2011

1	A bill to be entitled
2	An act relating to retirement; amending s. 121.091, F.S.;
3	revising provisions relating to employment after
4	retirement; providing that a retiree of a state-
5	administered retirement system who retires on or after a
6	certain date may not be reemployed by an employer that
7	participates in a state-administered retirement system and
8	receive both a salary for employment and retirement
9	benefits; requiring that a retiree who retires on or after
10	a certain date and who is reemployed within 6 calendar
11	months after retirement apply to establish a future
12	retirement date; providing that a retiree who is employed
13	by an employing entity or contractor that does not
14	participate in a state-administered retirement system, but
15	who performs services for an employer that does
16	participate, may not receive retirement benefits during
17	such employment; amending s. 121.591, F.S.; conforming a
18	cross-reference; providing an effective date.
19	
20	Be It Enacted by the Legislature of the State of Florida:
21	
22	Section 1. Subsection (9) of section 121.091, Florida
23	Statutes, is amended to read:
24	121.091 Benefits payable under the systemBenefits may
25	not be paid under this section unless the member has terminated
26	employment as provided in s. 121.021(39)(a) or begun
27	participation in the Deferred Retirement Option Program as
28	provided in subsection (13), and a proper application has been
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29 filed in the manner prescribed by the department. The department 30 may cancel an application for retirement benefits when the 31 member or beneficiary fails to timely provide the information 32 and documents required by this chapter and the department's 33 rules. The department shall adopt rules establishing procedures 34 for application for retirement benefits and for the cancellation 35 of such application when the required information or documents 36 are not received.

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(9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.-

(a) Except as provided in paragraph (e), any person who is
retired under this chapter, except <u>as provided</u> under the
disability retirement provisions of subsection (4), may be
employed by an employer that does not participate in a stateadministered retirement system and receive compensation from
that employment without limiting or restricting in any way the
retirement benefits payable to that person.

Any person who retires under this chapter and whose 45 (b) retirement is effective before July 1, 2010, or whose 46 47 participation in the Deferred Retirement Option Program (DROP) terminates before July 1, 2010, except as provided under the 48 49 disability retirement provisions of subsection (4) or as provided in s. 121.053, may be reemployed by an employer that 50 51 participates in a state-administered retirement system and 52 receive both retirement benefits and compensation from that 53 employer. However, except that the person may not be reemployed by an employer participating in the Florida Retirement System 54 55 until such person has been terminated from employment for at 56 least 1 calendar month before meeting the definition of

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57 termination in s. 121.021 and may not receive both a salary from 58 the employer and retirement benefits for 12 calendar months 59 following immediately subsequent to the date of retirement or 60 the DROP termination date. However, a DROP participant shall 61 continue employment and receive a salary during the period of 62 participation in the Deferred Retirement Option Program, as 63 provided in subsection (13). 64 1. A retiree who is reemployed within 1 calendar month 65 after retirement or the DROP termination date voids his or her retirement and must repay any retirement benefits received to 66 67 the retirement trust fund from which the benefits were paid. 68 2.1. A retiree who is reemployed 1 calendar month after retirement or the DROP termination date but violates such 69 70 reemployment limitation before completion of the 12-month 71 limitation period must give timely notice of this fact in 72 writing to the employer and to the Division of Retirement or the 73 state board and shall have his or her retirement benefits 74 suspended for the months employed, or the balance of the 12-75 month limitation period as required in sub-subparagraphs b. and c., and any amount suspended shall be forfeited to the 76 77 retirement plan. A retiree employed during this period is liable 78 for repayment of any retirement benefits paid during the 79 reemployment limitation period. If the employer fails to notify 80 the division or state board in writing to suspend the employee's

81 retirement benefits, the employer and retiree A retiree employed

82 in violation of this paragraph and an employer who employs or

- 83 appoints such person are jointly and severally liable for
- 84 repayment of these benefits reimbursement to the retirement

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85 trust fund, including the Florida Retirement System Trust Fund 86 and the Public Employee Optional Retirement Program Trust Fund, 87 from which the benefits were paid. The employer must have a 88 written statement from the retiree that he or she is not retired 89 from a state-administered retirement system. Retirement benefits 90 shall remain suspended until repayment is has been made. Any 91 benefits suspended beyond the reemployment limitation shall 92 apply toward repayment of benefits received in violation of the 93 reemployment limitation, and shall be forfeited to the 94 retirement plan.

