

Amendment No.

CHAMBER ACTION

Senate

House

.

Representative Tobia offered the following:

**Amendment (with directory and title amendments)**

Between lines 175 and 176, insert:

Section 2. Subsections (3) and (4) of section 112.05, Florida Statutes, are renumbered as subsections (2) and (3), respectively, and present subsection (2) of that section is amended to read:

112.05 Retirement; ~~cost-of-living adjustment;~~ employment after retirement.-

~~(2) An annual cost-of-living adjustment shall be made to the monthly benefit payable to retirees who are retired under this section pursuant to the provisions of s. 121.101.~~

Between lines 1407 and 1408, insert:

(12) BENEFITS.-

279579

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Amendment No.

17 (d) The provisions of ~~s. ss. 121.101 and~~ 121.111, relating  
18 to the ~~cost-of-living adjustment of retirement benefits and~~  
19 retirement credit for wartime military service, ~~respectively,~~  
20 shall apply to members of the Elected Officers' Class.  
21 Creditable service for actual wartime service, as authorized by  
22 s. 121.111(2), not exceeding 4 years, shall be acquired and paid  
23 for as provided in said subsection. Upon payment by the member  
24 of 4 percent of gross salary plus accrued interest, retirement  
25 credit shall be granted at the rate of 1.6 percent for each year  
26 of creditable service acquired under said subsection.

27  
28 Remove line 2156 and insert:

29 (c) Benefits payable under DROP.—

30 1. Effective on the date of DROP participation, the  
31 member's initial normal monthly benefit, including creditable  
32 service, optional form of payment, and average final  
33 compensation, and the effective date of retirement are fixed.  
34 The beneficiary established under the Florida Retirement System  
35 is the beneficiary eligible to receive any DROP benefits payable  
36 if the DROP participant dies before completing the period of  
37 DROP participation. If a joint annuitant predeceases the member,  
38 the member may name a beneficiary to receive accumulated DROP  
39 benefits payable. The retirement benefit, ~~the annual cost of~~  
40 ~~living adjustments provided in s. 121.101,~~ and interest accrue  
41 monthly in the Florida Retirement System Trust Fund. The  
42 interest accrues at an effective annual rate of 6.5 percent  
43 compounded monthly, on the prior month's accumulated ending

279579

Approved For Filing: 4/4/2011 9:24:36 AM

Amendment No.

44 balance, up to the month of termination or death, except as  
45 provided in s. 121.053(7).

46 2. Each employee who elects to participate in DROP may  
47 elect to receive a lump-sum payment for accrued annual leave  
48 earned in accordance with agency policy upon beginning  
49 participation in DROP. The accumulated leave payment certified  
50 to the division upon commencement of DROP shall be included in  
51 the calculation of the member's average final compensation. The  
52 employee electing the lump-sum payment is not eligible to  
53 receive a second lump-sum payment upon termination, except to  
54 the extent the employee has earned additional annual leave  
55 which, combined with the original payment, does not exceed the  
56 maximum lump-sum payment allowed by the employing agency's  
57 policy or rules. An early lump-sum payment shall be based on the  
58 hourly wage of the employee at the time he or she begins  
59 participation in DROP. If the member elects to wait and receive  
60 a lump-sum payment upon termination of DROP and termination of  
61 employment with the employer, any accumulated leave payment made  
62 at that time may not be included in the member's retirement  
63 benefit, which was determined and fixed by law when the employee  
64 elected to participate in DROP.

65 3. The effective date of DROP participation and the  
66 effective date of retirement of a DROP participant shall be the  
67 first day of the month selected by the member to begin  
68 participation in DROP, provided such date is properly  
69 established, with the written confirmation of the employer, and  
70 the approval of the division, on forms required by the division.

279579

Approved For Filing: 4/4/2011 9:24:36 AM

Amendment No.

71 4. Normal retirement benefits and any interest shall  
72 continue to accrue in DROP until the established termination  
73 date of DROP or until the participant terminates employment or  
74 dies prior to such date, except as provided in s. 121.053(7).  
75 Although individual DROP accounts shall not be established, a  
76 separate accounting of each participant's accrued benefits under  
77 DROP shall be calculated and provided to participants.

78 5. At the conclusion of the participant's DROP, the  
79 division shall distribute the participant's total accumulated  
80 DROP benefits, subject to the following:

81 a. The division shall receive verification by the  
82 participant's employer or employers that the participant has  
83 terminated all employment relationships as provided in s.  
84 121.021(39).

85 b. The terminated DROP participant or, if deceased, the  
86 participant's named beneficiary, shall elect on forms provided  
87 by the division to receive payment of the DROP benefits in  
88 accordance with one of the options listed below. If a  
89 participant or beneficiary fails to elect a method of payment  
90 within 60 days after termination of DROP, the division shall pay  
91 a lump sum as provided in sub-sub-subparagraph (I).

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

95 (II) Direct rollover.—All accrued DROP benefits, plus  
96 interest, shall be paid from DROP directly to the custodian of  
97 an eligible retirement plan as defined in s. 402(c)(8)(B) of the  
98 Internal Revenue Code. However, in the case of an eligible  
279579

Approved For Filing: 4/4/2011 9:24:36 AM

Amendment No.

