

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; deleting a restriction on the  
39 | reemployment of certain personnel by the Florida School  
40 | for the Deaf and the Blind; authorizing developmental  
41 | research schools and charter schools to reemploy certain  
42 | retired members under specified conditions; revising  
43 | limitations on the payment of retirement benefits for  
44 | certain retired persons who are reemployed by an employer  
45 | participating in a state-administered retirement program;  
46 | prohibiting certain persons holding public office from  
47 | enrolling in the Florida Retirement System; deleting a  
48 | provision authorizing an employing agency to reemploy a  
49 | retired member as a firefighter or paramedic after a  
50 | specified period; providing applicability; revising  
51 | provisions relating to reemployment of retirees of the  
52 | Public Employee Optional Retirement Program; providing  
53 | that certain members who delay DROP participation lose a  
54 | month of DROP participation for each month delayed;  
55 | clarifying that DROP participation cannot be canceled;  
56 | clarifying maximum DROP participation; providing for the

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

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

106 |  
107 | Be It Enacted by the Legislature of the State of Florida:  
108 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

182

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

272           121.051 Participation in the system.--

273           (1) COMPULSORY PARTICIPATION.--

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

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

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

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

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

317           (2) OPTIONAL PARTICIPATION.--

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

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

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

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

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

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

361 earnings creditable to the employee under the State Community  
362 College System Optional Retirement Program shall be retained by  
363 the employee in the State Community College System Optional  
364 Retirement Program, and the applicable provisions of s.  
365 121.4501(4) shall govern the election.

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

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

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

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

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

398 |             a. The employee must be otherwise eligible for membership  
399 | or renewed membership in the Regular Class of the Florida  
400 | Retirement System, as provided in s. 121.021(11) and (12) or s.  
401 | 121.122.

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

405 |                 (I) Instructional; or

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

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

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

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

420 5. A participant who receives a program distribution  
421 funded by employer contributions shall be deemed to be retired  
422 from a state-administered retirement system in the event of  
423 subsequent employment with any employer that participates in the  
424 Florida Retirement System. Participants in the program are  
425 subject to the same reemployment limitations, renewed membership  
426 provisions, and forfeiture provisions as are applicable to  
427 regular members of the Florida Retirement System under ss.  
428 121.091(9), 121.122, and 121.091(5), respectively.

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

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



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

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

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

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

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

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

506 121.052 Membership class of elected officers.--

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

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

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

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

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

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

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

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

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

556           (1) (a) 1. Any retiree of a state-administered retirement  
557 system who initially serves in an elective office in a regularly  
558 established position with a covered employer on or after January  
559 1, 2010, shall not be enrolled in the Florida Retirement System.

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

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

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

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

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

593 (c) ~~(b)~~ Any retired member of the Florida Retirement  
594 System, or any existing system as defined in s. 121.021(2), who,  
595 on or after July 1, 1990, through December 31, 2009, is serving  
596 in, or is elected or appointed to, an elective office covered by  
597 the Elected Officers' Class shall be enrolled in the appropriate  
598 subclass of the Elected Officers' Class of the Florida  
599 Retirement System, and applicable contributions shall be paid  
600 into the Florida Retirement System Trust Fund as provided in s.  
601 121.052(7). Pursuant thereto:

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

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

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

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

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

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

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

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

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

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



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

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

675 (2) Upon attaining his or her normal retirement date and  
676 payment of the amount specified in paragraphs (1)(b) and (c)  
677 ~~(1)(a) and (b)~~, and upon application to the administrator of the  
678 intent to retire, the member shall receive a monthly benefit  
679 under this section, in addition to any benefits already being  
680 received, which shall commence on the last day of the month of  
681 retirement and be payable on the last day of the month  
682 thereafter during his or her lifetime. The amount of such  
683 monthly benefit shall be the total percentage of retirement  
684 credit purchased under this section multiplied by the member's  
685 average monthly compensation as an elected officer, adjusted  
686 according to the option selected at retirement under s.  
687 121.091(6).

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

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

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

695 (1)

696 (f) Effective July 1, 1997:

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

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

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

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

726 (6)

727 (c) Participation.--

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

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

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

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

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

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

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

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

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

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

800 (e) Benefits.--

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

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

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

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

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

829 or

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

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

835

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

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

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

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

855 Section 7. Paragraph (a) of subsection (6) of section  
856 121.071, Florida Statutes, is amended to read:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

996 ~~6.5.~~ The retirement account of each member for whom past  
997 service is being provided by his or her employer shall be  
998 credited with all past service the employer agrees to purchase  
999 as soon as the agreement between the employer and the department  
1000 is executed. ~~Pursuant thereto:~~

1001           a. Each ~~such~~ member's account shall also be posted with  
 1002 the total contribution his or her employer agrees to make on ~~in~~  
 1003 the member's behalf for past service earned prior to October 1,  
 1004 1975, excluding those contributions representing the employer's  
 1005 matching share and the compound interest calculation on the  
 1006 total contribution. However, a portion of any contributions paid  
 1007 by an employer for past service credit earned on and after  
 1008 October 1, 1975, may not be posted to the ~~a~~ member's account.

1009           b. A refund of contributions payable after an employer has  
 1010 made a written agreement to purchase past service for employees  
 1011 of the covered group includes ~~shall include~~ contributions for  
 1012 past service which are posted to the ~~a~~ member's account.  
 1013 However, contributions for past service earned on and after  
 1014 October 1, 1975, are not refundable.

1015           Section 9. Paragraphs (b) and (c) of subsection (9) and  
 1016 subsections (13) and (14) of section 121.091, Florida Statutes,  
 1017 are amended to read:

1018           121.091 Benefits payable under the system.--Benefits may  
 1019 not be paid under this section unless the member has terminated  
 1020 employment as provided in s. 121.021(39)(a) or begun  
 1021 participation in the Deferred Retirement Option Program as  
 1022 provided in subsection (13), and a proper application has been  
 1023 filed in the manner prescribed by the department. The department  
 1024 may cancel an application for retirement benefits when the  
 1025 member or beneficiary fails to timely provide the information  
 1026 and documents required by this chapter and the department's  
 1027 rules. The department shall adopt rules establishing procedures  
 1028 for application for retirement benefits and for the cancellation

1029 of such application when the required information or documents  
 1030 are not received.

1031 (9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.--

1032 (b)1. Any person who is retired under this chapter, except  
 1033 under the disability retirement provisions of subsection (4),  
 1034 may be reemployed by any private or public employer after  
 1035 retirement and receive retirement benefits and compensation from  
 1036 the his or her employer without limitation ~~any limitations~~,  
 1037 except that the a person may not receive ~~both~~ a salary from  
 1038 reemployment with any agency participating in the Florida  
 1039 Retirement System and retirement benefits under this chapter for  
 1040 ~~a period of~~ 12 calendar months immediately after meeting  
 1041 ~~subsequent to~~ the definition of termination in s. 121.021(39)  
 1042 ~~date of retirement~~. However, a DROP participant may ~~shall~~  
 1043 continue employment and receive a salary during the period of  
 1044 participation in DROP ~~the Deferred Retirement Option Program~~, as  
 1045 provided in subsection (13).

1046 2. Any person to whom the limitation in subparagraph 1.  
 1047 applies ~~who violates such reemployment limitation~~ and who is  
 1048 reemployed with any agency participating in the Florida  
 1049 Retirement System after he or she has been retired and met the  
 1050 definition of termination in s. 121.021(39) but before  
 1051 completion of the 12-month limitation period must ~~shall~~ give  
 1052 timely notice of this fact in writing to the employer and to the  
 1053 Division of Retirement and shall have his or her retirement  
 1054 benefits suspended while employed during ~~for~~ the balance of the  
 1055 12-month limitation period unless the person exceeds the 780-  
 1056 hour limitation in subparagraph 4. or subparagraph 5. Any person

1057 employed in violation of this subparagraph ~~paragraph~~ and any  
 1058 employing agency that ~~which knowingly~~ employs or appoints such  
 1059 person without notifying the division ~~of Retirement~~ to suspend  
 1060 retirement benefits are ~~shall be~~ jointly and severally liable  
 1061 for ~~reimbursement to the retirement trust fund of~~ any benefits  
 1062 paid during the reemployment limitation period. To avoid  
 1063 liability, the ~~such~~ employing agency must ~~shall~~ have a written  
 1064 statement from the retiree that he or she is not retired from a  
 1065 state-administered retirement system. Any retirement benefits  
 1066 received by a retired member while reemployed during this  
 1067 reemployment limitation period must ~~shall~~ be repaid to the  
 1068 Florida Retirement System Trust Fund, and retirement benefits  
 1069 shall remain suspended until ~~such~~ repayment is ~~has been~~ made.  
 1070 Benefits suspended beyond the reemployment limitation shall  
 1071 apply toward repayment of benefits received in violation of the  
 1072 reemployment limitation.

1073 3. A district school board may reemploy a retired member  
 1074 as a substitute or hourly teacher, education paraprofessional as  
 1075 defined in s. 1012.01(2)(e), transportation assistant, bus  
 1076 driver, or food service worker on a noncontractual basis after  
 1077 he or she has been retired and met the definition of termination  
 1078 ~~for 1 calendar month~~, in accordance with s. 121.021(39). A  
 1079 district school board may reemploy a retired member as  
 1080 instructional personnel, as defined in s. 1012.01(2)(a), on an  
 1081 annual contractual basis after he or she has met the definition  
 1082 of termination ~~been retired for 1 calendar month~~, in accordance  
 1083 ~~with~~ s. 121.021(39). Any other retired member who is reemployed  
 1084 before meeting the definition of termination voids ~~within 1~~

1085 ~~calendar month after retirement shall void~~ his or her  
 1086 application for retirement benefits. A district school board  
 1087 that reemploys ~~boards reemploying~~ such teachers, education  
 1088 paraprofessionals, transportation assistants, bus drivers, or  
 1089 food service workers is ~~are~~ subject to the retirement  
 1090 contribution required by subparagraph 9. 7.

