Florida Senate - 2009 Bill No. CS/CS/HB 479, 2nd Eng.



LEGISLATIVE ACTION

Senate	•	House
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Floor: WD/2R		
04/30/2009 11:08 AM	•	

Senator Lawson moved the following:

Senate Substitute for Amendment (873430) (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsections (10), (11), (18), (29), (39), (52), and (53) of section 121.021, Florida Statutes, are amended, and subsections (63) and (64) are added to that section, to read:

9 121.021 Definitions.—The following words and phrases as 10 used in this chapter have the respective meanings set forth 11 unless a different meaning is plainly required by the context: 12 (10) "Employer" means any agency, branch, department,

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institution, university, institution of higher education, or 13 14 board of the state, or any county agency, branch, department, 15 board, district school board, municipality, metropolitan planning organization, or special district of the state, or any 16 17 city of the state which participates in the system for the benefit of certain of its employees, or a charter school or 18 19 charter technical career center that participates as provided in 20 s. 121.051(2)(d). Employers are not agents of the department, 21 the state board, or the Division of Retirement, and the department, the state board, and the division are not 22 23 responsible for erroneous information provided by 24 representatives of employers.

(11) "Officer or employee" means any person receiving 25 26 salary payments for work performed in a regularly established 27 position and, if employed by a municipality city, a metropolitan 28 planning organization, or a special district, employed in a 29 covered group. The term does not apply to state employees covered by a leasing agreement under s. 110.191, other public 30 31 employees covered by a leasing agreement, or a co-employer 32 relationship.

(18) "Past service" of any member, as provided in s.
121.081(1), means the number of years and complete months and any fractional part of a month, recognized and credited by an employer and approved by the administrator, during which the member was in the active employ of <u>a governmental</u> an employer and for which the employee is not entitled to a benefit before prior to his or her date of participation.

40 (29) "Normal retirement date" means the first day of any
 41 month following the date a member attains normal retirement age

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42	and is vested, which is determined as follows one of the
43	following statuses:
44	(a) If a Regular Class member, <u>a Senior Management Service</u>
45	Class member, or an Elected Officers' Class the member:
46	1. <u>The first day of the month the member</u> completes 6 or
47	more years of creditable service and attains age 62; or
48	2. The first day of the month following the date the member
49	completes 30 years of creditable service, regardless of age $_{ au}$
50	which may include a maximum of 4 years of military service
51	credit as long as such credit is not claimed under any other
52	system.
53	(b) If a Special Risk Class member, the member:
54	1. The first day of the month the member completes 6 or
55	more years of creditable service in the Special Risk Class and
56	attains age 55;
57	2. The first day of the month following the date the member
58	completes 25 years of creditable service in the Special Risk
59	Class, regardless of age; or
60	3. The first day of the month following the date the member
61	completes 25 years of creditable service and attains age 52,
62	which service may include a maximum of 4 years of military
63	service credit as long as such credit is not claimed under any
64	other system and the remaining years are in the Special Risk
65	Class.
66	(c) If a Senior Management Service Class member, the
67	member:
68	1. Completes 6 years of creditable service in the Senior
69	Management Service Class and attains age 62; or
70	2. Completes 30 years of any creditable service, regardless

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71	of age, which may include a maximum of 4 years of military
72	service credit as long as such credit is not claimed under any
73	other system.
74	(d) If an Elected Officers' Class member, the member:
75	1. Completes 6 years of creditable service in the Elected
76	Officers' Class and attains age 62; or
77	2. Completes 30 years of any creditable service, regardless
78	of age, which may include a maximum of 4 years of military
79	service credit as long as such credit is not claimed under any
80	other system.
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82	"Normal retirement age" is attained on the "normal retirement
83	date."
84	(39)(a) "Termination" occurs, except as provided in
85	paragraph (b), when a member ceases all employment relationships
86	with <u>an employer, however:</u> employers under this system, as
87	defined in subsection (10), but in the event
88	1. For retirements effective before July 1, 2010, if a
89	member <u>is</u> should be employed by any such employer within the
90	next calendar month, termination shall be deemed not to have
91	occurred. A leave of absence <u>constitutes</u> shall constitute a
92	continuation of the employment relationship, except that a leave
93	of absence without pay due to disability may constitute
94	termination for a member, if such member makes application for
95	and is approved for disability retirement in accordance with s.
96	121.091(4). The department or <u>state</u> board may require other
97	evidence of termination as it deems necessary.
98	2. For retirements effective on or after July 1, 2010, if a
99	member is employed by any such employer within the next 6

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100 <u>calendar months, termination shall be deemed not to have</u> 101 <u>occurred. A leave of absence constitutes a continuation of the</u> 102 <u>employment relationship, except that a leave of absence without</u> 103 <u>pay due to disability may constitute termination if such member</u> 104 <u>makes application for and is approved for disability retirement</u> 105 <u>in accordance with s. 121.091(4). The department or state board</u> 106 <u>may require other evidence of termination as it deems necessary.</u>

(b) "Termination" for a member electing to participate <u>in</u> under the Deferred Retirement Option Program occurs when the Deferred Retirement Option program participant ceases all employment relationships with <u>an employer employers under this</u> system in accordance with s. 121.091(13), <u>however: but</u>

112 <u>1. For termination dates occurring before July 1, 2010, if</u> 113 in the event the Deferred Retirement Option Program participant 114 <u>is should be</u> employed by any such employer within the next 115 calendar month, termination will be deemed not to have occurred, 116 except as provided in s. 121.091(13)(b)4.c. A leave of absence 117 shall constitute a continuation of the employment relationship.

118 <u>2. For termination dates occurring on or after July 1,</u> 119 <u>2010, if the DROP participant becomes employed by any such</u> 120 <u>employer within the next 6 calendar months, termination will be</u> 121 <u>deemed not to have occurred, except as provided in s.</u> 122 <u>121.091(13)(b)4.c. A leave of absence constitutes a continuation</u> 123 <u>of the employment relationship.</u>

124 (52) "Regularly established position" means is defined as 125 follows:

(a) <u>With respect to</u> In a state <u>employer</u> agency, the term
 means a position <u>that</u> which is authorized and established
 pursuant to law and is compensated from a salaries and benefits

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129 appropriation pursuant to s. 216.011(1)(mm)(dd), or an 130 established position that which is authorized pursuant to s. 131 216.262(1)(a) and (b) and is compensated from a salaries account 132 as provided in s. 216.011(1)(nn) by rule.

(b) <u>With respect to</u> In a local <u>employer</u> agency (district school board, county agency, community college, city, metropolitan planning organization, <u>charter school, charter</u> <u>technical career center</u>, or special district), the term means a regularly established position <u>that</u> which will be in existence for a period beyond 6 consecutive months, except as provided by rule.

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(53) "Temporary position" means is defined as follows:

141 (a) <u>With respect to</u> In a state <u>employer</u> agency, <u>a</u> the term 142 means an employment position <u>that</u> which is compensated from an 143 other personal services (OPS) account_{au} as provided for in s. 144 216.011(1)(dd).

(b) <u>With respect to</u> In a local <u>employer</u> agency, <u>a</u> the term
means an employment position <u>that</u> which will exist for less than
6 consecutive months, or other <u>employment</u> position as determined
by rule of the division, regardless of whether it will exist for
6 consecutive months or longer.

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(63) "State board" means the State Board of Administration. (64) "Trustees" means the Board of Trustees of the State

52 Board of Administration.

153 Section 2. Subsection (6) is added to section 121.031, 154 Florida Statutes, to read:

155 121.031 Administration of system; appropriation; oaths; 156 actuarial studies; public records.-

(6) Unless prior written approval is obtained from the

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158	department or state board, any promotional materials or
159	advertisements that, directly or indirectly, refer to the
160	"Florida Retirement System" or the "FRS" must contain a
161	disclaimer that the information is not approved or endorsed by
162	the Florida Retirement System.
163	Section 3. Paragraph (a) of subsection (1) and paragraphs
164	(c) and (f) of subsection (2) of section 121.051, Florida
165	Statutes, are amended to read:
166	121.051 Participation in the system
167	(1) COMPULSORY PARTICIPATION
168	(a) <u>Participation in the Florida Retirement System is</u> The
169	provisions of this law shall be compulsory <u>for</u> as to all
170	officers and employees, except elected officers who meet the
171	requirements of s. 121.052(3), who are employed on or after
172	December 1, 1970, by of an employer other than those referred to
173	in paragraph (2)(b) $\underline{.},$ and Each officer or employee, as a
174	condition of employment, <u>becomes</u> shall become a member of the
175	system <u>on the</u> as of his or her date of employment, except that a
176	person who is retired from any state retirement system and is
177	reemployed on or after December 1, 1970, may not renew his or
178	her membership in any state retirement system except as provided
179	in s. 121.091(4)(h) for a person who recovers from disability,
180	and as provided in <u>s. 121.053</u> s. 121.091(9)(b)8. for a person
181	who is elected to public office, and, effective July 1, 1991, as
182	provided in s. 121.122 for all other retirees.
183	1. Officers and employees of the University Athletic

Association, Inc., a nonprofit association connected with the University of Florida, employed on and after July 1, 1979, <u>may</u> shall not participate in any state-supported retirement system.

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187 2.1. Any person appointed on or after July 1, 1989, to a faculty position in a college at the J. Hillis Miller Health 188 Center at the University of Florida or the Medical Center at the 189 190 University of South Florida which has a faculty practice plan adopted provided by rule adopted by the Board of Regents may not 191 192 participate in the Florida Retirement System. Effective July 1, 193 2008, any person appointed thereafter to a faculty position, 194 including clinical faculty, in a college at a state university 195 that has a faculty practice plan authorized by the Board of 196 Governors may not participate in the Florida Retirement System. 197 A faculty member so appointed shall participate in the optional 198 retirement program for the State University System notwithstanding the provisions of s. 121.35(2)(a). 199

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2. For purposes of this <u>subparagraph</u> paragraph, the term: <u>a.</u> "Faculty position" <u>means</u> is defined as a position assigned the principal responsibility of teaching, research, or public service activities or administrative responsibility

204 directly related to the academic mission of the college. The 205 term

206 <u>b.</u> "Clinical faculty" <u>means</u> is defined as a faculty 207 position appointment in conjunction with a professional position 208 in a hospital or other clinical environment at a college. The 209 term

210 <u>c.</u> "Faculty practice plan" includes professional services 211 to patients, institutions, or other parties which are rendered 212 by the clinical faculty employed by a college that has a faculty 213 practice plan at a state university authorized by the Board of 214 Governors.

