as provided in subparagraph (b)1., the~~
140 member may elect to include or exclude any optional service
141 credit purchased by the member from the total service used to
142 establish the normal retirement date. A member who has ~~with~~ dual
143 normal retirement dates is ~~shall be~~ eligible to elect to
144 participate in either class.

145 (b) Participation in ~~the~~ DROP.-

146 1. An eligible member may elect to participate in ~~the~~ DROP
147 for a period not to exceed a maximum of 60 calendar months.
148 However, ~~or, with respect to~~ members who are instructional
149 personnel employed by the Florida School for the Deaf and the
150 Blind and authorized ~~who have received authorization~~ by the
151 Board of Trustees of the Florida School for the Deaf and the
152 Blind ~~to participate in the DROP beyond 60 months, or who are~~
153 instructional personnel as defined in s. 1012.01(2)(a)-(d) in
154 grades K-12 and authorized ~~who have received authorization~~ by
155 the district school superintendent ~~to participate in the DROP~~
156 ~~beyond 60 calendar months, or who are instructional personnel as~~
157 defined in s. 1012.01(2)(a) employed by a developmental research



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158 school and authorized by the school's director, or if the school
159 has no director, by the school's principal, may participate in
160 DROP for up to 36 calendar months beyond the 60-month period. 96
161 ~~calendar months immediately following the date on which the~~
162 ~~member first reaches his or her normal retirement date or the~~
163 ~~date to which he or she is eligible to defer his or her election~~
164 ~~to participate as provided in subparagraph (a)2. However, a~~
165 ~~member who has reached normal retirement date prior to the~~
166 ~~effective date of the DROP shall be eligible to participate in~~
167 ~~the DROP for a period of time not to exceed 60 calendar months~~
168 ~~or, with respect to members who are instructional personnel~~
169 ~~employed by the Florida School for the Deaf and the Blind and~~
170 ~~who have received authorization by the Board of Trustees of the~~
171 ~~Florida School for the Deaf and the Blind to participate in the~~
172 ~~DROP beyond 60 months, or who are instructional personnel as~~
173 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have~~
174 ~~received authorization by the district school superintendent to~~
175 ~~participate in the DROP beyond 60 calendar months, 96 calendar~~
176 ~~months immediately following the effective date of the DROP,~~
177 ~~except a member of the Special Risk Class who has reached normal~~
178 ~~retirement date prior to the effective date of the DROP and~~
179 ~~whose total accrued value exceeds 75 percent of average final~~
180 ~~compensation as of his or her effective date of retirement shall~~
181 ~~be eligible to participate in the DROP for no more than 36~~
182 ~~calendar months immediately following the effective date of the~~
183 ~~DROP.~~

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

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



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187 b. Selection of ~~the~~ DROP participation and termination
188 dates ~~that, which~~ satisfy the limitations stated in paragraph
189 (a) and subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be
190 in a binding letter of resignation to ~~with~~ the employer,
191 establishing a deferred termination date. The member may change
192 the termination date within the limitations of subparagraph 1.,
193 but only with the written approval of the ~~his or her~~ employer;

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

196 d. Any other information required by the division.

197 3. The DROP participant is ~~shall be~~ a retiree under the
198 Florida Retirement System for all purposes, except for paragraph
199 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
200 and 121.122. DROP participation is final and may not be canceled
201 by the participant after the first payment is credited during
202 the DROP participation period. However, participation in ~~the~~
203 DROP does not alter the participant's employment status, and the
204 member is ~~such employee shall not be~~ deemed retired from
205 employment until his or her deferred resignation is effective
206 and termination occurs as defined ~~provided~~ in s. 121.021(39).

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

209 a. An elected officer who reaches normal retirement date
210 during a term of office may defer the election to participate ~~in~~
211 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
212 elected officer who exercises this option may participate in ~~the~~
213 DROP for up to 60 calendar months or ~~a period of~~ no longer than
214 the ~~such~~ succeeding term of office, whichever is less.

215 b. An elected or a nonelected participant may run for a



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216 term of office while participating in DROP and, if elected,
217 extend the DROP termination date accordingly;~~; except,~~ however,
218 if such additional term of office exceeds the 60-month
219 limitation established in subparagraph 1., and the officer does
220 not resign from office within such 60-month limitation, the
221 retirement and the participant's DROP is ~~shall be~~ null and void
222 as provided in sub-subparagraph (c)5.d.

223 c. An elected officer who is dually employed and elects to
224 participate in DROP must terminate all employment relationships
225 as provided in s. 121.021(39) for the nonelected position shall
226 ~~be required to satisfy the definition of termination within the~~
227 original 60-month period or maximum participation ~~or, with~~
228 ~~respect to members who are instructional personnel employed by~~
229 ~~the Florida School for the Deaf and the Blind and who have~~
230 ~~received authorization by the Board of Trustees of the Florida~~
231 ~~School for the Deaf and the Blind to participate in the DROP~~
232 ~~beyond 60 months, or who are instructional personnel as defined~~
233 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~
234 ~~authorization by the district school superintendent to~~
235 ~~participate in the DROP beyond 60 months, the 96-month~~
236 limitation period as provided in subparagraph 1. For DROP
237 participation ending: for the nonelected position and

238 (I) Before July 1, 2010, the officer may continue
239 employment as an elected officer as provided in s. 121.053. The
240 elected officer shall ~~will~~ be enrolled as a renewed member in
241 the Elected Officers' Class or the Regular Class, as provided in
242 ss. 121.053 and 121.122, on the first day of the month after
243 termination of employment in the nonelected position and
244 termination of DROP. Distribution of the DROP benefits shall be



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245 made as provided in paragraph (c).

