

1 A bill to be entitled
2 An act relating to retirement; amending s. 121.021, F.S.;
3 redefining the terms "employer," "officer or employee,"
4 "past service," "normal retirement date," "termination,"
5 "regularly established position," and "temporary
6 position"; defining the terms "state board" and
7 "trustees"; amending s. 121.031, F.S.; requiring
8 promotional materials that refer to the Florida Retirement
9 System to include a disclaimer unless approval is obtained
10 from the Department of Management Services or the State
11 Board of Administration; amending s. 121.051, F.S.;
12 conforming a cross-reference; clarifying when a State
13 Community College System Optional Retirement Program
14 participant is considered a retiree; revising provisions
15 relating to participation in the Florida Retirement System
16 by certain employers; excluding the participation of
17 certain entities under a lease agreement; amending s.
18 121.052, F.S.; revising membership criteria for members of
19 the Elected Officers' Class; revising the dates for when a
20 governing body of a municipality or special district may
21 elect to designate its elected positions for inclusion in
22 the Elected Officers' Class; amending s. 121.053, F.S.;
23 revising provisions relating to participation in the
24 Elected Officers' Class for retired members; amending s.
25 121.055, F.S.; revising provisions relating to
26 participation in the Senior Management Service Class;
27 revising benefit payment procedures for the Senior
28 Management Service Optional Annuity Program; clarifying

29 | when a participant is considered retired; amending s.
30 | 121.071, F.S.; providing an additional mechanism for the
31 | payment of employee contributions to the system; amending
32 | s. 121.081, F.S.; providing for receipt of credit for past
33 | or prior service by charter school and charter technical
34 | career center employees; prohibiting a member from
35 | receiving credit for service covered and reported by both
36 | a public employer and a private employer; amending s.
37 | 121.091, F.S.; revising and clarifying provisions relating
38 | to retirement benefits; revising positions in which
39 | retired members may be reemployed by a district school
40 | board; deleting a restriction on the reemployment of
41 | certain personnel by the Florida School for the Deaf and
42 | the Blind; authorizing developmental research schools and
43 | charter schools to reemploy certain retired members under
44 | specified conditions; revising limitations on the payment
45 | of retirement benefits for certain retired persons who are
46 | reemployed by an employer participating in a state-
47 | administered retirement program; prohibiting certain
48 | persons holding public office from enrolling in the
49 | Florida Retirement System; deleting a provision
50 | authorizing an employing agency to reemploy a retired
51 | member as a firefighter or paramedic after a specified
52 | period; providing applicability; providing that certain
53 | members who delay DROP participation lose a month of DROP
54 | participation for each month delayed; clarifying that DROP
55 | participation cannot be canceled; clarifying maximum DROP
56 | participation; providing for the suspension of DROP

57 | benefits to a participant who is reemployed; deleting
58 | obsolete provisions; revising employer contribution
59 | requirements; authorizing the Division of Retirement to
60 | issue benefits pursuant to a qualified domestic relations
61 | order directly to the alternate payee; amending s.
62 | 121.1115, F.S.; revising provisions relating to receiving
63 | retirement credit for out-of-state service; providing that
64 | a member is not eligible for and may not receive a benefit
65 | based on such service; amending s. 121.1122, F.S.;
66 | revising provisions relating to receiving retirement
67 | credit for in-state service; providing that certain
68 | members may not be eligible to purchase service credit;
69 | amending s. 121.122, F.S.; providing that certain retirees
70 | initially reemployed on or after a specified date are
71 | ineligible for renewed membership in the system; revising
72 | conditions under which a retiree is entitled to certain
73 | additional retirement benefits; amending s. 121.136, F.S.;
74 | revising provisions relating to the annual statement of
75 | benefits provided to certain active members of the system;
76 | amending s. 121.1905, F.S.; deleting a provision
77 | describing the mission of the Division of Retirement;
78 | amending s. 121.23, F.S.; requiring the State Retirement
79 | Commission to use certain requirements used by the
80 | Secretary of Management Services before approving a
81 | disability retirement benefit; amending s. 121.24, F.S.;
82 | requiring a quorum of three members for all appeal
83 | hearings held by the commission; amending s. 121.35, F.S.;
84 | revising a compulsory membership exception for certain

85 members failing to elect membership in the optional
86 retirement program; providing a cross-reference; defining
87 the term "retiree" for purposes of the State University
88 System Optional Retirement Program; amending s. 121.4501,
89 F.S.; revising the definition of "eligible employee" for
90 purposes of the Public Employee Optional Retirement
91 Program; amending s. 121.591, F.S.; providing a cross-
92 reference; amending s. 1012.33, F.S.; deleting a provision
93 preventing persons who have retired from the public school
94 system from renewing membership in the Florida Retirement
95 System or Teachers' Retirement System upon reemployment by
96 the school system; repealing s. 121.093, F.S., relating to
97 instructional personnel reemployment after retirement from
98 a developmental research school or the Florida School for
99 the Deaf and the Blind; repealing s. 121.094, F.S.,
100 relating to instructional personnel reemployment after
101 retirement from a charter school; repealing s. 121.45,
102 F.S., relating to interstate compacts relating to pension
103 portability; providing a declaration of important state
104 interest; providing an effective date.

105
106 Be It Enacted by the Legislature of the State of Florida:

107
108 Section 1. Subsections (10), (11), (18), (29), (39), (52),
109 and (53) of section 121.021, Florida Statutes, are amended, and
110 subsections (63) and (64) are added to that section, to read:

111 121.021 Definitions.--The following words and phrases as
 112 used in this chapter have the respective meanings set forth
 113 unless a different meaning is plainly required by the context:

114 (10) "Employer" means any agency, branch, department,
 115 institution, university, institution of higher education, or
 116 board of the state, or any county agency, branch, department,
 117 board, district school board, city, metropolitan planning
 118 organization, or special district of the state, ~~or any city of~~
 119 ~~the state~~ which participates in the system for the benefit of
 120 certain of its employees, or a charter school or charter
 121 technical career center that participates as provided in s.
 122 121.051(2) (d). Employers are not agents of the department, the
 123 state board, or the Division of Retirement, and the department,
 124 the state board, and the division are not responsible for
 125 erroneous information provided by representatives of employers.

126 (11) "Officer or employee" means any person receiving
 127 salary payments for work performed in a regularly established
 128 position and, if employed by a city, a metropolitan planning
 129 organization, or a special district, employed in a covered
 130 group. The term does not apply to state employees covered by a
 131 leasing agreement under s. 110.191, other public employees
 132 covered by a leasing agreement, or a co-employer relationship.

133 (18) "Past service" of any member, as provided in s.
 134 121.081(1), means the number of years and complete months and
 135 any fractional part of a month, recognized and credited by an
 136 employer and approved by the administrator, during which the
 137 member was in the active employ of a governmental ~~an~~ employer

138 and for which the employee is not entitled to a benefit prior to
 139 his or her date of participation.

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

144 (a) If a Regular Class member, a Senior Management Service
 145 Class member, or an Elected Officers' Class ~~the~~ member:

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

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

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

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

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

160 3. The first day of the month following the date the
 161 member completes 25 years of creditable service and attains age
 162 52, which service may include a maximum of 4 years of military
 163 service credit as long as such credit is not claimed under any
 164 other system and the remaining years are in the Special Risk
 165 Class.

166 ~~(c) If a Senior Management Service Class member, the~~
167 ~~member:~~

168 ~~1. Completes 6 years of creditable service in the Senior~~
169 ~~Management Service Class and attains age 62; or~~

170 ~~2. Completes 30 years of any creditable service,~~
171 ~~regardless of age, which may include a maximum of 4 years of~~
172 ~~military service credit as long as such credit is not claimed~~
173 ~~under any other system.~~

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

175 ~~1. Completes 6 years of creditable service in the Elected~~
176 ~~Officers' Class and attains age 62; or~~

177 ~~2. Completes 30 years of any creditable service,~~
178 ~~regardless of age, which may include a maximum of 4 years of~~
179 ~~military service credit as long as such credit is not claimed~~
180 ~~under any other system.~~

181
182 "Normal retirement age" is attained on the "normal retirement
183 date."

184 (39) (a) "Termination" occurs, except as provided in
185 paragraph (b), when:

186 1. For retirements effective before January 1, 2010, a
187 member ceases all employment relationships with employers under
188 this system, as defined in subsection (10), but in the event a
189 member should be employed by any such employer within the next
190 calendar month, termination shall be deemed not to have
191 occurred. A leave of absence shall constitute a continuation of
192 the employment relationship, except that a leave of absence
193 without pay due to disability may constitute termination for a

194 member, if such member makes application for and is approved for
 195 disability retirement in accordance with s. 121.091(4). The
 196 department or state board may require other evidence of
 197 termination as it deems necessary.

198 2. For retirements effective on or after January 1, 2010,
 199 a member ceases all employment relationships with employers
 200 under this system, as defined in subsection (10), but in the
 201 event a member should be employed by any such employer within
 202 the next 12 calendar months, termination shall be deemed not to
 203 have occurred. A leave of absence shall constitute a
 204 continuation of the employment relationship, except that a leave
 205 of absence without pay due to disability may constitute
 206 termination for a member, if such member makes application for
 207 and is approved for disability retirement in accordance with s.
 208 121.091(4). The department or state board may require other
 209 evidence of termination as it deems necessary.

210 (b) "Termination" for a member electing to participate
 211 under the Deferred Retirement Option Program (DROP) occurs when
 212 the Deferred Retirement Option Program participant ceases all
 213 employment relationships with employers under this system in
 214 accordance with s. 121.091(13), but:

215 1. For DROP termination dates occurring before January 1,
 216 2010, in the event the DROP ~~Deferred Retirement Option Program~~
 217 participant should be employed by any such employer within the
 218 next calendar month, termination will be deemed not to have
 219 occurred, except as provided in s. 121.091(13)(b)4.c. A leave of
 220 absence shall constitute a continuation of the employment
 221 relationship.

222 2. For DROP termination dates occurring on or after
 223 January 1, 2010, in the event the DROP participant should be
 224 employed by any such employer within the next 12 calendar
 225 months, termination will be deemed not to have occurred, except
 226 as provided in s. 121.091(13)(b)4.c. A leave of absence shall
 227 constitute a continuation of the employment relationship.

228 (52) "Regularly established position" is defined as
 229 follows:

230 (a) With respect to employment for ~~In~~ a state employer
 231 agency, the term means a position that ~~which~~ is authorized and
 232 established pursuant to law and is compensated from a salaries
 233 and benefits appropriation pursuant to s. 216.011(1) (mm) ~~(dd)~~, or
 234 an established position that ~~which~~ is authorized pursuant to s.
 235 216.262(1)(a) and (b) and is compensated from a salaries account
 236 as provided in s. 216.011(1)(nn) ~~by rule~~.

237 (b) With respect to employment for ~~In~~ a local employer
 238 agency (district school board, county agency, community college,
 239 city, metropolitan planning organization, charter school,
 240 charter technical career center, or special district), the term
 241 means a regularly established position that ~~which~~ will be in
 242 existence for a period beyond 6 consecutive months, except as
 243 provided by rule.

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

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

249 (b) With respect to employment for ~~in~~ a local employer
 250 agency, the term means a ~~an employment~~ position that ~~which~~ will
 251 exist for less than 6 consecutive months, or other ~~employment~~
 252 position as determined by rule of the division, regardless of
 253 whether it will exist for 6 consecutive months or longer.

254 (63) "State board" means the State Board of
 255 Administration.

256 (64) "Trustees" means the Board of Trustees of the State
 257 Board of Administration.

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

260 121.031 Administration of system; appropriation; oaths;
 261 actuarial studies; public records.--

262 (6) Unless prior written approval is obtained from the
 263 department or state board, any promotional materials or
 264 advertisements that, directly or indirectly, refer to the
 265 "Florida Retirement System" or the "FRS" must contain a
 266 disclaimer that the information is not approved or endorsed by
 267 the Florida Retirement System.

268 Section 3. Paragraph (a) of subsection (1) and paragraphs
 269 (c) and (f) of subsection (2) of section 121.051, Florida
 270 Statutes, are amended to read:

271 121.051 Participation in the system.--

272 (1) COMPULSORY PARTICIPATION.--

273 (a) The provisions of this law are ~~shall be~~ compulsory as
 274 to all officers and employees, except elected officers who meet
 275 the requirements of s. 121.052(3), who are employed on or after
 276 December 1, 1970, by ~~of~~ an employer other than those referred to

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277 in paragraph (2) (b), and each officer or employee, as a
278 condition of employment, shall become a member of the system as
279 of his or her date of employment, except that a person who is
280 retired from any state retirement system and is reemployed on or
281 after December 1, 1970, may not renew his or her membership in
282 any state retirement system except as provided in s.

283 121.091(4) (h) for a person who recovers from disability, ~~and~~ as
284 provided in s. 121.091(9) (b) 10.8 ~~for~~ for a person who is elected to
285 public office, and, effective July 1, 1991, as provided in s.
286 121.122 for all other retirees. Officers and employees of the
287 University Athletic Association, Inc., a nonprofit association
288 connected with the University of Florida, employed on and after
289 July 1, 1979, may ~~shall~~ not participate in any state-supported
290 retirement system.

291 1. Any person appointed on or after July 1, 1989, to a
292 faculty position in a college at the J. Hillis Miller Health
293 Center at the University of Florida or the Medical Center at the
294 University of South Florida which has a faculty practice plan
295 provided by rule adopted by the Board of Regents may not
296 participate in the Florida Retirement System. Effective July 1,
297 2008, any person appointed thereafter to a faculty position,
298 including clinical faculty, in a college at a state university
299 that has a faculty practice plan authorized by the Board of
300 Governors may not participate in the Florida Retirement System.
301 A faculty member so appointed shall participate in the optional
302 retirement program for the State University System
303 notwithstanding ~~the provisions of~~ s. 121.35(2) (a).

304 2. For purposes of this paragraph, the term "faculty
 305 position" is defined as a position assigned the principal
 306 responsibility of teaching, research, or public service
 307 activities or administrative responsibility directly related to
 308 the academic mission of the college. The term "clinical faculty"
 309 is defined as a faculty position appointment in conjunction with
 310 a professional position in a hospital or other clinical
 311 environment at a college. The term "faculty practice plan"
 312 includes professional services to patients, institutions, or
 313 other parties which are rendered by the clinical faculty
 314 employed by a college that has a faculty practice plan at a
 315 state university authorized by the Board of Governors.