95 A district school board may reemploy a retiree as a a. 96 substitute or hourly teacher, education paraprofessional, 97 transportation assistant, bus driver, or food service worker on 98 a noncontractual basis after he or she has been retired for 1 99 calendar month. A district school board may reemploy a retiree 100 as instructional personnel, as defined in s. 1012.01(2)(a), on an annual contractual basis after he or she has been retired for 101 102 1 calendar month. Any member who is reemployed within 1 calendar 103 month after retirement shall void his or her application for 104 retirement benefits. District school boards reemploying such 105 teachers, education paraprofessionals, transportation 106 assistants, bus drivers, or food service workers are subject to 107 the retirement contribution required by subparagraph 2.

b. A community college board of trustees may reemploy a
retiree as an adjunct instructor or as a participant in a phased
retirement program within the Florida Community College System,
after he or she has been retired for 1 calendar month. A member
who is reemployed within 1 calendar month after retirement shall
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113 void his or her application for retirement benefits. Boards of 114 trustees reemploying such instructors are subject to the 115 retirement contribution required in subparagraph 2. A retiree 116 may be reemployed as an adjunct instructor for no more than 780 117 hours during the first 12 months of retirement. A retiree reemployed for more than 780 hours during the first 12 months of 118 119 retirement must give timely notice in writing to the employer and to the Division of Retirement or the state board of the date 120 121 he or she will exceed the limitation. The division or state 122 board shall suspend his or her retirement benefits for the 123 remainder of the 12 months of retirement. Any retiree employed 124 in violation of this sub-subparagraph and any employer who 125 employs or appoints such person without notifying the division 126 to suspend retirement benefits are jointly and severally liable 127 for any benefits paid during the reemployment limitation period. 128 The employer must have a written statement from the retiree that 129 he or she is not retired from a state-administered retirement 130 system. Any retirement benefits received by the retiree while 131 reemployed in excess of 780 hours during the first 12 months of 132 retirement must be repaid to the retirement trust fund from 133 which the benefits were paid Florida Retirement System Trust 134 Fund, and retirement benefits shall remain suspended until 135 repayment is made. Benefits suspended beyond the end of the 136 retiree's first 12 months of retirement shall apply toward 137 repayment of benefits received in violation of the 780-hour 138 reemployment limitation. 139 A state university board of trustees The State с. 140 University System may reemploy a retiree as an adjunct faculty

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member or as a participant in a phased retirement program within 141 142 the State University System after the retiree has been retired 143 for 1 calendar month. A member who is reemployed within 1 144 calendar month after retirement shall void his or her 145 application for retirement benefits. The State University System 146 is subject to the retired contribution required in subparagraph 147 2., as appropriate. A retiree may be reemployed as an adjunct faculty member or a participant in a phased retirement program 148 149 for no more than 780 hours during the first 12 months of his or her retirement. A retiree reemployed for more than 780 hours 150 during the first 12 months of retirement must give timely notice 151 152 in writing to the employer and to the Division of Retirement or 153 the state board of the date he or she will exceed the 154 limitation. The division or state board shall suspend his or her 155 retirement benefits for the remainder of the 12 months. Any 156 retiree employed in violation of this sub-subparagraph and any 157 employer who employs or appoints such person without notifying 158 the division to suspend retirement benefits are jointly and 159 severally liable for any benefits paid during the reemployment limitation period. The employer must have a written statement 160 161 from the retiree that he or she is not retired from a state-162 administered retirement system. Any retirement benefits received 163 by the retiree while reemployed in excess of 780 hours during 164 the first 12 months of retirement must be repaid to the 165 retirement trust fund from which the benefits were paid Florida Retirement System Trust Fund, and retirement benefits shall 166 167 remain suspended until repayment is made. Benefits suspended beyond the end of the retiree's first 12 months of retirement 168 Page 6 of 18

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169 shall apply toward repayment of benefits received in violation 170 of the 780-hour reemployment limitation.

