

By the Committee on Governmental Oversight and Accountability;  
and Senator Mayfield

585-02378-18

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1 A bill to be entitled  
2 An act relating to retirement; amending s. 121.051,  
3 F.S.; authorizing certain employees to elect to  
4 participate in the Florida Retirement System during a  
5 specified period; requiring membership in the system  
6 under certain circumstances; amending s. 121.091,  
7 F.S.; revising limitations on the maximum length of  
8 participation in the Deferred Retirement Option  
9 Program for certain instructional personnel and  
10 administrative personnel; requiring an employer to  
11 notify the Division of Retirement of the Department of  
12 Management Services regarding any change in  
13 termination date and program participation for each  
14 affected member; providing a statement of important  
15 state interest; providing effective dates.

16  
17 Be It Enacted by the Legislature of the State of Florida:

18  
19 Section 1. Effective upon becoming a law, paragraph (d) of  
20 subsection (1) of section 121.051, Florida Statutes, is amended,  
21 and paragraph (e) is added to that subsection, to read:

22 121.051 Participation in the system.—

23 (1) COMPULSORY PARTICIPATION.—

24 (d) Beginning March 31, 2018, an employee of a dependent  
25 special district or a not-for-profit corporation or association  
26 created by the Board of County Commissioners of Escambia County  
27 for the purpose of owning, operating, or managing a public bus  
28 transit system, may elect to participate in the Florida  
29 Retirement System by notifying his or her employer in writing on

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30 or before August 31, 2018. Employees electing to participate  
31 within the election period shall become members of the Florida  
32 Retirement System, and the election is irrevocable. Such  
33 employees who are hired on or after March 31, 2018, shall be  
34 required to participate in the Florida Retirement System.

35 (e) The following persons are not eligible to participate  
36 in the Florida Retirement System:

37 1. Employees of a not-for-profit corporation or association  
38 created by the Board of County Commissioners of Palm Beach  
39 County for the purpose of owning, operating, or managing a  
40 public bus transit system formerly operated or managed by a  
41 private corporation subject to 49 U.S.C. s. 5333(b).

42 2. Persons who perform services as a consultant or an  
43 independent contractor, as defined by the division.

44 Section 2. Paragraph (b) of subsection (13) of section  
45 121.091, Florida Statutes, is amended to read:

46 121.091 Benefits payable under the system.—Benefits may not  
47 be paid under this section unless the member has terminated  
48 employment as provided in s. 121.021(39) (a) or begun  
49 participation in the Deferred Retirement Option Program as  
50 provided in subsection (13), and a proper application has been  
51 filed in the manner prescribed by the department. The department  
52 may cancel an application for retirement benefits when the  
53 member or beneficiary fails to timely provide the information  
54 and documents required by this chapter and the department's  
55 rules. The department shall adopt rules establishing procedures  
56 for application for retirement benefits and for the cancellation  
57 of such application when the required information or documents  
58 are not received.

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59 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and  
60 subject to this section, the Deferred Retirement Option Program,  
61 hereinafter referred to as DROP, is a program under which an  
62 eligible member of the Florida Retirement System may elect to  
63 participate, deferring receipt of retirement benefits while  
64 continuing employment with his or her Florida Retirement System  
65 employer. The deferred monthly benefits shall accrue in the  
66 Florida Retirement System on behalf of the member, plus interest  
67 compounded monthly, for the specified period of the DROP  
68 participation, as provided in paragraph (c). Upon termination of  
69 employment, the member shall receive the total DROP benefits and  
70 begin to receive the previously determined normal retirement  
71 benefits. Participation in the DROP does not guarantee  
72 employment for the specified period of DROP. Participation in  
73 DROP by an eligible member beyond the initial 60-month period as  
74 authorized in this subsection shall be on an annual contractual  
75 basis for all participants.

76 (b) *Participation in DROP.*—Except as provided in this  
77 paragraph, an eligible member may elect to participate in DROP  
78 for a period not to exceed a maximum of 60 calendar months.