246 (II) On or after July 1, 2010, the officer may continue
247 employment as an elected officer but must defer termination as
248 provided in s. 121.053.

249 (c) Benefits payable under ~~the~~ DROP.—

250 1. Effective on ~~with~~ the date of DROP participation, the
251 member's initial normal monthly benefit, including creditable
252 service, optional form of payment, and average final
253 compensation, and the effective date of retirement are ~~shall be~~
254 fixed. The beneficiary established under the Florida Retirement
255 System is ~~shall be~~ the beneficiary eligible to receive any DROP
256 benefits payable if the DROP participant dies before completing
257 ~~prior to the completion of~~ the period of DROP participation. If
258 ~~In the event~~ a joint annuitant predeceases the member, the
259 member may name a beneficiary to receive accumulated DROP
260 benefits payable. The ~~Such~~ retirement benefit, the annual cost
261 of living adjustments provided in s. 121.101, and interest ~~shall~~
262 accrue monthly in the Florida Retirement System Trust Fund. The
263 ~~Such~~ interest accrues ~~shall accrue~~ at an effective annual rate
264 of 6.5 percent compounded monthly, on the prior month's
265 accumulated ending balance, up to the month of termination or
266 death, except as provided in s. 121.053(7).

267 2. Each employee who elects to participate in ~~the~~ DROP may
268 ~~shall be allowed to~~ elect to receive a lump-sum payment for
269 accrued annual leave earned in accordance with agency policy
270 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
271 leave payment certified to the division upon commencement of
272 DROP shall be included in the calculation of the member's
273 average final compensation. The employee electing the ~~such~~ lump-



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274 sum payment is ~~upon beginning participation in DROP~~ will not be
275 eligible to receive a second lump-sum payment upon termination,
276 except to the extent the employee has earned additional annual
277 leave which, combined with the original payment, does not exceed
278 the maximum lump-sum payment allowed by the employing agency's
279 policy or rules. An ~~Such~~ early lump-sum payment shall be based
280 on the hourly wage of the employee at the time he or she begins
281 participation in ~~the~~ DROP. If the member elects to wait and
282 receive a ~~such~~ lump-sum payment upon termination of DROP and
283 termination of employment with the employer, any accumulated
284 leave payment made at that time may not ~~cannot~~ be included in
285 the member's retirement benefit, which was determined and fixed
286 by law when the employee elected to participate in ~~the~~ DROP.

287 3. The effective date of DROP participation and the
288 effective date of retirement of a DROP participant shall be the
289 first day of the month selected by the member to begin
290 participation in ~~the~~ DROP, provided such date is properly
291 established, with the written confirmation of the employer, and
292 the approval of the division, on forms required by the division.

293 4. Normal retirement benefits and any interest ~~thereon~~
294 shall continue to accrue in ~~the~~ DROP until the established
295 termination date of ~~the~~ DROP, or until the participant
296 terminates employment or dies prior to such date, except as
297 provided in s. 121.053(7). Although individual DROP accounts
298 shall not be established, a separate accounting of each
299 participant's accrued benefits under ~~the~~ DROP shall be
300 calculated and provided to participants.

301 5. At the conclusion of the participant's DROP, the
302 division shall distribute the participant's total accumulated



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303 DROP benefits, subject to the following ~~provisions~~:

304 a. The division shall receive verification by the
305 participant's employer or employers that the ~~such~~ participant
306 has terminated all employment relationships as provided in s.
307 121.021(39) ~~(b)~~.

308 b. The terminated DROP participant or, if deceased, the
309 ~~such~~ participant's named beneficiary, shall elect on forms
310 provided by the division to receive payment of the DROP benefits
311 in accordance with one of the options listed below. If ~~For~~ a
312 participant or beneficiary ~~who~~ fails to elect a method of
313 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
314 division shall ~~will~~ pay a lump sum as provided in sub-sub-
315 subparagraph (I).

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

319 (II) Direct rollover.—All accrued DROP benefits, plus
320 interest, shall be paid from ~~the~~ DROP directly to the custodian
321 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
322 the Internal Revenue Code. However, in the case of an eligible
323 rollover distribution to the surviving spouse of a deceased
324 participant, an eligible retirement plan is an individual
325 retirement account or an individual retirement annuity as
326 described in s. 402(c)(9) of the Internal Revenue Code.

327 (III) Partial lump sum.—A portion of the accrued DROP
328 benefits shall be paid to ~~the~~ DROP participant or surviving
329 spouse, less withholding taxes remitted to the Internal Revenue
330 Service, and the remaining DROP benefits must ~~shall~~ be
331 transferred directly to the custodian of an eligible retirement



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332 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code.
333 However, in the case of an eligible rollover distribution to the
334 surviving spouse of a deceased participant, an eligible
335 retirement plan is an individual retirement account or an
336 individual retirement annuity as described in s. 402(c)(9) of
337 the Internal Revenue Code. The proportions must ~~shall~~ be
338 specified by the DROP participant or surviving beneficiary.