The Board of Trustees of the Florida School for the 171 d. 172 Deaf and the Blind may reemploy a retiree as a substitute 173 teacher, substitute residential instructor, or substitute nurse 174 on a noncontractual basis after he or she has been retired for 1 175 calendar month. Any member who is reemployed within 1 calendar 176 month after retirement shall void his or her application for 177 retirement benefits. The Board of Trustees of the Florida School 178 for the Deaf and the Blind reemploying such teachers, 179 residential instructors, or nurses is subject to the retirement 180 contribution required by subparagraph 2.

181 A developmental research school may reemploy a retiree е. 182 as a substitute or hourly teacher or an education 183 paraprofessional as defined in s. 1012.01(2) on a noncontractual 184 basis after he or she has been retired for 1 calendar month. A 185 developmental research school may reemploy a retiree as 186 instructional personnel, as defined in s. 1012.01(2)(a), on an 187 annual contractual basis after he or she has been retired for 1 188 calendar month after retirement. Any member who is reemployed 189 within 1 calendar month voids his or her application for 190 retirement benefits. A developmental research school that 191 reemploys retired teachers and education paraprofessionals is 192 subject to the retirement contribution required by subparagraph 193 2.

194 f. A charter school may reemploy a retiree as a substitute 195 or hourly teacher on a noncontractual basis after he or she has 196 been retired for 1 calendar month. A charter school may reemploy

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197 a retired member as instructional personnel, as defined in s. 198 1012.01(2)(a), on an annual contractual basis after he or she 199 has been retired for 1 calendar month after retirement. Any 200 member who is reemployed within 1 calendar month voids his or 201 her application for retirement benefits. A charter school that 202 reemploys such teachers is subject to the retirement 203 contribution required by subparagraph 2.

204 3.2. The employment of a retiree or DROP participant of a 205 state-administered retirement system does not affect the average final compensation or years of creditable service of the retiree 206 207 or DROP participant. Before July 1, 1991, upon employment of any 208 person, other than an elected officer as provided in s. 121.053, 209 who is retired under a state-administered retirement program, the employer shall pay retirement contributions in an amount 210 equal to the unfunded actuarial liability portion of the 211 212 employer contribution which would be required for regular 213 members of the Florida Retirement System. Effective July 1, 214 1991, contributions shall be made as provided in s. 121.122 for 215 retirees who have renewed membership or, as provided in 216 subsection (13), for DROP participants.

217 4.3. Any person who is holding an elective public office 218 which is covered by the Florida Retirement System and who is 219 concurrently employed in nonelected covered employment may elect 220 to retire while continuing employment in the elective public office if he or she terminates his or her nonelected covered 221 222 employment. Such person shall receive his or her retirement 223 benefits in addition to the compensation of the elective office without regard to the time limitations otherwise provided in 224

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this subsection. A person who seeks to exercise the provisions of this subparagraph as they existed before May 3, 1984, may not be deemed to be retired under those provisions, unless such person is eligible to retire under this subparagraph, as amended by chapter 84-11, Laws of Florida.

