

By the Committee on Governmental Oversight and Accountability

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A bill to be entitled  
An act relating to retirement; amending s. 121.053, F.S.; authorizing an elected officer, except while serving as a legislator, to remain in elective office and receive accumulated Deferred Retirement Option Program (DROP) proceeds after the officer attains a certain age; providing that, upon termination, the officer receives accumulated DROP proceeds including interest earned in accordance with a specified provision; amending s. 121.091, F.S.; requiring the Division of Retirement or the State Board of Administration, as appropriate, to take steps to recoup from the elected officer any DROP proceeds distributed in accordance with a specified provision, under specified circumstances; amending s. 121.101, F.S.; revising the cost-of-living adjustment for eligible Special Risk Class retirees; defining the term "eligible Special Risk Class retiree"; amending s. 121.71, F.S.; revising required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System; providing a declaration of important state interest; providing an effective date.

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

Section 1. Subsection (7) of section 121.053, Florida Statutes, is amended to read:  
121.053 Participation in the Elected Officers' Class for

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retired members.—

(7) A member who is elected or appointed to an elective office and who is participating in the Deferred Retirement Option Program is not subject to termination as defined in s. 121.021, or reemployment limitations as provided in s. 121.091(9), until the end of his or her current term of office or, if the officer is consecutively elected or reelected to an elective office eligible for coverage under the Florida Retirement System, until he or she no longer holds an elective office, as follows:

(a) At the end of the member's DROP period:

1. The officer's DROP account may not accrue additional monthly benefits, but does continue to earn interest as provided in s. 121.091(13). However, an officer whose DROP participation begins on or after July 1, 2010, may not continue to earn such interest.

2. Retirement contributions, except for unfunded actuarial liability and health insurance subsidy contributions required in ss. 121.71(5) and 121.76, are not required of the employer of the elected officer, and additional retirement credit may not be earned under the Florida Retirement System.

3. The officer, except while serving as a legislator, may remain in elective office and receive his or her accumulated DROP proceeds, including interest earned in accordance with subparagraph 1., after attaining the age of 59 1/2 years.

(b) An elected officer may voluntarily terminate his or her elective office at any time and receive his or her DROP proceeds. However, until termination occurs, an elected officer whose termination limitations are extended by this section is

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ineligible for renewed membership in the system and may not receive pension payments, ~~DROP lump sum payments~~, or any other state payment other than the statutorily determined salary, travel, and per diem for the elective office.

(c) Upon termination, the officer shall receive his or her accumulated DROP account, including plus interest earned in accordance with subparagraph (a)1., and shall accrue and commence receiving monthly retirement benefits, which must be paid on a prospective basis only.

Section 2. Subsection (5) of section 121.091, Florida Statutes, is amended to read:

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

(5) TERMINATION BENEFITS.—A member whose employment is terminated prior to retirement retains membership rights to previously earned member-noncontributory service credit, and to member-contributory service credit, if the member leaves the member contributions on deposit in his or her retirement

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88 account. If a terminated member receives a refund of member  
89 contributions, such member may reinstate membership rights to  
90 the previously earned service credit represented by the refund  
91 by completing 1 year of creditable service and repaying the  
92 refunded member contributions, plus interest.

93 (a) A member whose employment is terminated for any reason  
94 other than death or retirement before becoming vested is  
95 entitled to the return of his or her accumulated contributions  
96 as of the date of termination. Effective July 1, 2011, upon  
97 termination of employment from all participating employers for 3  
98 calendar months as defined in s. 121.021(39)(c) for any reason  
99 other than retirement, a member may receive a refund of all  
100 contributions he or she has made to the pension plan, subject to  
101 the restrictions otherwise provided in this chapter. The refund  
102 may be received as a lump-sum payment, a rollover to a qualified  
103 plan, or a combination of these methods. Partial refunds are not  
104 permitted. The refund may not include any interest earnings on  
105 the contributions for a member of the pension plan. Employer  
106 contributions made on behalf of the member are not refundable. A  
107 member may not receive a refund of employee contributions if a  
108 pending or an approved qualified domestic relations order is  
109 filed against his or her retirement account. By obtaining a  
110 refund of contributions, a member waives all rights under the  
111 Florida Retirement System and the health insurance subsidy to  
112 the service credit represented by the refunded contributions,  
113 except the right to purchase his or her prior service credit in  
114 accordance with s. 121.081(2).