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(2) OPTIONAL PARTICIPATION.-

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216 (c) Employees of public community colleges or charter 217 technical career centers sponsored by public community colleges, 218 as designated in s. 1000.21(3), who are members of the Regular 219 Class of the Florida Retirement System and who comply with the 220 criteria set forth in this paragraph and in s. 1012.875 may 221 elect, in lieu of participating in the Florida Retirement 222 System, elect to withdraw from the Florida Retirement system 223 altogether and participate in the State Community College System 224 an Optional Retirement Program provided by the employing agency 225 under s. 1012.875, to be known as the State Community College System Optional Retirement Program. Pursuant thereto: 226

227 1. Through June 30, 2001, the cost to the employer for such 228 annuity equals shall equal the normal cost portion of the 229 employer retirement contribution which would be required if the 230 employee were a member of the Regular Class defined benefit 231 program, plus the portion of the contribution rate required by 232 s. 112.363(8) which that would otherwise be assigned to the 233 Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 234 2001, each employer shall contribute on behalf of each 235 participant in the optional program an amount equal to 10.43 percent of the participant's gross monthly compensation. The 236 237 employer shall deduct an amount to provide for the 238 administration of the optional retirement program. The employer 239 providing the optional program shall contribute an additional 240 amount to the Florida Retirement System Trust Fund equal to the 241 unfunded actuarial accrued liability portion of the Regular 242 Class contribution rate.

243 2. The decision to participate in such an optional
244 retirement program is shall be irrevocable for as long as the

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employee holds a position eligible for participation, except as provided in subparagraph 3. Any service creditable under the Florida Retirement System <u>is shall be</u> retained after the member withdraws from the Florida Retirement system; however, additional service credit in the Florida Retirement system <u>may</u> shall not be earned while a member of the optional retirement program.

3. An employee who has elected to participate in the optional retirement program shall have one opportunity, at the employee's discretion, to choose to transfer from the optional retirement program to the defined benefit program of the Florida Retirement System or to the Public Employee Optional Retirement Program, subject to the terms of the applicable optional retirement program contracts.

a. If the employee chooses to move to the Public Employee Optional Retirement Program, any contributions, interest, and earnings creditable to the employee under the State Community College System Optional Retirement Program <u>is shall be</u> retained by the employee in the State Community College System Optional Retirement Program, and the applicable provisions of s. 121.4501(4) shall govern the election.

266 b. If the employee chooses to move to the defined benefit 267 program of the Florida Retirement System, the employee shall 268 receive service credit equal to his or her years of service 269 under the State Community College System Optional Retirement 270 Program.

(I) The cost for such credit <u>is the</u> shall be an amount
representing the present value of <u>the</u> that employee's
accumulated benefit obligation for the affected period of

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274 service. The cost shall be calculated as if the benefit 275 commencement occurs on the first date the employee becomes would 276 become eligible for unreduced benefits, using the discount rate 277 and other relevant actuarial assumptions that were used to value 278 the Florida Retirement System defined benefit plan liabilities 279 in the most recent actuarial valuation. The calculation must 280 shall include any service already maintained under the defined 281 benefit plan in addition to the years under the State Community 2.82 College System Optional Retirement Program. The present value of 283 any service already maintained must under the defined benefit 284 plan shall be applied as a credit to total cost resulting from 285 the calculation. The division shall ensure that the transfer sum 286 is prepared using a formula and methodology certified by an 287 enrolled actuary.

288 (II) The employee must transfer from his or her State 289 Community College System Optional Retirement Program account and 290 from other employee moneys as necessary, a sum representing the 291 present value of the that employee's accumulated benefit 292 obligation immediately following the time of such movement, 293 determined assuming that attained service equals the sum of 294 service in the defined benefit program and service in the State 295 Community College System Optional Retirement Program.

4. Participation in the optional retirement program <u>is</u>
shall be limited to those employees who satisfy the following
eligibility criteria:

a. The employee must be otherwise eligible for membership
or renewed membership in the Regular Class of the Florida
Retirement System, as provided in s. 121.021(11) and (12) or s.
121.122.

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303 b. The employee must be employed in a full-time position 304 classified in the Accounting Manual for Florida's Public 305 Community Colleges as:

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(I) Instructional; or

(II) Executive Management, Instructional Management, or Institutional Management, if a community college determines that recruiting to fill a vacancy in the position is to be conducted in the national or regional market, and:

311 (A) the duties and responsibilities of the position include 312 either the formulation, interpretation, or implementation of 313 policies,; or

314 (B) The duties and responsibilities of the position include 315 the performance of functions that are unique or specialized 316 within higher education and that frequently involve the support 317 of the mission of the community college.

318 c. The employee must be employed in a position not included 319 in the Senior Management Service Class of the Florida Retirement 320 System, as described in s. 121.055.

321 5. Participants in the program are subject to the same 322 reemployment limitations, renewed membership provisions, and 323 forfeiture provisions as are applicable to regular members of 324 the Florida Retirement System under ss. 121.091(9), 121.122, and 325 121.091(5), respectively. A participant who receives a program 32.6 distribution funded by employer contributions shall be deemed to 327 be retired from a state-administered retirement system if the 328 participant is subsequently employed with an employer that 329 participates in the Florida Retirement System.

330 6. Eligible community college employees <u>are shall be</u>
 331 compulsory members of the Florida Retirement System until,

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332 pursuant to the procedures set forth in s. 1012.875, a written 333 election to withdraw from the Florida Retirement system and to 334 participate in the State Community College System Optional 335 Retirement Program is filed with the program administrator and 336 received by the division.

a. <u>A</u> Any community college employee whose program 337 338 eligibility results from initial employment must shall be 339 enrolled in the State Community College System Optional 340 Retirement Program retroactive to the first day of eligible 341 employment. The employer retirement contributions paid through 342 the month of the employee plan change shall be transferred to 343 the community college to for the employee's optional program account, and, effective the first day of the next month, the 344 345 employer shall pay the applicable contributions based upon 346 subparagraph 1.

347 b. A Any community college employee whose program 348 eligibility is results from a change in status due to the subsequent designation of the employee's position as one of 349 350 those specified in subparagraph 4., or due to the employee's 351 appointment, promotion, transfer, or reclassification to a 352 position specified in subparagraph 4., must shall be enrolled in the program on upon the first day of the first full calendar 353 354 month that such change in status becomes effective. The employer 355 retirement contributions paid from the effective date through 356 the month of the employee plan change must shall be transferred 357 to the community college to for the employee's optional program 358 account, and, effective the first day of the next month, the 359 employer shall pay the applicable contributions based upon 360 subparagraph 1.

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361 7. Effective July 1, 2003, through December 31, 2008, any 362 participant of the State Community College System Optional 363 Retirement Program who has service credit in the defined benefit 364 plan of the Florida Retirement System for the period between his 365 or her first eligibility to transfer from the defined benefit 366 plan to the optional retirement program and the actual date of transfer may, during his or her employment, elect to transfer to 367 368 the optional retirement program a sum representing the present 369 value of the accumulated benefit obligation under the defined 370 benefit retirement program for the such period of service 371 credit. Upon such transfer, all such service credit previously 372 earned under the defined benefit program of the Florida 373 Retirement System during this period is shall be nullified for 374 purposes of entitlement to a future benefit under the defined 375 benefit program of the Florida Retirement System.

376 (f)1. If Whenever an employer that participates in the 377 Florida Retirement System undertakes the transfer, merger, or 378 consolidation of governmental services or assumes the functions 379 and activities of an employing governmental entity that was not 380 an employer under the system, the employer must notify the 381 department at least 60 days before prior to such action and 382 shall provide documentation as required by the department. The 383 transfer, merger, or consolidation of governmental services or assumption of governmental functions and activities must occur 384 385 between public employers. The current or former employer may pay 386 the employees' past service cost, unless prohibited under this 387 chapter. This subparagraph does not apply to the transfer, 388 merger, or consolidation of governmental services or assumption of functions and activities of a public entity under a leasing 389

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390 agreement having a co-employer relationship. Employers and 391 employees of a public governmental employer whose service is 392 covered by a leasing agreement under s. 110.191, any other 393 leasing agreement, or a co-employer relationship are not 394 eligible to participate in the Florida Retirement System.

395 2. If When the agency to which a member's employing unit is 396 transferred, merged, or consolidated does not participate in the 397 Florida Retirement System, a member may shall elect in writing 398 to remain in the Florida Retirement System or to transfer to the 399 local retirement system operated by the such agency. If the such 400 agency does not participate in a local retirement system, the 401 member shall continue membership in the Florida Retirement System. In either case, the membership continues shall continue 402 403 for as long as the member is employed by the agency to which his 404 or her unit was transferred, merged, or consolidated.

405 Section 4. Paragraph (f) of subsection (2) and paragraph 406 (e) of subsection (3) of section 121.052, Florida Statutes, are 407 amended to read:

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121.052 Membership class of elected officers.-

409 (2) MEMBERSHIP.—The following holders of elective office, 410 hereinafter referred to as "elected officers," whether assuming 411 elective office by election, reelection, or appointment, are 412 members of the Elected Officers' Class, except as provided in 413 subsection (3):

(f) Any elected officer of a municipality or special district <u>assuming office</u> on or after July 1, 1997, <u>through June</u> <u>30, 2009</u>, as provided in <u>subsection (3)</u> paragraph (3)(e). <u>On or</u> <u>after July 1, 2010</u>, an elected officer shall become a member <u>only if the governing body of the municipality or special</u>