230 Any person who retires under this chapter and whose (C) 231 retirement is effective on or after July 1, 2010, but before 232 July 1, 2011, or whose participation in the Deferred Retirement 233 Option Program (DROP) terminates on or after July 1, 2010, but 234 before July 1, 2011, who is retired under this chapter, except 235 as provided under the disability retirement provisions of 236 subsection (4) or as provided in s. 121.053, may be reemployed 237 by an employer that participates in a state-administered 238 retirement system and receive both retirement benefits and 239 compensation from that employer. However, a person may not be 240 reemployed by an employer participating in the Florida 241 Retirement System until such person has been terminated from 242 employment for at least 6 calendar months before meeting the 243 definition of termination in s. 121.021 and may not receive both 244 a salary from the employer and retirement benefits for $\frac{6}{2}$ 245 calendar months 7 through 12 following the date of retirement or 246 the DROP termination date after meeting the definition of 247 termination. However, a DROP participant shall continue employment and receive a salary during the period of 248 249 participation in the Deferred Retirement Option Program, as 250 provided in subsection (13). The reemployed retiree in a regularly established 251 1. 252 position may not renew membership in the Florida Retirement

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253 System.

2. The employer shall pay retirement contributions <u>for</u> 255 <u>retirees reemployed in a regularly established position</u> in an 256 amount equal to the unfunded actuarial liability portion of the 257 employer contribution that would be required for active members 258 of the Florida Retirement System in addition to the 259 contributions required by s. 121.76.

<u>3. A retiree who is reemployed within 6 calendar months</u>
 <u>after retirement or the DROP termination date voids his or her</u>
 <u>retirement and must repay any retirement benefits received to</u>
 <u>the retirement trust fund from which the benefits were paid.</u>

264 4.3. A retiree who is initially reemployed during months 7 265 through 12 after retirement or the DROP termination date must 266 give timely notice of this fact in writing to the employer and 267 the Division of Retirement or the state board and shall have his 268 or her retirement benefits suspended for the months employed, 269 and any amount suspended shall be forfeited to the retirement 270 plan. A retiree employed during this period is liable for 271 repayment of any retirement benefits paid during the 272 reemployment limitation period. If the employer fails to notify 273 the division or state board in writing to suspend retirement 274 benefits, the employer and retiree are jointly and severally 275 liable for repayment of these benefits to the retirement trust fund from which the benefits were paid, unless the employer has 276 277 a written statement from the retiree indicating that he or she 278 is not retired from a state-administered retirement system. in 279 violation of this paragraph and an employer that employs or 280 appoints such person are jointly and severally liable for

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281 reimbursement of any retirement benefits paid to the retirement 282 trust fund from which the benefits were paid, including the 283 Florida Retirement System Trust Fund and the Public Employee 284 Optional Retirement Program Trust Fund, as appropriate. The 285 employer must have a written statement from the employee that he 286 she is not retired from a state-administered retirement 287 system. Retirement benefits shall remain suspended until 288 repayment is made. Any benefits suspended beyond the end of the 289 retiree's 6-month reemployment limitation period shall apply 290 toward the repayment of benefits received in violation of this 291 paragraph, and shall be forfeited to the retirement plan. 292 (d) Any person who retires under this chapter whose 293 retirement is effective on or after July 1, 2011, or whose 294 participation in the Defined Retirement Option Program (DROP) 295 terminates on or after July 1, 2011, except as provided under 296 the disability retirement provisions of subsection (4) or as 297 provided in s. 121.053, may not be reemployed by an employer 298 that participates in a state-administered retirement system and 299 receive both retirement benefits and salary from that employer 300 in the same month. If reemployed, such person must have been 301 terminated from employment for at least 6 calendar months. 302 1. A retiree who is reemployed within 6 calendar months 303 after retirement or the DROP termination date voids his or her 304 retirement and must repay any retirement benefits received, 305 including a DROP payout, to the retirement trust fund from which the benefits were paid, and apply to establish a future 306 307 retirement date. 308 2. A retiree who is reemployed more than 6 calendar months