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

342 d. A DROP participant who fails to terminate all employment
343 relationships as provided ~~defined~~ in s. 121.021(39) ~~(b)~~ shall be
344 deemed as not ~~to be~~ retired, and the DROP election is ~~shall be~~
345 null and void. Florida Retirement System membership shall be
346 reestablished retroactively to the date of the commencement of
347 ~~the~~ DROP, and each employer with whom the participant continues
348 employment must ~~shall be required to~~ pay to the Florida
349 Retirement System Trust Fund the difference between the DROP
350 contributions paid in paragraph (i) and the contributions
351 required for the applicable Florida Retirement System class of
352 membership during the period the member participated in ~~the~~
353 DROP, plus 6.5 percent interest compounded annually.

354 6. The retirement benefits of any DROP participant who
355 terminates all employment relationships as provided in s.
356 121.021(39) but is reemployed in violation of the reemployment
357 provisions of subsection (9) shall be suspended during those
358 months in which the retiree is in violation. Any retiree in
359 violation of this subparagraph and any employer that employs or
360 appoints such person without notifying the Division of



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361 Retirement to suspend retirement benefits are jointly and
362 severally liable for any benefits paid during the reemployment
363 limitation period. The employer must have a written statement
364 from the retiree that he or she is not retired from a state-
365 administered retirement system. Any retirement benefits received
366 by a retiree while employed in violation of the reemployment
367 limitations must be repaid to the Florida Retirement System
368 Trust Fund, and his or her retirement benefits shall remain
369 suspended until payment is made. Benefits suspended beyond the
370 end of the reemployment limitation period apply toward repayment
371 of benefits received in violation of the reemployment
372 limitation.

373 7.6. The accrued benefits of any DROP participant, and any
374 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
375 ~~be~~ subject to assignment, execution, attachment, or ~~to~~ any legal
376 process whatsoever, except for qualified domestic relations
377 orders by a court of competent jurisdiction, income deduction
378 orders as provided in s. 61.1301, and federal income tax levies.

379 8.7. DROP participants are ~~shall~~ not ~~be~~ eligible for
380 disability retirement benefits as provided in subsection (4).

381 (d) Death benefits under ~~the~~ DROP.—

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

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

389 3. Eligibility to participate in ~~the~~ DROP terminates upon



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390 death of the participant. If the participant dies on or after
391 the effective date of enrollment in ~~the~~ DROP, but before ~~prior~~
392 ~~to~~ the first monthly benefit is being credited to ~~the~~ DROP,
393 Florida Retirement System benefits are ~~shall be~~ paid in
394 accordance with subparagraph (7) (c)1. or subparagraph 2.

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

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

401 (f) Retiree health insurance subsidy.—DROP participants are
402 not eligible to apply for the retiree health insurance subsidy
403 payments as provided in s. 112.363 until such participants have
404 terminated employment and participation in ~~the~~ DROP.

405 (g) Renewed membership.—DROP participants are ~~shall~~ not ~~be~~
406 eligible for renewed membership in the Florida Retirement System
407 under ss. 121.053 and 121.122 until all employment relationships
408 are terminated ~~termination of employment is effectuated~~ as
409 provided in s. 121.021(39) ~~(b)~~.

410 (h) Employment limitation after DROP participation.— Upon
411 ~~satisfying the definition of termination of employment~~ as
412 defined ~~provided~~ in s. 121.021 ~~(39) (b)~~, DROP participants are
413 ~~shall be~~ subject to the same ~~such~~ reemployment limitations as
414 other retirees. Reemployment restrictions applicable to retirees
415 as provided in subsection (9) do ~~shall~~ not apply to DROP
416 participants until their employment and participation in ~~the~~
417 DROP are terminated.

418 (i) Contributions.—



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419 1. All employers paying the salary of a DROP participant
420 filling a regularly established position shall contribute 8.0
421 percent of such participant's gross compensation for the period
422 of July 1, 2002, through June 30, 2003, and the percentage 11.56
423 ~~percent~~ of such compensation required by s. 121.71 thereafter,
424 which shall constitute the entire employer DROP contribution
425 with respect to such participant. Such contributions, payable to
426 the Florida Retirement System Trust Fund in the same manner as
427 required in s. 121.071, must ~~shall~~ be made as appropriate for
428 each pay period and are in addition to contributions required
429 for social security and the Retiree Health Insurance Subsidy
430 Trust Fund. Such employer, social security, and health insurance
431 subsidy contributions are not included in ~~the~~ DROP.

432 2. The employer shall, in addition to subparagraph 1., also
433 withhold one-half of the entire social security contribution
434 required for the participant. Contributions for social security
435 by each participant and each employer, in the amount required
436 for social security coverage as ~~now or hereafter~~ provided by the
437 federal Social Security Act, are ~~shall be~~ in addition to
438 contributions specified in subparagraph 1.

439 3. All employers paying the salary of a DROP participant
440 filling a regularly established position shall contribute the
441 percent of such participant's gross compensation required in s.
442 121.071(4), which ~~shall~~ constitute the employer's health
443 insurance subsidy contribution with respect to such participant.
444 Such contributions must ~~shall~~ be deposited by the administrator
445 in the Retiree Health Insurance Subsidy Trust Fund.

446 (j) Forfeiture of retirement benefits. ~~Nothing in~~ This
447 section does not ~~shall be construed to~~ remove DROP participants



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448 from the scope of s. 8(d), Art. II of the State Constitution, s.
449 112.3173, and paragraph (5)(f). DROP participants who commit a
450 specified felony offense while employed are ~~will be~~ subject to
451 forfeiture of all retirement benefits, including DROP benefits,
452 pursuant to those provisions of law.