1091 4. A community college board of trustees may reemploy a  
 1092 retired member as an adjunct instructor, ~~that is, an instructor~~  
 1093 ~~who is noncontractual and part-time,~~ or as a participant in a  
 1094 phased retirement program within the Florida Community College  
 1095 System, ~~after he or she has been retired~~ and met the definition  
 1096 of termination for 1 calendar month, in accordance with s.  
 1097 121.021(39). Any retired member who is reemployed within 12 ~~1~~  
 1098 calendar months ~~month~~ after retirement voids ~~shall void~~ his or  
 1099 her application for retirement benefits. A board ~~Boards~~ of  
 1100 trustees that reemploys ~~reemploying~~ such instructors is ~~are~~  
 1101 subject to the retirement contribution required in subparagraph  
 1102 9. 7. A retired member may be reemployed as an adjunct  
 1103 instructor for no more than 780 hours during the first 12  
 1104 calendar months after meeting the definition of termination  
 1105 ~~retirement.~~ Any retired member reemployed for more than 780  
 1106 hours during the first 12 months of retirement must ~~shall~~ give  
 1107 timely notice in writing to the employer and to the Division of  
 1108 Retirement of the date he or she will exceed the limitation. The  
 1109 division shall suspend his or her retirement benefits for the  
 1110 remainder of the 12-month limitation period ~~first 12 months of~~  
 1111 ~~retirement.~~ Any person employed in violation of this  
 1112 subparagraph and any employing agency that ~~which knowingly~~



1113 employs or appoints such person without notifying the division  
 1114 ~~of Retirement~~ to suspend retirement benefits are ~~shall be~~  
 1115 jointly and severally liable for ~~reimbursement to the retirement~~  
 1116 ~~trust fund~~ of any benefits paid during the reemployment  
 1117 limitation period. To avoid liability, the ~~such~~ employing agency  
 1118 must ~~shall~~ have a written statement from the retiree that he or  
 1119 she is not retired from a state-administered retirement system.  
 1120 Any retirement benefits received by a retired member while  
 1121 reemployed in excess of 780 hours during the 12-month limitation  
 1122 period must ~~first 12 months of retirement~~ shall be repaid to the  
 1123 Florida Retirement System Trust Fund, and retirement benefits  
 1124 shall remain suspended until repayment is made. Benefits  
 1125 suspended beyond the end of the 12-month limitation period  
 1126 ~~retired member's first 12 months of retirement~~ shall apply  
 1127 toward repayment of benefits received in violation of the 780-  
 1128 hour reemployment limitation.

1129 5. The State University System may reemploy a retired  
 1130 member as an adjunct faculty member or as a participant in a  
 1131 phased retirement program within the State University System  
 1132 after the retired member has met the definition of termination  
 1133 ~~been retired for 1 calendar month,~~ in accordance with s.  
 1134 121.021(39). Any retired member who is reemployed before meeting  
 1135 the definition of termination voids ~~within 1 calendar month~~  
 1136 ~~after retirement shall void~~ his or her application for  
 1137 retirement benefits. The State University System is subject to  
 1138 the retired contribution required in subparagraph 9. 7., as  
 1139 appropriate. A retired member may be reemployed as an adjunct  
 1140 faculty member or a participant in a phased retirement program

1141 for no more than 780 hours during the first 12 calendar months  
 1142 after meeting the definition of termination ~~of his or her~~  
 1143 ~~retirement~~. Any retired member reemployed for more than 780  
 1144 hours during the 12-month limitation period ~~must first 12 months~~  
 1145 ~~of retirement~~ shall give timely notice in writing to the  
 1146 employer and to the Division of Retirement of the date he or she  
 1147 will exceed the limitation. The division shall suspend his or  
 1148 her retirement benefits for the remainder of the 12-month  
 1149 limitation period ~~first 12 months of retirement~~. Any person  
 1150 employed in violation of this subparagraph and any employing  
 1151 agency that ~~which knowingly~~ employs or appoints such person  
 1152 without notifying the division ~~of Retirement~~ to suspend  
 1153 retirement benefits are ~~shall be~~ jointly and severally liable  
 1154 for ~~reimbursement to the retirement trust fund~~ of any benefits  
 1155 paid during the reemployment limitation period. To avoid  
 1156 liability, such employing agency must ~~shall~~ have a written  
 1157 statement from the retiree that he or she is not retired from a  
 1158 state-administered retirement system. Any retirement benefits  
 1159 received by a retired member while reemployed in excess of 780  
 1160 hours during the first 12 months of retirement must ~~shall~~ be  
 1161 repaid to the Florida Retirement System Trust Fund, and  
 1162 retirement benefits shall remain suspended until repayment is  
 1163 made. Benefits suspended beyond the end of the retired member's  
 1164 12-month limitation period ~~first 12 months of retirement~~ shall  
 1165 apply toward repayment of benefits received in violation of the  
 1166 780-hour reemployment limitation.

1167         6. The Board of Trustees of the Florida School for the  
 1168 Deaf and the Blind may reemploy a retired member as a substitute

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1169 teacher, substitute residential instructor, or substitute nurse  
1170 on a noncontractual basis after he or she has met the definition  
1171 of termination ~~been retired for 1 calendar month,~~ in accordance  
1172 ~~with~~ s. 121.021(39). The Board of Trustees of the Florida School  
1173 for the Deaf and the Blind may reemploy a retired member as  
1174 instructional personnel, as defined in s. 1012.01(2)(a), on an  
1175 annual contractual basis after he or she has been retired and  
1176 met the definition of termination in s. 121.021(39). Any retired  
1177 member who is reemployed before meeting the definition of  
1178 termination voids ~~within 1 calendar month after retirement shall~~  
1179 ~~void~~ his or her application for retirement benefits. The Board  
1180 of Trustees of the Florida School for the Deaf and the Blind  
1181 reemploying such teachers, residential instructors, or nurses is  
1182 subject to the retirement contribution required by subparagraph  
1183 9. 7. ~~Reemployment of a retired member as a substitute teacher,~~  
1184 ~~substitute residential instructor, or substitute nurse is~~  
1185 ~~limited to 780 hours during the first 12 months of his or her~~  
1186 ~~retirement. Any retired member reemployed for more than 780~~  
1187 ~~hours during the first 12 months of retirement shall give timely~~  
1188 ~~notice in writing to the employer and to the division of the~~  
1189 ~~date he or she will exceed the limitation. The division shall~~  
1190 ~~suspend his or her retirement benefits for the remainder of the~~  
1191 ~~first 12 months of retirement. Any person employed in violation~~  
1192 ~~of this subparagraph and any employing agency which knowingly~~  
1193 ~~employs or appoints such person without notifying the Division~~  
1194 ~~of Retirement to suspend retirement benefits shall be jointly~~  
1195 ~~and severally liable for reimbursement to the retirement trust~~  
1196 ~~fund of any benefits paid during the reemployment limitation~~

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

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1197 ~~period. To avoid liability, such employing agency shall have a~~  
1198 ~~written statement from the retiree that he or she is not retired~~  
1199 ~~from a state-administered retirement system. Any retirement~~  
1200 ~~benefits received by a retired member while reemployed in excess~~  
1201 ~~of 780 hours during the first 12 months of retirement shall be~~  
1202 ~~repaid to the Retirement System Trust Fund, and his or her~~  
1203 ~~retirement benefits shall remain suspended until payment is~~  
1204 ~~made. Benefits suspended beyond the end of the retired member's~~  
1205 ~~first 12 months of retirement shall apply toward repayment of~~  
1206 ~~benefits received in violation of the 780-hour reemployment~~  
1207 ~~limitation.~~

1208 7. A developmental research school may reemploy a retired  
1209 member as a substitute or hourly teacher or an education  
1210 paraprofessional, as defined in s. 1012.01(2)(e), on a  
1211 noncontractual basis after he or she has been retired and met  
1212 the definition of termination in s. 121.021(39). A developmental  
1213 research school may reemploy a retired member as instructional  
1214 personnel, as defined in s. 1012.01(2)(a), on an annual  
1215 contractual basis after he or she has been retired and met the  
1216 definition of termination in s. 121.021(39). Any other retired  
1217 member who is reemployed within 12 calendar months after  
1218 retirement voids his or her application for retirement benefits.  
1219 A developmental research school that reemploys retired teachers  
1220 and education paraprofessionals is subject to the retirement  
1221 contribution required by subparagraph 9.

1222 8. A charter school may reemploy a retired member as a  
1223 substitute or hourly teacher on a noncontractual basis after he  
1224 or she has been retired and met the definition of termination in

1225 s. 121.021(39). A charter school may reemploy a retired member  
 1226 as instructional personnel, as defined in s. 1012.01(2)(a), on  
 1227 an annual contractual basis after he or she has been retired and  
 1228 met the definition of termination in s. 121.021(39). Any other  
 1229 retired member who is reemployed within 12 calendar months after  
 1230 retirement voids his or her application for retirement benefits.  
 1231 A charter school that reemploys such members is subject to the  
 1232 retirement contribution required by subparagraph 9.

1233 9.a.7. ~~The employment by an employer of a any~~ retiree or  
 1234 DROP participant of a any state-administered retirement system  
 1235 does not affect ~~shall have no effect on~~ the average final  
 1236 compensation or years of creditable service of the retiree or  
 1237 DROP participant.

1238 b. Prior to July 1, 1991, upon employment of any person,  
 1239 other than an elected officer as provided in s. 121.053, who is  
 1240 ~~has been~~ retired under a any state-administered retirement  
 1241 program, the employer shall pay retirement contributions in an  
 1242 amount equal to the unfunded actuarial liability portion of the  
 1243 employer contribution which would be required for regular  
 1244 members of the Florida Retirement System. Effective July 1,  
 1245 1991, contributions shall be made as provided in s. 121.122 for  
 1246 retirees who have ~~with~~ renewed membership or as provided in  
 1247 subsection (13) for ~~with respect to~~ DROP participants.

1248 c. Any person who is retired under a state-administered  
 1249 retirement program and who is initially reemployed on or after  
 1250 January 1, 2010, may not renew membership in the Florida  
 1251 Retirement System. The employer shall pay retirement  
 1252 contributions in an amount equal to the unfunded actuarial

1253 liability portion of the employer contribution that would be  
 1254 required for active members of the Florida Retirement System in  
 1255 addition to the contributions required by s. 121.76.