316 (2) OPTIONAL PARTICIPATION.--

317 (c) Employees of public community colleges or charter
 318 technical career centers sponsored by public community colleges,
 319 as designated in s. 1000.21(3), who are members of the Regular
 320 Class of the Florida Retirement System and who comply with the
 321 criteria set forth in this paragraph and in s. 1012.875 may
 322 elect, in lieu of participating in the Florida Retirement
 323 System, to withdraw from the Florida Retirement System
 324 altogether and participate in an optional retirement program
 325 provided by the employing agency under s. 1012.875, to be known
 326 as the State Community College System Optional Retirement
 327 Program. Pursuant thereto:

328 1. Through June 30, 2001, the cost to the employer for
 329 such annuity shall equal the normal cost portion of the employer
 330 retirement contribution which would be required if the employee
 331 were a member of the Regular Class defined benefit program, plus

332 the portion of the contribution rate required by s. 112.363(8)
333 that would otherwise be assigned to the Retiree Health Insurance
334 Subsidy Trust Fund. Effective July 1, 2001, each employer shall
335 contribute on behalf of each participant in the optional program
336 an amount equal to 10.43 percent of the participant's gross
337 monthly compensation. The employer shall deduct an amount to
338 provide for the administration of the optional retirement
339 program. The employer providing the optional program shall
340 contribute an additional amount to the Florida Retirement System
341 Trust Fund equal to the unfunded actuarial accrued liability
342 portion of the Regular Class contribution rate.

343 2. The decision to participate in such an optional
344 retirement program shall be irrevocable for as long as the
345 employee holds a position eligible for participation, except as
346 provided in subparagraph 3. Any service creditable under the
347 Florida Retirement System shall be retained after the member
348 withdraws from the Florida Retirement System; however,
349 additional service credit in the Florida Retirement System shall
350 not be earned while a member of the optional retirement program.

351 3. An employee who has elected to participate in the
352 optional retirement program shall have one opportunity, at the
353 employee's discretion, to choose to transfer from the optional
354 retirement program to the defined benefit program of the Florida
355 Retirement System or to the Public Employee Optional Retirement
356 Program, subject to the terms of the applicable optional
357 retirement program contracts.

358 a. If the employee chooses to move to the Public Employee
359 Optional Retirement Program, any contributions, interest, and

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360 earnings creditable to the employee under the State Community
361 College System Optional Retirement Program shall be retained by
362 the employee in the State Community College System Optional
363 Retirement Program, and the applicable provisions of s.
364 121.4501(4) shall govern the election.

365 b. If the employee chooses to move to the defined benefit
366 program of the Florida Retirement System, the employee shall
367 receive service credit equal to his or her years of service
368 under the State Community College System Optional Retirement
369 Program.

370 (I) The cost for such credit shall be an amount
371 representing the present value of that employee's accumulated
372 benefit obligation for the affected period of service. The cost
373 shall be calculated as if the benefit commencement occurs on the
374 first date the employee would become eligible for unreduced
375 benefits, using the discount rate and other relevant actuarial
376 assumptions that were used to value the Florida Retirement
377 System defined benefit plan liabilities in the most recent
378 actuarial valuation. The calculation shall include any service
379 already maintained under the defined benefit plan in addition to
380 the years under the State Community College System Optional
381 Retirement Program. The present value of any service already
382 maintained under the defined benefit plan shall be applied as a
383 credit to total cost resulting from the calculation. The
384 division shall ensure that the transfer sum is prepared using a
385 formula and methodology certified by an enrolled actuary.

386 (II) The employee must transfer from his or her State
387 Community College System Optional Retirement Program account and

388 | from other employee moneys as necessary, a sum representing the
 389 | present value of that employee's accumulated benefit obligation
 390 | immediately following the time of such movement, determined
 391 | assuming that attained service equals the sum of service in the
 392 | defined benefit program and service in the State Community
 393 | College System Optional Retirement Program.

394 | 4. Participation in the optional retirement program shall
 395 | be limited to those employees who satisfy the following
 396 | eligibility criteria:

397 | a. The employee must be otherwise eligible for membership
 398 | or renewed membership in the Regular Class of the Florida
 399 | Retirement System, as provided in s. 121.021(11) and (12) or s.
 400 | 121.122.

401 | b. The employee must be employed in a full-time position
 402 | classified in the Accounting Manual for Florida's Public
 403 | Community Colleges as:

404 | (I) Instructional; or

405 | (II) Executive Management, Instructional Management, or
 406 | Institutional Management, if a community college determines that
 407 | recruiting to fill a vacancy in the position is to be conducted
 408 | in the national or regional market, and:

409 | (A) The duties and responsibilities of the position
 410 | include either the formulation, interpretation, or
 411 | implementation of policies; or

412 | (B) The duties and responsibilities of the position
 413 | include the performance of functions that are unique or
 414 | specialized within higher education and that frequently involve
 415 | the support of the mission of the community college.

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

419 5. A participant who receives a program distribution
420 funded by employer contributions shall be deemed to be retired
421 from a state-administered retirement system in the event of
422 subsequent employment with any employer that participates in the
423 Florida Retirement System. Participants in the program are
424 subject to the same reemployment limitations, renewed membership
425 provisions, and forfeiture provisions as are applicable to
426 regular members of the Florida Retirement System under ss.
427 121.091(9), 121.122, and 121.091(5), respectively.

428 6. Eligible community college employees shall be
429 compulsory members of the Florida Retirement System until,
430 pursuant to the procedures set forth in s. 1012.875, a written
431 election to withdraw from the Florida Retirement System and to
432 participate in the State Community College System Optional
433 Retirement Program is filed with the program administrator and
434 received by the division.

435 a. Any community college employee whose program
436 eligibility results from initial employment shall be enrolled in
437 the State Community College System Optional Retirement Program
438 retroactive to the first day of eligible employment. The
439 employer retirement contributions paid through the month of the
440 employee plan change shall be transferred to the community
441 college for the employee's optional program account, and,
442 effective the first day of the next month, the employer shall
443 pay the applicable contributions based upon subparagraph 1.

444 b. Any community college employee whose program
445 eligibility results from a change in status due to the
446 subsequent designation of the employee's position as one of
447 those specified in subparagraph 4. or due to the employee's
448 appointment, promotion, transfer, or reclassification to a
449 position specified in subparagraph 4. shall be enrolled in the
450 program upon the first day of the first full calendar month that
451 such change in status becomes effective. The employer retirement
452 contributions paid from the effective date through the month of
453 the employee plan change shall be transferred to the community
454 college for the employee's optional program account, and,
455 effective the first day of the next month, the employer shall
456 pay the applicable contributions based upon subparagraph 1.

457 7. Effective July 1, 2003, through December 31, 2008, any
458 participant of the State Community College System Optional
459 Retirement Program who has service credit in the defined benefit
460 plan of the Florida Retirement System for the period between his
461 or her first eligibility to transfer from the defined benefit
462 plan to the optional retirement program and the actual date of
463 transfer may, during his or her employment, elect to transfer to
464 the optional retirement program a sum representing the present
465 value of the accumulated benefit obligation under the defined
466 benefit retirement program for such period of service credit.
467 Upon such transfer, all such service credit previously earned
468 under the defined benefit program of the Florida Retirement
469 System during this period shall be nullified for purposes of
470 entitlement to a future benefit under the defined benefit
471 program of the Florida Retirement System.

472 (f)1. If ~~Whenever~~ an employer that participates in the
473 Florida Retirement System undertakes the transfer, merger, or
474 consolidation of governmental services or assumes the functions
475 and activities of an employing governmental entity that was not
476 an employer under the system, the employer must notify the
477 department at least 60 days prior to such action and ~~shall~~
478 provide documentation as required by the department. The
479 transfer, merger, or consolidation of governmental services or
480 assumption of governmental functions and activities must occur
481 between public employers. The current or former employer may pay
482 the employees' past service cost, unless prohibited under this
483 chapter. This subparagraph does not apply to the transfer,
484 merger, or consolidation of governmental services or assumption
485 of functions and activities of a public entity under a leasing
486 agreement having a co-employer relationship. Employers and
487 employees of a public governmental employer whose service is
488 covered by a leasing agreement under s. 110.191, any other
489 leasing agreement, or a co-employer relationship are not
490 eligible to participate in the Florida Retirement System.

491 2. If ~~When~~ the agency to which a member's employing unit
492 is transferred, merged, or consolidated does not participate in
493 the Florida Retirement System, a member may ~~shall~~ elect in
494 writing to remain in the Florida Retirement System or to
495 transfer to the local retirement system operated by the ~~such~~
496 agency. If the ~~such~~ agency does not participate in a local
497 retirement system, the member shall continue membership in the
498 Florida Retirement System. In either case, ~~the~~ membership
499 continues ~~shall continue~~ for as long as the member is employed

500 by the agency to which his or her unit was transferred, merged,
 501 or consolidated.

502 Section 4. Paragraph (f) of subsection (2) and paragraph
 503 (e) of subsection (3) of section 121.052, Florida Statutes, are
 504 amended to read:

505 121.052 Membership class of elected officers.--

506 (2) MEMBERSHIP.--The following holders of elective office,
 507 hereinafter referred to as "elected officers," whether assuming
 508 elective office by election, reelection, or appointment, are
 509 members of the Elected Officers' Class, except as provided in
 510 subsection (3):

511 (f)1. Any elected officer of a municipality or special
 512 district on or after July 1, 1997, through December 31, 2009, as
 513 provided in paragraph (3) (e).

514 2. Any elected officer of a municipality or special
 515 district on or after January 1, 2010, when the governing body of
 516 a municipality or special district, at the time it joins the
 517 Florida Retirement System for its elected officers, elects by
 518 majority vote to designate all its elected positions for
 519 inclusion in the Elected Officers' Class.

520 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.--Effective
 521 July 1, 1990, participation in the Elected Officers' Class shall
 522 be compulsory for elected officers listed in paragraphs (2) (a)-
 523 (d) and (f) assuming office on or after said date, unless the
 524 elected officer elects membership in another class or withdraws
 525 from the Florida Retirement System as provided in paragraphs
 526 (3) (a) - (d):

527 (e)1. Effective July 1, 1997, the governing body of a
528 municipality or special district may, by majority vote, elect to
529 designate all its elected positions for inclusion in the Elected
530 Officers' Class. Such election shall be made between July 1,
531 1997, and December 31, 1997, and shall be irrevocable. The
532 designation of such positions shall be effective the first day
533 of the month following receipt by the department of the
534 ordinance or resolution passed by the governing body.

535 2. Effective July 1, 2001, the governing body of a
536 municipality or special district may, by majority vote, elect to
537 designate all its elected positions for inclusion in the Elected
538 Officers' Class. Such election shall be made between July 1,
539 2001, and December 31, 2001, and shall be irrevocable. The
540 designation of such positions shall be effective the first day
541 of the month following receipt by the department of the
542 ordinance or resolution passed by the governing body.

543 3. Effective July 1, 2009, the governing body of a
544 municipality or special district may, by majority vote, elect to
545 designate all its elected positions for inclusion in the Elected
546 Officers' Class. Such election shall be made between July 1,
547 2009, and December 31, 2009, and shall be irrevocable. The
548 designation of such positions shall be effective the first day
549 of the month following receipt by the department of the
550 ordinance or resolution passed by the governing body.

551 Section 5. Subsections (1) and (2) of section 121.053,
552 Florida Statutes, are amended to read:

553 121.053 Participation in the Elected Officers' Class for
554 retired members.--

555 (1) (a) 1. Any retiree of a state-administered retirement
556 system who initially serves in an elective office in a regularly
557 established position with a covered employer on or after January
558 1, 2010, shall not be enrolled in the Florida Retirement System.

559 2. An elected officer who is elected or appointed to an
560 elective office and is participating in the Deferred Retirement
561 Option Program is subject to termination as provided in s.
562 121.021(39)(b), and reemployment limitations as provided in s.
563 121.091(9), upon completion of his or her DROP participation
564 period.

565 (b) Before January 1, 2010, any member who retired under
566 any existing system as defined in s. 121.021(2), and receives a
567 benefit thereof, and who serves in an office covered by the
568 Elected Officers' Class for a period of at least 6 years, shall
569 be entitled to receive an additional retirement benefit for such
570 elected officer service prior to July 1, 1990, under the Elected
571 Officers' Class of the Florida Retirement System, as follows:

572 1. Upon completion of 6 or more years of creditable
573 service in an office covered by the Elected Officers' Class, s.
574 121.052, such member shall notify the administrator of his or
575 her intent to purchase elected officer service prior to July 1,
576 1990, and shall pay the member contribution applicable for the
577 period being claimed, plus 4 percent interest compounded
578 annually from the first year of service claimed until July 1,
579 1975, and 6.5 percent interest compounded annually thereafter,
580 until full payment is made to the Florida Retirement System
581 Trust Fund; however, such member may purchase retirement credit

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582 under the Elected Officers' Class only for such service as an
583 elected officer.

584 2. Upon payment of the amount specified in subparagraph
585 1., the employer shall pay into the Florida Retirement System
586 Trust Fund the applicable employer contribution for the period
587 of elected officer service prior to July 1, 1990, being claimed
588 by the member, plus 4 percent interest compounded annually from
589 the first year of service claimed until July 1, 1975, and 6.5
590 percent interest compounded annually thereafter, until full
591 payment is made to the Florida Retirement System Trust Fund.

592 (c) ~~(b)~~ Any retired member of the Florida Retirement
593 System, or any existing system as defined in s. 121.021(2), who,
594 on or after July 1, 1990, through December 31, 2009, is serving
595 in, or is elected or appointed to, an elective office covered by
596 the Elected Officers' Class shall be enrolled in the appropriate
597 subclass of the Elected Officers' Class of the Florida
598 Retirement System, and applicable contributions shall be paid
599 into the Florida Retirement System Trust Fund as provided in s.
600 121.052(7). Pursuant thereto:

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

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

609 3. Such member shall be entitled to purchase additional
610 retirement credit in the Elected Officers' Class for any
611 postretirement service performed in an elected position eligible
612 for the Elected Officers' Class prior to July 1, 1990, or in the
613 Regular Class for any postretirement service performed in any
614 other regularly established position prior to July 1, 1991, by
615 paying the applicable Elected Officers' Class or Regular Class
616 employee and employer contributions for the period being
617 claimed, plus 4 percent interest compounded annually from the
618 first year of service claimed until July 1, 1975, and 6.5
619 percent interest compounded thereafter, until full payment is
620 made to the Florida Retirement System Trust Fund. The
621 contribution for postretirement Regular Class service between
622 July 1, 1985, and July 1, 1991, for which the reemployed retiree
623 contribution was paid, shall be the difference between such
624 contribution and the total applicable contribution for the
625 period being claimed, plus interest. The employer of such member
626 may pay the applicable employer contribution in lieu of the
627 member. If a member does not wish to claim credit for all of the
628 postretirement service for which he or she is eligible, the
629 service the member claims must be the most recent service.

630 4. Creditable service for which credit was received, or
631 which remained unclaimed, at retirement may not be claimed or
632 applied toward service credit earned following renewed
633 membership. However, service earned in accordance with the
634 renewed membership provisions in s. 121.122 may be used in
635 conjunction with creditable service earned under this paragraph,

636 provided applicable vesting requirements and other existing
637 statutory conditions required by this chapter are met.