115 (b) A member whose employment is terminated for any reason  
116 other than death or retirement after becoming vested may elect

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117 to receive a deferred monthly benefit which shall begin to  
118 accrue on the first day of the month of normal or early  
119 retirement and shall be payable on the last day of that month  
120 and each month thereafter during his or her lifetime. The amount  
121 of monthly benefit shall be computed in the same manner as for a  
122 normal retirement benefit in accordance with subsection (1) or  
123 early retirement benefit in accordance with s. 121.021(30), but  
124 based on average monthly compensation and creditable service as  
125 of the date of termination.

126 (c) In lieu of the deferred monthly benefit provided in  
127 paragraph (b), the terminated member may elect to receive a  
128 lump-sum amount equal to his or her accumulated contributions as  
129 of the date of termination. Effective July 1, 2011, upon  
130 termination of employment from all participating employers for 3  
131 calendar months as defined in s. 121.021(39)(c) for any reason  
132 other than retirement, a member may receive a refund of all  
133 contributions he or she has made to the pension plan, subject to  
134 the restrictions otherwise provided in this chapter. Partial  
135 refunds are not permitted. The refund may not include any  
136 interest earnings on the contributions for a member of the  
137 pension plan. Employer contributions made on behalf of the  
138 member are not refundable. A member may not receive a refund of  
139 employee contributions if a pending or an approved qualified  
140 domestic relations order is filed against his or her retirement  
141 account. By obtaining a refund of contributions, a member waives  
142 all rights under the Florida Retirement System and the health  
143 insurance subsidy to the service credit represented by the  
144 refunded contributions, except the right to purchase his or her  
145 prior service credit in accordance with s. 121.081(2).

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146 (d) If any retired member dies without having received in  
147 benefit payments an amount equal to his or her accumulated  
148 contributions, there shall be payable to his or her designated  
149 beneficiary an amount equal to the excess, if any, of the  
150 member's accumulated contributions over the total monthly  
151 payments made to the member prior to the date of death.

152 (e) A member shall be deemed a terminated member when  
153 termination of employment has occurred as provided in s.  
154 121.021(39).

155 (f) Any member who has been found guilty by a verdict of a  
156 jury, or by the court trying the case without a jury, of  
157 committing, aiding, or abetting any embezzlement or theft from  
158 his or her employer, bribery in connection with the employment,  
159 or other felony specified in chapter 838, except ss. 838.15 and  
160 838.16, committed prior to retirement, or who has entered a plea  
161 of guilty or of nolo contendere to such crime, or any member  
162 whose employment is terminated by reason of the member's  
163 admitted commitment, aiding, or abetting of an embezzlement or  
164 theft from his or her employer, bribery, or other felony  
165 specified in chapter 838, except ss. 838.15 and 838.16, shall  
166 forfeit all rights and benefits under this chapter, except the  
167 return of his or her accumulated contributions as of the date of  
168 termination.

169 (g) Any elected official who is convicted by the Senate of  
170 an impeachable offense shall forfeit all rights and benefits  
171 under this chapter, except the return of his or her accumulated  
172 contributions as of the date of the conviction.

173 (h) Any member who, prior to retirement, is adjudged by a  
174 court of competent jurisdiction to have violated any state law

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175 against strikes by public employees, or who has been found  
176 guilty by such court of violating any state law prohibiting  
177 strikes by public employees, shall forfeit all rights and  
178 benefits under this chapter, except the return of his or her  
179 accumulated contributions as of the date of the conviction.

180 (i) The division or the state board may not pay benefits to  
181 any member convicted of a felony committed on or after October  
182 1, 2008, defined in s. 800.04 against a victim younger than 16  
183 years of age, or defined in chapter 794 against a victim younger  
184 than 18 years of age, through the use or attempted use of power,  
185 rights, privileges, duties, or position of the member's public  
186 office or employment position. However, the division or the  
187 state board shall return the member's accumulated contributions,  
188 if any, that the member accumulated as of the date of  
189 conviction.