1256 10.a.8- Any person who has ~~previously~~ retired and who is  
 1257 holding an elective public office or an appointment to an  
 1258 elective public office eligible for the Elected Officers' Class  
 1259 on or after July 1, 1990, through December 31, 2009, shall be  
 1260 enrolled in the Florida Retirement System as provided in s.  
 1261 121.053(1) (c) ~~(b)~~ or, if holding an elective public office that  
 1262 does not qualify for the Elected Officers' Class on or after  
 1263 July 1, 1991, through December 31, 2009, shall be enrolled in  
 1264 the Florida Retirement System as provided in s. 121.122, and  
 1265 shall continue to receive retirement benefits as well as  
 1266 compensation for the elected officer's service for as long as he  
 1267 or she remains in elective office. However, any retired member  
 1268 who served in an elective office prior to July 1, 1990,  
 1269 suspended his or her retirement benefit, and had his or her  
 1270 Florida Retirement System membership reinstated shall, upon  
 1271 retirement from such office, have his or her retirement benefit  
 1272 recalculated to include the additional service and compensation  
 1273 earned.

1274 b. Any person who has retired and who is holding an  
 1275 elective public office or an appointment to an elective public  
 1276 office initially eligible for the Elected Officers' Class on or  
 1277 after January 1, 2010, shall not be enrolled in the Florida  
 1278 Retirement System as provided in s. 121.053(1) (c) or, if holding  
 1279 an elective public office that does not qualify for the Elected  
 1280 Officers' Class and is initially eligible on or after January 1,

1281 2010, shall not be enrolled in the Florida Retirement System as  
 1282 provided in s. 121.122, and shall not continue to receive  
 1283 retirement benefits during the first 12 calendar months after  
 1284 meeting the definition of termination in s. 121.021(39).

1285 11.9. Any person who is holding an elective public office  
 1286 which is covered by the Florida Retirement System and who is  
 1287 concurrently employed in nonelected covered employment may elect  
 1288 to retire while continuing employment in the elective public  
 1289 office ~~if, provided that~~ he or she terminates ~~shall be required~~  
 1290 ~~to terminate~~ his or her nonelected covered employment. Any  
 1291 person who exercises this election shall receive his or her  
 1292 retirement benefits in addition to the compensation of the  
 1293 elective office without regard to the time limitations otherwise  
 1294 provided in this subsection. A ~~No~~ person who seeks to exercise  
 1295 the provisions of this subparagraph, ~~as they the same~~ existed  
 1296 prior to May 3, 1984, may not ~~shall~~ be deemed to be retired  
 1297 under those provisions, unless such person is eligible to retire  
 1298 under the provisions of this subparagraph, as amended by chapter  
 1299 84-11, Laws of Florida.

1300 12. The limitations of this paragraph apply to  
 1301 reemployment in any capacity with an employer irrespective of  
 1302 the category of funds from which the person is compensated.

1303 13. The provisions of this paragraph regarding  
 1304 reemployment after retirement apply to DROP participants  
 1305 effective upon termination from employment and the end of DROP  
 1306 participation.

1307 ~~10. The limitations of this paragraph apply to~~  
 1308 ~~reemployment in any capacity with an "employer" as defined in s.~~

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1309 ~~121.021(10), irrespective of the category of funds from which~~  
1310 ~~the person is compensated.~~

1311 ~~11. An employing agency may reemploy a retired member as a~~  
1312 ~~firefighter or paramedic after the retired member has been~~  
1313 ~~retired for 1 calendar month, in accordance with s. 121.021(39).~~  
1314 ~~Any retired member who is reemployed within 1 calendar month~~  
1315 ~~after retirement shall void his or her application for~~  
1316 ~~retirement benefits. The employing agency reemploying such~~  
1317 ~~firefighter or paramedic is subject to the retired contribution~~  
1318 ~~required in subparagraph 8. Reemployment of a retired~~  
1319 ~~firefighter or paramedic is limited to no more than 780 hours~~  
1320 ~~during the first 12 months of his or her retirement. Any retired~~  
1321 ~~member reemployed for more than 780 hours during the first 12~~  
1322 ~~months of retirement shall give timely notice in writing to the~~  
1323 ~~employer and to the division of the date he or she will exceed~~  
1324 ~~the limitation. The division shall suspend his or her retirement~~  
1325 ~~benefits for the remainder of the first 12 months of retirement.~~  
1326 ~~Any person employed in violation of this subparagraph and any~~  
1327 ~~employing agency which knowingly employs or appoints such person~~  
1328 ~~without notifying the Division of Retirement to suspend~~  
1329 ~~retirement benefits shall be jointly and severally liable for~~  
1330 ~~reimbursement to the Retirement System Trust Fund of any~~  
1331 ~~benefits paid during the reemployment limitation period. To~~  
1332 ~~avoid liability, such employing agency shall have a written~~  
1333 ~~statement from the retiree that he or she is not retired from a~~  
1334 ~~state-administered retirement system. Any retirement benefits~~  
1335 ~~received by a retired member while reemployed in excess of 780~~  
1336 ~~hours during the first 12 months of retirement shall be repaid~~



1337 ~~to the Retirement System Trust Fund, and retirement benefits~~  
 1338 ~~shall remain suspended until repayment is made. Benefits~~  
 1339 ~~suspended beyond the end of the retired member's first 12 months~~  
 1340 ~~of retirement shall apply toward repayment of benefits received~~  
 1341 ~~in violation of the 780-hour reemployment limitation.~~

1342 (c) The provisions of this subsection apply to retirees,  
 1343 as defined in s. 121.4501(2)(j), of the Public Employee Optional  
 1344 Retirement Program created in part II, subject to the following  
 1345 conditions:

1346 1. Such retirees may not be reemployed with an employer  
 1347 participating in the Florida Retirement System as provided in  
 1348 paragraph (b) until such person has been retired for 12 ~~3~~  
 1349 calendar months, ~~unless the participant has reached the normal~~  
 1350 ~~retirement requirements of the defined benefit plan as provided~~  
 1351 ~~in s. 121.021(29).~~

1352 2. Such retiree employed in violation of this subsection  
 1353 and any employing agency that ~~knowingly~~ employs or appoints such  
 1354 person shall be jointly and severally liable for reimbursement  
 1355 of any benefits paid to the retirement trust fund from which the  
 1356 benefits were paid, including the Retirement System Trust Fund  
 1357 and the Public Employee Optional Retirement Program Trust Fund,  
 1358 as appropriate. To avoid liability, such employing agency must  
 1359 have a written statement from the retiree that he or she is not  
 1360 retired from a state-administered retirement system.

1361 (13) DEFERRED RETIREMENT OPTION PROGRAM.--In general, and  
 1362 subject to ~~the provisions of~~ this section, the Deferred  
 1363 Retirement Option Program, hereinafter referred to as ~~the~~ DROP,  
 1364 is a program under which an eligible member of the Florida

1365 Retirement System may elect to participate, deferring receipt of  
 1366 retirement benefits while continuing employment with his or her  
 1367 Florida Retirement System employer. The deferred monthly  
 1368 benefits shall accrue in the Florida Retirement System Trust  
 1369 Fund on behalf of the participant, plus interest compounded  
 1370 monthly, for the specified period of the DROP participation, as  
 1371 provided in paragraph (c). Upon termination of employment, the  
 1372 participant shall receive the total DROP benefits and begin to  
 1373 receive the previously determined normal retirement benefits.  
 1374 Participation in the DROP does not guarantee employment for the  
 1375 specified period of DROP. Participation in ~~the~~ DROP by an  
 1376 eligible member beyond the initial 60-month period as authorized  
 1377 in this subsection shall be on an annual contractual basis for  
 1378 all participants.

1379 (a) Eligibility of member to participate in ~~the~~ DROP.--All  
 1380 active Florida Retirement System members in a regularly  
 1381 established position, and all active members of ~~either~~ the  
 1382 Teachers' Retirement System established in chapter 238 or the  
 1383 State and County Officers' and Employees' Retirement System  
 1384 established in chapter 122, which systems are consolidated  
 1385 within the Florida Retirement System under s. 121.011, are  
 1386 eligible to elect participation in ~~the~~ DROP if provided that:

1387 1. The member is not a renewed member ~~of the Florida~~  
 1388 ~~Retirement System~~ under s. 121.122~~7~~, or a member of the State  
 1389 Community College System Optional Retirement Program under s.  
 1390 121.051, the Senior Management Service Optional Annuity Program  
 1391 under s. 121.055, or the optional retirement program for the  
 1392 State University System under s. 121.35.

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1393           2. Except as provided in subparagraph 6., election to  
1394 participate is made within 12 months immediately following the  
1395 date on which the member first reaches normal retirement date,  
1396 or, for a member who reaches normal retirement date based on  
1397 service before he or she reaches age 62, or age 55 for Special  
1398 Risk Class members, election to participate may be deferred to  
1399 the 12 months immediately following the date the member attains  
1400 57, or age 52 for Special Risk Class members. A member who  
1401 delays DROP participation during the 12-month period immediately  
1402 following his or her maximum DROP deferral date, except as  
1403 provided in subparagraph 6., loses a month of DROP participation  
1404 for each month delayed. ~~For a member who first reached normal~~  
1405 ~~retirement date or the deferred eligibility date described above~~  
1406 ~~prior to the effective date of this section, election to~~  
1407 ~~participate shall be made within 12 months after the effective~~  
1408 ~~date of this section.~~ A member who fails to make an election  
1409 within the such 12-month limitation period forfeits shall  
1410 ~~forfeit~~ all rights to participate in ~~the~~ DROP. The member shall  
1411 advise his or her employer and the division in writing of the  
1412 date ~~on which the~~ DROP begins shall begin. The Such beginning  
1413 date may be subsequent to the 12-month election period, but must  
1414 be within the original 60-month participation ~~or, with respect~~  
1415 ~~to members who are instructional personnel employed by the~~  
1416 ~~Florida School for the Deaf and the Blind and who have received~~  
1417 ~~authorization by the Board of Trustees of the Florida School for~~  
1418 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
1419 ~~months, or who are instructional personnel as defined in s.~~  
1420 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~

1421 ~~authorization by the district school superintendent to~~  
1422 ~~participate in the DROP beyond 60 months, the 96-month~~  
1423 ~~limitation period as provided in subparagraph (b)1. When~~  
1424 ~~establishing eligibility of the member to participate in the~~  
1425 ~~DROP for the 60-month or, with respect to members who are~~  
1426 ~~instructional personnel employed by the Florida School for the~~  
1427 ~~Deaf and the Blind and who have received authorization by the~~  
1428 ~~Board of Trustees of the Florida School for the Deaf and the~~  
1429 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
1430 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~  
1431 ~~grades K-12 and who have received authorization by the district~~  
1432 ~~school superintendent to participate in the DROP beyond 60~~  
1433 ~~months, the 96-month maximum participation period, the member~~  
1434 ~~may elect to include or exclude any optional service credit~~  
1435 ~~purchased by the member from the total service used to establish~~  
1436 ~~the normal retirement date. A member who has ~~with~~ dual normal~~  
1437 ~~retirement dates is ~~shall be~~ eligible to elect to participate in~~  
1438 ~~DROP ~~within 12 months~~ after attaining normal retirement date in~~  
1439 ~~either class.~~

1440 3. The employer of a member electing to participate in ~~the~~  
1441 ~~DROP, or employers if dually employed, shall acknowledge in~~  
1442 ~~writing to the division the date the member's participation in~~  
1443 ~~the DROP begins and the date the member's employment and DROP~~  
1444 ~~participation will terminate.~~

1445 4. Simultaneous employment of a participant by additional  
1446 Florida Retirement System employers subsequent to the  
1447 commencement of participation in ~~the~~ DROP is ~~shall be~~  
1448 ~~permissible if ~~provided~~ such employers acknowledge in writing a~~

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1449 DROP termination date no later than the participant's existing  
1450 termination date or the maximum participation ~~60-month~~  
1451 ~~limitation~~ period as provided in subparagraph (b)1.