638 5. An elected officer who is elected or appointed to an
639 elective office and is participating in the Deferred Retirement
640 Option Program before January 1, 2010, is not subject to
641 termination as provided in s. 121.021(39)(b), or reemployment
642 limitations as provided in s. 121.091(9), until the end of his
643 or her current term of office or, if the officer is
644 consecutively elected or reelected to an elective office
645 eligible for coverage under the Florida Retirement System, until
646 he or she no longer holds such an elective office, as follows:

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

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

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

654 b. Nothing herein shall prevent an elected officer from
655 voluntarily terminating his or her elective office at any time
656 and electing to receive his or her DROP proceeds. However, until
657 termination requirements are fulfilled as provided in s.
658 121.021(39), any elected officer whose termination limitations
659 are extended by this section shall be ineligible for renewed
660 membership in the system and shall receive no pension payments,
661 DROP lump sum payments, or any other state payment other than
662 the statutorily determined salary, travel, and per diem for the
663 elective office.

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

668
669 However, an officer electing to participate in the Deferred
670 Retirement Option Program on or before June 30, 2002, shall not
671 be required to terminate and shall remain subject to the
672 provisions of this subparagraph as adopted in section 1 of
673 chapter 2001-235, Laws of Florida.

674 (2) Upon attaining his or her normal retirement date and
675 payment of the amount specified in paragraphs (1)(b) and (c)
676 ~~(1)(a) and (b)~~, and upon application to the administrator of the
677 intent to retire, the member shall receive a monthly benefit
678 under this section, in addition to any benefits already being
679 received, which shall commence on the last day of the month of
680 retirement and be payable on the last day of the month
681 thereafter during his or her lifetime. The amount of such
682 monthly benefit shall be the total percentage of retirement
683 credit purchased under this section multiplied by the member's
684 average monthly compensation as an elected officer, adjusted
685 according to the option selected at retirement under s.
686 121.091(6).

687 Section 6. Paragraph (f) of subsection (1) and paragraphs
688 (c) and (e) of subsection (6) of section 121.055, Florida
689 Statutes, are amended to read:

690 121.055 Senior Management Service Class.--There is hereby
691 established a separate class of membership within the Florida

692 Retirement System to be known as the "Senior Management Service
693 Class," which shall become effective February 1, 1987.

694 (1)

695 (f) Effective July 1, 1997:

696 1. Except as provided in subparagraph 3., any elected
697 state officer eligible for membership in the Elected Officers'
698 Class under s. 121.052(2)(a), (b), or (c) who elects membership
699 in the Senior Management Service Class under s. 121.052(3)(c)
700 may, within 6 months after assuming office or within 6 months
701 after this act becomes a law for serving elected state officers,
702 elect to participate in the Senior Management Service Optional
703 Annuity Program, as provided in subsection (6), in lieu of
704 membership in the Senior Management Service Class.

705 2. Except as provided in subparagraph 3., any elected
706 ~~county~~ officer of a local agency employer eligible for
707 membership in the Elected Officers' Class under s. 121.052(2)(d)
708 who elects membership in the Senior Management Service Class
709 under s. 121.052(3)(c) may, within 6 months after assuming
710 office, or within 6 months after this act becomes a law for
711 serving elected ~~county~~ officers of a local agency employer,
712 elect to withdraw from the Florida Retirement System ~~participate~~
713 ~~in a lifetime monthly annuity program,~~ as provided in
714 subparagraph (b)2., in lieu of membership in the Senior
715 Management Service Class.

716 3. Any retiree of a state-administered retirement system
717 who is initially reemployed on or after January 1, 2010, as an
718 electd official eligible for Elected Officers' Class membership
719 shall not be eligible for renewed membership in the Senior

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720 Management Service Optional Annuity Program as provided in
721 subsection (6) or to withdraw from the Florida Retirement System
722 as a renewed member as provided in subparagraph (b)2., as
723 applicable, in lieu of Senior Management Service Class
724 membership.

725 (6)

726 (c) Participation.--

727 1. Any eligible employee who is employed on or before
728 February 1, 1987, may elect to participate in the optional
729 annuity program in lieu of participation in the Senior
730 Management Service Class. Such election shall be made in writing
731 and filed with the department and the personnel officer of the
732 employer on or before May 1, 1987. Any eligible employee who is
733 employed on or before February 1, 1987, and who fails to make an
734 election to participate in the optional annuity program by May
735 1, 1987, shall be deemed to have elected membership in the
736 Senior Management Service Class.

737 2. Except as provided in subparagraph 6., any employee who
738 becomes eligible to participate in the optional annuity program
739 by reason of initial employment commencing after February 1,
740 1987, may, within 90 days after the date of commencement of
741 employment, elect to participate in the optional annuity
742 program. Such election shall be made in writing and filed with
743 the personnel officer of the employer. Any eligible employee who
744 does not within 90 days after commencement of such employment
745 elect to participate in the optional annuity program shall be
746 deemed to have elected membership in the Senior Management
747 Service Class.

748 3. A person who is appointed to a position in the Senior
749 Management Service Class and who is a member of an existing
750 retirement system or the Special Risk or Special Risk
751 Administrative Support Classes of the Florida Retirement System
752 may elect to remain in such system or class in lieu of
753 participation in the Senior Management Service Class or optional
754 annuity program. Such election shall be made in writing and
755 filed with the department and the personnel officer of the
756 employer within 90 days of such appointment. Any eligible
757 employee who fails to make an election to participate in the
758 existing system, the Special Risk Class of the Florida
759 Retirement System, the Special Risk Administrative Support Class
760 of the Florida Retirement System, or the optional annuity
761 program shall be deemed to have elected membership in the Senior
762 Management Service Class.

763 4. Except as provided in subparagraph 5., an employee's
764 election to participate in the optional annuity program is
765 irrevocable as long as such employee continues to be employed in
766 an eligible position and continues to meet the eligibility
767 requirements set forth in this paragraph.

768 5. Effective from July 1, 2002, through September 30,
769 2002, any active employee in a regularly established position
770 who has elected to participate in the Senior Management Service
771 Optional Annuity Program has one opportunity to choose to move
772 from the Senior Management Service Optional Annuity Program to
773 the Florida Retirement System defined benefit program.

774 a. The election must be made in writing and must be filed
775 with the department and the personnel officer of the employer

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776 before October 1, 2002, or, in the case of an active employee
777 who is on a leave of absence on July 1, 2002, within 90 days
778 after the conclusion of the leave of absence. This election is
779 irrevocable.

780 b. The employee will receive service credit under the
781 defined benefit program of the Florida Retirement System equal
782 to his or her years of service under the Senior Management
783 Service Optional Annuity Program. The cost for such credit shall
784 be an amount representing the present value of that employee's
785 accumulated benefit obligation for the affected period of
786 service.

787 c. The employee must transfer the total accumulated
788 employer contributions and earnings on deposit in his or her
789 Senior Management Service Optional Annuity Program account. If
790 the transferred amount is not sufficient to pay the amount due,
791 the employee must pay a sum representing the remainder of the
792 amount due. In no case may the employee retain any employer
793 contributions or earnings thereon from the Senior Management
794 Service Optional Annuity Program account.

795 6. Any retiree of a state-administered retirement system
796 who is initially reemployed on or after January 1, 2010, shall
797 not be eligible for renewed membership in the Senior Management
798 Service Optional Annuity Program.

799 (e) Benefits.--

800 1. Benefits shall be payable under the Senior Management
801 Service Optional Annuity Program only to participants in the
802 program, or their beneficiaries as designated by the participant
803 in the contract with a provider company, and such benefits shall

804 be paid by the designated company in accordance with the terms
 805 of the annuity contract or contracts applicable to the
 806 participant. A participant must be terminated from all
 807 employment with all Florida Retirement System employers as
 808 provided in s. 121.021(39) to begin receiving the employer-
 809 funded benefit. Benefits funded by employer contributions shall
 810 be payable under the terms of the contract ~~only as a lifetime~~
 811 ~~annuity~~ to the participant, his or her beneficiary, or his or
 812 her estate, in addition to ~~except for~~:

813 a. A lump-sum payment to the beneficiary upon the death of
 814 the participant;

815 b. A cash-out of a de minimis account upon the request of
 816 a former participant who has been terminated for a minimum of 6
 817 months from the employment that entitled him or her to optional
 818 annuity program participation. ~~A de minimis account is an~~
 819 ~~account with a provider company containing employer~~
 820 ~~contributions and accumulated earnings of not more than \$5,000~~
 821 ~~made under the provisions of this chapter.~~ Such cash-out must be
 822 a complete liquidation of the account balance with that company
 823 and is subject to the provisions of the Internal Revenue Code;

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

828 or

829 ~~d.e.~~ A lump-sum direct rollover distribution whereby all
 830 accrued benefits, plus interest and investment earnings, are
 831 paid from the participant's account directly to the custodian of

832 an eligible retirement plan, as defined in s. 402(c)(8)(B) of
833 the Internal Revenue Code, on behalf of the participant.

834

835 As used in this subparagraph, a "de minimis account" means an
836 account with a provider company containing employer
837 contributions and accumulated earnings of not more than \$5,000
838 made under this chapter.

839 2. The benefits payable to any person under the Senior
840 Management Service Optional Annuity Program, and any
841 contribution accumulated under such program, shall not be
842 subject to assignment, execution, or attachment or to any legal
843 process whatsoever.

844 3. Except as provided in subparagraph 4., a participant
845 who terminates employment and receives optional annuity program
846 benefits funded by employer contributions shall be deemed to be
847 retired from a state-administered retirement system in the event
848 of subsequent employment with any employer that participates in
849 the Florida Retirement System.

850 4. A participant who receives optional annuity program
851 benefits funded by employer contributions as a mandatory
852 distribution of a de minimis account authorized by the
853 department will not be considered a retiree.

854 Section 7. Paragraph (a) of subsection (6) of section
855 121.071, Florida Statutes, is amended to read:

856 121.071 Contributions.--Contributions to the system shall
857 be made as follows:

858 (6) (a) Required employee contributions for all service
859 other than current service, including, but not limited to, prior

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860 service, past service, military service, leave-of-absence
 861 service, out-of-state service, and certain non-Florida
 862 Retirement System in-state service, shall be paid by cash,
 863 personal check, cashier's check, ~~or~~ money order, or a direct
 864 rollover or transfer from a qualified plan as provided under the
 865 Internal Revenue Code. The payment must ~~only; shall~~ be
 866 accompanied by a statement identifying the service for which
 867 payment is made; and shall be made in a lump sum for the total
 868 amount due or in annual payments of not less than \$100, except
 869 for the final payment if less than \$100, unless another method
 870 of payment is authorized by law or rule.

871 Section 8. Paragraphs (a), (b), (e), (f), and (h) of
 872 subsection (1) of section 121.081, Florida Statutes, are amended
 873 to read:

874 121.081 Past service; prior service;
 875 contributions.--Conditions under which past service or prior
 876 service may be claimed and credited are:

877 (1) (a) Past service, as defined in s. 121.021(18), may be
 878 claimed as creditable service by officers or employees of a
 879 city, metropolitan planning organization, charter school,
 880 charter technical career center, or special district who ~~that~~
 881 become a covered group under this system. The governing body of
 882 a covered group in compliance with s. 121.051(2) (b) may elect to
 883 provide benefits with respect to past service earned prior to
 884 January 1, 1975, in accordance with this chapter, and the cost
 885 for such past service shall be established by applying the
 886 following formula: The member contribution for both regular and
 887 special risk members shall be 4 percent of the gross annual

888 salary for each year of past service claimed, plus 4-percent
 889 employer matching contribution, plus 4-percent interest thereon
 890 compounded annually, figured on each year of past service, with
 891 interest compounded from date of annual salary earned until July
 892 1, 1975, and 6.5-percent interest compounded annually thereafter
 893 until date of payment. Once the total cost for a member has been
 894 figured to date, then after July 1, 1975, 6.5-percent compounded
 895 interest shall be added each June 30 thereafter on any unpaid
 896 balance until the cost of such past service liability is paid in
 897 full. The following formula shall be used in calculating past
 898 service earned prior to January 1, 1975: (Annual gross salary
 899 multiplied by 8 percent) multiplied by the 4-percent or 6.5-
 900 percent compound interest table factor, as may be applicable.
 901 The resulting product equals cost to date for each particular
 902 year of past service.

903 (b) Past service earned after January 1, 1975, may be
 904 claimed by officers or employees of a city, metropolitan
 905 planning organization, charter school, charter technical career
 906 center, or special district who become ~~that becomes~~ a covered
 907 group under this system. The governing body of a covered group
 908 may elect to provide benefits with respect to past service
 909 earned after January 1, 1975, in accordance with this chapter,
 910 and the cost for such past service shall be established by
 911 applying the following formula: The employer shall contribute an
 912 amount equal to the contribution rate in effect at the time the
 913 service was earned, multiplied by the employee's gross salary
 914 for each year of past service claimed, plus 6.5-percent interest
 915 thereon, compounded annually, figured on each year of past

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916 service, with interest compounded from date of annual salary
 917 earned until date of payment.

918 (e) Past service, as defined in s. 121.021(18), may be
 919 claimed as creditable service by a member of the Florida
 920 Retirement System who formerly was an officer or employee of a
 921 city, metropolitan planning organization, charter school,
 922 charter technical career center, or special district,
 923 notwithstanding the status or form of the retirement system, if
 924 any, of that city, metropolitan planning organization, charter
 925 school, charter technical career center, or special district and
 926 irrespective of whether officers or employees of that city,
 927 metropolitan planning organization, charter school, charter
 928 technical career center, or special district now or hereafter
 929 become a covered group under the Florida Retirement System. Such
 930 member may claim creditable service and be entitled to the
 931 benefits accruing to the regular class of members as provided
 932 for the past service claimed under this paragraph by paying into
 933 the retirement trust fund an amount equal to the total actuarial
 934 cost of providing the additional benefit resulting from such
 935 past-service credit, discounted by the applicable actuarial
 936 factors to date of retirement.

937 (f) If ~~When~~ any person, ~~either prior to this act or~~
 938 ~~hereafter,~~ becomes entitled to and participates ~~does participate~~
 939 in one of the retirement systems under ~~consolidated within or~~
 940 ~~created by~~ this chapter through the consolidation or merger of
 941 governments or the transfer of functions between units of
 942 government, ~~either~~ at the state or local level or between state
 943 and local units, or through the assumption of functions or

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944 activities by a state or local unit from an employing
945 governmental entity that ~~which~~ was not an employer under the
946 system, and such person becomes a member of the Florida
947 Retirement System, such person is ~~shall be~~ entitled to receive
948 past-service credit ~~as defined in s. 121.021(18)~~ for the time
949 the ~~such~~ person performed services for, and was an employee of,
950 such state or local unit or other governmental employing entity
951 prior to the transfer, merger, consolidation, or assumption of
952 functions and activities. Past-service credit allowed by this
953 paragraph is ~~shall~~ also ~~be~~ available to any person who becomes a
954 member of an existing system, ~~as defined in s. 121.021(2)~~, prior
955 to December 1, 1970, through the transfer, merger,
956 consolidation, or assumption of functions and activities set
957 forth in this paragraph and who subsequently becomes a member of
958 the Florida Retirement System. However, credit for the past
959 service may not be granted until contributions are made in the
960 manner provided in this subsection. If a person rejected Florida
961 Retirement System membership at the time of the transfer,
962 merger, ~~or~~ consolidation, or assumption of governmental
963 functions and activities, the required contributions shall be at
964 total actuarial cost as specified in paragraph (e). Such
965 contributions or accrued interest may not be paid from any
966 public ~~state~~ funds.