453 (k) Administration of program.—The division shall adopt
454 ~~make such~~ rules as ~~are~~ necessary for the effective and efficient
455 administration of this subsection. The division is ~~shall~~ not be
456 required to advise members of the federal tax consequences of an
457 election related to the DROP but may advise members to seek
458 independent advice.

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

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

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

473 1. Premiums for life and health-related insurance policies
474 from approved companies.

475 2. Life insurance premiums for the State Group Life
476 Insurance Plan, if authorized in writing by the payee and by the



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477 department ~~of Management Services~~.

478 3. Repayment of overpayments from the Florida Retirement
479 System Trust Fund, the State Employees' Health Insurance Trust
480 Fund, or the State Employees' Life Insurance Trust Fund, upon
481 notification of the payee.

482 4. Payments to an alternate payee for alimony or, child
483 support pursuant to an income deduction order under s. 61.1301,
484 or division of marital assets pursuant to a qualified domestic
485 relations order under s. 222.21 ~~or an income deduction order~~
486 ~~under s. 61.1301~~.

487 5. Payments to the Internal Revenue Service for federal
488 income tax levies, upon notification of the division by the
489 Internal Revenue Service.

490 (c) A payee must ~~shall~~ notify the division of any change in
491 his or her address. The division may suspend benefit payments to
492 a payee if correspondence sent to the payee's mailing address is
493 returned due to an incorrect address. Benefit payments shall be
494 resumed upon notification to the division of the payee's new
495 address.

496 (d) A payee whose retirement benefits are reduced by the
497 application of maximum benefit limits under s. 415(b) of the
498 Internal Revenue Code, as specified in s. 121.30(5), shall have
499 the portion of his or her calculated benefit in the Florida
500 Retirement System defined benefit plan which exceeds such
501 federal limitation paid through the Florida Retirement System
502 Preservation of Benefits Plan, as provided in s. 121.1001.

503 (e) The Division of Retirement may issue retirement
504 benefits payable for division of marital assets pursuant to a
505 qualified domestic relations order directly to the alternate



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506 payee, any court order to the contrary notwithstanding, in order
507 to meet Internal Revenue Code requirements.

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

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

515 Section 10. Section 121.1115, Florida Statutes, is amended
516 to read:

517 121.1115 Purchase of retirement credit for out-of-state or
518 ~~and~~ federal service.—Effective January 1, 1995, a member ~~of the~~
519 ~~Florida Retirement System~~ may purchase creditable service for
520 periods of public employment in another state and receive
521 creditable service for such periods of employment. Service with
522 the Federal Government, including any active military service,
523 may be claimed. Upon completion of each year of service earned
524 under the Florida Retirement System, a member may purchase up to
525 1 year of retirement credit for his or her out-of-state service,
526 subject to the following provisions:

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

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

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

532 2. Covered by a retirement or pension plan provided by the
533 state or political subdivision, or by the Federal Government, as
534 appropriate; and



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535 3. Performed prior to a period of membership in the Florida
536 Retirement System.

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

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

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

548 (e) The member is not eligible for and may not receive a
549 pension or benefit from a retirement or pension plan based on or
550 including the out-of-state service. Eligibility for or the
551 receipt of contributions to a retirement plan made by the
552 employer on behalf of the employee is considered a benefit.

553 (f) (e) A member shall be eligible To receive service credit
554 for out-of-state service performed after leaving the Florida
555 Retirement System, the member must complete only upon return to
556 membership and completion of at least 1 year of creditable
557 service in the Florida Retirement System following the out-of-
558 state service.

559 (2) COST.—For each year claimed, the member must pay into
560 the Florida Retirement System Trust Fund an amount equal to 20
561 percent of the member's annual compensation for the first full
562 work year of creditable service earned under the Florida
563 Retirement System, but not less than \$12,000, plus interest at



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564 6.5 percent compounded annually from the date of first annual
565 salary earned until full payment is made. The employer may pay
566 all or a portion of the cost of this service credit.

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

569 121.1122 Purchase of retirement credit for in-state public
570 service and in-state service in accredited nonpublic schools and
571 colleges, including charter schools and charter technical career
572 centers.—Effective January 1, 1998, a member of the Florida
573 Retirement System may purchase creditable service for periods of
574 certain public or nonpublic employment performed in this state,
575 as provided in this section.

576 (2) LIMITATIONS AND CONDITIONS.—

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

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

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

588 (d) Service credit may not be purchased under this section
589 if the member is eligible to receive or is receiving a pension
590 or benefit from a retirement or pension plan based on or
591 including the service. Eligibility for or the receipt of
592 contributions to a retirement plan made by the employer on



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593 behalf of the employee is considered a benefit.

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

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

601 Section 12. Section 121.122, Florida Statutes, is amended
602 to read:

603 121.122 Renewed membership in system.-

604 (1) Except as provided in s. 121.053, effective July 1,
605 1991, through June 30, 2010 any retiree of a state-administered
606 retirement system who is initially reemployed ~~employed~~ in a
607 regularly established position with a covered employer,
608 including an elective public office that does not qualify for
609 the Elected Officer's Class, shall be enrolled as a compulsory
610 member of the Regular Class of the Florida Retirement System.
611 ~~or~~, Effective July 1, 1997, through June 30, 2010, any retiree
612 of a state-administered retirement system who is initially
613 reemployed ~~employed~~ in a position included in the Senior
614 Management Service Class shall be enrolled as a compulsory
615 member of the Senior Management Service Class of the Florida
616 Retirement System as provided in s. 121.055. A retiree is, ~~and~~
617 ~~shall be~~ entitled to receive an additional retirement benefit,
618 subject to the following conditions:

619 ~~(1)~~(a) Such member must ~~shall~~ resatisfy the age and service
620 requirements as provided in this chapter for initial membership
621 under the system, unless such member elects to participate in



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622 the Senior Management Service Optional Annuity Program in lieu
623 of the Senior Management Service Class, as provided in s.
624 121.055(6).