1452 5. A DROP participant may change employers while  
1453 participating in ~~the~~ DROP, subject to the following:

1454 a. A change of employment must take place without a break  
1455 in service so that the member receives salary for each month of  
1456 continuous DROP participation. If a member receives no salary  
1457 during a month, DROP participation shall cease unless the  
1458 employer verifies a continuation of the employment relationship  
1459 for such participant pursuant to s. 121.021(39)(b).

1460 b. Such participant and new employer shall notify the  
1461 division of the identity of the new employer on forms required  
1462 by the division ~~as to the identity of the new employer~~.

1463 c. The new employer shall acknowledge, in writing, the  
1464 participant's DROP termination date, which may be extended but  
1465 not beyond the maximum participation ~~original 60-month or, with~~  
1466 ~~respect to members who are instructional personnel employed by~~  
1467 ~~the Florida School for the Deaf and the Blind and who have~~  
1468 ~~received authorization by the Board of Trustees of the Florida~~  
1469 ~~School for the Deaf and the Blind to participate in the DROP~~  
1470 ~~beyond 60 months, or who are instructional personnel as defined~~  
1471 ~~in s. 1012.01(2)(a)-(d) in grades K-12 and who have received~~  
1472 ~~authorization by the district school superintendent to~~  
1473 ~~participate in the DROP beyond 60 months, the 96-month period~~  
1474 provided in subparagraph (b)1., shall acknowledge liability for  
1475 any additional retirement contributions and interest required if  
1476 the participant fails to timely terminate employment, and is

1477 ~~shall be~~ subject to the adjustment required in sub-subparagraph  
 1478 (c)5.d.

1479 6. Effective July 1, 2001, for instructional personnel as  
 1480 defined in s. 1012.01(2), election to participate in ~~the~~ DROP  
 1481 may ~~shall~~ be made at any time following the date on which the  
 1482 member first reaches normal retirement date. The member shall  
 1483 advise his or her employer and the division in writing of the  
 1484 date on which DROP begins ~~the Deferred Retirement Option Program~~  
 1485 ~~shall begin~~. When establishing eligibility of the member to  
 1486 participate in ~~the~~ DROP for the 60-month ~~or, with respect to~~  
 1487 ~~members who are instructional personnel employed by the Florida~~  
 1488 ~~School for the Deaf and the Blind and who have received~~  
 1489 ~~authorization by the Board of Trustees of the Florida School for~~  
 1490 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
 1491 ~~months, or who are instructional personnel as defined in s.~~  
 1492 ~~1012.01(2) (a)-(d) in grades K-12 and who have received~~  
 1493 ~~authorization by the district school superintendent to~~  
 1494 ~~participate in the DROP beyond 60 months, the 96-month maximum~~  
 1495 ~~participation period,~~ as provided in subparagraph (b)1., the  
 1496 member may elect to include or exclude any optional service  
 1497 credit purchased by the member from the total service used to  
 1498 establish the normal retirement date. A member who has ~~with~~ dual  
 1499 normal retirement dates is ~~shall be~~ eligible to elect to  
 1500 participate in either class.

1501 (b) Participation in ~~the~~ DROP.--

1502 1.a. Except as provided in sub-subparagraph b., an  
 1503 eligible member may elect to participate in ~~the~~ DROP for a

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1504 period not to exceed a maximum of 60 calendar months. ~~or, with~~  
1505 ~~respect to~~

1506 b. Members who are instructional personnel employed by the  
1507 Florida School for the Deaf and the Blind and authorized ~~who~~  
1508 ~~have received authorization~~ by the Board of Trustees of the  
1509 Florida School for the Deaf and the Blind ~~to participate in the~~  
1510 ~~DROP beyond 60 months, or who are instructional personnel as~~  
1511 ~~defined in s. 1012.01(2)(a)-(d) in grades K-12 and~~ authorized  
1512 ~~who have received authorization~~ by the district school  
1513 superintendent ~~to participate in the DROP beyond 60 calendar~~  
1514 ~~months, or who are instructional personnel as defined in s.~~  
1515 1012.01(2)(a) employed by a developmental research school and  
1516 authorized by the school's director, or if the school has no  
1517 director, by the school's principal, may participate in DROP for  
1518 up to 36 calendar months beyond the 60-month period specified in  
1519 sub-subparagraph a. 96 calendar months immediately following the  
1520 ~~date on which the member first reaches his or her normal~~  
1521 ~~retirement date or the date to which he or she is eligible to~~  
1522 ~~defer his or her election to participate as provided in~~  
1523 ~~subparagraph (a)2. However, a member who has reached normal~~  
1524 ~~retirement date prior to the effective date of the DROP shall be~~  
1525 ~~eligible to participate in the DROP for a period of time not to~~  
1526 ~~exceed 60 calendar months or, with respect to members who are~~  
1527 ~~instructional personnel employed by the Florida School for the~~  
1528 ~~Deaf and the Blind and who have received authorization by the~~  
1529 ~~Board of Trustees of the Florida School for the Deaf and the~~  
1530 ~~Blind to participate in the DROP beyond 60 months, or who are~~  
1531 ~~instructional personnel as defined in s. 1012.01(2)(a)-(d) in~~

1532 ~~grades K-12 and who have received authorization by the district~~  
 1533 ~~school superintendent to participate in the DROP beyond 60~~  
 1534 ~~calendar months, 96 calendar months immediately following the~~  
 1535 ~~effective date of the DROP, except a member of the Special Risk~~  
 1536 ~~Class who has reached normal retirement date prior to the~~  
 1537 ~~effective date of the DROP and whose total accrued value exceeds~~  
 1538 ~~75 percent of average final compensation as of his or her~~  
 1539 ~~effective date of retirement shall be eligible to participate in~~  
 1540 ~~the DROP for no more than 36 calendar months immediately~~  
 1541 ~~following the effective date of the DROP.~~

1542 2. Upon deciding to participate in ~~the~~ DROP, the member  
 1543 shall submit, on forms required by the division:

- 1544 a. A written election to participate in ~~the~~ DROP;
- 1545 b. Selection of ~~the~~ DROP participation and termination  
 1546 dates that, ~~which~~ satisfy the limitations stated in paragraph  
 1547 (a) and subparagraph 1. The ~~Such~~ termination date must ~~shall~~ be  
 1548 in a binding letter of resignation to ~~with~~ the employer,  
 1549 establishing a deferred termination date. The member may change  
 1550 the termination date within the limitations of subparagraph 1.,  
 1551 but only with the written approval of the ~~his or her~~ employer;
- 1552 c. A properly completed DROP application for service  
 1553 retirement as provided in this section; and
- 1554 d. Any other information required by the division.

1555 3. The DROP participant is ~~shall be~~ a retiree under the  
 1556 Florida Retirement System for all purposes, except for paragraph  
 1557 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053,  
 1558 and 121.122. DROP participation is final and cannot be canceled  
 1559 by the participant after the first payment is credited during



1560 the DROP participation period. However, participation in ~~the~~  
 1561 DROP does not alter the participant's employment status, and the  
 1562 member is ~~such employee shall~~ not be deemed retired from  
 1563 employment until his or her deferred resignation is effective  
 1564 and termination occurs as provided in s. 121.021(39).

1565 4. Elected officers are ~~shall be~~ eligible to participate  
 1566 in ~~the~~ DROP subject to the following:

1567 a. An elected officer who reaches normal retirement date  
 1568 during a term of office may defer the election to participate in  
 1569 ~~the~~ DROP until the next succeeding term in that office. An ~~Such~~  
 1570 elected officer who exercises this option may participate in ~~the~~  
 1571 DROP for up to 60 calendar months or a period of no longer than  
 1572 the ~~such~~ succeeding term of office, whichever is less.

1573 b. An elected or a nonelected participant may run for a  
 1574 term of office while participating in DROP and, if elected,  
 1575 extend the DROP termination date accordingly; ~~except,~~ however,  
 1576 if such additional term of office exceeds the 60-month  
 1577 limitation established in subparagraph 1., and the officer does  
 1578 not resign from office within such 60-month limitation, the  
 1579 retirement and the participant's DROP is ~~shall be~~ null and void  
 1580 as provided in sub-subparagraph (c)5.d.

1581 c. (I) For DROP participation ending before January 1,  
 1582 2010, an elected officer who is dually employed and elects to  
 1583 participate in DROP must meet ~~shall be required to satisfy~~ the  
 1584 definition of termination in s. 121.021(39) within the original  
 1585 60-month period or maximum participation, ~~with respect to~~  
 1586 ~~members who are instructional personnel employed by the Florida~~  
 1587 ~~School for the Deaf and the Blind and who have received~~

1588 ~~authorization by the Board of Trustees of the Florida School for~~  
 1589 ~~the Deaf and the Blind to participate in the DROP beyond 60~~  
 1590 ~~months, or who are instructional personnel as defined in s.~~  
 1591 ~~1012.01(2)(a)-(d) in grades K-12 and who have received~~  
 1592 ~~authorization by the district school superintendent to~~  
 1593 ~~participate in the DROP beyond 60 months, the 96-month~~  
 1594 ~~limitation period as provided in subparagraph 1. for the~~  
 1595 nonelected position and may continue employment as an elected  
 1596 officer as provided in s. 121.053. The elected officer shall  
 1597 ~~will~~ be enrolled as a renewed member in the Elected Officers'  
 1598 Class or the Regular Class, as provided in ss. 121.053 and  
 1599 121.122, on the first day of the month after termination of  
 1600 employment in the nonelected position and termination of DROP.  
 1601 Distribution of ~~the~~ DROP benefits shall be made as provided in  
 1602 paragraph (c).

