

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

585-02616-23

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1 A bill to be entitled
2 An act relating to state-administered retirement
3 systems; amending s. 121.091, F.S.; authorizing
4 specified correctional officers to elect to
5 participate in the Deferred Retirement Option Program
6 for an additional 36 months; revising required
7 employer retirement contribution rates to fund the
8 benefit changes made by the act; providing a directive
9 to the Division of Law Revision; providing a
10 declaration of important state interest; providing an
11 effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

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15 Section 1. Paragraph (b) of subsection (13) of section
16 121.091, Florida Statutes, is amended to read:

17 121.091 Benefits payable under the system.—Benefits may not
18 be paid under this section unless the member has terminated
19 employment as provided in s. 121.021(39) (a) or begun
20 participation in the Deferred Retirement Option Program as
21 provided in subsection (13), and a proper application has been
22 filed in the manner prescribed by the department. The department
23 may cancel an application for retirement benefits when the
24 member or beneficiary fails to timely provide the information
25 and documents required by this chapter and the department's
26 rules. The department shall adopt rules establishing procedures
27 for application for retirement benefits and for the cancellation
28 of such application when the required information or documents
29 are not received.

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30 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
31 subject to this section, the Deferred Retirement Option Program,
32 hereinafter referred to as DROP, is a program under which an
33 eligible member of the Florida Retirement System may elect to
34 participate, deferring receipt of retirement benefits while
35 continuing employment with his or her Florida Retirement System
36 employer. The deferred monthly benefits shall accrue in the
37 Florida Retirement System on behalf of the member, plus interest
38 compounded monthly, for the specified period of the DROP
39 participation, as provided in paragraph (c). Upon termination of
40 employment, the member shall receive the total DROP benefits and
41 begin to receive the previously determined normal retirement
42 benefits. Participation in the DROP does not guarantee
43 employment for the specified period of DROP. Participation in
44 DROP by an eligible member beyond the initial 60-month period as
45 authorized in this subsection shall be on an annual contractual
46 basis for all participants.

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

50 1.a. Members who are instructional personnel employed by
51 the Florida School for the Deaf and the Blind and authorized by
52 the Board of Trustees of the Florida School for the Deaf and the
53 Blind, who are instructional personnel as defined in s.
54 1012.01(2)(a)-(d) in grades K-12 and authorized by the district
55 school superintendent, or who are instructional personnel as
56 defined in s. 1012.01(2)(a) employed by a developmental research
57 school and authorized by the school's director, or if the school
58 has no director, by the school's principal, may participate in

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59 DROP for up to 36 calendar months beyond the 60-month period.
60 Effective July 1, 2018, instructional personnel who are
61 authorized to extend DROP participation beyond the 60-month
62 period must have a termination date that is the last day of the
63 last calendar month of the school year within the DROP extension
64 granted by the employer. If, on July 1, 2018, the member's DROP
65 participation has already been extended for the maximum 36
66 calendar months and the extension period concludes before the
67 end of the school year, the member's DROP participation may be
68 extended through the last day of the last calendar month of that
69 school year. The employer shall notify the division of the
70 change in termination date and the additional period of DROP
71 participation for the affected instructional personnel.

72 b. Administrative personnel in grades K-12, as defined in
73 s. 1012.01(3), who have a DROP termination date on or after July
74 1, 2018, may be authorized to extend DROP participation beyond
75 the initial 60 calendar month period if the administrative
76 personnel's termination date is before the end of the school
77 year. Such administrative personnel may have DROP participation
78 extended until the last day of the last calendar month of the
79 school year in which their original DROP termination date
80 occurred if a date other than the last day of the last calendar
81 month of the school year is designated. The employer shall
82 notify the division of the change in termination date and the
83 additional period of DROP participation for the affected
84 administrative personnel.

85 c. Effective July 1, 2022, a member of the Special Risk
86 Class who is a law enforcement officer who meets the criteria in
87 s. 121.0515(3)(a) and who is a DROP participant on or after July

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88 1, 2022, or a correctional officer who meets the criteria in s.
89 121.0515(3)(c) and who is a DROP participant on or after July 1,
90 2023, may participate in DROP for up to 36 calendar months
91 beyond the 60-month period if he or she enters DROP on or before
92 June 30, 2028.