967 (h) The following provisions apply to the purchase of past
968 service:

969 1. Notwithstanding any of the provisions of this
970 subsection, past-service credit may not be purchased under this
971 chapter for any service that is used to obtain a pension or

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972 benefit from a ~~any~~ local retirement system. Eligibility to
973 receive or the receipt of contributions to a retirement plan
974 made by the employer on behalf of the employee is considered a
975 benefit.

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

981 3. A member may not receive past service credit for co-
982 employer service. Co-employer service or a co-employer
983 relationship is employment in a single position simultaneously
984 covered and reported by both a public employer and a private
985 employer.

986 ~~4.3.~~ If a member does not want ~~desire~~ to receive credit
987 for all of his or her past service, the period the member claims
988 must be the most recent past service prior to his or her
989 participation in the Florida Retirement System.

990 ~~5.4.~~ The cost of past service purchased by an employing
991 agency for its employees may be amortized over the ~~such~~ period
992 of time ~~as is~~ provided in the agreement, but not to exceed 15
993 years, calculated in accordance with rule 60S-1.007(5)(f),
994 Florida Administrative Code.

995 ~~6.5.~~ The retirement account of each member for whom past
996 service is being provided by his or her employer shall be
997 credited with all past service the employer agrees to purchase
998 as soon as the agreement between the employer and the department
999 is executed. ~~Pursuant thereto:~~

1000 a. Each ~~such~~ member's account shall also be posted with
 1001 the total contribution his or her employer agrees to make on ~~in~~
 1002 the member's behalf for past service earned prior to October 1,
 1003 1975, excluding those contributions representing the employer's
 1004 matching share and the compound interest calculation on the
 1005 total contribution. However, a portion of any contributions paid
 1006 by an employer for past service credit earned on and after
 1007 October 1, 1975, may not be posted to the ~~a~~ member's account.

1008 b. A refund of contributions payable after an employer has
 1009 made a written agreement to purchase past service for employees
 1010 of the covered group includes ~~shall include~~ contributions for
 1011 past service which are posted to the ~~a~~ member's account.
 1012 However, contributions for past service earned on and after
 1013 October 1, 1975, are not refundable.

1014 Section 9. Paragraph (b) of subsection (9) and subsections
 1015 (13) and (14) of section 121.091, Florida Statutes, are amended
 1016 to read:

1017 121.091 Benefits payable under the system.--Benefits may
 1018 not be paid under this section unless the member has terminated
 1019 employment as provided in s. 121.021(39)(a) or begun
 1020 participation in the Deferred Retirement Option Program as
 1021 provided in subsection (13), and a proper application has been
 1022 filed in the manner prescribed by the department. The department
 1023 may cancel an application for retirement benefits when the
 1024 member or beneficiary fails to timely provide the information
 1025 and documents required by this chapter and the department's
 1026 rules. The department shall adopt rules establishing procedures
 1027 for application for retirement benefits and for the cancellation

1028 of such application when the required information or documents
 1029 are not received.

1030 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

1031 (b)1. Any person who is retired under this chapter, except
 1032 under the disability retirement provisions of subsection (4),
 1033 may be reemployed by any private or public employer after
 1034 retirement and receive retirement benefits and compensation from
 1035 the his or her employer without limitation ~~any limitations~~,
 1036 except that the a person may not receive ~~both~~ a salary from
 1037 reemployment with any agency participating in the Florida
 1038 Retirement System and retirement benefits under this chapter for
 1039 ~~a period of~~ 12 calendar months immediately after meeting
 1040 ~~subsequent to~~ the definition of termination in s. 121.021(39)
 1041 ~~date of retirement~~. However, a DROP participant may ~~shall~~
 1042 continue employment and receive a salary during the period of
 1043 participation in DROP ~~the Deferred Retirement Option Program~~, as
 1044 provided in subsection (13).

1045 2. Any person to whom the limitation in subparagraph 1.
 1046 applies ~~who violates such reemployment limitation~~ and who is
 1047 reemployed with any agency participating in the Florida
 1048 Retirement System after he or she has been retired and met the
 1049 definition of termination in s. 121.021(39) but before
 1050 completion of the 12-month limitation period must ~~shall~~ give
 1051 timely notice of this fact in writing to the employer and to the
 1052 Division of Retirement and shall have his or her retirement
 1053 benefits suspended while employed during ~~for~~ the balance of the
 1054 12-month limitation period unless the person exceeds the 780-
 1055 hour limitation in subparagraph 4. or subparagraph 5. Any person

1056 employed in violation of this subparagraph ~~paragraph~~ and any
 1057 employing agency that ~~which knowingly~~ employs or appoints such
 1058 person without notifying the division ~~of Retirement~~ to suspend
 1059 retirement benefits are ~~shall be~~ jointly and severally liable
 1060 for ~~reimbursement to the retirement trust fund~~ of any benefits
 1061 paid during the reemployment limitation period. To avoid
 1062 liability, the ~~such~~ employing agency must ~~shall~~ have a written
 1063 statement from the retiree that he or she is not retired from a
 1064 state-administered retirement system. Any retirement benefits
 1065 received by a retired member while reemployed during this
 1066 reemployment limitation period must ~~shall~~ be repaid to the
 1067 Florida Retirement System Trust Fund, and retirement benefits
 1068 shall remain suspended until ~~such~~ repayment is ~~has been~~ made.
 1069 Benefits suspended beyond the reemployment limitation shall
 1070 apply toward repayment of benefits received in violation of the
 1071 reemployment limitation.

1072 3. A district school board may reemploy a retired member
 1073 as a substitute or hourly teacher or an ~~an~~ education
 1074 paraprofessional, as defined in s. 1012.01(2)(e), ~~transportation~~
 1075 ~~assistant, bus driver, or food service worker~~ on a
 1076 noncontractual basis after he or she has been retired and met
 1077 the definition of termination for 1 calendar month, in
 1078 ~~accordance with~~ s. 121.021(39). A district school board may
 1079 reemploy a retired member as instructional personnel, as defined
 1080 in s. 1012.01(2)(a), on an annual contractual basis after he or
 1081 she has met the definition of termination ~~been retired for 1~~
 1082 ~~calendar month~~, in ~~accordance with~~ s. 121.021(39). Any other
 1083 retired member who is reemployed before meeting the definition

1084 of termination voids ~~within 1 calendar month after retirement~~
 1085 ~~shall void~~ his or her application for retirement benefits. A
 1086 district school board that reemploys ~~boards reemploying~~ such
 1087 teachers or ~~7~~ education paraprofessionals is ~~7~~ transportation
 1088 assistants, ~~bus drivers, or food service workers~~ are subject to
 1089 the retirement contribution required by subparagraph 9. 7.

1090 4. A community college board of trustees may reemploy a
 1091 retired member as an adjunct instructor, ~~that is, an instructor~~
 1092 ~~who is noncontractual and part-time~~, or as a participant in a
 1093 phased retirement program within the Florida Community College
 1094 System, ~~7~~ after he or she has been retired and met the definition
 1095 of termination for 1 calendar month, in accordance with s.
 1096 121.021(39). Any retired member who is reemployed within 12 ~~4~~
 1097 calendar months ~~month~~ after retirement voids ~~shall void~~ his or
 1098 her application for retirement benefits. A board ~~Boards~~ of
 1099 trustees that reemploys ~~reemploying~~ such instructors is ~~are~~
 1100 subject to the retirement contribution required in subparagraph
 1101 9. 7. A retired member may be reemployed as an adjunct
 1102 instructor for no more than 780 hours during the first 12
 1103 calendar months after meeting the definition of termination
 1104 ~~retirement~~. Any retired member reemployed for more than 780
 1105 hours during the first 12 months of retirement must ~~shall~~ give
 1106 timely notice in writing to the employer and to the Division of
 1107 Retirement of the date he or she will exceed the limitation. The
 1108 division shall suspend his or her retirement benefits for the
 1109 remainder of the 12-month limitation period ~~first 12 months of~~
 1110 ~~retirement~~. Any person employed in violation of this
 1111 subparagraph and any employing agency that ~~which knowingly~~

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1112 employs or appoints such person without notifying the division
1113 ~~of Retirement~~ to suspend retirement benefits are ~~shall be~~
1114 jointly and severally liable for ~~reimbursement to the retirement~~
1115 ~~trust fund~~ of any benefits paid during the reemployment
1116 limitation period. To avoid liability, the ~~such~~ employing agency
1117 must ~~shall~~ have a written statement from the retiree that he or
1118 she is not retired from a state-administered retirement system.
1119 Any retirement benefits received by a retired member while
1120 reemployed in excess of 780 hours during the 12-month limitation
1121 period must ~~first 12 months of retirement~~ shall be repaid to the
1122 Florida Retirement System Trust Fund, and retirement benefits
1123 shall remain suspended until repayment is made. Benefits
1124 suspended beyond the end of the 12-month limitation period
1125 ~~retired member's first 12 months of retirement~~ shall apply
1126 toward repayment of benefits received in violation of the 780-
1127 hour reemployment limitation.

1128 5. The State University System may reemploy a retired
1129 member as an adjunct faculty member or as a participant in a
1130 phased retirement program within the State University System
1131 after the retired member has met the definition of termination
1132 ~~been retired for 1 calendar month~~, in accordance with s.
1133 121.021(39). Any retired member who is reemployed before meeting
1134 the definition of termination voids ~~within 1 calendar month~~
1135 ~~after retirement~~ shall void his or her application for
1136 retirement benefits. The State University System is subject to
1137 the retired contribution required in subparagraph 9. 7., as
1138 appropriate. A retired member may be reemployed as an adjunct
1139 faculty member or a participant in a phased retirement program

1140 for no more than 780 hours during the first 12 calendar months
 1141 after meeting the definition of termination ~~of his or her~~
 1142 ~~retirement~~. Any retired member reemployed for more than 780
 1143 hours during the 12-month limitation period ~~must first 12 months~~
 1144 ~~of retirement~~ shall give timely notice in writing to the
 1145 employer and to the Division of Retirement of the date he or she
 1146 will exceed the limitation. The division shall suspend his or
 1147 her retirement benefits for the remainder of the 12-month
 1148 limitation period ~~first 12 months of retirement~~. Any person
 1149 employed in violation of this subparagraph and any employing
 1150 agency that ~~which knowingly~~ employs or appoints such person
 1151 without notifying the division ~~of Retirement~~ to suspend
 1152 retirement benefits are ~~shall be~~ jointly and severally liable
 1153 for ~~reimbursement to the retirement trust fund~~ of any benefits
 1154 paid during the reemployment limitation period. To avoid
 1155 liability, such employing agency must ~~shall~~ have a written
 1156 statement from the retiree that he or she is not retired from a
 1157 state-administered retirement system. Any retirement benefits
 1158 received by a retired member while reemployed in excess of 780
 1159 hours during the first 12 months of retirement must ~~shall~~ be
 1160 repaid to the Florida Retirement System Trust Fund, and
 1161 retirement benefits shall remain suspended until repayment is
 1162 made. Benefits suspended beyond the end of the retired member's
 1163 12-month limitation period ~~first 12 months of retirement~~ shall
 1164 apply toward repayment of benefits received in violation of the
 1165 780-hour reemployment limitation.

1166 6. The Board of Trustees of the Florida School for the
 1167 Deaf and the Blind may reemploy a retired member as a substitute

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1168 teacher, substitute residential instructor, or substitute nurse
1169 on a noncontractual basis after he or she has met the definition
1170 of termination ~~been retired for 1 calendar month,~~ in accordance
1171 ~~with~~ s. 121.021(39). The Board of Trustees of the Florida School
1172 for the Deaf and the Blind may reemploy a retired member as
1173 instructional personnel, as defined in s. 1012.01(2)(a), on an
1174 annual contractual basis after he or she has been retired and
1175 met the definition of termination in s. 121.021(39). Any retired
1176 member who is reemployed before meeting the definition of
1177 termination voids ~~within 1 calendar month after retirement shall~~
1178 ~~void~~ his or her application for retirement benefits. The Board
1179 of Trustees of the Florida School for the Deaf and the Blind
1180 reemploying such teachers, residential instructors, or nurses is
1181 subject to the retirement contribution required by subparagraph
1182 9. 7. ~~Reemployment of a retired member as a substitute teacher,~~
1183 ~~substitute residential instructor, or substitute nurse is~~
1184 ~~limited to 780 hours during the first 12 months of his or her~~
1185 ~~retirement. Any retired member reemployed for more than 780~~
1186 ~~hours during the first 12 months of retirement shall give timely~~
1187 ~~notice in writing to the employer and to the division of the~~
1188 ~~date he or she will exceed the limitation. The division shall~~
1189 ~~suspend his or her retirement benefits for the remainder of the~~
1190 ~~first 12 months of retirement. Any person employed in violation~~
1191 ~~of this subparagraph and any employing agency which knowingly~~
1192 ~~employs or appoints such person without notifying the Division~~
1193 ~~of Retirement to suspend retirement benefits shall be jointly~~
1194 ~~and severally liable for reimbursement to the retirement trust~~
1195 ~~fund of any benefits paid during the reemployment limitation~~

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1196 ~~period. To avoid liability, such employing agency shall have a~~
1197 ~~written statement from the retiree that he or she is not retired~~
1198 ~~from a state-administered retirement system. Any retirement~~
1199 ~~benefits received by a retired member while reemployed in excess~~
1200 ~~of 780 hours during the first 12 months of retirement shall be~~
1201 ~~repaid to the Retirement System Trust Fund, and his or her~~
1202 ~~retirement benefits shall remain suspended until payment is~~
1203 ~~made. Benefits suspended beyond the end of the retired member's~~
1204 ~~first 12 months of retirement shall apply toward repayment of~~
1205 ~~benefits received in violation of the 780-hour reemployment~~
1206 ~~limitation.~~

1207 7. A developmental research school may reemploy a retired
1208 member as a substitute or hourly teacher or an education
1209 paraprofessional, as defined in s. 1012.01(2)(e), on a
1210 noncontractual basis after he or she has been retired and met
1211 the definition of termination in s. 121.021(39). A developmental
1212 research school may reemploy a retired member as instructional
1213 personnel, as defined in s. 1012.01(2)(a), on an annual
1214 contractual basis after he or she has been retired and met the
1215 definition of termination in s. 121.021(39). Any other retired
1216 member who is reemployed within 12 calendar months after
1217 retirement voids his or her application for retirement benefits.
1218 A developmental research school that reemploys retired teachers
1219 and education paraprofessionals is subject to the retirement
1220 contribution required by subparagraph 9.