190 (j) Any beneficiary who by a verdict of a jury or by the  
191 court trying the case without a jury is found guilty, or who has  
192 entered a plea of guilty or nolo contendere, of unlawfully and  
193 intentionally killing or procuring the death of the member  
194 forfeits all rights to the deceased member's benefits under this  
195 chapter, and the benefits will be paid as if such beneficiary  
196 had predeceased the decedent.

197 (k) Benefits may not be paid by the division or the state  
198 board pending final resolution of such charges against a member  
199 or beneficiary if the resolution of such charges could require  
200 the forfeiture of benefits as provided in paragraph (f),  
201 paragraph (g), paragraph (h), paragraph (i), paragraph (j), or  
202 chapter 112.

203 (l) The division and the state board, as appropriate, must

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take steps to recoup from the elected officer any DROP proceeds distributed pursuant to s. 121.053(7)(a)3. if:

1. Such DROP proceeds were distributed before the elected officer's termination; and

2. The division or state board would be prohibited pursuant to paragraph (k) from making a distribution to the elected officer, absent the distribution to the elected officer pursuant to s. 121.053(7)(a)3.

Section 3. Present subsections (5) through (9) of section 121.101, Florida Statutes, are redesignated as subsections (6) through (10), respectively, and a new subsection (5) is added to that section, to read:

121.101 Cost-of-living adjustment of benefits.—

(5)(a) Commencing July 1, 2026, and in lieu of any annual adjustment authorized in paragraph (4)(b) occurring after the fifth anniversary of retirement of an eligible Special Risk Class member whose effective retirement date is on or after July 1, 2011, the adjusted monthly benefit of each eligible Special Risk Class retiree and annuitant shall be the amount of the monthly benefit being received on June 30 immediately preceding the adjustment date plus the greater of the amount determined by multiplying the benefit by the factor calculated pursuant to paragraph (4)(c) or the amount equal to 1.5 percent of this benefit.

(b) For purposes of this subsection, the term "eligible Special Risk Class retiree" means a retiree:

1. Initially enrolled in the Florida Retirement System prior to July 1, 2011, who has completed at least 72 calendar months of creditable service as a Special Risk Class member; or



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2. Initially enrolled in the Florida Retirement System on or after July 1, 2011, who has completed at least 96 calendar months of creditable service as a Special Risk Class member.

Section 4. Subsections (4) and (5) of section 121.71, Florida Statutes, are amended to read:

121.71 Uniform rates; process; calculations; levy.—

(4) Required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System for both retirement plans are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2026</u> <del>2025</del>
Regular Class	<u>7.11%</u> <del>7.10%</del>
Special Risk Class	<u>21.58%</u> <del>20.10%</del>
Special Risk Administrative Support Class	<u>11.45%</u> <del>10.88%</del>
Elected Officers' Class— Legislators, Governor, Lt. Governor,	<u>10.30%</u> <del>10.04%</del>

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Cabinet Officers,  
State Attorneys,  
Public Defenders

Elected Officers' Class-

Justices, Judges 15.54% ~~15.62%~~

Elected Officers' Class-

County Elected Officers 11.45% ~~11.79%~~

Senior Management Service  
Class

8.68% ~~8.73%~~

DROP

9.86% ~~9.37%~~

(5) In order to address unfunded actuarial liabilities of the system, the required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System for both retirement plans are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2026</u> <del>2025</del>
Regular Class	<u>4.42%</u> <del>4.87%</del>

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Special Risk Class 14.10% ~~13.03%~~

Special Risk

Administrative

Support Class 28.28% ~~26.54%~~

Elected Officers' Class—

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders 51.43% ~~50.56%~~

Elected Officers' Class—

Justices, Judges 28.40% ~~28.46%~~

Elected Officers' Class—

County Elected Officers 41.49% ~~40.72%~~

Senior Management Service

Class 21.86% ~~22.45%~~

DROP 10.26% ~~10.65%~~

Section 5. The Legislature finds that a proper and  
legitimate state purpose is served when employees, officers, and  
retirees of the state and its political subdivisions, and the  
dependents, survivors, and beneficiaries of such employees,

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

Section 6. This act shall take effect July 1, 2026.