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 its elected officers, elects, by majority vote, to include all its elected positions in the Elected Officers' Class. (3) PARTICIPATION AND WITHDRAWAL, GENERALLYEffective July 1, 1990, participation in the Elected Officers' Class shall be compulsory for elected officers listed in paragraphs (2) (a)-(d) and (f) assuming office on or after said date, unless the elected officer elects membership in another class or withdraws from the Florida Retirement System as provided in paragraphs (3) (a)-(d): (a) -(d): (b) Effective July 1, 2001, The governing body of a municipality or special district may, by majority vote, elect to designate all its elected positions for inclusion in the Elected Officers' Class. 1. Effective July 1, 1997, such election must be made between July 1, 1997, and December 31, 1997, and is irrevocable. The designation of such positions is effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. 2. Effective July 1, 2001, such election must shall be effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. 3. Effective July 1, 2009, such election must be made between July 1, 2009, and December 31, 2009, and is irrevocable. The designation of such positions is effective the first day of the ordinance or resolution passed by the governing body. 3. Effective July 1, 2009, such election must be made between July 1, 2009, and December 31, 2009, and is irrevocable. The designation of such positions is effective the first day of the month following receipt by the department of the ordinance 	419	district, at the time it joins the Florida Retirement System for
 (3) PARTICIPATION AND WITHDRAWAL, GENERALLYEffective July 1, 1990, participation in the Elected Officers' Class shall be compulsory for elected officers listed in paragraphs (2) (a) - (d) and (f) assuming office on or after said date, unless the elected officer elects membership in another class or withdraws from the Florida Retirement System as provided in paragraphs (3) (a) - (d): (a) (a) - (d): (b) (a) - (d): (c) Effective July 1, 2001, The governing body of a municipality or special district may, by majority vote, elect to designate all its elected positions for inclusion in the Elected Officers' Class. <u>1. Effective July 1, 1997, such election must be made</u> between July 1, 1997, and December 31, 1997, and is irrevocable. The designation of such positions is effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. <u>2. Effective July 1, 2001</u>, such election <u>must shall be</u> between July 1, 2001, and December 31, 2001, and <u>is shall be</u> irrevocable. The designation of such positions <u>is shall be</u> effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. <u>3. Effective July 1, 2009</u>, such election must be made between July 1, 2009, and December 31, 2009, and is irrevocable. The designation of such positions is effective the first day of 	420	its elected officers, elects, by majority vote, to include all
 1, 1990, participation in the Elected Officers' Class shall be compulsory for elected officers listed in paragraphs (2) (a) - (d) and (f) assuming office on or after said date, unless the elected officer elects membership in another class or withdraws from the Florida Retirement System as provided in paragraphs (3) (a) - (d): (a) Effective July 1, 2001, The governing body of a municipality or special district may, by majority vote, elect to designate all its elected positions for inclusion in the Elected Officers' Class. <u>1. Effective July 1, 1997, such election must be made</u> between July 1, 1997, and December 31, 1997, and is irrevocable. The designation of such positions is effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. <u>2. Effective July 1, 2001, such election must shall be</u> irrevocable. The designation of such positions <u>is shall be</u> effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. <u>3. Effective July 1, 2009, such election must be made</u> between July 1, 2009, and December 31, 2009, and is irrevocable. 	421	its elected positions in the Elected Officers' Class.
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 and (f) assuming office on or after said date, unless the elected officer elects membership in another class or withdraws from the Florida Retirement System as provided in paragraphs (3) (a) - (d): (a) (a) - (d): (b) Effective July 1, 2001, The governing body of a municipality or special district may, by majority vote, elect to designate all its elected positions for inclusion in the Elected Officers' Class. 1. Effective July 1, 1997, such election must be made between July 1, 1997, and December 31, 1997, and is irrevocable. The designation of such positions is effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. 2. Effective July 1, 2001, such election <u>must shall be</u> between July 1, 2001, and December 31, 2001, and <u>is shall be</u> irrevocable. The designation of such positions <u>is shall be</u> effective the first day of the month following receipt by the department of the ordinance or resolution passed by the governing body. 3. Effective July 1, 2009, such election must be made between July 1, 2009, and December 31, 2009, and is irrevocable. 	423	1, 1990, participation in the Elected Officers' Class shall be
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	447	the month following receipt by the department of the ordinance

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448	or resolution passed by the governing body.
449	Section 5. Paragraph (b) of subsection (1) of section
450	121.053, Florida Statutes, is amended to read:
451	121.053 Participation in the Elected Officers' Class for
452	retired members
453	(1)
454	(b) <u>A</u> Any retired member of the Florida Retirement System,
455	or <u>an</u> any existing system as defined in s. 121.021(2), who, on
456	or after July 1, 1990, <u>serves in</u> is serving in, or is elected or
457	appointed to, an elective office covered by the Elected
458	Officers' Class shall be enrolled in the appropriate subclass of
459	the Elected Officers' Class of the Florida Retirement System,
460	and applicable contributions shall be paid into the Florida
461	Retirement System Trust Fund as provided in s. 121.052(7).
462	Pursuant thereto:
463	1. The Any such retired member may shall be eligible to
464	continue to receive retirement benefits as well as compensation
465	for the elected officer service <u>if</u> for as long as he or she
466	remains in an elective office covered by the Elected Officers'
467	Class.
468	2. If the any such member serves in an elective office
469	covered by the Elected Officers' Class and becomes vested under
470	that class, he or she <u>is</u> shall be entitled to receive an
471	additional retirement benefit for <u>the</u> such elected officer
472	service.
473	3. <u>The</u> Such member <u>is</u> shall be entitled to purchase
474	additional retirement credit in the Elected Officers' Class for
475	any postretirement service performed in an elected position
476	eligible for the Elected Officers' Class <u>before</u> prior to July 1,
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477 1990, or in the Regular Class for any postretirement service 478 performed in any other regularly established position before 479 prior to July 1, 1991, by paying the applicable Elected 480 Officers' Class or Regular Class employee and employer 481 contributions for the period being claimed, plus 4 percent interest compounded annually from the first year of service 482 claimed until July 1, 1975, and 6.5 percent interest compounded 483 484 thereafter, until full payment is made to the Florida Retirement 485 System Trust Fund. The contribution for postretirement Regular 486 Class service between July 1, 1985, and July 1, 1991, for which 487 the reemployed retiree contribution was paid, is shall be the 488 difference between the such contribution and the total 489 applicable contribution for the period being claimed, plus 490 interest. The employer of such member may pay the applicable 491 employer contribution in lieu of the member. If a member does 492 not wish to claim credit for all of the postretirement service 493 for which he or she is eligible, the service the member claims 494 must be the most recent service. Any retiree who served in an 495 elective office before July 1, 1990, suspended his or her 496 retirement benefits, and had his or her Florida Retirement 497 System membership reinstated shall, upon retirement from such 498 office, have his or her retirement benefit recalculated to 499 include the additional service and compensation earned.

4. Creditable service for which credit was received, or which remained unclaimed, at retirement may not be claimed or applied toward service credit earned following renewed membership. However, service earned in accordance with the renewed membership provisions <u>of in</u> s. 121.122 may be used in conjunction with creditable service earned under this paragraph,

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506 <u>if provided</u> applicable vesting requirements and other existing 507 statutory conditions required by this chapter are met.

508 5. A member An elected officer who is elected or appointed 509 to an elective office and is participating in the Deferred 510 Retirement Option Program before July 1, 2010, is not subject to 511 termination as provided in s. 121.021(39)(b), or reemployment limitations as provided in s. 121.091(9), until the end of his 512 513 or her current term of office or, if the officer is 514 consecutively elected or reelected to an elective office 515 eligible for coverage under the Florida Retirement System, until 516 he or she no longer holds such an elective office, as follows:

517

a. At the end of the 60-month DROP period:

(I) The officer's DROP account <u>may not</u> shall accrue no additional monthly benefits, but shall continue to earn interest as provided in s. 121.091(13). <u>However, an officer whose DROP</u> <u>participation begins on or after July 1, 2010, may not continue</u> to earn interest as provided in s. 121.091(13).

(II) No Retirement contributions <u>are not</u> shall be required of the employer of the elected officer and no additional retirement credit <u>may not</u> shall be earned under the Florida Retirement System.

527 b. Nothing herein shall prevent An elected officer may from 528 voluntarily terminate terminating his or her elective office at 529 any time and electing to receive his or her DROP proceeds. 530 However, until termination requirements are fulfilled as defined 531 provided in s. 121.021(39) occurs, an any elected officer whose 532 termination limitations are extended by this section is shall be ineligible for renewed membership in the system and may not 533 shall receive no pension payments, DROP lump sum payments, or 534

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535 any other state payment other than the statutorily determined 536 salary, travel, and per diem for the elective office.

537 c. Upon termination, the officer shall receive his or her 538 accumulated DROP account, plus interest, and shall accrue and 539 commence receiving monthly retirement benefits, which <u>must</u> shall 540 be paid on a prospective basis only.

However, an officer electing to participate in the Deferred Retirement Option Program on or before June 30, 2002, <u>is shall</u> not be required to terminate and <u>remains</u> shall remain subject to the provisions of this subparagraph as adopted in section 1 of chapter 2001-235, Laws of Florida.

547 Section 6. Paragraph (f) of subsection (1) and paragraph 548 (e) of subsection (6) of section 121.055, Florida Statutes, are 549 amended to read:

121.055 Senior Management Service Class.—There is hereby
established a separate class of membership within the Florida
Retirement System to be known as the "Senior Management Service
Class," which shall become effective February 1, 1987.

554

(1)

555

541

(f) Effective July 1, 1997:

556 1. An Any elected state officer eligible for membership in 557 the Elected Officers' Class under s. 121.052(2)(a), (b), or (c) 558 who elects membership in the Senior Management Service Class 559 under s. 121.052(3)(c) may, within 6 months after assuming 560 office or within 6 months after this act becomes a law for 561 serving elected state officers, elect to participate in the Senior Management Service Optional Annuity Program, as provided 562 563 in subsection (6), in lieu of membership in the Senior

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564 Management Service Class.

565 2. An Any elected county officer of a local agency employer eligible for membership in the Elected Officers' Class under s. 566 567 121.052(2)(d) who elects membership in the Senior Management 568 Service Class under s. 121.052(3)(c) may, within 6 months after 569 assuming office, or within 6 months after this act becomes a law 570 for serving elected county officers of a local agency employer, elect to withdraw from the Florida Retirement System participate 571 572 in a lifetime monthly annuity program, as provided in 573 subparagraph (b)2., in lieu of membership in the Senior Management Service Class. 574

- (6)
- 575 576

(e) Benefits.-

577 1. Benefits shall be payable under the Senior Management 578 Service Optional Annuity Program only to participants in the 579 program, or their beneficiaries as designated by the participant 580 in the contract with a provider company, and such benefits shall be paid by the designated company in accordance with the terms 581 582 of the annuity contract or contracts applicable to the 583 participant. A participant must be terminated from all 584 employment with all Florida Retirement System employers as 585 provided in s. 121.021(39) to begin receiving the employer-586 funded benefit. Benefits funded by employer contributions shall be payable under the terms of the contract only as a lifetime 587 588 annuity to the participant, his or her beneficiary, or his or 589 her estate, in addition to except for:

a. A lump-sum payment to the beneficiary upon the death ofthe participant;

592

b. A cash-out of a de minimis account upon the request of a

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593	former participant who has been terminated for a minimum of 6
594	months from the employment that entitled him or her to optional
595	annuity program participation. A de minimis account is an
596	account with a provider company containing employer
597	contributions and accumulated earnings of not more than \$5,000
598	made under the provisions of this chapter. Such cash-out must be
599	a complete liquidation of the account balance with that company
600	and is subject to the provisions of the Internal Revenue Code <u>;</u>
601	c. A mandatory distribution of a de minimis account of a
602	former participant who has been terminated for a minimum of 6
603	months from the employment that entitled him or her to optional
604	annuity program participation as authorized by the department;
605	or
606	<u>d.</u> e. A lump-sum direct rollover distribution whereby all
607	accrued benefits, plus interest and investment earnings, are
608	paid from the participant's account directly to the custodian of
609	an eligible retirement plan, as defined in s. 402(c)(8)(B) of
610	the Internal Revenue Code, on behalf of the participant.
611	
612	As used in this subparagraph, a "de minimis account" means an
613	account with a provider company containing employer
614	contributions and accumulated earnings of not more than \$5,000
615	made under this chapter.
616	2. The benefits payable to any person under the Senior
617	Management Service Optional Annuity Program, and any
618	contribution accumulated under such program, shall not be
619	subject to assignment, execution, or attachment or to any legal
620	process whatsoever.
621	3. Except as provided in subparagraph 4., a participant who