93 2. Upon deciding to participate in DROP, the member shall
94 submit, on forms required by the division:

95 a. A written election to participate in DROP;

96 b. Selection of DROP participation and termination dates
97 that satisfy the limitations stated in paragraph (a) and
98 subparagraph 1. The termination date must be in a binding letter
99 of resignation to the employer establishing a deferred
100 termination date. The member may change the termination date
101 within the limitations of subparagraph 1., but only with the
102 written approval of the employer;

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

105 d. Any other information required by the division.

106 3. The DROP participant is a retiree under the Florida
107 Retirement System for all purposes, except for paragraph (5)(f)
108 and subsection (9) and ss. 112.3173, 112.363, 121.053, and
109 121.122. DROP participation is final and may not be canceled by
110 the participant after the first payment is credited during the
111 DROP participation period. However, participation in DROP does
112 not alter the participant's employment status, and the member is
113 not deemed retired from employment until his or her deferred
114 resignation is effective and termination occurs as defined in s.
115 121.021.

116 4. Elected officers are eligible to participate in DROP

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117 subject to the following:

118 a. An elected officer who reaches normal retirement date
119 during a term of office may defer the election to participate
120 until the next succeeding term in that office. An elected
121 officer who exercises this option may participate in DROP for up
122 to 60 calendar months or no longer than the succeeding term of
123 office, whichever is less.

124 b. An elected or a nonelected participant may run for a
125 term of office while participating in DROP and, if elected,
126 extend the DROP termination date accordingly; however, if such
127 additional term of office exceeds the 60-month limitation
128 established in subparagraph 1., and the officer does not resign
129 from office within such 60-month limitation, the retirement and
130 the participant's DROP is null and void as provided in sub-
131 subparagraph (c)5.d.

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

137 (I) Before July 1, 2010, the officer may continue
138 employment as an elected officer as provided in s. 121.053. The
139 elected officer shall be enrolled as a renewed member in the
140 Elected Officers' Class or the Regular Class, as provided in ss.
141 121.053 and 121.122, on the first day of the month after
142 termination of employment in the nonelected position and
143 termination of DROP. Distribution of the DROP benefits shall be
144 made as provided in paragraph (c).

145 (II) On or after July 1, 2010, the officer may continue

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146 employment as an elected officer but must defer termination as
147 provided in s. 121.053.

148 Section 2. (1) In order to fund the benefit changes
149 provided in this act, the required employer contribution rates
150 for the members of the Florida Retirement System established in
151 s. 121.71(4), Florida Statutes, are increased as follows:

152 (a) By 0.13 percentage point for the Special Risk Class.

153 (b) By 0.06 percentage point for the Deferred Retirement
154 Option Program.

155 (2) In order to fund the benefit changes provided in this
156 act, the required employer contribution rates for the unfunded
157 actuarial liability of the Florida Retirement System established
158 in s. 121.71(5), Florida Statutes, are increased by 0.19
159 percentage point for the Regular Class.

160 (3) The adjustments provided in subsections (1) and (2) are
161 in addition to any other changes to such contribution rates
162 which may be enacted into law to take effect on July 1, 2023.
163 The Division of Law Revision is directed to adjust accordingly
164 the contribution rates provided in s. 121.71, Florida Statutes.

165 Section 3. The Legislature finds that a proper and
166 legitimate state purpose is served when employees, officers, and
167 retirees of the state and its political subdivisions, and the
168 dependents, survivors, and beneficiaries of such employees,
169 officers, and retirees, are extended the basic protections
170 afforded by governmental retirement systems. These persons must
171 be provided benefits that are fair and adequate and that are
172 managed, administered, and funded in an actuarially sound manner
173 as required by s. 14, Article X of the State Constitution and
174 part VII of chapter 112, Florida Statutes. Therefore, the

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175 Legislature determines and declares that this act fulfills an
176 important state interest.

177 Section 4. This act shall take effect July 1, 2023.