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

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

629 (d) ~~(2)~~ Upon renewed membership or reemployment of a
630 retiree, the employer of such member shall pay the applicable
631 employer contributions as required by ss. 121.71, 121.74,
632 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4)~~.

633 (e) ~~(3)~~ Such member is ~~shall be~~ entitled to purchase
634 additional retirement credit in the Regular Class or the Senior
635 Management Service Class, as applicable, for any postretirement
636 service performed in a regularly established position as
637 follows:

638 1. ~~(a)~~ For regular class service prior to July 1, 1991, by
639 paying the Regular Class applicable employee and employer
640 contributions for the period being claimed, plus 4 percent
641 interest compounded annually from first year of service claimed
642 until July 1, 1975, and 6.5 percent interest compounded
643 thereafter, until full payment is made to the Florida Retirement
644 System Trust Fund; or

645 2. ~~(b)~~ For Senior Management Service Class prior to June 1,
646 1997, as provided in s. 121.055(1)(j).

647
648 The contribution for postretirement service between July 1,
649 1985, and July 1, 1991, for which the reemployed retiree
650 contribution was paid, shall be the difference between such



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651 contribution and the total applicable contribution for the
652 period being claimed, plus interest. The employer of such member
653 may pay the applicable employer contribution in lieu of the
654 member. If a member does not wish to claim credit for all of the
655 postretirement service for which he or she is eligible, the
656 service the member claims must be the most recent service.

657 (f) ~~(4)~~ No creditable service for which credit was received,
658 or which remained unclaimed, at retirement may be claimed or
659 applied toward service credit earned following renewed
660 membership. However, service earned as an elected officer with
661 renewed membership in the Elected Officers' Class may be used in
662 conjunction with creditable service earned under this section,
663 provided the applicable vesting requirements and other existing
664 statutory conditions required by this chapter are met.

665 (g) ~~(5)~~ Notwithstanding any other limitations provided in
666 this section, a participant of the State University System
667 Optional Retirement Program, the State Community College
668 Optional Retirement Program, or the Senior Management Service
669 Optional Annuity Program who terminated employment and commenced
670 receiving a distribution ~~an annuity~~ under ~~the provisions of~~ the
671 optional program, who initially renews membership ~~in the Regular~~
672 ~~Class~~ as required by this section upon reemployment after
673 retirement, and who had previously earned creditable Florida
674 Retirement System service that was not included in any
675 retirement benefit may include such previous service toward
676 vesting and service credit in the second career benefit provided
677 under renewed membership.

678 (h) ~~(6)~~ A Any renewed member who is not receiving the
679 maximum health insurance subsidy provided in s. 112.363 is ~~shall~~



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680 ~~be~~ entitled to earn additional credit toward the maximum health
681 insurance subsidy. Any additional subsidy due because of such
682 additional credit may ~~shall~~ be received only at the time of
683 payment of the second career retirement benefit. ~~In no case~~
684 ~~shall~~ The total health insurance subsidy received by a retiree
685 receiving benefits from initial and renewed membership may not
686 exceed the maximum allowed in s. 112.363.

687 (2) A retiree of a state-administered retirement system who
688 is initially reemployed on or after July 1, 2010, is not
689 eligible for renewed membership.

690 Section 13. Section 121.136, Florida Statutes, is amended
691 to read:

692 121.136 Annual benefit statement to members.—Each year
693 ~~Beginning January 1, 1993, and each January thereafter,~~ the
694 department shall provide each active member of the Florida
695 Retirement System with 5 or more years of creditable service an
696 annual statement of benefits that provides. ~~Such statement~~
697 ~~should provide~~ the member with basic data about the member's
698 retirement account. At a minimum ~~Minimally,~~ it must ~~shall~~
699 include the member's retirement plan, accrued service credit ~~the~~
700 ~~amount of funds on deposit in the retirement account,~~ and an
701 estimate of retirement benefits.

702 Section 14. Section 121.1905, Florida Statutes, is amended
703 to read:

704 121.1905 Division of Retirement; creation.—

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

707 ~~(2) The mission of the Division of Retirement is to provide~~
708 ~~quality and cost-effective retirement services as measured by~~



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709 ~~member satisfaction and by comparison with administrative costs~~
710 ~~of comparable retirement systems.~~

711 Section 15. Paragraph (a) of subsection (2) of section
712 121.23, Florida Statutes, is amended to read:

713 121.23 Disability retirement and special risk membership
714 applications; Retirement Commission; powers and duties; judicial
715 review.—The provisions of this section apply to all proceedings
716 in which the administrator has made a written final decision on
717 the merits respecting applications for disability retirement,
718 reexamination of retired members receiving disability benefits,
719 applications for special risk membership, and reexamination of
720 special risk members in the Florida Retirement System. The
721 jurisdiction of the State Retirement Commission under this
722 section shall be limited to written final decisions of the
723 administrator on the merits.