1221 8. A charter school may reemploy a retired member as a
1222 substitute or hourly teacher on a noncontractual basis after he
1223 or she has been retired and met the definition of termination in

1224 s. 121.021(39). A charter school may reemploy a retired member
 1225 as instructional personnel, as defined in s. 1012.01(2)(a), on
 1226 an annual contractual basis after he or she has been retired and
 1227 met the definition of termination in s. 121.021(39). Any other
 1228 retired member who is reemployed within 12 calendar months after
 1229 retirement voids his or her application for retirement benefits.
 1230 A charter school that reemploys such members is subject to the
 1231 retirement contribution required by subparagraph 9.

1232 9.a.7. ~~The employment by an employer of a any~~ retiree or
 1233 DROP participant of a any state-administered retirement system
 1234 does not affect ~~shall have no effect on~~ the average final
 1235 compensation or years of creditable service of the retiree or
 1236 DROP participant.

1237 b. Prior to July 1, 1991, upon employment of any person,
 1238 other than an elected officer as provided in s. 121.053, who is
 1239 ~~has been~~ retired under a any state-administered retirement
 1240 program, the employer shall pay retirement contributions in an
 1241 amount equal to the unfunded actuarial liability portion of the
 1242 employer contribution which would be required for regular
 1243 members of the Florida Retirement System. Effective July 1,
 1244 1991, contributions shall be made as provided in s. 121.122 for
 1245 retirees who have ~~with~~ renewed membership or as provided in
 1246 subsection (13) for ~~with respect to~~ DROP participants.

1247 c. Any person who is retired under a state-administered
 1248 retirement program and who is initially reemployed on or after
 1249 January 1, 2010, may not renew membership in the Florida
 1250 Retirement System. The employer shall pay retirement
 1251 contributions in an amount equal to the unfunded actuarial

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1252 liability portion of the employer contribution that would be
 1253 required for active members of the Florida Retirement System in
 1254 addition to the contributions required by s. 121.76.

1255 10.a.8- Any person who has ~~previously~~ retired and who is
 1256 holding an elective public office or an appointment to an
 1257 elective public office eligible for the Elected Officers' Class
 1258 on or after July 1, 1990, through December 31, 2009, shall be
 1259 enrolled in the Florida Retirement System as provided in s.
 1260 121.053(1) ~~(c) (b)~~ or, if holding an elective public office that
 1261 does not qualify for the Elected Officers' Class on or after
 1262 July 1, 1991, through December 31, 2009, shall be enrolled in
 1263 the Florida Retirement System as provided in s. 121.122, and
 1264 shall continue to receive retirement benefits as well as
 1265 compensation for the elected officer's service for as long as he
 1266 or she remains in elective office. However, any retired member
 1267 who served in an elective office prior to July 1, 1990,
 1268 suspended his or her retirement benefit, and had his or her
 1269 Florida Retirement System membership reinstated shall, upon
 1270 retirement from such office, have his or her retirement benefit
 1271 recalculated to include the additional service and compensation
 1272 earned.

1273 b. Any person who has retired and who is holding an
 1274 elective public office or an appointment to an elective public
 1275 office initially eligible for the Elected Officers' Class on or
 1276 after January 1, 2010, shall not be enrolled in the Florida
 1277 Retirement System as provided in s. 121.053(1) (c) or, if holding
 1278 an elective public office that does not qualify for the Elected
 1279 Officers' Class and is initially eligible on or after January 1,

1280 2010, shall not be enrolled in the Florida Retirement System as
 1281 provided in s. 121.122, and shall not continue to receive
 1282 retirement benefits during the first 12 calendar months after
 1283 meeting the definition of termination in s. 121.021(39).

1284 11.9. Any person who is holding an elective public office
 1285 which is covered by the Florida Retirement System and who is
 1286 concurrently employed in nonelected covered employment may elect
 1287 to retire while continuing employment in the elective public
 1288 office ~~if, provided that~~ he or she terminates ~~shall be required~~
 1289 ~~to terminate~~ his or her nonelected covered employment. Any
 1290 person who exercises this election shall receive his or her
 1291 retirement benefits in addition to the compensation of the
 1292 elective office without regard to the time limitations otherwise
 1293 provided in this subsection. A ~~No~~ person who seeks to exercise
 1294 the provisions of this subparagraph, ~~as they the same~~ existed
 1295 prior to May 3, 1984, may not ~~shall~~ be deemed to be retired
 1296 under those provisions, unless such person is eligible to retire
 1297 under the provisions of this subparagraph, as amended by chapter
 1298 84-11, Laws of Florida.

1299 12. The limitations of this paragraph apply to
 1300 reemployment in any capacity with an employer irrespective of
 1301 the category of funds from which the person is compensated.

1302 13. The provisions of this paragraph regarding
 1303 reemployment after retirement apply to DROP participants
 1304 effective upon termination from employment and the end of DROP
 1305 participation.

1306 ~~10. The limitations of this paragraph apply to~~
 1307 ~~reemployment in any capacity with an "employer" as defined in s.~~

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1308 ~~121.021(10), irrespective of the category of funds from which~~
1309 ~~the person is compensated.~~

1310 ~~11. An employing agency may reemploy a retired member as a~~
1311 ~~firefighter or paramedic after the retired member has been~~
1312 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~
1313 ~~Any retired member who is reemployed within 1 calendar month~~
1314 ~~after retirement shall void his or her application for~~
1315 ~~retirement benefits. The employing agency reemploying such~~
1316 ~~firefighter or paramedic is subject to the retired contribution~~
1317 ~~required in subparagraph 8. Reemployment of a retired~~
1318 ~~firefighter or paramedic is limited to no more than 780 hours~~
1319 ~~during the first 12 months of his or her retirement. Any retired~~
1320 ~~member reemployed for more than 780 hours during the first 12~~
1321 ~~months of retirement shall give timely notice in writing to the~~
1322 ~~employer and to the division of the date he or she will exceed~~
1323 ~~the limitation. The division shall suspend his or her retirement~~
1324 ~~benefits for the remainder of the first 12 months of retirement.~~
1325 ~~Any person employed in violation of this subparagraph and any~~
1326 ~~employing agency which knowingly employs or appoints such person~~
1327 ~~without notifying the Division of Retirement to suspend~~
1328 ~~retirement benefits shall be jointly and severally liable for~~
1329 ~~reimbursement to the Retirement System Trust Fund of any~~
1330 ~~benefits paid during the reemployment limitation period. To~~
1331 ~~avoid liability, such employing agency shall have a written~~
1332 ~~statement from the retiree that he or she is not retired from a~~
1333 ~~state-administered retirement system. Any retirement benefits~~
1334 ~~received by a retired member while reemployed in excess of 780~~
1335 ~~hours during the first 12 months of retirement shall be repaid~~

1336 ~~to the Retirement System Trust Fund, and retirement benefits~~
 1337 ~~shall remain suspended until repayment is made. Benefits~~
 1338 ~~suspended beyond the end of the retired member's first 12 months~~
 1339 ~~of retirement shall apply toward repayment of benefits received~~
 1340 ~~in violation of the 780-hour reemployment limitation.~~

1341 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and
 1342 subject to ~~the provisions of~~ this section, the Deferred
 1343 Retirement Option Program, hereinafter referred to as ~~the~~ DROP,
 1344 is a program under which an eligible member of the Florida
 1345 Retirement System may elect to participate, deferring receipt of
 1346 retirement benefits while continuing employment with his or her
 1347 Florida Retirement System employer. The deferred monthly
 1348 benefits shall accrue in the Florida Retirement System Trust
 1349 Fund on behalf of the participant, plus interest compounded
 1350 monthly, for the specified period of the DROP participation, as
 1351 provided in paragraph (c). Upon termination of employment, the
 1352 participant shall receive the total DROP benefits and begin to
 1353 receive the previously determined normal retirement benefits.
 1354 Participation in the DROP does not guarantee employment for the
 1355 specified period of DROP. Participation in ~~the~~ DROP by an
 1356 eligible member beyond the initial 60-month period as authorized
 1357 in this subsection shall be on an annual contractual basis for
 1358 all participants.

1359 (a) Eligibility of member to participate in ~~the~~ DROP.--All
 1360 active Florida Retirement System members in a regularly
 1361 established position, and all active members of ~~either~~ the
 1362 Teachers' Retirement System established in chapter 238 or the
 1363 State and County Officers' and Employees' Retirement System

1364 established in chapter 122, which ~~systems~~ are consolidated
 1365 within the Florida Retirement System under s. 121.011, are
 1366 eligible to elect participation in the DROP if provided that:

1367 1. The member is not a renewed member ~~of the Florida~~
 1368 ~~Retirement System~~ under s. 121.122, or a member of the State
 1369 Community College System Optional Retirement Program under s.
 1370 121.051, the Senior Management Service Optional Annuity Program
 1371 under s. 121.055, or the optional retirement program for the
 1372 State University System under s. 121.35.

1373 2. Except as provided in subparagraph 6., election to
 1374 participate is made within 12 months immediately following the
 1375 date on which the member first reaches normal retirement date,
 1376 or, for a member who reaches normal retirement date based on
 1377 service before he or she reaches age 62, or age 55 for Special
 1378 Risk Class members, election to participate may be deferred to
 1379 the 12 months immediately following the date the member attains
 1380 57, or age 52 for Special Risk Class members. A member who
 1381 delays DROP participation during the 12-month period immediately
 1382 following his or her maximum DROP deferral date, except as
 1383 provided in subparagraph 6., loses a month of DROP participation
 1384 for each month delayed. ~~For a member who first reached normal~~
 1385 ~~retirement date or the deferred eligibility date described above~~
 1386 ~~prior to the effective date of this section, election to~~
 1387 ~~participate shall be made within 12 months after the effective~~
 1388 ~~date of this section.~~ A member who fails to make an election
 1389 within the ~~such~~ 12-month limitation period forfeits ~~shall~~
 1390 ~~forfeit~~ all rights to participate in the DROP. The member shall
 1391 advise his or her employer and the division in writing of the

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1392 date ~~on which the~~ DROP begins ~~shall begin~~. ~~The~~ Such beginning
1393 date may be subsequent to the 12-month election period, but must
1394 be within the original 60-month participation ~~or, with respect~~
1395 ~~to members who are instructional personnel employed by the~~
1396 ~~Florida School for the Deaf and the Blind and who have received~~
1397 ~~authorization by the Board of Trustees of the Florida School for~~
1398 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1399 ~~months, or who are instructional personnel as defined in s.~~
1400 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~
1401 ~~authorization by the district school superintendent to~~
1402 ~~participate in the DROP beyond 60 months, the 96-month~~
1403 ~~limitation period as provided in subparagraph (b)1. When~~
1404 ~~establishing eligibility of the member to participate in the~~
1405 ~~DROP for the 60-month or, with respect to members who are~~
1406 ~~instructional personnel employed by the Florida School for the~~
1407 ~~Deaf and the Blind and who have received authorization by the~~
1408 ~~Board of Trustees of the Florida School for the Deaf and the~~
1409 ~~Blind to participate in the DROP beyond 60 months, or who are~~
1410 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
1411 ~~grades K-12 and who have received authorization by the district~~
1412 ~~school superintendent to participate in the DROP beyond 60~~
1413 ~~months, the 96-month maximum participation period, the member~~
1414 ~~may elect to include or exclude any optional service credit~~
1415 ~~purchased by the member from the total service used to establish~~
1416 ~~the normal retirement date. A member who has ~~with~~ dual normal~~
1417 ~~retirement dates is ~~shall be~~ eligible to elect to participate in~~
1418 ~~DROP ~~within 12 months~~ after attaining normal retirement date in~~
1419 ~~either class.~~

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CODING: Words **stricken** are deletions; words **underlined** are additions.

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1420 3. The employer of a member electing to participate in ~~the~~
1421 DROP, or employers if dually employed, shall acknowledge in
1422 writing to the division the date the member's participation in
1423 ~~the~~ DROP begins and the date the member's employment and DROP
1424 participation will terminate.

1425 4. Simultaneous employment of a participant by additional
1426 Florida Retirement System employers subsequent to the
1427 commencement of participation in ~~the~~ DROP is ~~shall be~~
1428 permissible if provided such employers acknowledge in writing a
1429 DROP termination date no later than the participant's existing
1430 termination date or the maximum participation ~~60-month~~
1431 ~~limitation~~ period as provided in subparagraph (b)1.

1432 5. A DROP participant may change employers while
1433 participating in ~~the~~ DROP, subject to the following:

1434 a. A change of employment must take place without a break
1435 in service so that the member receives salary for each month of
1436 continuous DROP participation. If a member receives no salary
1437 during a month, DROP participation shall cease unless the
1438 employer verifies a continuation of the employment relationship
1439 for such participant pursuant to s. 121.021(39)(b).

1440 b. Such participant and new employer shall notify the
1441 division of the identity of the new employer on forms required
1442 by the division ~~as to the identity of the new employer~~.

1443 c. The new employer shall acknowledge, in writing, the
1444 participant's DROP termination date, which may be extended but
1445 not beyond the maximum participation ~~original 60-month or, with~~
1446 ~~respect to members who are instructional personnel employed by~~
1447 ~~the Florida School for the Deaf and the Blind and who have~~

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1448 ~~received authorization by the Board of Trustees of the Florida~~
1449 ~~School for the Deaf and the Blind to participate in the DROP~~
1450 ~~beyond 60 months, or who are instructional personnel as defined~~
1451 ~~in s. 1012.01(2) (a) - (d) in grades K-12 and who have received~~
1452 ~~authorization by the district school superintendent to~~
1453 ~~participate in the DROP beyond 60 months, the 96-month period~~
1454 ~~provided in subparagraph (b)1., shall acknowledge liability for~~
1455 ~~any additional retirement contributions and interest required if~~
1456 ~~the participant fails to timely terminate employment, and is~~
1457 ~~shall be subject to the adjustment required in sub-subparagraph~~
1458 ~~(c)5.d.~~

1459 6. Effective July 1, 2001, for instructional personnel as
1460 defined in s. 1012.01(2), election to participate in ~~the~~ DROP
1461 may ~~shall~~ be made at any time following the date on which the
1462 member first reaches normal retirement date. The member shall
1463 advise his or her employer and the division in writing of the
1464 date on which DROP begins ~~the Deferred Retirement Option Program~~
1465 ~~shall begin~~. When establishing eligibility of the member to
1466 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~
1467 ~~members who are instructional personnel employed by the Florida~~
1468 ~~School for the Deaf and the Blind and who have received~~
1469 ~~authorization by the Board of Trustees of the Florida School for~~
1470 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
1471 ~~months, or who are instructional personnel as defined in s.~~
1472 ~~1012.01(2) (a) - (d) in grades K-12 and who have received~~
1473 ~~authorization by the district school superintendent to~~
1474 ~~participate in the DROP beyond 60 months, the 96-month maximum~~
1475 ~~participation period, as provided in subparagraph (b)1., the~~

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1476 member may elect to include or exclude any optional service
1477 credit purchased by the member from the total service used to
1478 establish the normal retirement date. A member who has ~~with~~ dual
1479 normal retirement dates is ~~shall be~~ eligible to elect to
1480 participate in either class.