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622	terminates employment and receives optional annuity program
623	benefits funded by employer contributions shall be deemed to be
624	retired from a state-administered retirement system in the event
625	of subsequent employment with any employer that participates in
626	the Florida Retirement System.
627	4. A participant who receives optional annuity program
628	benefits funded by employer contributions as a mandatory
629	distribution of a de minimis account authorized by the
630	department will not be considered a retiree.
631	Section 7. Paragraph (a) of subsection (6) of section
632	121.071, Florida Statutes, is amended to read:
633	121.071 ContributionsContributions to the system shall be
634	made as follows:
635	(6)(a) Required employee contributions for all service
636	other than current service, including, but not limited to, prior
637	service, past service, military service, leave-of-absence
638	service, out-of-state service, and certain non-Florida
639	Retirement System in-state service, shall be paid by cash,
640	personal check, cashier's check, or money order <u>, or a direct</u>
641	rollover or transfer from a qualified plan as provided under the
642	Internal Revenue Code. The payment must only; shall be
643	accompanied by a statement identifying the service for which
644	payment is made $ au$ and shall be made in a lump sum for the total
645	amount due or in annual payments of not less than \$100, except
646	for the final payment if less than \$100, unless another method
647	of payment is authorized by law or rule.
648	Section 8. Paragraphs (a), (b), (e), (f), and (h) of
649	subsection (1) of section 121.081, Florida Statutes, are amended
650	to read:

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651 121.081 Past service; prior service; contributions.652 Conditions under which past service or prior service may be
653 claimed and credited are:

654 (1) (a) Past service, as defined in s. $121.021 \cdot (18)$, may be 655 claimed as creditable service by officers or employees of a 656 municipality city, metropolitan planning organization, charter 657 school, charter technical career center, or special district who 658 that become a covered group under this system. The governing 659 body of a covered group in compliance with s. 121.051(2)(b) may elect to provide benefits for with respect to past service 660 661 earned before prior to January 1, 1975, in accordance with this 662 chapter, and the cost for such past service is shall be established by applying the following formula: The member 663 664 contribution for both regular and special risk members is shall be 4 percent of the gross annual salary for each year of past 665 666 service claimed, plus 4-percent employer matching contribution, 667 plus 4-percent interest thereon compounded annually, figured on 668 each year of past service, with interest compounded from date of 669 annual salary earned until July 1, 1975, and 6.5-percent 670 interest compounded annually thereafter until date of payment. 671 Once the total cost for a member has been figured to date, then after July 1, 1975, 6.5-percent compounded interest shall be 672 673 added each June 30 thereafter on any unpaid balance until the 674 cost of such past service liability is paid in full. The 675 following formula shall be used in calculating past service 676 earned before prior to January 1, 1975: (Annual gross salary 677 multiplied by 8 percent) multiplied by the 4-percent or 6.5percent compound interest table factor, as may be applicable. 678 679 The resulting product equals cost to date for each particular

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680 year of past service.

681 (b) Past service earned after January 1, 1975, may be 682 claimed by officers or employees of a municipality city, 683 metropolitan planning organization, charter school, charter 684 technical career center, or special district who become that 685 becomes a covered group under this system. The governing body of 686 a covered group may elect to provide benefits for with respect 687 to past service earned after January 1, 1975, in accordance with 688 this chapter, and the cost for such past service is shall be 689 established by applying the following formula: The employer 690 shall contribute an amount equal to the contribution rate in 691 effect at the time the service was earned, multiplied by the 692 employee's gross salary for each year of past service claimed, 693 plus 6.5-percent interest thereon, compounded annually, figured 694 on each year of past service, with interest compounded from date 695 of annual salary earned until date of payment.

696 (e) Past service, as defined in s. 121.021(18), may be 697 claimed as creditable service by a member of the Florida 698 Retirement System who formerly was an officer or employee of a 699 municipality city, metropolitan planning organization, charter 700 school, charter technical career center, or special district, 701 notwithstanding the status or form of the retirement system, if 702 any, of that municipality city, metropolitan planning organization, charter school, charter technical career center, 703 704 or special district and irrespective of whether such officers or 705 employees of that city, metropolitan planning organization, or 706 special district now or hereafter become a covered group under 707 the Florida Retirement System. Such member may claim creditable 708 service and be entitled to the benefits accruing to the regular

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709 class of members as provided for the past service claimed under 710 this paragraph by paying into the retirement trust fund an 711 amount equal to the total actuarial cost of providing the 712 additional benefit resulting from such past-service credit, 713 discounted by the applicable actuarial factors to date of 714 retirement.

715 (f) If When any person, either prior to this act or hereafter, becomes entitled to and participates does participate 716 717 in one of the retirement systems under consolidated within or 718 created by this chapter through the consolidation or merger of 719 governments or the transfer of functions between units of 720 government, either at the state or local level or between state 721 and local units, or through the assumption of functions or 722 activities by a state or local unit from an employing 723 governmental entity that which was not an employer under the 724 system, and such person becomes a member of the Florida 725 Retirement System, such person is shall be entitled to receive past-service credit as defined in s. 121.021(18) for the time 726 727 the such person performed services for, and was an employee of, 728 such state or local unit or other governmental employing entity 729 before prior to the transfer, merger, consolidation, or 730 assumption of functions and activities. Past-service credit 731 allowed by this paragraph is shall also be available to any 732 person who becomes a member of an existing system before, as 733 defined in s. 121.021(2), prior to December 1, 1970, through the 734 transfer, merger, consolidation, or assumption of functions and 735 activities set forth in this paragraph and who subsequently 736 becomes a member of the Florida Retirement System. However, credit for the past service may not be granted until 737

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738 contributions are made in the manner provided in this 739 subsection. If a person rejected Florida Retirement System 740 membership at the time of the transfer, merger, or 741 consolidation, or assumption of governmental functions and 742 activities, the required contributions shall be at total 743 actuarial cost as specified in paragraph (e). Such contributions 744 or accrued interest may not be paid from any public state funds. 745 (h) The following provisions apply to the purchase of past 746 service: 747 1. Notwithstanding any of the provisions of this 748 subsection, past-service credit may not be purchased under this 749 chapter for any service that is used to obtain a pension or 750 benefit from a any local retirement system. Eligibility to 751 receive or the receipt of contributions to a retirement plan 752 made by the employer on behalf of the employee is considered a 753 benefit. 754 2. A member may not receive past service credit under 755 paragraphs (a), (b), (e), or (f) for any leaves of absence 756 without pay, except that credit for active military service 757 leaves of absence may be claimed under paragraphs (a), (b), and 758 (f), in accordance with s. 121.111(1). 759 3. A member may not receive past service credit for co-760 employer service. Co-employer service or a co-employer 761 relationship is employment in a single position simultaneously 762 covered and reported by both a public employer and a private 763 employer. 764 4.3. If a member does not want desire to receive credit for

all of his or her past service, the period the member claims must be the most recent past service prior to his or her

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767 participation in the Florida Retirement System.

768 <u>5.4.</u> The cost of past service purchased by an employing 769 agency for its employees may be amortized over <u>the</u> such period 770 of time as is provided in the agreement, but not to exceed 15 771 years, calculated in accordance with rule 60S-1.007(5)(f), 772 Florida Administrative Code.

773 <u>6.5.</u> The retirement account of each member for whom past 774 service is being provided by his or her employer shall be 775 credited with all past service the employer agrees to purchase 776 as soon as the agreement between the employer and the department 777 is executed. Pursuant thereto:

778 a. Each such member's account shall also be posted with the 779 total contribution his or her employer agrees to make on in the 780 member's behalf for past service earned before prior to October 781 1, 1975, excluding those contributions representing the 782 employer's matching share and the compound interest calculation 783 on the total contribution. However, a portion of any 784 contributions paid by an employer for past service credit earned 785 on and after October 1, 1975, may not be posted to the $\frac{1}{2}$ 786 member's account.

b. A refund of contributions payable after an employer has
made a written agreement to purchase past service for employees
of the covered group <u>includes</u> shall include contributions for
past service which are posted to <u>the</u> a member's account.
However, contributions for past service earned on and after
October 1, 1975, are not refundable.

793Section 9. Subsections (9), (13), and (14) of section794121.091, Florida Statutes, are amended to read:

121.091 Benefits payable under the system.-Benefits may not

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796 be paid under this section unless the member has terminated 797 employment as provided in s. 121.021(39)(a) or begun 798 participation in the Deferred Retirement Option Program as 799 provided in subsection (13), and a proper application has been 800 filed in the manner prescribed by the department. The department 801 may cancel an application for retirement benefits when the 802 member or beneficiary fails to timely provide the information 803 and documents required by this chapter and the department's 804 rules. The department shall adopt rules establishing procedures 805 for application for retirement benefits and for the cancellation of such application when the required information or documents 806 807 are not received.

808

(9) EMPLOYMENT AFTER RETIREMENT; LIMITATION.-

(a) Any person who is retired under this chapter, except
under the disability retirement provisions of subsection (4),
may be employed by an employer that does not participate in a
state-administered retirement system and may receive
compensation from that employment without limiting or
restricting in any way the retirement benefits payable to that
person.

816 (b) 1. Any person whose retirement is effective before July 817 1, 2010, or whose participation in the Deferred Retirement 818 Option Program terminates before July 1, 2010, who is retired 819 under this chapter, except under the disability retirement 820 provisions of subsection (4) or as provided in s. 121.053, may 821 be reemployed by an any private or public employer that 822 participates in a state-administered retirement system after 823 retirement and receive retirement benefits and compensation from that his or her employer without any limitations, except that 824

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825 the a person may not be reemployed by an employer receive both a 826 salary from reemployment with any agency participating in the Florida Retirement System before meeting the definition of 827 828 termination in s. 121.021(39) and may not receive both a salary 829 from the employer and retirement benefits under this chapter for 830 a period of 12 calendar months immediately subsequent to the date of retirement. However, a DROP participant shall continue 831 832 employment and receive a salary during the period of 833 participation in the Deferred Retirement Option Program, as 834 provided in subsection (13).

1.2. A retiree Any person to whom the limitation in 835 836 subparagraph 1. applies who violates such reemployment 837 limitation and who is reemployed with any agency participating 838 in the Florida Retirement System before completion of the 12-839 month limitation period must shall give timely notice of this 840 fact in writing to the employer and to the Division of 841 Retirement or the state board and shall have his or her 842 retirement benefits suspended for the months employed or the 843 balance of the 12-month limitation period as required in sub-844 subparagraphs b. and c. A retiree Any person employed in 845 violation of this paragraph and an employer who any employing agency which knowingly employs or appoints such person are 846 847 without notifying the Division of Retirement to suspend retirement benefits shall be jointly and severally liable for 848 849 reimbursement to the retirement trust fund, including the 850 Florida Retirement System Trust Fund and the Public employee 851 Optional Retirement Program Trust Fund, from which the benefits 852 were paid of any benefits paid during the reemployment limitation period. The employer must To avoid liability, such 853

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854 employing agency shall have a written statement from the retiree 855 that he or she is not retired from a state-administered retirement system. Any retirement benefits received while 856 857 reemployed during this reemployment limitation period shall be 858 repaid to the retirement trust fund, and Retirement benefits 859 shall remain suspended until such repayment has been made. 860 Benefits suspended beyond the reemployment limitation shall 861 apply toward repayment of benefits received in violation of the 862 reemployment limitation.