1603 (II) For DROP participation ending on or after January 1,  
 1604 2010, an elected officer who is dually employed and elects to  
 1605 participate in DROP must meet the definition of termination in  
 1606 s. 121.021(39) within the original 60-month period or maximum  
 1607 participation period as provided in subparagraph 1.

1608 (c) Benefits payable under ~~the~~ DROP.--

1609 1. Effective on ~~with~~ the date of DROP participation, the  
 1610 member's initial normal monthly benefit, including creditable  
 1611 service, optional form of payment, and average final  
 1612 compensation, and the effective date of retirement are ~~shall be~~  
 1613 fixed. The beneficiary established under the Florida Retirement  
 1614 System shall be the beneficiary eligible to receive any DROP  
 1615 benefits payable if the DROP participant dies prior to the

1616 completion of the period of DROP participation. If ~~In the event~~  
 1617 a joint annuitant predeceases the member, the member may name a  
 1618 beneficiary to receive accumulated DROP benefits payable. The  
 1619 ~~Such~~ retirement benefit, the annual cost of living adjustments  
 1620 provided in s. 121.101, and interest shall accrue monthly in the  
 1621 Florida Retirement System Trust Fund. The ~~Such~~ interest shall  
 1622 accrue at an effective annual rate of 6.5 percent compounded  
 1623 monthly, on the prior month's accumulated ending balance, up to  
 1624 the month of termination or death.

1625 2. Each employee who elects to participate in ~~the~~ DROP may  
 1626 ~~shall be allowed to~~ elect to receive a lump-sum payment for  
 1627 accrued annual leave earned in accordance with agency policy  
 1628 upon beginning participation in ~~the~~ DROP. The ~~Such~~ accumulated  
 1629 leave payment certified to the division upon commencement of  
 1630 DROP shall be included in the calculation of the member's  
 1631 average final compensation. The employee electing the ~~such~~ lump-  
 1632 sum payment is ~~upon beginning participation in DROP will not be~~  
 1633 eligible to receive a second lump-sum payment upon termination,  
 1634 except to the extent the employee has earned additional annual  
 1635 leave which, combined with the original payment, does not exceed  
 1636 the maximum lump-sum payment allowed by the employing agency's  
 1637 policy or rules. An ~~Such~~ early lump-sum payment shall be based  
 1638 on the hourly wage of the employee at the time he or she begins  
 1639 participation in ~~the~~ DROP. If the member elects to wait and  
 1640 receive a ~~such~~ lump-sum payment upon termination of DROP and  
 1641 termination of employment with the employer, any accumulated  
 1642 leave payment made at that time may not ~~cannot~~ be included in

1643 the member's retirement benefit, which was determined and fixed  
1644 by law when the employee elected to participate in ~~the~~ DROP.

1645 3. The effective date of DROP participation and the  
1646 effective date of retirement of a DROP participant shall be the  
1647 first day of the month selected by the member to begin  
1648 participation in ~~the~~ DROP, provided such date is properly  
1649 established, with the written confirmation of the employer, and  
1650 the approval of the division, on forms required by the division.

1651 4. Normal retirement benefits and any interest ~~thereon~~  
1652 shall continue to accrue in ~~the~~ DROP until the established  
1653 termination date of ~~the~~ DROP, or until the participant  
1654 terminates employment or dies prior to such date. Although  
1655 individual DROP accounts shall not be established, a separate  
1656 accounting of each participant's accrued benefits under ~~the~~ DROP  
1657 shall be calculated and provided to participants.

1658 5. At the conclusion of the participant's DROP, the  
1659 division shall distribute the participant's total accumulated  
1660 DROP benefits, subject to the following provisions:

1661 a. The division shall receive verification by the  
1662 participant's employer or employers that the ~~such~~ participant  
1663 has terminated employment as provided in s. 121.021(39)(b).

1664 b. The terminated DROP participant or, if deceased, the  
1665 ~~such~~ participant's named beneficiary, shall elect on forms  
1666 provided by the division to receive payment of the DROP benefits  
1667 in accordance with one of the options listed below. If ~~For~~ a  
1668 participant or beneficiary ~~who~~ fails to elect a method of  
1669 payment within 60 days after ~~of~~ termination of ~~the~~ DROP, the

1670 division shall ~~will~~ pay a lump sum as provided in sub-sub-  
 1671 subparagraph (I).

1672 (I) Lump sum.--All accrued DROP benefits, plus interest,  
 1673 less withholding taxes remitted to the Internal Revenue Service,  
 1674 shall be paid to the DROP participant or surviving beneficiary.

1675 (II) Direct rollover.--All accrued DROP benefits, plus  
 1676 interest, shall be paid from ~~the~~ DROP directly to the custodian  
 1677 of an eligible retirement plan as defined in s. 402(c)(8)(B) of  
 1678 the Internal Revenue Code. However, in the case of an eligible  
 1679 rollover distribution to the surviving spouse of a deceased  
 1680 participant, an eligible retirement plan is an individual  
 1681 retirement account or an individual retirement annuity as  
 1682 described in s. 402(c)(9) of the Internal Revenue Code.

1683 (III) Partial lump sum.--A portion of the accrued DROP  
 1684 benefits shall be paid to the DROP participant or surviving  
 1685 spouse, less withholding taxes remitted to the Internal Revenue  
 1686 Service, and the remaining DROP benefits shall be transferred  
 1687 directly to the custodian of an eligible retirement plan as  
 1688 defined in s. 402(c)(8)(B) of the Internal Revenue Code.  
 1689 However, in the case of an eligible rollover distribution to the  
 1690 surviving spouse of a deceased participant, an eligible  
 1691 retirement plan is an individual retirement account or an  
 1692 individual retirement annuity as described in s. 402(c)(9) of  
 1693 the Internal Revenue Code. The proportions shall be specified by  
 1694 the DROP participant or surviving beneficiary.

1695 c. The form of payment selected by the DROP participant or  
 1696 surviving beneficiary must comply ~~complies~~ with the minimum  
 1697 distribution requirements of the Internal Revenue Code.

1698 d. A DROP participant who fails to terminate employment as  
 1699 defined in s. 121.021(39)(b) shall be deemed as not ~~to be~~  
 1700 retired, and the DROP election is ~~shall be~~ null and void.  
 1701 Florida Retirement System membership shall be reestablished  
 1702 retroactively to the date of the commencement of ~~the~~ DROP, and  
 1703 each employer with whom the participant continues employment  
 1704 must ~~shall be required to~~ pay to the Florida Retirement System  
 1705 Trust Fund the difference between the DROP contributions paid in  
 1706 paragraph (h) ~~(i)~~ and the contributions required for the  
 1707 applicable Florida Retirement System class of membership during  
 1708 the period the member participated in ~~the~~ DROP, plus 6.5 percent  
 1709 interest compounded annually.

1710 6. The retirement benefits of any DROP participant who  
 1711 meets the definition of termination in s. 121.021(39)(b) but is  
 1712 in violation of the reemployment provisions as provided in  
 1713 subsection (9) shall be suspended during those months in which  
 1714 the member is in violation. Any member employed in violation of  
 1715 this subparagraph and any employing agency that employs or  
 1716 appoints such member without notifying the Division of  
 1717 Retirement to suspend retirement benefits are jointly and  
 1718 severally liable for any benefits paid during the reemployment  
 1719 limitation period. To avoid liability, the employing agency must  
 1720 have a written statement from the retiree that he or she is not  
 1721 retired from a state-administered retirement system. Any  
 1722 retirement benefits received by a retired member while employed  
 1723 in violation of the reemployment limitations during the first 12  
 1724 months after meeting termination in s. 121.021(39) must be  
 1725 repaid to the Florida Retirement System Trust Fund, and his or

1726 her retirement benefits shall remain suspended until payment is  
1727 made. Benefits suspended beyond the end of the retired member's  
1728 first 12 calendar months after meeting the definition of  
1729 termination in s. 121.021(39)(b) shall apply toward repayment of  
1730 benefits received in violation of the reemployment limitation.

1731 7.6. The accrued benefits of any DROP participant, and any  
1732 contributions accumulated under the ~~such~~ program, are ~~shall~~ not  
1733 ~~be~~ subject to assignment, execution, attachment, or ~~to~~ any legal  
1734 process whatsoever, except for qualified domestic relations  
1735 orders by a court of competent jurisdiction, income deduction  
1736 orders as provided in s. 61.1301, and federal income tax levies.

1737 8.7. DROP participants are ~~shall~~ not ~~be~~ eligible for  
1738 disability retirement benefits as provided in subsection (4).

1739 (d) Death benefits under ~~the~~ DROP.--

1740 1. Upon the death of a DROP participant, the named  
1741 beneficiary shall be entitled to apply for and receive the  
1742 accrued benefits in ~~the~~ DROP as provided in sub-subparagraph  
1743 (c)5.b.

1744 2. The normal retirement benefit accrued to ~~the~~ DROP  
1745 during the month of a participant's death shall be the final  
1746 monthly benefit credited for such DROP participant.

1747 3. Eligibility to participate in ~~the~~ DROP terminates upon  
1748 death of the participant. If the participant dies on or after  
1749 the effective date of enrollment in ~~the~~ DROP, but prior to the  
1750 first monthly benefit being credited to ~~the~~ DROP, Florida  
1751 Retirement System benefits shall be paid in accordance with  
1752 subparagraph (7)(c)1. or subparagraph 2.

1753 4. A DROP participant's ~~participants'~~ survivors shall not  
 1754 be eligible to receive Florida Retirement System death benefits  
 1755 as provided in paragraph (7) (d).

1756 (e) Cost-of-living adjustment.--On each July 1, the  
 1757 participant's ~~participants'~~ normal retirement benefit shall be  
 1758 increased as provided in s. 121.101.

1759 (f) Retiree health insurance subsidy.--DROP participants  
 1760 are not eligible to apply for the retiree health insurance  
 1761 subsidy payments as provided in s. 112.363 until such  
 1762 participants have terminated employment and participation in ~~the~~  
 1763 DROP.