1481 (b) Participation in ~~the~~ DROP.--

1482 1.a. Except as provided in sub-subparagraph b., an
1483 eligible member may elect to participate in ~~the~~ DROP for a
1484 period not to exceed a maximum of 60 calendar months. ~~or, with~~
1485 ~~respect to~~

1486 b. Members who are instructional personnel employed by the
1487 Florida School for the Deaf and the Blind and authorized ~~who~~
1488 ~~have received authorization~~ by the Board of Trustees of the
1489 Florida School for the Deaf and the Blind ~~to participate in the~~
1490 ~~DROP beyond 60 months, or~~ who are instructional personnel as
1491 defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized
1492 ~~who have received authorization~~ by the district school
1493 superintendent ~~to participate in the DROP beyond 60 calendar~~
1494 ~~months, or~~ who are instructional personnel as defined in s.
1495 1012.01(2)(a) employed by a developmental research school and
1496 authorized by the school's director, or if the school has no
1497 director, by the school's principal, may participate in DROP for
1498 up to 36 calendar months beyond the 60-month period specified in
1499 sub-subparagraph a. ~~96 calendar months immediately following the~~
1500 ~~date on which the member first reaches his or her normal~~
1501 ~~retirement date or the date to which he or she is eligible to~~
1502 ~~defer his or her election to participate as provided in~~
1503 ~~subparagraph (a)2. However, a member who has reached normal~~

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1504 ~~retirement date prior to the effective date of the DROP shall be~~
 1505 ~~eligible to participate in the DROP for a period of time not to~~
 1506 ~~exceed 60 calendar months or, with respect to members who are~~
 1507 ~~instructional personnel employed by the Florida School for the~~
 1508 ~~Deaf and the Blind and who have received authorization by the~~
 1509 ~~Board of Trustees of the Florida School for the Deaf and the~~
 1510 ~~Blind to participate in the DROP beyond 60 months, or who are~~
 1511 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~
 1512 ~~grades K-12 and who have received authorization by the district~~
 1513 ~~school superintendent to participate in the DROP beyond 60~~
 1514 ~~calendar months, 96 calendar months immediately following the~~
 1515 ~~effective date of the DROP, except a member of the Special Risk~~
 1516 ~~Class who has reached normal retirement date prior to the~~
 1517 ~~effective date of the DROP and whose total accrued value exceeds~~
 1518 ~~75 percent of average final compensation as of his or her~~
 1519 ~~effective date of retirement shall be eligible to participate in~~
 1520 ~~the DROP for no more than 36 calendar months immediately~~
 1521 ~~following the effective date of the DROP.~~

1522 2. Upon deciding to participate in ~~the~~ DROP, the member
 1523 shall submit, on forms required by the division:
 1524 a. A written election to participate in ~~the~~ DROP;
 1525 b. Selection of ~~the~~ DROP participation and termination
 1526 dates that, ~~which~~ satisfy the limitations stated in paragraph
 1527 (a) and subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be
 1528 in a binding letter of resignation to ~~with~~ the employer,
 1529 establishing a deferred termination date. The member may change
 1530 the termination date within the limitations of subparagraph 1.,
 1531 but only with the written approval of the ~~his or her~~ employer;

1532 c. A properly completed DROP application for service
 1533 retirement as provided in this section; and

1534 d. Any other information required by the division.

1535 3. The DROP participant is ~~shall be~~ a retiree under the
 1536 Florida Retirement System for all purposes, except for paragraph
 1537 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,
 1538 and 121.122. DROP participation is final and cannot be canceled
 1539 by the participant after the first payment is credited during
 1540 the DROP participation period. However, participation in ~~the~~
 1541 DROP does not alter the participant's employment status, and the
 1542 member is ~~such employee shall~~ not be deemed retired from
 1543 employment until his or her deferred resignation is effective
 1544 and termination occurs as provided in s. 121.021(39).

1545 4. Elected officers are ~~shall be~~ eligible to participate
 1546 in ~~the~~ DROP subject to the following:

1547 a. An elected officer who reaches normal retirement date
 1548 during a term of office may defer the election to participate in
 1549 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~
 1550 elected officer who exercises this option may participate in ~~the~~
 1551 DROP for up to 60 calendar months or a period of no longer than
 1552 the ~~such~~ succeeding term of office, whichever is less.

1553 b. An elected or a nonelected participant may run for a
 1554 term of office while participating in DROP and, if elected,
 1555 extend the DROP termination date accordingly; ~~except,~~ however,
 1556 if such additional term of office exceeds the 60-month
 1557 limitation established in subparagraph 1., and the officer does
 1558 not resign from office within such 60-month limitation, the

1559 retirement and the participant's DROP is ~~shall be~~ null and void
 1560 as provided in sub-subparagraph (c)5.d.

1561 c.(I) For DROP participation ending before January 1,
 1562 2010, an elected officer who is dually employed and elects to
 1563 participate in DROP must meet ~~shall be required to satisfy~~ the
 1564 definition of termination in s. 121.021(39) within the original
 1565 60-month period or maximum participation, ~~with respect to~~
 1566 ~~members who are instructional personnel employed by the Florida~~
 1567 ~~School for the Deaf and the Blind and who have received~~
 1568 ~~authorization by the Board of Trustees of the Florida School for~~
 1569 ~~the Deaf and the Blind to participate in the DROP beyond 60~~
 1570 ~~months, or who are instructional personnel as defined in s.~~
 1571 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~
 1572 ~~authorization by the district school superintendent to~~
 1573 ~~participate in the DROP beyond 60 months, the 96-month~~
 1574 ~~limitation~~ period as provided in subparagraph 1. for the
 1575 nonelected position and may continue employment as an elected
 1576 officer as provided in s. 121.053. The elected officer shall
 1577 ~~will~~ be enrolled as a renewed member in the Elected Officers'
 1578 Class or the Regular Class, as provided in ss. 121.053 and
 1579 121.122, on the first day of the month after termination of
 1580 employment in the nonelected position and termination of DROP.
 1581 Distribution of ~~the~~ DROP benefits shall be made as provided in
 1582 paragraph (c).

1583 (II) For DROP participation ending on or after January 1,
 1584 2010, an elected officer who is dually employed and elects to
 1585 participate in DROP must meet the definition of termination in

1586 s. 121.021(39) within the original 60-month period or maximum
 1587 participation period as provided in subparagraph 1.

1588 (c) Benefits payable under ~~the~~ DROP.--

1589 1. Effective on ~~with~~ the date of DROP participation, the
 1590 member's initial normal monthly benefit, including creditable
 1591 service, optional form of payment, and average final
 1592 compensation, and the effective date of retirement are ~~shall be~~
 1593 fixed. The beneficiary established under the Florida Retirement
 1594 System shall be the beneficiary eligible to receive any DROP
 1595 benefits payable if the DROP participant dies prior to the
 1596 completion of the period of DROP participation. If ~~In the event~~
 1597 a joint annuitant predeceases the member, the member may name a
 1598 beneficiary to receive accumulated DROP benefits payable. The
 1599 ~~Such~~ retirement benefit, the annual cost of living adjustments
 1600 provided in s. 121.101, and interest shall accrue monthly in the
 1601 Florida Retirement System Trust Fund. The ~~Such~~ interest shall
 1602 accrue at an effective annual rate of 6.5 percent compounded
 1603 monthly, on the prior month's accumulated ending balance, up to
 1604 the month of termination or death.

1605 2. Each employee who elects to participate in ~~the~~ DROP may
 1606 ~~shall be allowed to~~ elect to receive a lump-sum payment for
 1607 accrued annual leave earned in accordance with agency policy
 1608 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated
 1609 leave payment certified to the division upon commencement of
 1610 DROP shall be included in the calculation of the member's
 1611 average final compensation. The employee electing the ~~such~~ lump-
 1612 sum payment is ~~upon beginning participation in DROP will not be~~
 1613 eligible to receive a second lump-sum payment upon termination,

1614 except to the extent the employee has earned additional annual
 1615 leave which, combined with the original payment, does not exceed
 1616 the maximum lump-sum payment allowed by the employing agency's
 1617 policy or rules. An ~~Such~~ early lump-sum payment shall be based
 1618 on the hourly wage of the employee at the time he or she begins
 1619 participation in ~~the~~ DROP. If the member elects to wait and
 1620 receive a ~~such~~ lump-sum payment upon termination of DROP and
 1621 termination of employment with the employer, any accumulated
 1622 leave payment made at that time may not ~~cannot~~ be included in
 1623 the member's retirement benefit, which was determined and fixed
 1624 by law when the employee elected to participate in ~~the~~ DROP.

1625 3. The effective date of DROP participation and the
 1626 effective date of retirement of a DROP participant shall be the
 1627 first day of the month selected by the member to begin
 1628 participation in ~~the~~ DROP, provided such date is properly
 1629 established, with the written confirmation of the employer, and
 1630 the approval of the division, on forms required by the division.

1631 4. Normal retirement benefits and any interest ~~thereon~~
 1632 shall continue to accrue in ~~the~~ DROP until the established
 1633 termination date of ~~the~~ DROP, or until the participant
 1634 terminates employment or dies prior to such date. Although
 1635 individual DROP accounts shall not be established, a separate
 1636 accounting of each participant's accrued benefits under ~~the~~ DROP
 1637 shall be calculated and provided to participants.

1638 5. At the conclusion of the participant's DROP, the
 1639 division shall distribute the participant's total accumulated
 1640 DROP benefits, subject to the following provisions:

1641 a. The division shall receive verification by the
1642 participant's employer or employers that the ~~such~~ participant
1643 has terminated employment as provided in s. 121.021(39)(b).

1644 b. The terminated DROP participant or, if deceased, the
1645 ~~such~~ participant's named beneficiary, shall elect on forms
1646 provided by the division to receive payment of the DROP benefits
1647 in accordance with one of the options listed below. If ~~For~~ a
1648 participant or beneficiary ~~who~~ fails to elect a method of
1649 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the
1650 division shall ~~will~~ pay a lump sum as provided in sub-sub-
1651 subparagraph (I).

1652 (I) Lump sum.--All accrued DROP benefits, plus interest,
1653 less withholding taxes remitted to the Internal Revenue Service,
1654 shall be paid to the DROP participant or surviving beneficiary.

1655 (II) Direct rollover.--All accrued DROP benefits, plus
1656 interest, shall be paid from ~~the~~ DROP directly to the custodian
1657 of an eligible retirement plan as defined in s. 402(c)(8)(B) of
1658 the Internal Revenue Code. However, in the case of an eligible
1659 rollover distribution to the surviving spouse of a deceased
1660 participant, an eligible retirement plan is an individual
1661 retirement account or an individual retirement annuity as
1662 described in s. 402(c)(9) of the Internal Revenue Code.

1663 (III) Partial lump sum.--A portion of the accrued DROP
1664 benefits shall be paid to the DROP participant or surviving
1665 spouse, less withholding taxes remitted to the Internal Revenue
1666 Service, and the remaining DROP benefits shall be transferred
1667 directly to the custodian of an eligible retirement plan as
1668 defined in s. 402(c)(8)(B) of the Internal Revenue Code.

1669 However, in the case of an eligible rollover distribution to the
 1670 surviving spouse of a deceased participant, an eligible
 1671 retirement plan is an individual retirement account or an
 1672 individual retirement annuity as described in s. 402(c)(9) of
 1673 the Internal Revenue Code. The proportions shall be specified by
 1674 the DROP participant or surviving beneficiary.

1675 c. The form of payment selected by the DROP participant or
 1676 surviving beneficiary must comply ~~complies~~ with the minimum
 1677 distribution requirements of the Internal Revenue Code.

1678 d. A DROP participant who fails to terminate employment as
 1679 defined in s. 121.021(39)(b) shall be deemed as ~~to be~~
 1680 retired, and the DROP election is ~~shall be~~ null and void.
 1681 Florida Retirement System membership shall be reestablished
 1682 retroactively to the date of the commencement of ~~the~~ DROP, and
 1683 each employer with whom the participant continues employment
 1684 must ~~shall be required to~~ pay to the Florida Retirement System
 1685 Trust Fund the difference between the DROP contributions paid in
 1686 paragraph (h) ~~(i)~~ and the contributions required for the
 1687 applicable Florida Retirement System class of membership during
 1688 the period the member participated in ~~the~~ DROP, plus 6.5 percent
 1689 interest compounded annually.

1690 6. The retirement benefits of any DROP participant who
 1691 meets the definition of termination in s. 121.021(39)(b) but is
 1692 in violation of the reemployment provisions as provided in
 1693 subsection (9) shall be suspended during those months in which
 1694 the member is in violation. Any member employed in violation of
 1695 this subparagraph and any employing agency that employs or
 1696 appoints such member without notifying the Division of

1697 Retirement to suspend retirement benefits are jointly and
 1698 severally liable for any benefits paid during the reemployment
 1699 limitation period. To avoid liability, the employing agency must
 1700 have a written statement from the retiree that he or she is not
 1701 retired from a state-administered retirement system. Any
 1702 retirement benefits received by a retired member while employed
 1703 in violation of the reemployment limitations during the first 12
 1704 months after meeting termination in s. 121.021(39) must be
 1705 repaid to the Florida Retirement System Trust Fund, and his or
 1706 her retirement benefits shall remain suspended until payment is
 1707 made. Benefits suspended beyond the end of the retired member's
 1708 first 12 calendar months after meeting the definition of
 1709 termination in s. 121.021(39) (b) shall apply toward repayment of
 1710 benefits received in violation of the reemployment limitation.

1711 7.6. The accrued benefits of any DROP participant, and any
 1712 contributions accumulated under the ~~such~~ program, are ~~shall~~ not
 1713 ~~be~~ subject to assignment, execution, attachment, or ~~to~~ any legal
 1714 process whatsoever, except for qualified domestic relations
 1715 orders by a court of competent jurisdiction, income deduction
 1716 orders as provided in s. 61.1301, and federal income tax levies.

1717 8.7. DROP participants are ~~shall~~ not ~~be~~ eligible for
 1718 disability retirement benefits as provided in subsection (4).

1719 (d) Death benefits under ~~the~~ DROP.--

1720 1. Upon the death of a DROP participant, the named
 1721 beneficiary shall be entitled to apply for and receive the
 1722 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph
 1723 (c)5.b.

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1724 2. The normal retirement benefit accrued to ~~the~~ DROP
1725 during the month of a participant's death shall be the final
1726 monthly benefit credited for such DROP participant.

1727 3. Eligibility to participate in ~~the~~ DROP terminates upon
1728 death of the participant. If the participant dies on or after
1729 the effective date of enrollment in ~~the~~ DROP, but prior to the
1730 first monthly benefit being credited to ~~the~~ DROP, Florida
1731 Retirement System benefits shall be paid in accordance with
1732 subparagraph (7) (c)1. or subparagraph 2.