724 (2) A member shall be entitled to a hearing before the
725 State Retirement Commission pursuant to ss. 120.569 and
726 120.57(1) on the merits of any written adverse decision of the
727 administrator, if he or she files with the commission a written
728 request for such hearing within 21 days after receipt of such
729 written decision from the administrator. For the purpose of such
730 hearings, the commission shall be an "agency head" as defined by
731 s. 120.52.

732 (a) The commission may ~~shall have the authority to~~ issue
733 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on
734 all parties to the dispute and. ~~The commission~~ may order any
735 action that it deems appropriate. Any disability retirement
736 order of the commission that ~~issued pursuant to this subsection~~
737 ~~which~~ sustains the application of the member may include an



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738 amount, to be determined by the commission, for reasonable
739 attorney's fees and taxable costs, which shall be calculated in
740 accordance with the statewide uniform guidelines for taxation of
741 costs in civil actions. The amount of the attorney's fees ~~fee~~
742 may not exceed 50 percent of the initial yearly benefit awarded
743 under s. 121.091(4). In cases involving disability retirement,
744 the ~~State Retirement~~ commission shall require the member to
745 present substantial competent medical evidence that meets the
746 requirements of s. 121.091(4)(c)2. and 3., and may require
747 vocational evidence, before awarding disability retirement
748 benefits.

749 Section 16. Paragraph (a) of subsection (1) of section
750 121.24, Florida Statutes, is amended to read:

751 121.24 Conduct of commission business; legal and other
752 assistance; compensation.—

753 (1) The commission shall conduct its business within the
754 following guidelines:

755 (a) For purposes of hearing appeals under s. 121.23, the
756 commission may meet in panels ~~consisting of no not~~ fewer than
757 three members. ~~For the purpose of meeting in these panels, a~~
758 ~~quorum shall be not fewer than two members. For all other~~
759 ~~purposes,~~ A quorum shall consist of three members. The
760 concurring vote of a majority of the members present is ~~shall be~~
761 required to reach a decision, issue orders, and conduct the
762 business of the commission.

763 Section 17. Paragraph (h) of subsection (3) and paragraphs
764 (a) and (e) of subsection (5) of section 121.35, Florida
765 Statutes, are amended, and paragraph (g) is added to subsection
766 (5) of that section, to read:



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767 121.35 Optional retirement program for the State University
768 System.—

769 (3) ELECTION OF OPTIONAL PROGRAM.—

770 (h) A participant in the optional retirement program may
771 not participate in more than one state-administered retirement
772 system, plan, or class simultaneously. Except as provided in s.
773 121.052(6)(d), a participant who is or becomes dually employed
774 in two or more positions covered by the Florida Retirement
775 System, one of which is eligible for the optional program and
776 one of which is not, may remain a member of the optional program
777 and contributions shall be paid as required only on the salary
778 earned in the position eligible for the optional program during
779 the ~~such~~ period of dual employment; or, within 90 days after
780 becoming dually employed, he or she may elect membership in the
781 Regular Class of the Florida Retirement System in lieu of the
782 optional program and contributions shall be paid as required on
783 the total salary received for all employment. At retirement, the
784 average final compensation used to calculate any benefits for
785 which the member becomes eligible under the Florida Retirement
786 System must ~~shall~~ be based on all salary reported for both
787 positions during such period of dual employment. If the ~~When~~
788 ~~such~~ member ceases to be dually employed, he or she may, within
789 90 days, elect to remain in the Florida Retirement System class
790 for which he or she is eligible or to again become a participant
791 in the optional retirement program. Failure to elect membership
792 in the optional program within 90 days shall result in
793 compulsory membership in the Florida Retirement System, except
794 that a member filling a faculty position at ~~under~~ a college that
795 has a faculty practice plan at the University of Florida, ~~at~~ ~~or~~



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796 the Medical Center at the University of South Florida, or other
797 state university shall again participate in the optional
798 retirement program as required in s. 121.051(1)(a).

799 (5) BENEFITS.—

800 (a) Benefits are ~~shall be~~ payable under the optional
801 retirement program only to vested participants in the program,
802 or their beneficiaries as designated by the participant in the
803 contract with a provider company, and such benefits shall be
804 paid only by the designated company in accordance with s. 403(b)
805 of the Internal Revenue Code and ~~in accordance with~~ the terms of
806 the annuity contract or contracts applicable to the participant.
807 Benefits ~~shall~~ accrue in individual accounts that are
808 participant-directed, portable, and funded by employer
809 contributions and the earnings thereon. The participant must be
810 terminated from all employment relationships with all Florida
811 Retirement System employers, as provided in s. 121.021(39), to
812 begin receiving the employer-funded benefit. Benefits funded by
813 employer contributions are ~~shall be~~ payable in accordance with
814 the following terms and conditions:

815 1. Benefits shall be paid ~~payable~~ only to a participant, to
816 his or her beneficiaries, or to his or her estate, as designated
817 by the participant.

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

821 3. In the event of a participant's death, moneys
822 accumulated by, or on behalf of, the participant, less
823 withholding taxes remitted to the Internal Revenue Service, if
824 any, shall be distributed to the participant's designated



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825 beneficiary or beneficiaries, or to the participant's estate, as
826 if the participant retired on the date of death, as provided in
827 paragraph (c). No other death benefits are ~~shall be~~ available to
828 ~~for~~ survivors of participants under the optional retirement
829 program except for such benefits, or coverage for such benefits,
830 as are separately afforded by the employer, at the employer's
831 discretion.