863 a.3. A district school board may reemploy a retiree retired 864 member as a substitute or hourly teacher, education 865 paraprofessional, transportation assistant, bus driver, or food 866 service worker on a noncontractual basis after he or she has 867 been retired for 1 calendar month, in accordance with s. 868 121.021(39). A district school board may reemploy a retiree 869 retired member as instructional personnel, as defined in s. 870 1012.01(2)(a), on an annual contractual basis after he or she 871 has been retired for 1 calendar month, in accordance with s. 872 121.021(39). Any other retired member who is reemployed within 1 873 calendar month after retirement shall void his or her 874 application for retirement benefits. District school boards reemploying such teachers, education paraprofessionals, 875 876 transportation assistants, bus drivers, or food service workers 877 are subject to the retirement contribution required by 878 subparagraph 2. 7.

b.4. A community college board of trustees may reemploy a
 retiree retired member as an adjunct instructor, that is, an
 instructor who is noncontractual and part-time, or as a
 participant in a phased retirement program within the Florida

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883 Community College System, after he or she has been retired for 1 calendar month, in accordance with s. 121.021(39). A Any retired 884 885 member who is reemployed within 1 calendar month after 886 retirement shall void his or her application for retirement 887 benefits. Boards of trustees reemploying such instructors are 888 subject to the retirement contribution required in subparagraph 889 2. 7. A retiree retired member may be reemployed as an adjunct 890 instructor for no more than 780 hours during the first 12 months 891 of retirement. A retiree Any retired member reemployed for more 892 than 780 hours during the first 12 months of retirement must 893 shall give timely notice in writing to the employer and to the 894 Division of Retirement or the state board of the date he or she 895 will exceed the limitation. The division shall suspend his or 896 her retirement benefits for the remainder of the first 12 months 897 of retirement. Any retiree person employed in violation of this 898 sub-subparagraph subparagraph and any employer who employing 899 agency which knowingly employs or appoints such person without 900 notifying the division of Retirement to suspend retirement 901 benefits are shall be jointly and severally liable for 902 reimbursement to the retirement trust fund of any benefits paid 903 during the reemployment limitation period. The employer must To 904 avoid liability, such employing agency shall have a written 905 statement from the retiree that he or she is not retired from a 906 state-administered retirement system. Any retirement benefits 907 received by the retiree a retired member while reemployed in 908 excess of 780 hours during the first 12 months of retirement 909 must shall be repaid to the Florida Retirement System Trust 910 Fund, and retirement benefits shall remain suspended until 911 repayment is made. Benefits suspended beyond the end of the

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912 <u>retiree's</u> retired member's first 12 months of retirement shall 913 apply toward repayment of benefits received in violation of the 914 780-hour reemployment limitation.

915 c.5. The State University System may reemploy a retiree 916 retired member as an adjunct faculty member or as a participant 917 in a phased retirement program within the State University System after the retiree retired member has been retired for 1 918 919 calendar month, in accordance with s. 121.021(39). A Any retired 920 member who is reemployed within 1 calendar month after 921 retirement shall void his or her application for retirement 922 benefits. The State University System is subject to the retired 923 contribution required in subparagraph 2. 7., as appropriate. A 924 retiree retired member may be reemployed as an adjunct faculty 925 member or a participant in a phased retirement program for no 926 more than 780 hours during the first 12 months of his or her 927 retirement. A retiree Any retired member reemployed for more 928 than 780 hours during the first 12 months of retirement must 929 shall give timely notice in writing to the employer and to the 930 Division of Retirement or the state board of the date he or she 931 will exceed the limitation. The division shall suspend his or 932 her retirement benefits for the remainder of the first 12 months 933 of retirement. Any retiree person employed in violation of this 934 sub-subparagraph subparagraph and any employer who employing 935 agency which knowingly employs or appoints such person without 936 notifying the division of Retirement to suspend retirement 937 benefits are shall be jointly and severally liable for 938 reimbursement to the retirement trust fund of any benefits paid 939 during the reemployment limitation period. The employer must To 940 avoid liability, such employing agency shall have a written

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941 statement from the retiree that he or she is not retired from a 942 state-administered retirement system. Any retirement benefits 943 received by the retiree a retired member while reemployed in 944 excess of 780 hours during the first 12 months of retirement 945 must shall be repaid to the Florida Retirement System Trust 946 Fund, and retirement benefits shall remain suspended until 947 repayment is made. Benefits suspended beyond the end of the 948 retiree's retired member's first 12 months of retirement shall 949 apply toward repayment of benefits received in violation of the 950 780-hour reemployment limitation.

951 d.6. The Board of Trustees of the Florida School for the 952 Deaf and the Blind may reemploy a retiree retired member as a 953 substitute teacher, substitute residential instructor, or 954 substitute nurse on a noncontractual basis after he or she has 955 been retired for 1 calendar month, in accordance with s. 956 121.021(39). Any retired member who is reemployed within 1 957 calendar month after retirement shall void his or her 958 application for retirement benefits. The Board of Trustees of 959 the Florida School for the Deaf and the Blind reemploying such 960 teachers, residential instructors, or nurses is subject to the 961 retirement contribution required by subparagraph 2. 7. 962 Reemployment of a retired member as a substitute teacher, 963 substitute residential instructor, or substitute nurse is 964 limited to 780 hours during the first 12 months of his or her 965 retirement. Any retired member reemployed for more than 780 966 hours during the first 12 months of retirement shall give timely 967 notice in writing to the employer and to the division of the 968 date he or she will exceed the limitation. The division shall 969 suspend his or her retirement benefits for the remainder of the

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970 first 12 months of retirement. Any person employed in violation 971 of this subparagraph and any employing agency which knowingly 972 employs or appoints such person without notifying the division 973 of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust 974 975 fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a 976 977 written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement 978 979 benefits received by a retired member while reemployed in excess 980 of 780 hours during the first 12 months of retirement shall be 981 repaid to the Retirement System Trust Fund, and his or her 982 retirement benefits shall remain suspended until payment is 983 made. Benefits suspended beyond the end of the retired member's 984 first 12 months of retirement shall apply toward repayment of 985 benefits received in violation of the 780-hour reemployment 986 limitation. 987 e. A developmental research school may reemploy a retiree 988 as a substitute or hourly teacher or an education 989 paraprofessional as defined in s. 1012.01(2) on a noncontractual 990 basis after he or she has been retired for 1 calendar month. A 991 developmental research school may reemploy a retiree as 992 instructional personnel, as defined in s. 1012.01(2)(a), on an 993 annual contractual basis after he or she has been retired for 1 calendar month after retirement. Any member who is reemployed 994 995 within 1 calendar month voids his or her application for retirement benefits. A developmental research school that 996 997 reemploys retired teachers and education paraprofessionals is subject to the retirement contribution required by subparagraph 998

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999 2. f. A charter school may reemploy a retiree as a substitute 1000 1001 or hourly teacher on a noncontractual basis after he or she has 1002 been retired for 1 calendar month. A charter school may reemploy 1003 a retired member as instructional personnel, as defined in s. 1004 1012.01(2)(a), on an annual contractual basis after he or she 1005 has been retired for 1 calendar month after retirement. Any 1006 member who is reemployed within 1 calendar month voids his or 1007 her application for retirement benefits. A charter school that reemploys such teachers is subject to the retirement 1008 1009 contribution required by subparagraph 2.

1010 2.7. The employment by an employer of a any retiree or DROP participant of a any state-administered retirement system 1011 1012 does not affect shall have no effect on the average final 1013 compensation or years of creditable service of the retiree or 1014 DROP participant. Before Prior to July 1, 1991, upon employment 1015 of any person, other than an elected officer as provided in s. 121.053, who is has been retired under a any state-administered 1016 1017 retirement program, the employer shall pay retirement 1018 contributions in an amount equal to the unfunded actuarial 1019 liability portion of the employer contribution which would be 1020 required for regular members of the Florida Retirement System. 1021 Effective July 1, 1991, contributions shall be made as provided in s. 121.122 for retirees who have with renewed membership or, 1022 1023 as provided in subsection (13), for with respect to DROP 1024 participants.

1025 8. Any person who has previously retired and who is holding 1026 an elective public office or an appointment to an elective 1027 public office eligible for the Elected Officers' Class on or


1028 after July 1, 1990, shall be enrolled in the Florida Retirement 1029 System as provided in s. 121.053(1)(b) or, if holding an elective public office that does not qualify for the Elected 1030 1031 Officers' Class on or after July 1, 1991, shall be enrolled in 1032 the Florida Retirement System as provided in s. 121.122, and 1033 shall continue to receive retirement benefits as well as 1034 compensation for the elected officer's service for as long as he 1035 or she remains in elective office. However, any retired member 1036 who served in an elective office prior to July 1, 1990, 1037 suspended his or her retirement benefit, and had his or her 1038 Florida Retirement System membership reinstated shall, upon 1039 retirement from such office, have his or her retirement benefit 1040 recalculated to include the additional service and compensation 1041 earned.

1042 3.9. Any person who is holding an elective public office 1043 which is covered by the Florida Retirement System and who is 1044 concurrently employed in nonelected covered employment may elect to retire while continuing employment in the elective public 1045 1046 office if, provided that he or she terminates shall be required 1047 to terminate his or her nonelected covered employment. Such Any 1048 person who exercises this election shall receive his or her 1049 retirement benefits in addition to the compensation of the 1050 elective office without regard to the time limitations otherwise 1051 provided in this subsection. A No person who seeks to exercise 1052 the provisions of this subparagraph, as they the same existed 1053 before prior to May 3, 1984, may not be shall be deemed to be 1054 retired under those provisions, unless such person is eligible to retire under the provisions of this subparagraph, as amended 1055 by chapter 84-11, Laws of Florida. 1056

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1057 10. The limitations of this paragraph apply to reemployment 1058 in any capacity with an "employer" as defined in s. 121.021(10), 1059 irrespective of the category of funds from which the person is 1060 compensated.