1764 ~~(g) Renewed membership.--DROP participants shall not be~~  
 1765 ~~eligible for renewed membership in the Florida Retirement System~~  
 1766 ~~under ss. 121.053 and 121.122 until termination of employment is~~  
 1767 ~~effectuated as provided in s. 121.021(39) (b).~~

1768 (g) ~~(h)~~ Employment limitation after DROP  
 1769 participation.--Upon satisfying the definition of termination of  
 1770 employment as provided in s. 121.021(39) (b), DROP participants  
 1771 shall be subject to such reemployment limitations as other  
 1772 retirees. Reemployment restrictions applicable to retirees as  
 1773 provided in subsection (9) shall not apply to DROP participants  
 1774 until their employment and participation in ~~the~~ DROP are  
 1775 terminated.

1776 (h) ~~(i)~~ Contributions.--

1777 1. All employers paying the salary of a DROP participant  
 1778 filling a regularly established position shall contribute 8.0  
 1779 percent of such participant's gross compensation for the period  
 1780 of July 1, 2002, through June 30, 2003, and the percentage ~~11.56~~



1781 ~~percent~~ of such compensation required by s. 121.71 thereafter,  
 1782 which shall constitute the entire employer DROP contribution  
 1783 with respect to such participant. Such contributions, payable to  
 1784 the Florida Retirement System Trust Fund in the same manner as  
 1785 required in s. 121.071, shall be made as appropriate for each  
 1786 pay period and are in addition to contributions required for  
 1787 social security and the Retiree Health Insurance Subsidy Trust  
 1788 Fund. Such employer, social security, and health insurance  
 1789 subsidy contributions are not included in ~~the~~ DROP.

1790 2. The employer shall, in addition to subparagraph 1.,  
 1791 also withhold one-half of the entire social security  
 1792 contribution required for the participant. Contributions for  
 1793 social security by each participant and each employer, in the  
 1794 amount required for social security coverage as now or hereafter  
 1795 provided by the federal Social Security Act, shall be in  
 1796 addition to contributions specified in subparagraph 1.

1797 3. All employers paying the salary of a DROP participant  
 1798 filling a regularly established position shall contribute the  
 1799 percent of such participant's gross compensation required in s.  
 1800 121.071(4), which shall constitute the employer's health  
 1801 insurance subsidy contribution with respect to such participant.  
 1802 Such contributions shall be deposited by the administrator in  
 1803 the Retiree Health Insurance Subsidy Trust Fund.

1804 (i) ~~(j)~~ Forfeiture of retirement benefits.--Nothing in this  
 1805 section shall be construed to remove DROP participants from the  
 1806 scope of s. 8(d), Art. II of the State Constitution, s.  
 1807 112.3173, and paragraph (5)(f). DROP participants who commit a  
 1808 specified felony offense while employed will be subject to

1809 forfeiture of all retirement benefits, including DROP benefits,  
 1810 pursuant to those provisions of law.

1811 (j)~~(k)~~ Administration of program.--The division shall make  
 1812 such rules as are necessary for the effective and efficient  
 1813 administration of this subsection. The division shall not be  
 1814 required to advise members of the federal tax consequences of an  
 1815 election related to ~~the~~ DROP but may advise members to seek  
 1816 independent advice.

1817 (14) PAYMENT OF BENEFITS.--This subsection applies to the  
 1818 payment of benefits to a payee (retiree or beneficiary) under  
 1819 the Florida Retirement System:

1820 (a) Federal income tax shall be withheld in accordance  
 1821 with federal law, unless the payee elects otherwise on Form W-  
 1822 4P. The division shall prepare and distribute to each recipient  
 1823 of monthly retirement benefits an appropriate income tax form  
 1824 that reflects the recipient's income and federal income tax  
 1825 withheld for the calendar year just ended.

1826 (b) Subject to approval by the division in accordance with  
 1827 rule 60S-4.015, Florida Administrative Code, a payee receiving  
 1828 retirement benefits under the ~~Florida Retirement~~ system may also  
 1829 have the following payments deducted from his or her monthly  
 1830 benefit:

1831 1. Premiums for life and health-related insurance policies  
 1832 from approved companies.

1833 2. Life insurance premiums for the State Group Life  
 1834 Insurance Plan, if authorized in writing by the payee and by the  
 1835 department ~~of Management Services~~.

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1836           3. Repayment of overpayments from the Florida Retirement  
1837 System Trust Fund, the State Employees' Health Insurance Trust  
1838 Fund, or the State Employees' Life Insurance Trust Fund, upon  
1839 notification of the payee.

1840           4. Payments to an alternate payee for alimony or, child  
1841 support pursuant to an income deduction order under s. 61.1301,  
1842 or division of marital assets pursuant to a qualified domestic  
1843 relations order under s. 222.21 ~~or an income deduction order~~  
1844 ~~under s. 61.1301.~~

1845           5. Payments to the Internal Revenue Service for federal  
1846 income tax levies, upon notification of the division by the  
1847 Internal Revenue Service.

1848           (c) A payee must ~~shall~~ notify the division of any change  
1849 in his or her address. The division may suspend benefit payments  
1850 to a payee if correspondence sent to the payee's mailing address  
1851 is returned due to an incorrect address. Benefit payments shall  
1852 be resumed upon notification to the division of the payee's new  
1853 address.

1854           (d) A payee whose retirement benefits are reduced by the  
1855 application of maximum benefit limits under s. 415(b) of the  
1856 Internal Revenue Code, as specified in s. 121.30(5), shall have  
1857 the portion of his or her calculated benefit in the Florida  
1858 Retirement System defined benefit plan which exceeds such  
1859 federal limitation paid through the Florida Retirement System  
1860 Preservation of Benefits Plan, as provided in s. 121.1001.

1861           (e) The Division of Retirement may issue retirement  
1862 benefits payable for division of marital assets pursuant to a  
1863 qualified domestic relations order directly to the alternate

1864 payee, any court order to the contrary notwithstanding, in order  
 1865 to meet Internal Revenue Code requirements.

1866 (f)-(e) A ~~No~~ benefit may not be reduced for the purpose of  
 1867 preserving the member's eligibility for a federal program.

1868 (g)-(f) The division shall adopt rules establishing  
 1869 procedures for determining that ~~the~~ persons to whom benefits are  
 1870 being paid are still living. The division shall suspend the  
 1871 benefits being paid to any payee if ~~when~~ it is unable to contact  
 1872 such payee and to confirm that he or she is still living.

1873 Section 10. Section 121.1115, Florida Statutes, is amended  
 1874 to read:

1875 121.1115 Purchase of retirement credit for out-of-state or  
 1876 ~~and~~ federal service.--Effective January 1, 1995, a member ~~of the~~  
 1877 ~~Florida Retirement System~~ may purchase creditable service for  
 1878 periods of public employment in another state and receive  
 1879 creditable service for such periods of employment. Service with  
 1880 the Federal Government, including any active military service,  
 1881 may be claimed. Upon completion of each year of service earned  
 1882 under the Florida Retirement System, a member may purchase up to  
 1883 1 year of retirement credit for his or her out-of-state service,  
 1884 subject to the following provisions:

1885 (1) LIMITATIONS AND CONDITIONS.--To receive credit for the  
 1886 out-of-state service:

1887 (a) The out-of-state service ~~being claimed~~ must have been:

1888 1. Performed in a position of employment with the state or  
 1889 a political subdivision thereof or with the Federal Government;

1890           2. Covered by a retirement or pension plan provided by the  
 1891 state or political subdivision, or by the Federal Government, as  
 1892 appropriate; and

1893           3. Performed prior to a period of membership in the  
 1894 Florida Retirement System.

1895           (b) The member must have completed a minimum of 6 years of  
 1896 creditable service under the Florida Retirement System,  
 1897 excluding out-of-state service and in-state service claimed and  
 1898 purchased under s. 121.1122.

1899           (c) Not more than 5 years of creditable service may be  
 1900 claimed for creditable service aggregated under ~~the provisions~~  
 1901 ~~of~~ this section and s. 121.1122.

1902           (d) The out-of-state service credit ~~claimed under this~~  
 1903 ~~section~~ shall be credited only as service in the Regular Class  
 1904 ~~of membership~~, and any benefit or pension based thereon is shall  
 1905 ~~be~~ subject to the limitations and restrictions of s. 112.65.

1906           (e) The member is not eligible for and may not receive a  
 1907 pension or benefit from a retirement or pension plan based on or  
 1908 including the out-of-state service. Eligibility for or the  
 1909 receipt of contributions to a retirement plan made by the  
 1910 employer on behalf of the employee is considered a benefit.

1911           (f) ~~(e)~~ ~~A member shall be eligible~~ To receive service  
 1912 credit for out-of-state service performed after leaving the  
 1913 Florida Retirement System, the member must complete ~~only upon~~  
 1914 ~~return to membership and completion of~~ at least 1 year of  
 1915 creditable service in the Florida Retirement System following  
 1916 the out-of-state service.

1917 (2) COST.--For each year claimed, the member must pay into  
 1918 the Florida Retirement System Trust Fund an amount equal to 20  
 1919 percent of the member's annual compensation for the first full  
 1920 work year of creditable service earned under the Florida  
 1921 Retirement System, but not less than \$12,000, plus interest at  
 1922 6.5 percent compounded annually from the date of first annual  
 1923 salary earned until full payment is made. The employer may pay  
 1924 all or a portion of the cost of this service credit.

1925 Section 11. Subsection (2) of section 121.1122, Florida  
 1926 Statutes, is amended to read:

1927 121.1122 Purchase of retirement credit for in-state public  
 1928 service and in-state service in accredited nonpublic schools and  
 1929 colleges, including charter schools and charter technical career  
 1930 centers.--Effective January 1, 1998, a member of the Florida  
 1931 Retirement System may purchase creditable service for periods of  
 1932 certain public or nonpublic employment performed in this state,  
 1933 as provided in this section.

1934 (2) LIMITATIONS AND CONDITIONS.--

1935 (a) A member is not eligible to receive credit for in-  
 1936 state service under this section until he or she has completed 6  
 1937 years of creditable service under the Florida Retirement System,  
 1938 excluding service purchased under this section and out-of-state  
 1939 service claimed and purchased under s. 121.1115.

1940 (b) A member may not purchase and receive credit for more  
 1941 than 5 years of creditable service aggregated under ~~the~~  
 1942 ~~provisions of~~ this section and s. 121.1115.