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

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

843 Section 18. Paragraph (f) of subsection (2) of section
844 121.4501, Florida Statutes, is amended to read:

845 121.4501 Public Employee Optional Retirement Program.—

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

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

849 1. Is a member of, or is eligible for membership in, the
850 Florida Retirement System, including any renewed member of the
851 Florida Retirement System initially enrolled before July 1,
852 2010; or

853 2. Participates in, or is eligible to participate in, the



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854 Senior Management Service Optional Annuity Program as
855 established under s. 121.055(6), the State Community College
856 System Optional Retirement Program as established under s.
857 121.051(2)(c), or the State University System Optional
858 Retirement Program established under s. 121.35.

859
860 The term does not include any member participating in the
861 Deferred Retirement Option Program established under s.
862 121.091(13), a retiree of a state-administered retirement system
863 initially reemployed on or after July 1, 2010, or a mandatory
864 participant of the State University System Optional Retirement
865 Program established under s. 121.35.

866 Section 19. Paragraphs (a) and (b) of subsection (1) of
867 section 121.591, Florida Statutes, is amended to read:

868 121.591 Benefits payable under the Public Employee Optional
869 Retirement Program of the Florida Retirement System.—Benefits
870 may not be paid under this section unless the member has
871 terminated employment as provided in s. 121.021(39)(a) or is
872 deceased and a proper application has been filed in the manner
873 prescribed by the state board or the department. The state board
874 or department, as appropriate, may cancel an application for
875 retirement benefits when the member or beneficiary fails to
876 timely provide the information and documents required by this
877 chapter and the rules of the state board and department. In
878 accordance with their respective responsibilities as provided
879 herein, the State Board of Administration and the Department of
880 Management Services shall adopt rules establishing procedures
881 for application for retirement benefits and for the cancellation
882 of such application when the required information or documents



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883 are not received. The State Board of Administration and the
884 Department of Management Services, as appropriate, are
885 authorized to cash out a de minimis account of a participant who
886 has been terminated from Florida Retirement System covered
887 employment for a minimum of 6 calendar months. A de minimis
888 account is an account containing employer contributions and
889 accumulated earnings of not more than \$5,000 made under the
890 provisions of this chapter. Such cash-out must either be a
891 complete lump-sum liquidation of the account balance, subject to
892 the provisions of the Internal Revenue Code, or a lump-sum
893 direct rollover distribution paid directly to the custodian of
894 an eligible retirement plan, as defined by the Internal Revenue
895 Code, on behalf of the participant. If any financial instrument
896 issued for the payment of retirement benefits under this section
897 is not presented for payment within 180 days after the last day
898 of the month in which it was originally issued, the third-party
899 administrator or other duly authorized agent of the State Board
900 of Administration shall cancel the instrument and credit the
901 amount of the instrument to the suspense account of the Public
902 Employee Optional Retirement Program Trust Fund authorized under
903 s. 121.4501(6). Any such amounts transferred to the suspense
904 account are payable upon a proper application, not to include
905 earnings thereon, as provided in this section, within 10 years
906 after the last day of the month in which the instrument was
907 originally issued, after which time such amounts and any
908 earnings thereon shall be forfeited. Any such forfeited amounts
909 are assets of the Public Employee Optional Retirement Program
910 Trust Fund and are not subject to the provisions of chapter 717.

911 (1) NORMAL BENEFITS.—Under the Public Employee Optional



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912 Retirement Program:

913 (a) Benefits in the form of vested accumulations as
914 described in s. 121.4501(6) shall be payable under this
915 subsection in accordance with the following terms and
916 conditions:

917 1. To the extent vested, benefits shall be payable only to
918 a participant.

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

922 3. To receive benefits under this subsection, the
923 participant must be terminated from all employment with all
924 Florida Retirement System employers, as provided in s.
925 121.021(39).

926 4. Benefit payments may not be made until the participant
927 has been terminated for 3 calendar months, except that the board
928 may authorize by rule for the distribution of up to 10 percent
929 of the participant's account after being terminated for 1
930 calendar month if a participant has reached the normal
931 retirement date as defined in s. 121.021 ~~requirements~~ of the
932 defined benefit plan, ~~as provided in s. 121.021(29)~~.

933 5. If a member or former member of the Florida Retirement
934 System receives an invalid distribution from the Public Employee
935 Optional Retirement Program Trust Fund, such person shall repay
936 the full invalid distribution to the trust fund within 90 days
937 after receipt of final notification by the State Board of
938 Administration or the third-party administrator that the
939 distribution was invalid. If such person fails to repay the full
940 invalid distribution within 90 days after receipt of final



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941 notification, the person may be deemed retired from the Public
942 Employee Optional Retirement Program by the state board, as
943 provided pursuant to s. 121.4501(2)(j), and shall be subject to
944 the provisions of s. 121.122. If such person is deemed retired
945 by the state board, any joint and several liability set out in
946 s. 121.091(9)(d)2. ~~s. 121.091(9)(e)2.~~ becomes null and void, and
947 the state board, the Department of Management Services, or the
948 employing agency is not liable for gains on payroll
949 contributions that have not been deposited to the person's
950 account in the Public Employee Optional Retirement Program,
951 pending resolution of the invalid distribution. The member or
952 former member who has been deemed retired or who has been
953 determined by the board to have taken an invalid distribution
954 may appeal the agency decision through the complaint process as
955 provided under s. 121.4501(9)(f)3. As used in this subparagraph,
956 the term "invalid distribution" means any distribution from an
957 account in the Public Employee Optional Retirement Program which
958 is taken in violation of the provisions of this section, s.
959 121.091(9), or s. 121.4501.