1061 11. An employing agency may reemploy a retired member as a firefighter or paramedic after the retired member has been 1062 retired for 1 calendar month, in accordance with s. 121.021(39). 1063 Any retired member who is reemployed within 1 calendar month 1064 1065 after retirement shall void his or her application for 1066 retirement benefits. The employing agency reemploying such 1067 firefighter or paramedic is subject to the retired contribution 1068 required in subparagraph 8. Reemployment of a retired firefighter or paramedic is limited to no more than 780 hours 1069 1070 during the first 12 months of his or her retirement. Any retired 1071 member reemployed for more than 780 hours during the first 12 1072 months of retirement shall give timely notice in writing to the 1073 employer and to the division of the date he or she will exceed the limitation. The division shall suspend his or her retirement 1074 1075 benefits for the remainder of the first 12 months of retirement. Any person employed in violation of this subparagraph and any 1076 1077 employing agency which knowingly employs or appoints such person 1078 without notifying the Division of Retirement to suspend 1079 retirement benefits shall be jointly and severally liable for 1080 reimbursement to the Retirement System Trust Fund of any 1081 benefits paid during the reemployment limitation period. To 1082 avoid liability, such employing agency shall have a written 1083 statement from the retiree that he or she is not retired from a 1084 state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 1085

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1086	hours during the first 12 months of retirement shall be repaid
1087	to the Retirement System Trust Fund, and retirement benefits
1088	shall remain suspended until repayment is made. Benefits
1089	suspended beyond the end of the retired member's first 12 months
1090	of retirement shall apply toward repayment of benefits received
1091	in violation of the 780-hour reemployment limitation.
1092	(c) Any person whose retirement is effective on or after
1093	July 1, 2010, or whose participation in the Deferred Retirement
1094	Option Program terminates on or after July 1, 2010, except as
1095	provided under the disability retirement provisions of
1096	subsection (4) or under s. 121.053, may be reemployed by an
1097	employer that participates in a state-administered retirement
1098	system and receive retirement benefits and compensation from
1099	that his or her employer without limitation, except that the
1100	person may not be reemployed by an employer participating in the
1101	Florida Retirement System for 6 calendar months immediately
1102	subsequent to the date of retirement. However, a DROP
1103	participant shall continue employment and receive a salary
1104	during the period of participation in the Deferred Retirement
1105	Option Program, as provided in subsection (13). A retiree
1106	initially reemployed in violation of this paragraph and an
1107	employer that employs or appoints such person are jointly and
1108	severally liable for reimbursement of any retirement benefits
1109	paid to the retirement trust fund from which the benefits were
1110	paid, including the Florida Retirement System Trust Fund and the
1111	Public Employee Optional Retirement Program Trust Fund, as
1112	appropriate. The employer must have a written statement from the
1113	employee that he or she is not retired from a state-administered
1114	retirement system.

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1115 <u>(d) (c)</u> The provisions of this subsection apply to retirees, 1116 as defined in s. 121.4501(2)(j), of the Public Employee Optional 1117 Retirement Program created in part II, subject to the following 1118 conditions:

1119 1. <u>The</u> Such retirees may not be reemployed with an employer 1120 participating in the Florida Retirement System as provided in 1121 paragraph (b) until such person has been retired for <u>6</u> 3 1122 calendar months, unless the participant has reached the normal 1123 retirement requirements of the defined benefit plan as provided 1124 in s. 121.021(29).

1125 2. A Such retiree employed in violation of this subsection 1126 and an employer any employing agency that knowingly employs or appoints such person are shall be jointly and severally liable 1127 1128 for reimbursement of any benefits paid to the retirement trust 1129 fund from which the benefits were paid, including the Retirement 1130 System Trust Fund and the Public Employee Optional Retirement Program Trust Fund, as appropriate. The employer To avoid 1131 liability, such employing agency must have a written statement 1132 1133 from the retiree that he or she is not retired from a state-1134 administered retirement system.

(e) The limitations of this subsection apply to reemployment in any capacity irrespective of the category of funds from which the person is compensated.

(13) DEFERRED RETIREMENT OPTION PROGRAM.-In general, and subject to the provisions of this section, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program under which an eligible member of the Florida Retirement System may elect to participate, deferring receipt of retirement benefits while continuing employment with his or her

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1144 Florida Retirement System employer. The deferred monthly 1145 benefits shall accrue in the Florida Retirement System Trust 1146 Fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as 1147 1148 provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to 1149 1150 receive the previously determined normal retirement benefits. 1151 Participation in the DROP does not guarantee employment for the 1152 specified period of DROP. Participation in the DROP by an 1153 eligible member beyond the initial 60-month period as authorized 1154 in this subsection shall be on an annual contractual basis for 1155 all participants.

(a) Eligibility of member to participate in the DROP.-All 1156 1157 active Florida Retirement System members in a regularly 1158 established position, and all active members of either the 1159 Teachers' Retirement System established in chapter 238 or the State and County Officers' and Employees' Retirement System 1160 1161 established in chapter 122, which systems are consolidated 1162 within the Florida Retirement System under s. 121.011, are 1163 eligible to elect participation in the DROP if provided that:

1164 1. The member is not a renewed member of the Florida 1165 Retirement System under s. 121.122, or a member of the State 1166 Community College System Optional Retirement Program under s. 121.051, the Senior Management Service Optional Annuity Program 1168 under s. 121.055, or the optional retirement program for the 1169 State University System under s. 121.35.

1170 2. Except as provided in subparagraph 6., election to 1171 participate is made within 12 months immediately following the 1172 date on which the member first reaches normal retirement date,

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1173 or, for a member who reaches normal retirement date based on service before he or she reaches age 62, or age 55 for Special 1174 1175 Risk Class members, election to participate may be deferred to 1176 the 12 months immediately following the date the member attains 1177 57, or age 52 for Special Risk Class members. A member who 1178 delays DROP participation during the 12-month period immediately 1179 following his or her maximum DROP deferral date, except as 1180 provided in subparagraph 6., loses a month of DROP participation 1181 for each month delayed. For a member who first reached normal 1182 retirement date or the deferred eligibility date described above 1183 prior to the effective date of this section, election to 1184 participate shall be made within 12 months after the effective 1185 date of this section. A member who fails to make an election 1186 within the such 12-month limitation period forfeits shall 1187 forfeit all rights to participate in the DROP. The member shall 1188 advise his or her employer and the division in writing of the 1189 date on which the DROP begins shall begin. The Such beginning date may be subsequent to the 12-month election period_{τ} but must 1190 1191 be within the original 60-month participation or, with respect 1192 to members who are instructional personnel employed by the 1193 Florida School for the Deaf and the Blind and who have received 1194 authorization by the Board of Trustees of the Florida School for 1195 the Deaf and the Blind to participate in the DROP beyond 60 1196 months, or who are instructional personnel as defined in s. 1197 1012.01(2)(a)-(d) in grades K-12 and who have received 1198 authorization by the district school superintendent to 1199 participate in the DROP beyond 60 months, the 96-month limitation period as provided in subparagraph (b)1. When 1200 1201 establishing eligibility of the member to participate in the

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1202 DROP for the 60-month or, with respect to members who are 1203 instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the 1204 1205 Board of Trustees of the Florida School for the Deaf and the 1206 Blind to participate in the DROP beyond 60 months, or who are 1207 instructional personnel as defined in s. 1012.01(2)(a)-(d) in 1208 grades K-12 and who have received authorization by the district 1209 school superintendent to participate in the DROP beyond 60 1210 months, the 96-month maximum participation period, the member 1211 may elect to include or exclude any optional service credit 1212 purchased by the member from the total service used to establish 1213 the normal retirement date. A member who has with dual normal 1214 retirement dates is shall be eligible to elect to participate in 1215 DROP within 12 months after attaining normal retirement date in 1216 either class.

3. The employer of a member electing to participate in the DROP, or employers if dually employed, shall acknowledge in writing to the division the date the member's participation in the DROP begins and the date the member's employment and DROP participation will terminate.

4. Simultaneous employment of a participant by additional Florida Retirement System employers subsequent to the commencement of participation in the DROP is shall be permissible if provided such employers acknowledge in writing a DROP termination date no later than the participant's existing termination date or the maximum participation 60-month limitation period as provided in subparagraph (b)1.

1229 5. A DROP participant may change employers while 1230 participating in the DROP, subject to the following:

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1231 a. A change of employment must take place without a break 1232 in service so that the member receives salary for each month of continuous DROP participation. If a member receives no salary 1233 1234 during a month, DROP participation shall cease unless the 1235 employer verifies a continuation of the employment relationship 1236 for such participant pursuant to s. 121.021(39)(b). 1237 b. Such participant and new employer shall notify the 1238 division of the identity of the new employer on forms required 1239 by the division as to the identity of the new employer. 1240 c. The new employer shall acknowledge, in writing, the 1241 participant's DROP termination date, which may be extended but 1242 not beyond the maximum participation original 60-month or, with 1243 respect to members who are instructional personnel employed by 1244 the Florida School for the Deaf and the Blind and who have 1245 received authorization by the Board of Trustees of the Florida

1246 School for the Deaf and the Blind to participate in the DROP 1247 beyond 60 months, or who are instructional personnel as defined 1248 in s. 1012.01(2)(a)-(d) in grades K-12 and who have received 1249 authorization by the district school superintendent to 1250 participate in the DROP beyond 60 months, the 96-month period 1251 provided in subparagraph (b)1., shall acknowledge liability for 1252 any additional retirement contributions and interest required if the participant fails to timely terminate employment, and is 1253 1254 shall be subject to the adjustment required in sub-subparagraph 1255 (c)5.d.

6. Effective July 1, 2001, for instructional personnel as defined in s. 1012.01(2), election to participate in the DROP <u>may shall</u> be made at any time following the date on which the member first reaches normal retirement date. The member shall

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1260 advise his or her employer and the division in writing of the date on which DROP begins the Deferred Retirement Option Program 1261 1262 shall begin. When establishing eligibility of the member to 1263 participate in the DROP for the 60-month or, with respect to 1264 members who are instructional personnel employed by the Florida 1265 School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for 1266 1267 the Deaf and the Blind to participate in the DROP beyond 60 1268 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received 1269 1270 authorization by the district school superintendent to 1271 participate in the DROP beyond 60 months, the 96-month maximum 1272 participation period, as provided in subparagraph (b)1., the 1273 member may elect to include or exclude any optional service 1274 credit purchased by the member from the total service used to 1275 establish the normal retirement date. A member who has with dual 1276 normal retirement dates is shall be eligible to elect to participate in either class. 1277

1278

(b) Participation in the DROP.-

1279 1. An eligible member may elect to participate in the DROP 1280 for a period not to exceed a maximum of 60 calendar months. 1281 However, or, with respect to members who are instructional 1282 personnel employed by the Florida School for the Deaf and the 1283 Blind and authorized who have received authorization by the Board of Trustees of the Florida School for the Deaf and the 1284 Blind to participate in the DROP beyond 60 months, or who are 1285 1286 instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized who have received authorization by 1287 the district school superintendent to participate in the DROP 1288

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1289 beyond 60 calendar months, or who are instructional personnel as 1290 defined in s. 1012.01(2)(a) employed by a developmental research 1291 school and authorized by the school's director, or if the school 1292 has no director, by the school's principal, may participate in 1293 DROP for up to 36 calendar months beyond the 60-month period. 96 calendar months immediately following the date on which the 1294 1295 member first reaches his or her normal retirement date or the 1296 date to which he or she is eliqible to defer his or her election 1297 to participate as provided in subparagraph (a)2. However, a 1298 member who has reached normal retirement date prior to the 1299 effective date of the DROP shall be eligible to participate in 1300 the DROP for a period of time not to exceed 60 calendar months 1301 or, with respect to members who are instructional personnel 1302 employed by the Florida School for the Deaf and the Blind and 1303 who have received authorization by the Board of Trustees of the 1304 Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as 1305 defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have 1306 1307 received authorization by the district school superintendent to 1308 participate in the DROP beyond 60 calendar months, 96 calendar months immediately following the effective date of the DROP, 1309 1310 except a member of the Special Risk Class who has reached normal 1311 retirement date prior to the effective date of the DROP and whose total accrued value exceeds 75 percent of average final 1312 1313 compensation as of his or her effective date of retirement shall 1314 be eligible to participate in the DROP for no more than 36 1315 calendar months immediately following the effective date of the DROP. 1316

1317

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

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1318 shall submit, on forms required by the division:

1319

a. A written election to participate in the DROP;

b. Selection of the DROP participation and termination
dates that, which satisfy the limitations stated in paragraph
(a) and subparagraph 1. The Such termination date must shall be
in a binding letter of resignation to with the employer,
establishing a deferred termination date. The member may change
the termination date within the limitations of subparagraph 1.,
but only with the written approval of the his or her employer;

1327 c. A properly completed DROP application for service1328 retirement as provided in this section; and

1329

d. Any other information required by the division.