1733 4. A DROP participant's ~~participants'~~ survivors shall not
1734 be eligible to receive Florida Retirement System death benefits
1735 as provided in paragraph (7) (d).

1736 (e) Cost-of-living adjustment.--On each July 1, the
1737 participant's ~~participants'~~ normal retirement benefit shall be
1738 increased as provided in s. 121.101.

1739 (f) Retiree health insurance subsidy.--DROP participants
1740 are not eligible to apply for the retiree health insurance
1741 subsidy payments as provided in s. 112.363 until such
1742 participants have terminated employment and participation in ~~the~~
1743 DROP.

1744 ~~(g) Renewed membership.--DROP participants shall not be
1745 eligible for renewed membership in the Florida Retirement System
1746 under ss. 121.053 and 121.122 until termination of employment is
1747 effectuated as provided in s. 121.021(39) (b).~~

1748 (g)(h) Employment limitation after DROP
1749 participation.--Upon satisfying the definition of termination of
1750 employment as provided in s. 121.021(39) (b), DROP participants
1751 shall be subject to such reemployment limitations as other

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1752 retirees. Reemployment restrictions applicable to retirees as
1753 provided in subsection (9) shall not apply to DROP participants
1754 until their employment and participation in ~~the~~ DROP are
1755 terminated.

1756 (h)~~(i)~~ Contributions.--

1757 1. All employers paying the salary of a DROP participant
1758 filling a regularly established position shall contribute 8.0
1759 percent of such participant's gross compensation for the period
1760 of July 1, 2002, through June 30, 2003, and the percentage 11.56
1761 ~~percent~~ of such compensation required by s. 121.71 thereafter,
1762 which shall constitute the entire employer DROP contribution
1763 with respect to such participant. Such contributions, payable to
1764 the Florida Retirement System Trust Fund in the same manner as
1765 required in s. 121.071, shall be made as appropriate for each
1766 pay period and are in addition to contributions required for
1767 social security and the Retiree Health Insurance Subsidy Trust
1768 Fund. Such employer, social security, and health insurance
1769 subsidy contributions are not included in ~~the~~ DROP.

1770 2. The employer shall, in addition to subparagraph 1.,
1771 also withhold one-half of the entire social security
1772 contribution required for the participant. Contributions for
1773 social security by each participant and each employer, in the
1774 amount required for social security coverage as now or hereafter
1775 provided by the federal Social Security Act, shall be in
1776 addition to contributions specified in subparagraph 1.

1777 3. All employers paying the salary of a DROP participant
1778 filling a regularly established position shall contribute the
1779 percent of such participant's gross compensation required in s.

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1780 121.071(4), which shall constitute the employer's health
1781 insurance subsidy contribution with respect to such participant.
1782 Such contributions shall be deposited by the administrator in
1783 the Retiree Health Insurance Subsidy Trust Fund.

1784 (i)~~(j)~~ Forfeiture of retirement benefits.--Nothing in this
1785 section shall be construed to remove DROP participants from the
1786 scope of s. 8(d), Art. II of the State Constitution, s.
1787 112.3173, and paragraph (5)(f). DROP participants who commit a
1788 specified felony offense while employed will be subject to
1789 forfeiture of all retirement benefits, including DROP benefits,
1790 pursuant to those provisions of law.

1791 (j)~~(k)~~ Administration of program.--The division shall make
1792 such rules as are necessary for the effective and efficient
1793 administration of this subsection. The division shall not be
1794 required to advise members of the federal tax consequences of an
1795 election related to ~~the~~ DROP but may advise members to seek
1796 independent advice.

1797 (14) PAYMENT OF BENEFITS.--This subsection applies to the
1798 payment of benefits to a payee (retiree or beneficiary) under
1799 the Florida Retirement System:

1800 (a) Federal income tax shall be withheld in accordance
1801 with federal law, unless the payee elects otherwise on Form W-
1802 4P. The division shall prepare and distribute to each recipient
1803 of monthly retirement benefits an appropriate income tax form
1804 that reflects the recipient's income and federal income tax
1805 withheld for the calendar year just ended.

1806 (b) Subject to approval by the division in accordance with
1807 rule 60S-4.015, Florida Administrative Code, a payee receiving

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1808 retirement benefits under the ~~Florida Retirement~~ system may also
 1809 have the following payments deducted from his or her monthly
 1810 benefit:

1811 1. Premiums for life and health-related insurance policies
 1812 from approved companies.

1813 2. Life insurance premiums for the State Group Life
 1814 Insurance Plan, if authorized in writing by the payee and by the
 1815 department ~~of Management Services~~.

1816 3. Repayment of overpayments from the Florida Retirement
 1817 System Trust Fund, the State Employees' Health Insurance Trust
 1818 Fund, or the State Employees' Life Insurance Trust Fund, upon
 1819 notification of the payee.

1820 4. Payments to an alternate payee for alimony or, child
 1821 support pursuant to an income deduction order under s. 61.1301,
 1822 or division of marital assets pursuant to a qualified domestic
 1823 relations order under s. 222.21 ~~or an income deduction order~~
 1824 ~~under s. 61.1301.~~

1825 5. Payments to the Internal Revenue Service for federal
 1826 income tax levies, upon notification of the division by the
 1827 Internal Revenue Service.

1828 (c) A payee must ~~shall~~ notify the division of any change
 1829 in his or her address. The division may suspend benefit payments
 1830 to a payee if correspondence sent to the payee's mailing address
 1831 is returned due to an incorrect address. Benefit payments shall
 1832 be resumed upon notification to the division of the payee's new
 1833 address.

1834 (d) A payee whose retirement benefits are reduced by the
 1835 application of maximum benefit limits under s. 415(b) of the

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1836 Internal Revenue Code, as specified in s. 121.30(5), shall have
 1837 the portion of his or her calculated benefit in the Florida
 1838 Retirement System defined benefit plan which exceeds such
 1839 federal limitation paid through the Florida Retirement System
 1840 Preservation of Benefits Plan, as provided in s. 121.1001.

1841 (e) The Division of Retirement may issue retirement
 1842 benefits payable for division of marital assets pursuant to a
 1843 qualified domestic relations order directly to the alternate
 1844 payee, any court order to the contrary notwithstanding, in order
 1845 to meet Internal Revenue Code requirements.

1846 (f) ~~(e)~~ A ~~No~~ benefit may not be reduced for the purpose of
 1847 preserving the member's eligibility for a federal program.

1848 (g) ~~(f)~~ The division shall adopt rules establishing
 1849 procedures for determining that ~~the~~ persons to whom benefits are
 1850 being paid are still living. The division shall suspend the
 1851 benefits being paid to any payee if ~~when~~ it is unable to contact
 1852 such payee and to confirm that he or she is still living.

1853 Section 10. Section 121.1115, Florida Statutes, is amended
 1854 to read:

1855 121.1115 Purchase of retirement credit for out-of-state or
 1856 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~
 1857 ~~Florida Retirement System~~ may purchase creditable service for
 1858 periods of public employment in another state and receive
 1859 creditable service for such periods of employment. Service with
 1860 the Federal Government, including any active military service,
 1861 may be claimed. Upon completion of each year of service earned
 1862 under the Florida Retirement System, a member may purchase up to

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1863 1 year of retirement credit for his or her out-of-state service,
 1864 subject to the following provisions:

1865 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the
 1866 out-of-state service:

1867 (a) The out-of-state service ~~being claimed~~ must have been:

1868 1. Performed in a position of employment with the state or
 1869 a political subdivision thereof or with the Federal Government;

1870 2. Covered by a retirement or pension plan provided by the
 1871 state or political subdivision, or by the Federal Government, as
 1872 appropriate; and

1873 3. Performed prior to a period of membership in the
 1874 Florida Retirement System.

1875 (b) The member must have completed a minimum of 6 years of
 1876 creditable service under the Florida Retirement System,
 1877 excluding out-of-state service and in-state service claimed and
 1878 purchased under s. 121.1122.

1879 (c) Not more than 5 years of creditable service may be
 1880 claimed for creditable service aggregated under ~~the provisions~~
 1881 ~~of~~ this section and s. 121.1122.

1882 (d) The out-of-state service credit ~~claimed under this~~
 1883 ~~section~~ shall be credited only as service in the Regular Class
 1884 ~~of membership~~, and any benefit or pension based thereon is ~~shall~~
 1885 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1886 (e) The member is not eligible for and may not receive a
 1887 pension or benefit from a retirement or pension plan based on or
 1888 including the out-of-state service. Eligibility for or the
 1889 receipt of contributions to a retirement plan made by the
 1890 employer on behalf of the employee is considered a benefit.

1891 ~~(f) (e) A member shall be eligible~~ To receive service
 1892 credit for out-of-state service performed after leaving the
 1893 Florida Retirement System, the member must complete only upon
 1894 ~~return to membership and completion of~~ at least 1 year of
 1895 creditable service in the Florida Retirement System following
 1896 the out-of-state service.

1897 (2) COST.--For each year claimed, the member must pay into
 1898 the Florida Retirement System Trust Fund an amount equal to 20
 1899 percent of the member's annual compensation for the first full
 1900 work year of creditable service earned under the Florida
 1901 Retirement System, but not less than \$12,000, plus interest at
 1902 6.5 percent compounded annually from the date of first annual
 1903 salary earned until full payment is made. The employer may pay
 1904 all or a portion of the cost of this service credit.

1905 Section 11. Subsection (2) of section 121.1122, Florida
 1906 Statutes, is amended to read:

1907 121.1122 Purchase of retirement credit for in-state public
 1908 service and in-state service in accredited nonpublic schools and
 1909 colleges, including charter schools and charter technical career
 1910 centers.--Effective January 1, 1998, a member of the Florida
 1911 Retirement System may purchase creditable service for periods of
 1912 certain public or nonpublic employment performed in this state,
 1913 as provided in this section.

1914 (2) LIMITATIONS AND CONDITIONS.--

1915 (a) A member is not eligible to receive credit for in-
 1916 state service under this section until he or she has completed 6
 1917 years of creditable service under the Florida Retirement System,

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1918 | excluding service purchased under this section and out-of-state
 1919 | service claimed and purchased under s. 121.1115.

1920 | (b) A member may not purchase and receive credit for more
 1921 | than 5 years of creditable service aggregated under ~~the~~
 1922 | ~~provisions of~~ this section and s. 121.1115.

1923 | (c) Service credit claimed under this section shall be
 1924 | credited only as service in the Regular Class ~~of membership~~ and
 1925 | is ~~shall be~~ subject to ~~the provisions of~~ s. 112.65.

1926 | (d) Service credit may not be purchased under this section
 1927 | if the member is eligible to receive or is receiving a pension
 1928 | or benefit from a retirement or pension plan based on or
 1929 | including the service. Eligibility for or the receipt of
 1930 | contributions to a retirement plan made by the employer on
 1931 | behalf of the employee is considered a benefit.

1932 | (e)~~(d)~~ A member is ~~shall be~~ eligible to receive service
 1933 | credit for in-state service performed after leaving the Florida
 1934 | Retirement System only after ~~upon returning to membership and~~
 1935 | completing at least 1 year of creditable service in the Florida
 1936 | Retirement System following the in-state service.

1937 | (f)~~(e)~~ The service claimed must have been service covered
 1938 | by a retirement or pension plan provided by the employer.

1939 | Section 12. Section 121.122, Florida Statutes, is amended
 1940 | to read:

1941 | 121.122 Renewed membership in system.--

1942 | (1) Any retiree of a state-administered retirement system
 1943 | who is initially reemployed on or after January 1, 2010, shall
 1944 | not be eligible for renewed membership.

1945 (2) Except as provided in s. 121.053, effective July 1,
 1946 1991, through December 31, 2009, any retiree of a state-
 1947 administered retirement system who is initially reemployed
 1948 ~~employed~~ in a regularly established position with a covered
 1949 employer shall be enrolled as a compulsory member of the Regular
 1950 Class of the Florida Retirement System or, effective July 1,
 1951 1997, through December 31, 2009, any retiree of a state-
 1952 administered retirement system who is initially reemployed
 1953 ~~employed~~ in a position included in the Senior Management Service
 1954 Class shall be enrolled as a compulsory member of the Senior
 1955 Management Service Class of the Florida Retirement System as
 1956 provided in s. 121.055, and shall be entitled to receive an
 1957 additional retirement benefit, subject to the following
 1958 conditions:

1959 ~~(1)~~(a) Such member shall resatisfy the age and service
 1960 requirements as provided in this chapter for initial membership
 1961 under the system, unless such member elects to participate in
 1962 the Senior Management Service Optional Annuity Program in lieu
 1963 of the Senior Management Service Class, as provided in s.
 1964 121.055(6).

1965 (b) Such member shall not be entitled to disability
 1966 benefits as provided in s. 121.091(4).

1967 (c) Such member must meet the reemployment after
 1968 retirement limitations as provided in s. 121.091(9), as
 1969 applicable.

1970 (3)~~(2)~~ Upon renewed membership or reemployment of a
 1971 retiree, the employer of such member shall pay the applicable

1972 employer contributions as required by ss. 121.71, 121.74,
 1973 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4).~~
 1974 (4)-(3) The retiree of a state-administered retirement
 1975 system who is initially reemployed before January 1, 2010, such
 1976 ~~member~~ shall be entitled to purchase additional retirement
 1977 credit in the Regular Class or the Senior Management Service
 1978 Class, as applicable, for any postretirement service performed
 1979 in a regularly established position as follows:
 1980 (a) For regular class service prior to July 1, 1991, by
 1981 paying the Regular Class applicable employee and employer
 1982 contributions for the period being claimed, plus 4 percent
 1983 interest compounded annually from first year of service claimed
 1984 until July 1, 1975, and 6.5 percent interest compounded
 1985 thereafter, until full payment is made to the Florida Retirement
 1986 System Trust Fund; or
 1987 (b) For Senior Management Service Class prior to June 1,
 1988 1997, as provided in s. 121.055(1)(j).
 1989
 1990 The contribution for postretirement service between July 1,
 1991 1985, and July 1, 1991, for which the reemployed retiree
 1992 contribution was paid, shall be the difference between such
 1993 contribution and the total applicable contribution for the
 1994 period being claimed, plus interest. The employer of such member
 1995 may pay the applicable employer contribution in lieu of the
 1996 member. If a member does not wish to claim credit for all of the
 1997 postretirement service for which he or she is eligible, the
 1998 service the member claims must be the most recent service.

1999 (5)~~(4)~~ No creditable service for which credit was
 2000 received, or which remained unclaimed, at retirement may be
 2001 claimed or applied toward service credit earned following
 2002 renewed membership. However, for retirees initially reemployed
 2003 before January 1, 2010, service earned as an elected officer
 2004 with renewed membership in the Elected Officers' Class may be
 2005 used in conjunction with creditable service earned under this
 2006 section, provided the applicable vesting requirements and other
 2007 existing statutory conditions required by this chapter are met.