960 (b) If a participant elects to receive his or her benefits
961 upon termination of employment as defined in s. 121.021, the
962 participant must submit a written application or an equivalent
963 form to the third-party administrator indicating his or her
964 preferred distribution date and selecting an authorized method
965 of distribution as provided in paragraph (c). The participant
966 may defer receipt of benefits until he or she chooses to make
967 such application, subject to federal requirements.

968 Section 20. Subsection (1) of section 238.183, Florida
969 Statutes, is amended to read:



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970 238.183 Developmental research school and Florida School
971 for the Deaf and the Blind instructional personnel; reemployment
972 after retirement.—

973 (1) Notwithstanding any other law, instructional personnel,
974 as defined in s. 1012.01(2), employed by a developmental
975 research school or the Florida School for the Deaf and the Blind
976 are eligible for reemployment after retirement in the same
977 manner as classroom teachers who are employed by the district
978 school boards, as described in ss. 121.091(9)(b)~~3~~ and
979 238.181(2)(c).

980 Section 21. Paragraph (g) of subsection (3) and subsection
981 (8) of section 1012.33, Florida Statutes, are amended to read:
982 1012.33 Contracts with instructional staff, supervisors,
983 and school principals.—

984 (3)

985 (g) Beginning July 1, 2001, for each employee who enters
986 into a written contract, pursuant to this section, in a school
987 district in which the employee was not employed as of June 30,
988 2001, or was employed as of June 30, 2001, but has since broken
989 employment with that district for 1 school year or more, for
990 purposes of pay, a district school board must recognize and
991 accept each year of full-time public school teaching service
992 earned in the State of Florida or outside the state and for
993 which the employee received a satisfactory performance
994 evaluation. Instructional personnel employed pursuant to s.
995 121.091(9)(b)~~3~~ are exempt from the provisions of this
996 paragraph.

997 (8) Notwithstanding any other provision of law, a retired
998 ~~any member who has retired~~ may interrupt retirement and be



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999 reemployed in any public school. A ~~Any~~ member ~~so~~ reemployed by
1000 the same district from which he or she retired may be employed
1001 on a probationary contractual basis as provided in subsection
1002 (1); ~~however, no regular retirement employee shall be eligible~~
1003 ~~to renew membership under a retirement system created by chapter~~
1004 ~~121 or chapter 238.~~

1005
1006 ===== T I T L E A M E N D M E N T =====

1007 And the title is amended as follows:

1008 Delete lines 51 - 96

1009 and insert:

1010 provisions relating to reemployment of participants in
1011 the Deferred Retirement Option Program; providing that
1012 certain members who delay DROP participation lose a
1013 month of DROP participation for each month delayed;
1014 increasing the maximum period of participation for
1015 instructional personnel in a developmental research
1016 school; deleting obsolete provisions; clarifying that
1017 DROP participation may not be canceled; providing for
1018 the suspension of DROP participation of an elected
1019 officer who is reemployed; providing that the
1020 retirement benefits of a participant who is reemployed
1021 within a certin time after retirement are suspended
1022 and must be paid back; authorizing the Division of
1023 Retirement to issue benefits pursuant to a qualified
1024 domestic relations order directly to the alternate
1025 payee; amending s. 121.1115, F.S.; revising provisions
1026 relating to receiving retirement credit for out-of-
1027 state service; providing that a member is not eligible



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1028 for and may not receive a benefit based on such
1029 service; amending s. 121.1122, F.S.; revising
1030 provisions relating to receiving retirement credit for
1031 in-state service; providing that certain members are
1032 not eligible to purchase service credit; amending s.
1033 121.122, F.S.; revising provisions relating to renewed
1034 membership in retirement system; providing that
1035 retirees initially reemployed on or after a specified
1036 date are ineligible for renewed membership in the
1037 system; amending s. 121.136, F.S.; revising provisions
1038 relating to the annual statement of benefits provided
1039 to certain active members of the system; amending s.
1040 121.1905, F.S.; deleting a provision describing the
1041 mission of the Division of Retirement; amending s.
1042 121.23, F.S.; clarifying the criteria for medical
1043 evidence that a member must submit to the Retirement
1044 Commission for before awarding disability retirement
1045 benefits; amending s. 121.24, F.S.; requiring a quorum
1046 of three members for all appeal hearings held by the
1047 retirement commission; amending s. 121.35, F.S.;
1048 revising provisions relating to membership in the
1049 State University Optional Retirement Program; defining
1050 the term "retiree" for purposes of the program;
1051 amending s. 121.4501, F.S.; revising the definition of
1052 "eligible employee" for purposes of the Public
1053 Employee Optional Retirement Program; amending ss.
1054 121.591 and 238.183, F.S.; providing and conforming
1055 cross-references; amending s. 1012.33, F.S.; deleting
1056 a provision preventing persons who have retired from



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1057 the public school system from renewing membership in
1058 the Florida Retirement System or Teachers' Retirement
1059 System upon reemployment by the school system;
1060 repealing