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309 after retirement or the DROP termination date must give timely 310 notice of this fact in writing to the employer and the Division 311 of Retirement or the state board and shall have his or her 312 retirement benefits suspended during reemployment. The retiree 313 is liable for repayment of any retirement benefits paid during 314 the reemployment period. If the employer fails to notify the 315 division or state board in writing to suspend the employee's 316 retirement benefits, the employer and retiree are jointly and 317 severally liable for repayment of these benefits to the 318 retirement trust fund from which the retirement benefits were 319 paid unless the employer has a written statement from the 320 retiree indicating that he or she is not retired from a state-321 administered retirement system. Retirement benefits remain suspended until repayment is made. Any benefits suspended after 322 323 the retiree ceases employment apply toward repayment of benefits 324 received in violation of this paragraph, and shall be forfeited 325 to the retirement plan. 326 Upon ceasing reemployment, the retiree shall resume 3. 327 retirement benefits under the state-administered retirement 328 system without recalculation of the retirement benefits to 329 include additional service credit. 330 4. The reemployed retiree in a regularly established 331 position may not renew membership in the Florida Retirement 332 System. 5. The employer shall pay retirement contributions for 333 334 retirees reemployed in a regularly established position in an amount equal to the unfunded actuarial liability portion of the 335 336 employer contribution that would be required for active members Page 12 of 18

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337 of the Florida Retirement System in that position in addition to 338 the contributions required by s. 121.76. 339 Any person who retires under this chapter whose (e) 340 retirement is effective on or after July 1, 2011, or whose 341 participation in the Deferred Retirement Option Program (DROP) 342 terminates on or after July 1, 2011, who performs services for 343 an employer that participates in a state-administered retirement 344 system, but who is employed by an employing entity or contractor 345 that does not participate in a state-administered retirement system, shall have his or her retirement benefits from the 346 347 state-administered retirement system suspended for each month 348 the person performs services for the employer that participates 349 in the state-administered retirement system. This restriction 350 applies beginning the first effective month of retirement or the 351 month after the DROP termination date and throughout retirement. 352 When the retiree is no longer providing services to the employer 353 who participates in the state-administered retirement system, 354 the retiree shall resume retirement benefits from the state-355 administered retirement system. Any amount suspended shall be 356 forfeited to the retirement plan. 357 (f) (d) The provisions of this subsection apply to 358 retirees, as defined in s. 121.4501(2), of the Public Employee 359 Optional Retirement Program, subject to the following 360 conditions: 361 The retirees may not be reemployed with an employer 1. participating in the Florida Retirement System until such person 362 has been retired for 6 calendar months. 363 364 Any retiree who is reemployed within 6 calendar months 2.

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365 after retirement is liable for the repayment of any benefits 366 paid during the reemployment limitation period. If the retiree's 367 employer fails to notify the division or state board in writing 368 to suspend the employee's retirement benefits, the employer and 369 retiree are jointly and severally liable for the repayment of 370 these benefits to the retirement trust fund from which the 371 benefits were paid, unless the employer has a written statement 372 from the retiree that he or she is not retired from a stateadministered retirement system. A retiree employed in violation 373 374 of this subsection and an employer that employs or appoints such 375 person are jointly and severally liable for reimbursement of any 376 benefits paid to the retirement trust fund from which the 377 benefits were paid, including the Retirement System Trust Fund 378 and the Public Employee Optional Retirement Program Trust Fund, 379 as appropriate. The employer must have a written statement from the retiree that he or she is not retired from a state-380 381 administered retirement system. The reemployment limitations in this subsection apply 382 (q) 383 to retirees of all state-administered retirement systems, 384 including the Senior Management Service Optional Annuity 385 Program, the State University System Optional Retirement 386 Program, and the State Community College Optional Retirement 387 Program. 388 (h) (e) The limitations of this subsection apply to reemployment in any capacity irrespective of the category of 389 funds from which the person is compensated. 390 391 Section 2. Paragraph (a) of subsection (1) of section 392 121.591, Florida Statutes, is amended to read: Page 14 of 18