99 rollover distribution to the surviving spouse of a deceased  
100 participant, an eligible retirement plan is an individual  
101 retirement account or an individual retirement annuity as  
102 described in s. 402(c)(9) of the Internal Revenue Code.

103 (III) Partial lump sum.—A portion of the accrued DROP  
104 benefits shall be paid to DROP participant or surviving spouse,  
105 less withholding taxes remitted to the Internal Revenue Service,  
106 and the remaining DROP benefits must be transferred directly to  
107 the custodian of an eligible retirement plan as defined in s.  
108 402(c)(8)(B) of the Internal Revenue Code. However, in the case  
109 of an eligible rollover distribution to the surviving spouse of  
110 a deceased participant, an eligible retirement plan is an  
111 individual retirement account or an individual retirement  
112 annuity as described in s. 402(c)(9) of the Internal Revenue  
113 Code. The proportions must be specified by the DROP participant  
114 or surviving beneficiary.

115 c. The form of payment selected by the DROP participant or  
116 surviving beneficiary must comply with the minimum distribution  
117 requirements of the Internal Revenue Code.

118 d. A DROP participant who fails to terminate all  
119 employment relationships as provided in s. 121.021(39) shall be  
120 deemed as not retired, and the DROP election is null and void.  
121 Florida Retirement System membership shall be reestablished  
122 retroactively to the date of the commencement of DROP, and each  
123 employer with whom the participant continues employment must pay  
124 to the Florida Retirement System Trust Fund the difference  
125 between the DROP contributions paid in paragraph (i) and the  
126 contributions required for the applicable Florida Retirement  
279579

Approved For Filing: 4/4/2011 9:24:36 AM

Amendment No.

127 System class of membership during the period the member  
128 participated in DROP, plus 6.5 percent interest compounded  
129 annually.

130 6. The retirement benefits of any DROP participant who  
131 terminates all employment relationships as provided in s.  
132 121.021(39) but is reemployed in violation of the reemployment  
133 provisions of subsection (9) shall be suspended during those  
134 months in which the retiree is in violation. Any retiree in  
135 violation of this subparagraph and any employer that employs or  
136 appoints such person without notifying the Division of  
137 Retirement to suspend retirement benefits are jointly and  
138 severally liable for any benefits paid during the reemployment  
139 limitation period. The employer must have a written statement  
140 from the retiree that he or she is not retired from a state-  
141 administered retirement system. Any retirement benefits received  
142 by a retiree while employed in violation of the reemployment  
143 limitations must be repaid to the Florida Retirement System  
144 Trust Fund, and his or her retirement benefits shall remain  
145 suspended until payment is made. Benefits suspended beyond the  
146 end of the reemployment limitation period apply toward repayment  
147 of benefits received in violation of the reemployment  
148 limitation.

149 7. The accrued benefits of any DROP participant, and any  
150 contributions accumulated under the program, are not subject to  
151 assignment, execution, attachment, or any legal process  
152 whatsoever, except for qualified domestic relations orders by a  
153 court of competent jurisdiction, income deduction orders as  
154 provided in s. 61.1301, and federal income tax levies.

279579

Approved For Filing: 4/4/2011 9:24:36 AM

Amendment No.

155 8. DROP participants are not eligible for disability  
156 retirement benefits as provided in subsection (4).

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

160 (k) Closure of program to new participants.-Effective July  
161

162 Between lines 2159 and 2160, insert:

163 Section 13. Section 121.101, Florida Statutes, is  
164 repealed.

166 Between lines 2446 and 2447, insert:

167 Section 17. Subsections (11) through (13) of section  
168 121.40, Florida Statutes, are renumbered as subsections (10)  
169 through (12), respectively, and present subsection (10) of that  
170 section is amended to read:

171 121.40 Cooperative extension personnel at the Institute of  
172 Food and Agricultural Sciences; supplemental retirement  
173 benefits.-

174 ~~(10) COST-OF-LIVING ADJUSTMENT OF SUPPLEMENTAL BENEFITS.-~~  
175 ~~On each July 1, the supplemental benefit of each retired~~  
176 ~~participant of this program and each annuitant thereof shall be~~  
177 ~~adjusted as provided in s. 121.101.~~

180 -----  
181 **D I R E C T O R Y A M E N D M E N T**

182 Remove line 1319 and insert:

279579

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Amendment No.

183 paragraph (b) of subsection (7), subsection (10), and paragraph  
184 (d) of subsection (12) of section

185  
186 Remove lines 1862-1863 and insert:  
187 subsection (9), and present paragraphs (a), (c), and (e) of  
188 subsection (13) of section 121.091, Florida Statutes, are  
189 amended, paragraphs (f) through (k) of subsection (13) of that  
190 section are redesignated as paragraphs (e) through (j),  
191 respectively, and paragraph (k) is

192  
193  
194 -----

195 **T I T L E A M E N D M E N T**

196 Remove line 3 and insert:  
197 112.05, 112.363, and 112.65, F.S.; conforming provisions to

198  
199 Remove line 53 and insert:  
200 to new participants on July 1, 2011; conforming provisions to  
201 changes made by the act; repealing s. 121.101, F.S., relating to  
202 cost-of-living adjustment of benefits; amending s. 121.121,

203  
204 Remove line 69 and insert:  
205 121.40, F.S.; conforming provisions to changes made by the act;  
206 amending s. 121.4501, F.S.; changing the name of the Public  
207 Employee