1330 3. The DROP participant is shall be a retiree under the 1331 Florida Retirement System for all purposes, except for paragraph 1332 (5) (f) and subsection (9) and ss. 112.3173, 112.363, 121.053, and 121.122. DROP participation is final and may not be canceled 1333 1334 by the participant after the first payment is credited during 1335 the DROP participation period. However, participation in the 1336 DROP does not alter the participant's employment status, and the 1337 member is such employee shall not be deemed retired from 1338 employment until his or her deferred resignation is effective 1339 and termination occurs as provided in s. 121.021(39).

1340 4. Elected officers <u>are shall be</u> eligible to participate in
 1341 the DROP subject to the following:

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

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1347 the such succeeding term of office, whichever is less.

1348 b. An elected or a nonelected participant may run for a 1349 term of office while participating in DROP and, if elected, 1350 extend the DROP termination date accordingly; , except, however, if such additional term of office exceeds the 60-month 1351 1352 limitation established in subparagraph 1., and the officer does 1353 not resign from office within such 60-month limitation, the retirement and the participant's DROP is shall be null and void 1354 1355 as provided in sub-subparagraph (c)5.d.

1356 c. An elected officer who is dually employed and elects to 1357 participate in DROP must meet shall be required to satisfy the 1358 definition of termination in s. 121.021(39) within the original 1359 60-month period or maximum participation, with respect to 1360 members who are instructional personnel employed by the Florida 1361 School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for 1362 1363 the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1364 1365 1012.01(2)(a)-(d) in grades K-12 and who have received 1366 authorization by the district school superintendent to 1367 participate in the DROP beyond 60 months, the 96-month 1368 limitation period as provided in subparagraph 1. for the 1369 nonelected position and may continue employment as an elected 1370 officer as provided in s. 121.053. The elected officer shall 1371 will be enrolled as a renewed member in the Elected Officers' 1372 Class or the Regular Class, as provided in ss. 121.053 and 1373 121.122, on the first day of the month after termination of 1374 employment in the nonelected position and termination of DROP. 1375 Distribution of the DROP benefits shall be made as provided in

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1376 paragraph (c).

1377

(c) Benefits payable under the DROP.-

1. Effective on with the date of DROP participation, the 1378 1379 member's initial normal monthly benefit, including creditable 1380 service, optional form of payment, and average final 1381 compensation, and the effective date of retirement are shall be 1382 fixed. The beneficiary established under the Florida Retirement 1383 System is shall be the beneficiary eligible to receive any DROP 1384 benefits payable if the DROP participant dies before completing 1385 prior to the completion of the period of DROP participation. If 1386 In the event a joint annuitant predeceases the member, the 1387 member may name a beneficiary to receive accumulated DROP 1388 benefits payable. The Such retirement benefit, the annual cost 1389 of living adjustments provided in s. 121.101, and interest shall accrue monthly in the Florida Retirement System Trust Fund. The 1390 1391 Such interest accrues shall accrue at an effective annual rate of 6.5 percent compounded monthly, on the prior month's 1392 accumulated ending balance, up to the month of termination or 1393 1394 death, except as provided in s. 121.053(1)(b)5.

1395 2. Each employee who elects to participate in the DROP may 1396 shall be allowed to elect to receive a lump-sum payment for 1397 accrued annual leave earned in accordance with agency policy 1398 upon beginning participation in the DROP. The Such accumulated 1399 leave payment certified to the division upon commencement of 1400 DROP shall be included in the calculation of the member's 1401 average final compensation. The employee electing the such lump-1402 sum payment is upon beginning participation in DROP will not be eligible to receive a second lump-sum payment upon termination, 1403 1404 except to the extent the employee has earned additional annual

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1405 leave which, combined with the original payment, does not exceed 1406 the maximum lump-sum payment allowed by the employing agency's 1407 policy or rules. An Such early lump-sum payment shall be based on the hourly wage of the employee at the time he or she begins 1408 1409 participation in the DROP. If the member elects to wait and 1410 receive a such lump-sum payment upon termination of DROP and termination of employment with the employer, any accumulated 1411 1412 leave payment made at that time may not cannot be included in 1413 the member's retirement benefit, which was determined and fixed 1414 by law when the employee elected to participate in the DROP.

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

1421 4. Normal retirement benefits and any interest thereon shall continue to accrue in the DROP until the established 1422 1423 termination date of the DROP, or until the participant 1424 terminates employment or dies prior to such date, except as 1425 provided in s. 121.053(1)(b)5. Although individual DROP accounts 1426 shall not be established, a separate accounting of each participant's accrued benefits under the DROP shall be 1427 1428 calculated and provided to participants.

1429 5. At the conclusion of the participant's DROP, the 1430 division shall distribute the participant's total accumulated 1431 DROP benefits, subject to the following provisions:

1432a. The division shall receive verification by the1433participant's employer or employers that the such participant

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1434 has terminated <u>all</u> employment <u>relationships</u> as provided in s. 1435 121.021(39)(b).

1436 b. The terminated DROP participant or, if deceased, the 1437 such participant's named beneficiary, shall elect on forms 1438 provided by the division to receive payment of the DROP benefits 1439 in accordance with one of the options listed below. If For a 1440 participant or beneficiary who fails to elect a method of 1441 payment within 60 days after of termination of the DROP, the 1442 division shall will pay a lump sum as provided in sub-sub-1443 subparagraph (I).

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

1447 (II) Direct rollover.-All accrued DROP benefits, plus 1448 interest, shall be paid from the DROP directly to the custodian 1449 of an eligible retirement plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code. However, in the case of an eligible 1450 1451 rollover distribution to the surviving spouse of a deceased 1452 participant, an eligible retirement plan is an individual 1453 retirement account or an individual retirement annuity as 1454 described in s. 402(c)(9) of the Internal Revenue Code.

(III) Partial lump sum.-A portion of the accrued DROP 1455 1456 benefits shall be paid to the DROP participant or surviving 1457 spouse, less withholding taxes remitted to the Internal Revenue 1458 Service, and the remaining DROP benefits must shall be 1459 transferred directly to the custodian of an eligible retirement 1460 plan as defined in s. 402(c)(8)(B) of the Internal Revenue Code. 1461 However, in the case of an eligible rollover distribution to the 1462 surviving spouse of a deceased participant, an eligible

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1463 retirement plan is an individual retirement account or an 1464 individual retirement annuity as described in s. 402(c)(9) of 1465 the Internal Revenue Code. The proportions <u>must</u> shall be 1466 specified by the DROP participant or surviving beneficiary.

1467 c. The form of payment selected by the DROP participant or 1468 surviving beneficiary <u>must comply</u> complies with the minimum 1469 distribution requirements of the Internal Revenue Code.

1470 d. A DROP participant who fails to terminate all employment 1471 relationships as provided defined in s. 121.021(39)(b) shall be 1472 deemed as not to be retired, and the DROP election is shall be 1473 null and void. Florida Retirement System membership shall be 1474 reestablished retroactively to the date of the commencement of 1475 the DROP, and each employer with whom the participant continues 1476 employment must shall be required to pay to the Florida 1477 Retirement System Trust Fund the difference between the DROP 1478 contributions paid in paragraph (i) and the contributions 1479 required for the applicable Florida Retirement System class of membership during the period the member participated in the 1480 1481 DROP, plus 6.5 percent interest compounded annually.

1482 6. The retirement benefits of any DROP participant who 1483 terminates all employment relationships as provided in s. 1484 121.021(39) but is reemployed in violation of the reemployment 1485 provisions subsection (9) shall be suspended during those months 1486 in which the retiree is in violation. Any retiree in violation 1487 of this subparagraph and any employer that employs or appoints 1488 such person without notifying the Division of Retirement to 1489 suspend retirement benefits are jointly and severally liable for 1490 any benefits paid during the reemployment limitation period. To 1491 avoid liability, the employer must have a written statement from

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1492 the retiree that he or she is not retired from a stateadministered retirement system. Any retirement benefits received 1493 1494 by a retiree while employed in violation of the reemployment 1495 limitations must be repaid to the Florida Retirement System 1496 Trust Fund, and his or her retirement benefits shall remain 1497 suspended until payment is made. Benefits suspended beyond the 1498 end of the retired retiree's first 6 calendar months shall apply 1499 toward repayment of benefits received in violation of the 1500 reemployment limitation.

1501 <u>7.6.</u> The accrued benefits of any DROP participant, and any 1502 contributions accumulated under <u>the</u> such program, <u>are</u> shall not 1503 be subject to assignment, execution, attachment, or to any legal 1504 process whatsoever, except for qualified domestic relations 1505 orders by a court of competent jurisdiction, income deduction 1506 orders as provided in s. 61.1301, and federal income tax levies.

1507 <u>8.7.</u> DROP participants <u>are shall</u> not be eligible for 1508 disability retirement benefits as provided in subsection (4).

(d) Death benefits under the DROP.-

1510 1. Upon the death of a DROP participant, the named 1511 beneficiary <u>is shall be</u> entitled to apply for and receive the 1512 accrued benefits in the DROP as provided in sub-subparagraph 1513 (c) 5.b.

1514 2. The normal retirement benefit accrued to the DROP during 1515 the month of a participant's death <u>is shall be</u> the final monthly 1516 benefit credited for such DROP participant.