1943 (c) Service credit claimed under this section shall be  
 1944 credited only as service in the Regular Class ~~of membership~~ and  
 1945 is shall be subject to ~~the provisions of~~ s. 112.65.

1946 (d) Service credit may not be purchased under this section  
 1947 if the member is eligible to receive or is receiving a pension  
 1948 or benefit from a retirement or pension plan based on or  
 1949 including the service. Eligibility for or the receipt of  
 1950 contributions to a retirement plan made by the employer on  
 1951 behalf of the employee is considered a benefit.

1952 (e)-(d) A member is shall be eligible to receive service  
 1953 credit for in-state service performed after leaving the Florida  
 1954 Retirement System only after ~~upon returning to membership and~~  
 1955 completing at least 1 year of creditable service in the Florida  
 1956 Retirement System following the in-state service.

1957 (f)-(e) The service claimed must have been service covered  
 1958 by a retirement or pension plan provided by the employer.

1959 Section 12. Section 121.122, Florida Statutes, is amended  
 1960 to read:

1961 121.122 Renewed membership in system.--

1962 (1) Any retiree of a state-administered retirement system  
 1963 who is initially reemployed on or after January 1, 2010, shall  
 1964 not be eligible for renewed membership.

1965 (2) Except as provided in s. 121.053, effective July 1,  
 1966 1991, through December 31, 2009, any retiree of a state-  
 1967 administered retirement system who is initially reemployed  
 1968 ~~employed~~ in a regularly established position with a covered  
 1969 employer shall be enrolled as a compulsory member of the Regular  
 1970 Class of the Florida Retirement System or, effective July 1,

1971 1997, through December 31, 2009, any retiree of a state-  
 1972 administered retirement system who is initially reemployed  
 1973 ~~employed~~ in a position included in the Senior Management Service  
 1974 Class shall be enrolled as a compulsory member of the Senior  
 1975 Management Service Class of the Florida Retirement System as  
 1976 provided in s. 121.055, and shall be entitled to receive an  
 1977 additional retirement benefit, subject to the following  
 1978 conditions:

1979 ~~(1)~~(a) Such member shall resatisfy the age and service  
 1980 requirements as provided in this chapter for initial membership  
 1981 under the system, unless such member elects to participate in  
 1982 the Senior Management Service Optional Annuity Program in lieu  
 1983 of the Senior Management Service Class, as provided in s.  
 1984 121.055(6).

1985 (b) Such member shall not be entitled to disability  
 1986 benefits as provided in s. 121.091(4).

1987 (c) Such member must meet the reemployment after  
 1988 retirement limitations as provided in s. 121.091(9), as  
 1989 applicable.

1990 ~~(3)~~~~(2)~~ Upon renewed membership or reemployment of a  
 1991 retiree, the employer of such member shall pay the applicable  
 1992 employer contributions as required by ss. 121.71, 121.74,  
 1993 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4).~~

1994 ~~(4)~~~~(3)~~ The retiree of a state-administered retirement  
 1995 system who is initially reemployed before January 1, 2010, ~~Such~~  
 1996 ~~member~~ shall be entitled to purchase additional retirement  
 1997 credit in the Regular Class or the Senior Management Service



1998 Class, as applicable, for any postretirement service performed  
 1999 in a regularly established position as follows:

2000 (a) For regular class service prior to July 1, 1991, by  
 2001 paying the Regular Class applicable employee and employer  
 2002 contributions for the period being claimed, plus 4 percent  
 2003 interest compounded annually from first year of service claimed  
 2004 until July 1, 1975, and 6.5 percent interest compounded  
 2005 thereafter, until full payment is made to the Florida Retirement  
 2006 System Trust Fund; or

2007 (b) For Senior Management Service Class prior to June 1,  
 2008 1997, as provided in s. 121.055(1)(j).

2009  
 2010 The contribution for postretirement service between July 1,  
 2011 1985, and July 1, 1991, for which the reemployed retiree  
 2012 contribution was paid, shall be the difference between such  
 2013 contribution and the total applicable contribution for the  
 2014 period being claimed, plus interest. The employer of such member  
 2015 may pay the applicable employer contribution in lieu of the  
 2016 member. If a member does not wish to claim credit for all of the  
 2017 postretirement service for which he or she is eligible, the  
 2018 service the member claims must be the most recent service.

2019 ~~(5)(4)~~ No creditable service for which credit was  
 2020 received, or which remained unclaimed, at retirement may be  
 2021 claimed or applied toward service credit earned following  
 2022 renewed membership. However, for retirees initially reemployed  
 2023 before January 1, 2010, service earned as an elected officer  
 2024 with renewed membership in the Elected Officers' Class may be  
 2025 used in conjunction with creditable service earned under this

2026 section, provided the applicable vesting requirements and other  
 2027 existing statutory conditions required by this chapter are met.

2028 ~~(6)-(5)~~ Notwithstanding any other limitations provided in  
 2029 this section, a participant of the State University System  
 2030 Optional Retirement Program, the State Community College  
 2031 Optional Retirement Program, or the Senior Management Service  
 2032 Optional Annuity Program who terminated employment and commenced  
 2033 receiving a distribution ~~an annuity~~ under ~~the provisions of the~~  
 2034 optional program, who initially renews membership before January  
 2035 1, 2010, ~~in the Regular Class~~ as required by this section upon  
 2036 reemployment after retirement, and who had previously earned  
 2037 creditable Florida Retirement System service that was not  
 2038 included in any retirement benefit may include such previous  
 2039 service toward vesting and service credit in the second career  
 2040 benefit provided under renewed membership.

2041 ~~(7)-(6)~~ Any renewed member who is not receiving the maximum  
 2042 health insurance subsidy provided in s. 112.363 shall be  
 2043 entitled to earn additional credit toward the maximum health  
 2044 insurance subsidy. Any additional subsidy due because of such  
 2045 additional credit shall be received only at the time of payment  
 2046 of the second career retirement benefit. In no case shall the  
 2047 total health insurance subsidy received by a retiree receiving  
 2048 benefits from initial and renewed membership exceed the maximum  
 2049 allowed in s. 112.363.

2050 Section 13. Section 121.136, Florida Statutes, is amended  
 2051 to read:

2052 121.136 Annual benefit statement to members.--In Beginning  
 2053 January 1, 1993, ~~and each January of each year thereafter~~, the

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2054 department shall provide each active member of the Florida  
 2055 Retirement System with 5 or more years of creditable service an  
 2056 annual statement of benefits that provides. ~~Such statement~~  
 2057 ~~should provide~~ the member with basic data about the member's  
 2058 retirement account. At a minimum ~~Minimally~~, it must ~~shall~~  
 2059 include the member's retirement plan, accrued service credit ~~the~~  
 2060 ~~amount of funds on deposit in the retirement account~~, and an  
 2061 estimate of retirement benefits.

2062 Section 14. Section 121.1905, Florida Statutes, is amended  
 2063 to read:

2064 121.1905 Division of Retirement; creation.--

2065 ~~(1)~~ There is created the Division of Retirement within the  
 2066 Department of Management Services.

2067 ~~(2) The mission of the Division of Retirement is to~~  
 2068 ~~provide quality and cost-effective retirement services as~~  
 2069 ~~measured by member satisfaction and by comparison with~~  
 2070 ~~administrative costs of comparable retirement systems.~~

2071 Section 15. Paragraph (a) of subsection (2) of section  
 2072 121.23, Florida Statutes, is amended to read:

2073 121.23 Disability retirement and special risk membership  
 2074 applications; Retirement Commission; powers and duties; judicial  
 2075 review.--The provisions of this section apply to all proceedings  
 2076 in which the administrator has made a written final decision on  
 2077 the merits respecting applications for disability retirement,  
 2078 reexamination of retired members receiving disability benefits,  
 2079 applications for special risk membership, and reexamination of  
 2080 special risk members in the Florida Retirement System. The  
 2081 jurisdiction of the State Retirement Commission under this

2082 section shall be limited to written final decisions of the  
 2083 administrator on the merits.

2084 (2) A member shall be entitled to a hearing before the  
 2085 State Retirement Commission pursuant to ss. 120.569 and  
 2086 120.57(1) on the merits of any written adverse decision of the  
 2087 administrator, if he or she files with the commission a written  
 2088 request for such hearing within 21 days after receipt of such  
 2089 written decision from the administrator. For the purpose of such  
 2090 hearings, the commission shall be an "agency head" as defined by  
 2091 s. 120.52.

2092 (a) The commission may ~~shall have the authority to~~ issue  
 2093 orders as a result of the ~~a~~ hearing that are ~~shall be~~ binding on  
 2094 all parties to the dispute and. ~~The commission~~ may order any  
 2095 action that it deems appropriate. Any disability retirement  
 2096 order of the commission that ~~issued pursuant to this subsection~~  
 2097 ~~which~~ sustains the application of the member may include an  
 2098 amount, to be determined by the commission, for reasonable  
 2099 attorney's fees and taxable costs, which shall be calculated in  
 2100 accordance with the statewide uniform guidelines for taxation of  
 2101 costs in civil actions. The amount of the attorney's fees ~~fee~~  
 2102 may not exceed 50 percent of the initial yearly benefit awarded  
 2103 under s. 121.091(4). In cases involving disability retirement,  
 2104 the ~~State Retirement~~ commission shall require the member to  
 2105 present substantial competent medical evidence that meets the  
 2106 requirements of s. 121.091(4)(c)2. and 3., and may require  
 2107 vocational evidence, before awarding disability retirement  
 2108 benefits.

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2109 Section 16. Paragraph (a) of subsection (1) of section  
 2110 121.24, Florida Statutes, is amended to read:

2111 121.24 Conduct of commission business; legal and other  
 2112 assistance; compensation.--

2113 (1) The commission shall conduct its business within the  
 2114 following guidelines:

2115 (a) For purposes of hearing appeals under s. 121.23, the  
 2116 commission may meet in panels ~~consisting of no not~~ no fewer than  
 2117 three members. ~~For the purpose of meeting in these panels, a~~  
 2118 ~~quorum shall be not fewer than two members. For all other~~  
 2119 ~~purposes,~~ A quorum shall consist of three members. The  
 2120 concurring vote of a majority of the members present is ~~shall be~~  
 2121 required to reach a decision, issue orders, and conduct the  
 2122 business of the commission.