79 1.a. An eligible member may elect to participate in DROP  
80 for a period not to exceed a maximum of 60 calendar months.  
81 However, members who are instructional personnel employed by the  
82 Florida School for the Deaf and the Blind and authorized by the  
83 Board of Trustees of the Florida School for the Deaf and the  
84 Blind, who are instructional personnel as defined in s.  
85 1012.01(2)(a)-(d) in grades K-12 and authorized by the district  
86 school superintendent, or who are instructional personnel as  
87 defined in s. 1012.01(2)(a) employed by a developmental research

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88 school and authorized by the school's director, or if the school  
89 has no director, by the school's principal, may participate in  
90 DROP for up to 36 calendar months beyond the 60-month period.  
91 Effective July 1, 2018, instructional personnel who are  
92 authorized to extend DROP participation beyond the 60-month  
93 period must have a termination date that is the last day of the  
94 last calendar month of the school year within the DROP extension  
95 granted by the employer. If, on July 1, 2018, the member's DROP  
96 participation has already been extended for the maximum 36  
97 calendar months and the extension period concludes before the  
98 end of the school year, the member's DROP participation may be  
99 extended through the last day of the last calendar month of that  
100 school year. The employer shall notify the division of the  
101 change in termination date and the additional period of DROP  
102 participation for the affected instructional personnel.

103 b. Administrative personnel in grades K-12, as defined in  
104 s. 1012.01(3), who have a DROP termination date on or after July  
105 1, 2018, may be authorized to extend DROP participation beyond  
106 the initial 60 calendar month period if the administrative  
107 personnel's termination date is before the end of the school  
108 year. Such administrative personnel may have DROP participation  
109 extended until the last day of the last calendar month of the  
110 school year in which their original DROP termination date  
111 occurred if a date other than the last day of the last calendar  
112 month of the school year is designated. The employer shall  
113 notify the division of the change in termination date and the  
114 additional period of DROP participation for the affected  
115 administrative personnel.

116 2. Upon deciding to participate in DROP, the member shall

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117 submit, on forms required by the division:

118 a. A written election to participate in DROP;

119 b. Selection of DROP participation and termination dates  
120 that satisfy the limitations stated in paragraph (a) and  
121 subparagraph 1. The termination date must be in a binding letter  
122 of resignation to the employer establishing a deferred  
123 termination date. The member may change the termination date  
124 within the limitations of subparagraph 1., but only with the  
125 written approval of the employer;

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

128 d. Any other information required by the division.

129 3. The DROP participant is a retiree under the Florida  
130 Retirement System for all purposes, except for paragraph (5) (f)  
131 and subsection (9) and ss. 112.3173, 112.363, 121.053, and  
132 121.122. DROP participation is final and may not be canceled by  
133 the participant after the first payment is credited during the  
134 DROP participation period. However, participation in DROP does  
135 not alter the participant's employment status, and the member is  
136 not deemed retired from employment until his or her deferred  
137 resignation is effective and termination occurs as defined in s.  
138 121.021.

139 4. Elected officers are eligible to participate in DROP  
140 subject to the following:

141 a. An elected officer who reaches normal retirement date  
142 during a term of office may defer the election to participate  
143 until the next succeeding term in that office. An elected  
144 officer who exercises this option may participate in DROP for up  
145 to 60 calendar months or no longer than the succeeding term of

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146 office, whichever is less.

147 b. An elected or a nonelected participant may run for a  
148 term of office while participating in DROP and, if elected,  
149 extend the DROP termination date accordingly; however, if such  
150 additional term of office exceeds the 60-month limitation  
151 established in subparagraph 1., and the officer does not resign  
152 from office within such 60-month limitation, the retirement and  
153 the participant's DROP is null and void as provided in sub-  
154 subparagraph (c)5.d.

155 c. An elected officer who is dually employed and elects to  
156 participate in DROP must terminate all employment relationships  
157 as provided in s. 121.021(39) for the nonelected position within  
158 the original 60-month period or maximum participation period as  
159 provided in subparagraph 1. For DROP participation ending:

160 (I) Before July 1, 2010, the officer may continue  
161 employment as an elected officer as provided in s. 121.053. The  
162 elected officer shall be enrolled as a renewed member in the  
163 Elected Officers' Class or the Regular Class, as provided in ss.  
164 121.053 and 121.122, on the first day of the month after  
165 termination of employment in the nonelected position and  
166 termination of DROP. Distribution of the DROP benefits shall be  
167 made as provided in paragraph (c).

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

171 Section 3. The Legislature finds that a proper and  
172 legitimate state purpose is served when employees and retirees  
173 of the state and its political subdivisions, and the dependents,  
174 survivors, and beneficiaries of such employees and retirees, are

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175 extended the basic protections afforded by governmental  
176 retirement systems. These persons must be provided benefits that  
177 are fair and adequate and that are managed, administered, and  
178 funded in an actuarially sound manner, as required by s. 14,  
179 Article X of the State Constitution and part VII of chapter 112,  
180 Florida Statutes. Therefore, the Legislature determines and  
181 declares that this act fulfills an important state interest.

182       Section 4. Except as otherwise expressly provided in this  
183 act and except for this section, which shall take effect upon  
184 this act becoming a law, this act shall take effect July 1,  
185 2018.