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393 121.591 Benefits payable under the Public Employee 394 Optional Retirement Program of the Florida Retirement System.-395 Benefits may not be paid under this section unless the member 396 has terminated employment as provided in s. 121.021(39)(a) or is 397 deceased and a proper application has been filed in the manner 398 prescribed by the state board or the department. The state board 399 or department, as appropriate, may cancel an application for 400 retirement benefits when the member or beneficiary fails to 401 timely provide the information and documents required by this 402 chapter and the rules of the state board and department. In 403 accordance with their respective responsibilities as provided 404 herein, the State Board of Administration and the Department of 405 Management Services shall adopt rules establishing procedures 406 for application for retirement benefits and for the cancellation 407 of such application when the required information or documents are not received. The State Board of Administration and the 408 409 Department of Management Services, as appropriate, are 410 authorized to cash out a de minimis account of a participant who has been terminated from Florida Retirement System covered 411 412 employment for a minimum of 6 calendar months. A de minimis 413 account is an account containing employer contributions and 414 accumulated earnings of not more than \$5,000 made under the 415 provisions of this chapter. Such cash-out must either be a 416 complete lump-sum liquidation of the account balance, subject to 417 the provisions of the Internal Revenue Code, or a lump-sum direct rollover distribution paid directly to the custodian of 418 an eligible retirement plan, as defined by the Internal Revenue 419 420 Code, on behalf of the participant. If any financial instrument Page 15 of 18

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421 issued for the payment of retirement benefits under this section 422 is not presented for payment within 180 days after the last day 423 of the month in which it was originally issued, the third-party 424 administrator or other duly authorized agent of the State Board 425 of Administration shall cancel the instrument and credit the 426 amount of the instrument to the suspense account of the Public Employee Optional Retirement Program Trust Fund authorized under 427 428 s. 121.4501(6). Any such amounts transferred to the suspense 429 account are payable upon a proper application, not to include 430 earnings thereon, as provided in this section, within 10 years 431 after the last day of the month in which the instrument was 432 originally issued, after which time such amounts and any earnings thereon shall be forfeited. Any such forfeited amounts 433 434 are assets of the Public Employee Optional Retirement Program 435 Trust Fund and are not subject to the provisions of chapter 717. 436 (1)NORMAL BENEFITS.-Under the Public Employee Optional

437 Retirement Program:

(a) Benefits in the form of vested accumulations as
described in s. 121.4501(6) are payable under this subsection in
accordance with the following terms and conditions:

441 1. To the extent vested, benefits are payable only to a442 participant.

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

3. To receive benefits, the participant must be terminated
from all employment with all Florida Retirement System
employers, as provided in s. 121.021(39).

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449 4. Benefit payments may not be made until the participant 450 has been terminated for 3 calendar months, except that the board 451 may authorize by rule for the distribution of up to 10 percent 452 of the participant's account after being terminated for 1 453 calendar month if the participant has reached the normal 454 retirement date as defined in s. 121.021 of the defined benefit 455 plan.

5. 456 If a member or former member of the Florida Retirement 457 System receives an invalid distribution from the Public Employee 458 Optional Retirement Program Trust Fund, such person must repay 459 the full invalid distribution to the trust fund within 90 days 460 after receipt of final notification by the state board or the third-party administrator that the distribution was invalid. If 461 462 such person fails to repay the full invalid distribution within 463 90 days after receipt of final notification, the person may be 464 deemed retired from the optional retirement program by the state 465 board, as provided pursuant to s. 121.4501(2)(k), and is subject 466 to s. 121.122. If such person is deemed retired by the state 467 board, any joint and several liability set out in s. 468 121.091(9)(f)2. 121.091(9)(d)2. becomes null and void, and the 469 state board, the department, or the employing agency is not 470 liable for gains on payroll contributions that have not been 471 deposited to the person's account in the retirement program, 472 pending resolution of the invalid distribution. The member or 473 former member who has been deemed retired or who has been determined by the board to have taken an invalid distribution 474 475 may appeal the agency decision through the complaint process as 476 provided under s. 121.4501(9)(g)3. As used in this subparagraph,

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477 the term "invalid distribution" means any distribution from an account in the optional retirement program which is taken in 478 violation of this section, s. 121.091(9), or s. 121.4501. 479 Section 3. This act shall take effect July 1, 2011.

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