2008 (6)~~(5)~~ Notwithstanding any other limitations provided in
 2009 this section, a participant of the State University System
 2010 Optional Retirement Program, the State Community College
 2011 Optional Retirement Program, or the Senior Management Service
 2012 Optional Annuity Program who terminated employment and commenced
 2013 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~
 2014 optional program, who initially renews membership before January
 2015 1, 2010, ~~in the Regular Class~~ as required by this section upon
 2016 reemployment after retirement, and who had previously earned
 2017 creditable Florida Retirement System service that was not
 2018 included in any retirement benefit may include such previous
 2019 service toward vesting and service credit in the second career
 2020 benefit provided under renewed membership.

2021 (7)~~(6)~~ Any renewed member who is not receiving the maximum
 2022 health insurance subsidy provided in s. 112.363 shall be
 2023 entitled to earn additional credit toward the maximum health
 2024 insurance subsidy. Any additional subsidy due because of such
 2025 additional credit shall be received only at the time of payment
 2026 of the second career retirement benefit. In no case shall the

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2027 total health insurance subsidy received by a retiree receiving
 2028 benefits from initial and renewed membership exceed the maximum
 2029 allowed in s. 112.363.

2030 Section 13. Section 121.136, Florida Statutes, is amended
 2031 to read:

2032 121.136 Annual benefit statement to members.--In Beginning
 2033 January 1, 1993, and each January of each year thereafter, the
 2034 department shall provide each active member of the Florida
 2035 Retirement System with 5 or more years of creditable service an
 2036 annual statement of benefits that provides. ~~Such statement~~
 2037 ~~should provide~~ the member with basic data about the member's
 2038 retirement account. At a minimum ~~Minimally, it must shall~~
 2039 include the member's retirement plan, accrued service credit ~~the~~
 2040 ~~amount of funds on deposit in the retirement account,~~ and an
 2041 estimate of retirement benefits.

2042 Section 14. Section 121.1905, Florida Statutes, is amended
 2043 to read:

2044 121.1905 Division of Retirement; creation.--

2045 ~~(1)~~ There is created the Division of Retirement within the
 2046 Department of Management Services.

2047 ~~(2) The mission of the Division of Retirement is to~~
 2048 ~~provide quality and cost-effective retirement services as~~
 2049 ~~measured by member satisfaction and by comparison with~~
 2050 ~~administrative costs of comparable retirement systems.~~

2051 Section 15. Paragraph (a) of subsection (2) of section
 2052 121.23, Florida Statutes, is amended to read:

2053 121.23 Disability retirement and special risk membership
 2054 applications; Retirement Commission; powers and duties; judicial

2055 review.--The provisions of this section apply to all proceedings
 2056 in which the administrator has made a written final decision on
 2057 the merits respecting applications for disability retirement,
 2058 reexamination of retired members receiving disability benefits,
 2059 applications for special risk membership, and reexamination of
 2060 special risk members in the Florida Retirement System. The
 2061 jurisdiction of the State Retirement Commission under this
 2062 section shall be limited to written final decisions of the
 2063 administrator on the merits.

2064 (2) A member shall be entitled to a hearing before the
 2065 State Retirement Commission pursuant to ss. 120.569 and
 2066 120.57(1) on the merits of any written adverse decision of the
 2067 administrator, if he or she files with the commission a written
 2068 request for such hearing within 21 days after receipt of such
 2069 written decision from the administrator. For the purpose of such
 2070 hearings, the commission shall be an "agency head" as defined by
 2071 s. 120.52.

2072 (a) The commission may ~~shall have the authority to~~ issue
 2073 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on
 2074 all parties to the dispute and. ~~The commission~~ may order any
 2075 action that it deems appropriate. Any disability retirement
 2076 order of the commission that ~~issued pursuant to this subsection~~
 2077 ~~which~~ sustains the application of the member may include an
 2078 amount, to be determined by the commission, for reasonable
 2079 attorney's fees and taxable costs, which shall be calculated in
 2080 accordance with the statewide uniform guidelines for taxation of
 2081 costs in civil actions. The amount of the attorney's fees ~~fee~~
 2082 may not exceed 50 percent of the initial yearly benefit awarded

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2083 | under s. 121.091(4). In cases involving disability retirement,
 2084 | the ~~State Retirement~~ commission shall require the member to
 2085 | present substantial competent medical evidence that meets the
 2086 | requirements of s. 121.091(4)(c)2. and 3., and may require
 2087 | vocational evidence, before awarding disability retirement
 2088 | benefits.

2089 | Section 16. Paragraph (a) of subsection (1) of section
 2090 | 121.24, Florida Statutes, is amended to read:

2091 | 121.24 Conduct of commission business; legal and other
 2092 | assistance; compensation.--

2093 | (1) The commission shall conduct its business within the
 2094 | following guidelines:

2095 | (a) For purposes of hearing appeals under s. 121.23, the
 2096 | commission may meet in panels ~~consisting of no not~~ no fewer than
 2097 | three members. ~~For the purpose of meeting in these panels, a~~
 2098 | ~~quorum shall be not fewer than two members. For all other~~
 2099 | ~~purposes,~~ A quorum shall consist of three members. The
 2100 | concurring vote of a majority of the members present is ~~shall be~~
 2101 | required to reach a decision, issue orders, and conduct the
 2102 | business of the commission.

2103 | Section 17. Paragraph (h) of subsection (3) and paragraphs
 2104 | (a) and (e) of subsection (5) of section 121.35, Florida
 2105 | Statutes, are amended, and paragraph (g) is added to subsection
 2106 | (5) of that section, to read:

2107 | 121.35 Optional retirement program for the State
 2108 | University System.--

2109 | (3) ELECTION OF OPTIONAL PROGRAM.--

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2110 (h) A participant in the optional retirement program may
2111 not participate in more than one state-administered retirement
2112 system, plan, or class simultaneously. Except as provided in s.
2113 121.052(6)(d), a participant who is or becomes dually employed
2114 in two or more positions covered by the Florida Retirement
2115 System, one of which is eligible for the optional program and
2116 one of which is not, may remain a member of the optional program
2117 and contributions shall be paid as required only on the salary
2118 earned in the position eligible for the optional program during
2119 such period of dual employment; or, within 90 days after
2120 becoming dually employed, he or she may elect membership in the
2121 Regular Class of the Florida Retirement System in lieu of the
2122 optional program and contributions shall be paid as required on
2123 the total salary received for all employment. At retirement, the
2124 average final compensation used to calculate any benefits for
2125 which the member becomes eligible under the Florida Retirement
2126 System shall be based on all salary reported for both positions
2127 during such period of dual employment. When such member ceases
2128 to be dually employed, he or she may, within 90 days, elect to
2129 remain in the Florida Retirement System class for which he or
2130 she is eligible or to again become a participant in the optional
2131 retirement program. Failure to elect membership in the optional
2132 program within 90 days shall result in compulsory membership in
2133 the Florida Retirement System, except that a member filling a
2134 faculty position at ~~under~~ a college with a faculty practice plan
2135 at the University of Florida or filling a faculty position at
2136 the medical center of a state university ~~at the University of~~

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2137 ~~South Florida~~ shall again participate in the optional retirement
 2138 program as required in s. 121.051(1) (a).

2139 (5) BENEFITS.--

2140 (a) Benefits shall be payable under the optional
 2141 retirement program only to vested participants in the program,
 2142 or their beneficiaries as designated by the participant in the
 2143 contract with a provider company, and such benefits shall be
 2144 paid only by the designated company in accordance with s. 403(b)
 2145 of the Internal Revenue Code and in accordance with the terms of
 2146 the annuity contract or contracts applicable to the participant.
 2147 Benefits shall accrue in individual accounts that are
 2148 participant-directed, portable, and funded by employer
 2149 contributions and the earnings thereon. The participant must be
 2150 terminated from all employment with all Florida Retirement
 2151 System employers, as provided in s. 121.021(39), to begin
 2152 receiving the employer-funded benefit. Benefits funded by
 2153 employer contributions shall be payable in accordance with the
 2154 following terms and conditions:

2155 1. Benefits shall be payable only to a participant, to his
 2156 or her beneficiaries, or to his or her estate, as designated by
 2157 the participant.

2158 2. Benefits shall be paid by the provider company or
 2159 companies in accordance with the law, the provisions of the
 2160 contract, and any applicable department ~~board~~ rule or policy.

2161 3. In the event of a participant's death, moneys
 2162 accumulated by, or on behalf of, the participant, less
 2163 withholding taxes remitted to the Internal Revenue Service, if
 2164 any, shall be distributed to the participant's designated

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2165 beneficiary or beneficiaries, or to the participant's estate, as
 2166 if the participant retired on the date of death, as provided in
 2167 paragraph (c). No other death benefits shall be available for
 2168 survivors of participants under the optional retirement program
 2169 except for such benefits, or coverage for such benefits, as are
 2170 separately afforded by the employer, at the employer's
 2171 discretion.

2172 (e) A participant who chooses to receive his or her
 2173 benefits upon termination of employment as defined in s.
 2174 121.021(39) shall have responsibility to notify the provider
 2175 company of the date on which he or she wishes benefits funded by
 2176 employer contributions to begin. Benefits may be deferred until
 2177 such time as the participant chooses to make such application.

2178 (g) For purposes of this section, "retiree" means a former
 2179 participant of the optional retirement program who has
 2180 terminated employment and has taken a distribution as provided
 2181 in this subsection, except for a mandatory distribution of a de
 2182 minimis account authorized by the department.

2183 Section 18. Paragraph (f) of subsection (2) of section
 2184 121.4501, Florida Statutes, is amended to read:

2185 121.4501 Public Employee Optional Retirement Program.--

2186 (2) DEFINITIONS.--As used in this part, the term:

2187 (f) "Eligible employee" means an officer or employee, as
 2188 defined in s. 121.021(11), who:

2189 1. Is a member of, or is eligible for membership in, the
 2190 Florida Retirement System, including any renewed member of the
 2191 Florida Retirement System initially enrolled before January 1,
 2192 2010; or

2193 2. Participates in, or is eligible to participate in, the
 2194 Senior Management Service Optional Annuity Program as
 2195 established under s. 121.055(6), the State Community College
 2196 System Optional Retirement Program as established under s.
 2197 121.051(2)(c), or the State University System Optional
 2198 Retirement Program established under s. 121.35.

2199
 2200 The term does not include any member participating in the
 2201 Deferred Retirement Option Program established under s.
 2202 121.091(13), a retiree of a state-administered retirement system
 2203 initially reemployed on or after January 1, 2010, or a mandatory
 2204 participant of the State University System Optional Retirement
 2205 Program established under s. 121.35.

2206 Section 19. Paragraph (b) of subsection (1) of section
 2207 121.591, Florida Statutes, is amended to read:

2208 121.591 Benefits payable under the Public Employee
 2209 Optional Retirement Program of the Florida Retirement
 2210 System.--Benefits may not be paid under this section unless the
 2211 member has terminated employment as provided in s.
 2212 121.021(39)(a) or is deceased and a proper application has been
 2213 filed in the manner prescribed by the state board or the
 2214 department. The state board or department, as appropriate, may
 2215 cancel an application for retirement benefits when the member or
 2216 beneficiary fails to timely provide the information and
 2217 documents required by this chapter and the rules of the state
 2218 board and department. In accordance with their respective
 2219 responsibilities as provided herein, the State Board of
 2220 Administration and the Department of Management Services shall

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2221 adopt rules establishing procedures for application for
 2222 retirement benefits and for the cancellation of such application
 2223 when the required information or documents are not received. The
 2224 State Board of Administration and the Department of Management
 2225 Services, as appropriate, are authorized to cash out a de
 2226 minimis account of a participant who has been terminated from
 2227 Florida Retirement System covered employment for a minimum of 6
 2228 calendar months. A de minimis account is an account containing
 2229 employer contributions and accumulated earnings of not more than
 2230 \$5,000 made under the provisions of this chapter. Such cash-out
 2231 must either be a complete lump-sum liquidation of the account
 2232 balance, subject to the provisions of the Internal Revenue Code,
 2233 or a lump-sum direct rollover distribution paid directly to the
 2234 custodian of an eligible retirement plan, as defined by the
 2235 Internal Revenue Code, on behalf of the participant. If any
 2236 financial instrument issued for the payment of retirement
 2237 benefits under this section is not presented for payment within
 2238 180 days after the last day of the month in which it was
 2239 originally issued, the third-party administrator or other duly
 2240 authorized agent of the State Board of Administration shall
 2241 cancel the instrument and credit the amount of the instrument to
 2242 the suspense account of the Public Employee Optional Retirement
 2243 Program Trust Fund authorized under s. 121.4501(6). Any such
 2244 amounts transferred to the suspense account are payable upon a
 2245 proper application, not to include earnings thereon, as provided
 2246 in this section, within 10 years after the last day of the month
 2247 in which the instrument was originally issued, after which time
 2248 such amounts and any earnings thereon shall be forfeited. Any

2249 such forfeited amounts are assets of the Public Employee
 2250 Optional Retirement Program Trust Fund and are not subject to
 2251 the provisions of chapter 717.

2252 (1) NORMAL BENEFITS.--Under the Public Employee Optional
 2253 Retirement Program:

2254 (b) If a participant elects to receive his or her benefits
 2255 upon termination of employment as defined in s. 121.021(39), the
 2256 participant must submit a written application or an equivalent
 2257 form to the third-party administrator indicating his or her
 2258 preferred distribution date and selecting an authorized method
 2259 of distribution as provided in paragraph (c). The participant
 2260 may defer receipt of benefits until he or she chooses to make
 2261 such application, subject to federal requirements.

2262 Section 20. Subsection (8) of section 1012.33, Florida
 2263 Statutes, is amended to read:

2264 1012.33 Contracts with instructional staff, supervisors,
 2265 and school principals.--

2266 (8) Notwithstanding any other provision of law, a retired
 2267 ~~any member who has retired~~ may interrupt retirement and be
 2268 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by
 2269 the same district from which he or she retired may be employed
 2270 on a probationary contractual basis as provided in subsection
 2271 (1); ~~however, no regular retirement employee shall be eligible~~
 2272 ~~to renew membership under a retirement system created by chapter~~
 2273 ~~121 or chapter 238.~~

2274 Section 21. Sections 121.093, 121.094, and 121.45, Florida
 2275 Statutes, are repealed.

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2276 Section 22. The Legislature finds that a proper and
2277 legitimate state purpose is served when employees and retirees
2278 of the state and its political subdivisions, as well as the
2279 dependents, survivors, and beneficiaries of such employees and
2280 retirees, are extended the basic protections afforded by
2281 governmental retirement systems that provide fair and adequate
2282 benefits and that are managed, administered, and funded in an
2283 actuarially sound manner as required by s. 14, Art. X of the
2284 State Constitution and part VII of chapter 112, Florida
2285 Statutes. Therefore, the Legislature determines and declares
2286 that the amendment of s. 121.091, Florida Statutes, by this act
2287 fulfills an important state interest.

2288 Section 23. This act shall take effect July 1, 2009.