2123 Section 17. Paragraph (h) of subsection (3) and paragraphs  
 2124 (a) and (e) of subsection (5) of section 121.35, Florida  
 2125 Statutes, are amended, and paragraph (g) is added to subsection  
 2126 (5) of that section, to read:

2127 121.35 Optional retirement program for the State  
 2128 University System.--

2129 (3) ELECTION OF OPTIONAL PROGRAM.--

2130 (h) A participant in the optional retirement program may  
 2131 not participate in more than one state-administered retirement  
 2132 system, plan, or class simultaneously. Except as provided in s.  
 2133 121.052(6)(d), a participant who is or becomes dually employed  
 2134 in two or more positions covered by the Florida Retirement  
 2135 System, one of which is eligible for the optional program and  
 2136 one of which is not, may remain a member of the optional program

2137 and contributions shall be paid as required only on the salary  
 2138 earned in the position eligible for the optional program during  
 2139 such period of dual employment; or, within 90 days after  
 2140 becoming dually employed, he or she may elect membership in the  
 2141 Regular Class of the Florida Retirement System in lieu of the  
 2142 optional program and contributions shall be paid as required on  
 2143 the total salary received for all employment. At retirement, the  
 2144 average final compensation used to calculate any benefits for  
 2145 which the member becomes eligible under the Florida Retirement  
 2146 System shall be based on all salary reported for both positions  
 2147 during such period of dual employment. When such member ceases  
 2148 to be dually employed, he or she may, within 90 days, elect to  
 2149 remain in the Florida Retirement System class for which he or  
 2150 she is eligible or to again become a participant in the optional  
 2151 retirement program. Failure to elect membership in the optional  
 2152 program within 90 days shall result in compulsory membership in  
 2153 the Florida Retirement System, except that a member filling a  
 2154 faculty position at ~~under~~ a college with a faculty practice plan  
 2155 at the University of Florida, ~~or~~ the medical center at the  
 2156 University of South Florida, or any other state university shall  
 2157 again participate in the optional retirement program as required  
 2158 in s. 121.051(1) (a).

2159 (5) BENEFITS.--

2160 (a) Benefits shall be payable under the optional  
 2161 retirement program only to vested participants in the program,  
 2162 or their beneficiaries as designated by the participant in the  
 2163 contract with a provider company, and such benefits shall be  
 2164 paid only by the designated company in accordance with s. 403(b)

2165 of the Internal Revenue Code and in accordance with the terms of  
2166 the annuity contract or contracts applicable to the participant.  
2167 Benefits shall accrue in individual accounts that are  
2168 participant-directed, portable, and funded by employer  
2169 contributions and the earnings thereon. The participant must be  
2170 terminated from all employment with all Florida Retirement  
2171 System employers, as provided in s. 121.021(39), to begin  
2172 receiving the employer-funded benefit. Benefits funded by  
2173 employer contributions shall be payable in accordance with the  
2174 following terms and conditions:

2175 1. Benefits shall be payable only to a participant, to his  
2176 or her beneficiaries, or to his or her estate, as designated by  
2177 the participant.

2178 2. Benefits shall be paid by the provider company or  
2179 companies in accordance with the law, the provisions of the  
2180 contract, and any applicable department ~~board~~ rule or policy.

2181 3. In the event of a participant's death, moneys  
2182 accumulated by, or on behalf of, the participant, less  
2183 withholding taxes remitted to the Internal Revenue Service, if  
2184 any, shall be distributed to the participant's designated  
2185 beneficiary or beneficiaries, or to the participant's estate, as  
2186 if the participant retired on the date of death, as provided in  
2187 paragraph (c). No other death benefits shall be available for  
2188 survivors of participants under the optional retirement program  
2189 except for such benefits, or coverage for such benefits, as are  
2190 separately afforded by the employer, at the employer's  
2191 discretion.

2192 (e) A participant who chooses to receive his or her  
 2193 benefits upon termination of employment as defined in s.  
 2194 121.021(39) shall have responsibility to notify the provider  
 2195 company of the date on which he or she wishes benefits funded by  
 2196 employer contributions to begin. Benefits may be deferred until  
 2197 such time as the participant chooses to make such application.

2198 (g) For purposes of this section, "retiree" means a former  
 2199 participant of the optional retirement program who has  
 2200 terminated employment and has taken a distribution as provided  
 2201 in this subsection, except for a mandatory distribution of a de  
 2202 minimis account authorized by the department.

2203 Section 18. Paragraph (f) of subsection (2) of section  
 2204 121.4501, Florida Statutes, is amended to read:

2205 121.4501 Public Employee Optional Retirement Program.--

2206 (2) DEFINITIONS.--As used in this part, the term:

2207 (f) "Eligible employee" means an officer or employee, as  
 2208 defined in s. 121.021(11), who:

2209 1. Is a member of, or is eligible for membership in, the  
 2210 Florida Retirement System, including any renewed member of the  
 2211 Florida Retirement System initially enrolled before January 1,  
 2212 2010; or

2213 2. Participates in, or is eligible to participate in, the  
 2214 Senior Management Service Optional Annuity Program as  
 2215 established under s. 121.055(6), the State Community College  
 2216 System Optional Retirement Program as established under s.  
 2217 121.051(2)(c), or the State University System Optional  
 2218 Retirement Program established under s. 121.35.

2219



2220 The term does not include any member participating in the  
 2221 Deferred Retirement Option Program established under s.  
 2222 121.091(13), a retiree of a state-administered retirement system  
 2223 initially reemployed on or after January 1, 2010, or a mandatory  
 2224 participant of the State University System Optional Retirement  
 2225 Program established under s. 121.35.

2226 Section 19. Paragraph (b) of subsection (1) of section  
 2227 121.591, Florida Statutes, is amended to read:

2228 121.591 Benefits payable under the Public Employee  
 2229 Optional Retirement Program of the Florida Retirement  
 2230 System.--Benefits may not be paid under this section unless the  
 2231 member has terminated employment as provided in s.  
 2232 121.021(39) (a) or is deceased and a proper application has been  
 2233 filed in the manner prescribed by the state board or the  
 2234 department. The state board or department, as appropriate, may  
 2235 cancel an application for retirement benefits when the member or  
 2236 beneficiary fails to timely provide the information and  
 2237 documents required by this chapter and the rules of the state  
 2238 board and department. In accordance with their respective  
 2239 responsibilities as provided herein, the State Board of  
 2240 Administration and the Department of Management Services shall  
 2241 adopt rules establishing procedures for application for  
 2242 retirement benefits and for the cancellation of such application  
 2243 when the required information or documents are not received. The  
 2244 State Board of Administration and the Department of Management  
 2245 Services, as appropriate, are authorized to cash out a de  
 2246 minimis account of a participant who has been terminated from  
 2247 Florida Retirement System covered employment for a minimum of 6

2248 | calendar months. A de minimis account is an account containing  
 2249 | employer contributions and accumulated earnings of not more than  
 2250 | \$5,000 made under the provisions of this chapter. Such cash-out  
 2251 | must either be a complete lump-sum liquidation of the account  
 2252 | balance, subject to the provisions of the Internal Revenue Code,  
 2253 | or a lump-sum direct rollover distribution paid directly to the  
 2254 | custodian of an eligible retirement plan, as defined by the  
 2255 | Internal Revenue Code, on behalf of the participant. If any  
 2256 | financial instrument issued for the payment of retirement  
 2257 | benefits under this section is not presented for payment within  
 2258 | 180 days after the last day of the month in which it was  
 2259 | originally issued, the third-party administrator or other duly  
 2260 | authorized agent of the State Board of Administration shall  
 2261 | cancel the instrument and credit the amount of the instrument to  
 2262 | the suspense account of the Public Employee Optional Retirement  
 2263 | Program Trust Fund authorized under s. 121.4501(6). Any such  
 2264 | amounts transferred to the suspense account are payable upon a  
 2265 | proper application, not to include earnings thereon, as provided  
 2266 | in this section, within 10 years after the last day of the month  
 2267 | in which the instrument was originally issued, after which time  
 2268 | such amounts and any earnings thereon shall be forfeited. Any  
 2269 | such forfeited amounts are assets of the Public Employee  
 2270 | Optional Retirement Program Trust Fund and are not subject to  
 2271 | the provisions of chapter 717.

2272 |         (1) NORMAL BENEFITS.--Under the Public Employee Optional  
 2273 | Retirement Program:

2274 |             (b) If a participant elects to receive his or her benefits  
 2275 | upon termination of employment as defined in s. 121.021(39), the

2276 participant must submit a written application or an equivalent  
 2277 form to the third-party administrator indicating his or her  
 2278 preferred distribution date and selecting an authorized method  
 2279 of distribution as provided in paragraph (c). The participant  
 2280 may defer receipt of benefits until he or she chooses to make  
 2281 such application, subject to federal requirements.

2282 Section 20. Subsection (8) of section 1012.33, Florida  
 2283 Statutes, is amended to read:

2284 1012.33 Contracts with instructional staff, supervisors,  
 2285 and school principals.--

2286 (8) Notwithstanding any other provision of law, a retired  
 2287 ~~any member who has retired~~ may interrupt retirement and be  
 2288 reemployed in any public school. A ~~Any~~ member ~~se~~ reemployed by  
 2289 the same district from which he or she retired may be employed  
 2290 on a probationary contractual basis as provided in subsection  
 2291 (1); ~~however, no regular retirement employee shall be eligible~~  
 2292 ~~to renew membership under a retirement system created by chapter~~  
 2293 ~~121 or chapter 238.~~

2294 Section 21. Sections 121.093, 121.094, and 121.45, Florida  
 2295 Statutes, are repealed.

2296 Section 22. The Legislature finds that a proper and  
 2297 legitimate state purpose is served when employees and retirees  
 2298 of the state and its political subdivisions, as well as the  
 2299 dependents, survivors, and beneficiaries of such employees and  
 2300 retirees, are extended the basic protections afforded by  
 2301 governmental retirement systems that provide fair and adequate  
 2302 benefits and that are managed, administered, and funded in an  
 2303 actuarially sound manner as required by s. 14, Art. X of the

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2304 State Constitution and part VII of chapter 112, Florida  
2305 Statutes. Therefore, the Legislature determines and declares  
2306 that the amendment of s. 121.091, Florida Statutes, by this act  
2307 fulfills an important state interest.

2308 Section 23. This act shall take effect July 1, 2009.