3. Eligibility to participate in the DROP terminates upon death of the participant. If the participant dies on or after the effective date of enrollment in the DROP, but <u>before</u> prior to the first monthly benefit <u>is being</u> credited to the DROP,

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1521 Florida Retirement System benefits <u>are shall be</u> paid in 1522 accordance with subparagraph (7)(c)1. or subparagraph 2.

4. A DROP <u>participant's</u> participants' survivors <u>are</u> shall
not be eligible to receive Florida Retirement System death
benefits as provided in paragraph (7) (d).

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

(f) Retiree health insurance subsidy.-DROP participants are not eligible to apply for the retiree health insurance subsidy payments as provided in s. 112.363 until such participants have terminated employment and participation in the DROP.

(g) Renewed membership.-DROP participants <u>are shall</u> not be eligible for renewed membership in the Florida Retirement System under ss. 121.053 and 121.122 until <u>all employment relationships</u> <u>are terminated termination of employment is effectuated</u> as provided in s. 121.021(39)(b).

(h) Employment limitation after DROP participation.- Upon 1538 1539 satisfying the definition of termination of all employment 1540 relationships as provided in s. 121.021(39) (b), DROP 1541 participants are shall be subject to the same such reemployment limitations as other retirees. Reemployment restrictions 1542 1543 applicable to retirees as provided in subsection (9) do shall 1544 not apply to DROP participants until their employment and participation in the DROP are terminated. 1545

1546

(i) Contributions.-

1547 1. All employers paying the salary of a DROP participant 1548 filling a regularly established position shall contribute 8.0 1549 percent of such participant's gross compensation for the period

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1550 of July 1, 2002, through June 30, 2003, and the percentage 11.56 1551 percent of such compensation required by s. 121.71 thereafter, 1552 which shall constitute the entire employer DROP contribution 1553 with respect to such participant. Such contributions, payable to 1554 the Florida Retirement System Trust Fund in the same manner as 1555 required in s. 121.071, must shall be made as appropriate for 1556 each pay period and are in addition to contributions required 1557 for social security and the Retiree Health Insurance Subsidy 1558 Trust Fund. Such employer, social security, and health insurance 1559 subsidy contributions are not included in the DROP.

2. The employer shall, in addition to subparagraph 1., also withhold one-half of the entire social security contribution required for the participant. Contributions for social security by each participant and each employer, in the amount required for social security coverage as now or hereafter provided by the federal Social Security Act, <u>are shall be</u> in addition to contributions specified in subparagraph 1.

3. All employers paying the salary of a DROP participant filling a regularly established position shall contribute the percent of such participant's gross compensation required in s. 121.071(4), which shall constitute the employer's health insurance subsidy contribution with respect to such participant. Such contributions <u>must shall</u> be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

(j) Forfeiture of retirement benefits. Nothing in This section <u>does not</u> shall be construed to remove DROP participants from the scope of s. 8(d), Art. II of the State Constitution, s. 1577 112.3173, and paragraph (5)(f). DROP participants who commit a specified felony offense while employed <u>are will be</u> subject to

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1579 forfeiture of all retirement benefits, including DROP benefits, 1580 pursuant to those provisions of law.

(k) Administration of program.—The division shall <u>adopt</u> make such rules as are necessary for the effective and efficient administration of this subsection. The division <u>is shall</u> not be required to advise members of the federal tax consequences of an election related to the DROP but may advise members to seek independent advice.

(14) PAYMENT OF BENEFITS.—This subsection applies to the payment of benefits to a payee (retiree or beneficiary) under the Florida Retirement System:

(a) Federal income tax shall be withheld in accordance with federal law, unless the payee elects otherwise on Form W-4P. The division shall prepare and distribute to each recipient of monthly retirement benefits an appropriate income tax form that reflects the recipient's income and federal income tax withheld for the calendar year just ended.

(b) Subject to approval by the division in accordance with rule 60S-4.015, Florida Administrative Code, a payee receiving retirement benefits under the Florida Retirement system may also have the following payments deducted from his or her monthly benefit:

Premiums for life and health-related insurance policies
 from approved companies.

1603 2. Life insurance premiums for the State Group Life
1604 Insurance Plan, if authorized in writing by the payee and by the
1605 department of Management Services.

1606 3. Repayment of overpayments from the Florida Retirement1607 System Trust Fund, the State Employees' Health Insurance Trust

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1608 Fund, or the State Employees' Life Insurance Trust Fund, upon 1609 notification of the payee.

1610 4. Payments to an alternate payee for alimony <u>or</u>, child
1611 support <u>pursuant to an income deduction order under s. 61.1301</u>,
1612 or division of marital assets pursuant to a qualified domestic
1613 relations order under s. 222.21 or an income deduction order
1614 <u>under s. 61.1301</u>.

1615 5. Payments to the Internal Revenue Service for federal 1616 income tax levies, upon notification of the division by the 1617 Internal Revenue Service.

(c) A payee <u>must</u> shall notify the division of any change in his or her address. The division may suspend benefit payments to a payee if correspondence sent to the payee's mailing address is returned due to an incorrect address. Benefit payments shall be resumed upon notification to the division of the payee's new address.

(d) A payee whose retirement benefits are reduced by the
application of maximum benefit limits under s. 415(b) of the
Internal Revenue Code, as specified in s. 121.30(5), shall have
the portion of his or her calculated benefit in the Florida
Retirement System defined benefit plan which exceeds such
federal limitation paid through the Florida Retirement System
Preservation of Benefits Plan, as provided in s. 121.1001.

1631 (e) The Division of Retirement may issue retirement 1632 benefits payable for division of marital assets pursuant to a 1633 qualified domestic relations order directly to the alternate 1634 payee, any court order to the contrary notwithstanding, in order 1635 to meet Internal Revenue Code requirements.

(f) (e) A No benefit may not be reduced for the purpose of

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1637 preserving the member's eligibility for a federal program. (g) (f) The division shall adopt rules establishing 1638 1639 procedures for determining that the persons to whom benefits are 1640 being paid are still living. The division shall suspend the 1641 benefits being paid to any payee if when it is unable to contact 1642 such payee and to confirm that he or she is still living. 1643 Section 10. Section 121.1115, Florida Statutes, is amended 1644 to read: 1645 121.1115 Purchase of retirement credit for out-of-state or 1646 and federal service.-Effective January 1, 1995, a member of the 1647 Florida Retirement System may purchase creditable service for 1648 periods of public employment in another state and receive 1649 creditable service for such periods of employment. Service with 1650 the Federal Government, including any active military service, may be claimed. Upon completion of each year of service earned 1651 1652 under the Florida Retirement System, a member may purchase up to 1653 1 year of retirement credit for his or her out-of-state service, 1654 subject to the following provisions: 1655 (1) LIMITATIONS AND CONDITIONS.-To receive credit for the

1655 (1) LIMITATIONS AND CONDITIONS.—To receive credit for the 1656 out-of-state service:

1657 1658

1659

1665

(a) The out-of-state service being claimed must have been:

1. Performed in a position of employment with the state or a political subdivision thereof or with the Federal Government;

1660 2. Covered by a retirement or pension plan provided by the 1661 state or political subdivision, or by the Federal Government, as 1662 appropriate; and

1663 3. Performed prior to a period of membership in the Florida1664 Retirement System.

(b) The member must have completed a minimum of 6 years of

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1666 creditable service under the Florida Retirement System, 1667 excluding out-of-state service and in-state service claimed and 1668 purchased under s. 121.1122.

(c) Not more than 5 years of creditable service may be claimed for creditable service aggregated under the provisions of this section and s. 121.1122.

(d) The out-of-state service credit claimed under this
section shall be credited only as service in the Regular Class
of membership, and any benefit or pension based thereon is shall
be subject to the limitations and restrictions of s. 112.65.

1676 (e) The member is not eligible for and may not receive a 1677 pension or benefit from a retirement or pension plan based on or 1678 including the out-of-state service. Eligibility for or the 1679 receipt of contributions to a retirement plan made by the 1680 employer on behalf of the employee is considered a benefit.

1681 <u>(f) (e) A member shall be eligible</u> To receive service credit 1682 for out-of-state service performed after leaving the Florida 1683 Retirement System, the member must complete only upon return to 1684 membership and completion of at least 1 year of creditable 1685 service in the Florida Retirement System following the out-of-1686 state service.

1687 (2) COST.-For each year claimed, the member must pay into 1688 the Florida Retirement System Trust Fund an amount equal to 20 1689 percent of the member's annual compensation for the first full 1690 work year of creditable service earned under the Florida 1691 Retirement System, but not less than \$12,000, plus interest at 1692 6.5 percent compounded annually from the date of first annual salary earned until full payment is made. The employer may pay 1693 1694 all or a portion of the cost of this service credit.

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1695 Section 11. Subsection (2) of section 121.1122, Florida 1696 Statutes, is amended to read:

1697 121.1122 Purchase of retirement credit for in-state public 1698 service and in-state service in accredited nonpublic schools and 1699 colleges, including charter schools and charter technical career 1700 centers.-Effective January 1, 1998, a member of the Florida 1701 Retirement System may purchase creditable service for periods of 1702 certain public or nonpublic employment performed in this state, 1703 as provided in this section.

1704

(2) LIMITATIONS AND CONDITIONS.-

(a) A member is not eligible to receive credit for in-state
service under this section until he or she has completed 6 years
of creditable service under the Florida Retirement System,
excluding service purchased under this section and out-of-state
service claimed and purchased under s. 121.1115.

(b) A member may not purchase and receive credit for more than 5 years of creditable service aggregated under the provisions of this section and s. 121.1115.

(c) Service credit claimed under this section shall be credited only as service in the Regular Class of membership and is shall be subject to the provisions of s. 112.65.

1716 (d) Service credit may not be purchased under this section 1717 if the member is eligible to receive or is receiving a pension 1718 or benefit from a retirement or pension plan based on or 1719 including the service. Eligibility for or the receipt of 1720 contributions to a retirement plan made by the employer on 1721 behalf of the employee is considered a benefit.

1722 <u>(e) (d)</u> A member <u>is shall be</u> eligible to receive service 1723 credit for in-state service performed after leaving the Florida

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1731



1724 Retirement System only <u>after</u> upon returning to membership and 1725 completing at least 1 year of creditable service in the Florida 1726 Retirement System following the in-state service.

1727(f) (e) The service claimed must have been service covered1728by a retirement or pension plan provided by the employer.

1729 Section 12. Section 121.122, Florida Statutes, is amended 1730 to read:

121.122 Renewed membership in system.-

1732 (1) Except as provided in s. 121.053, effective July 1, 1733 1991, any retiree of a state-administered retirement system who 1734 is initially reemployed employed in a regularly established 1735 position with a covered employer shall be enrolled as a 1736 compulsory member of the Regular Class of the Florida Retirement 1737 System or, effective July 1, 1997, any retiree of a state-1738 administered retirement system who is initially reemployed 1739 employed in a position included in the Senior Management Service 1740 Class shall be enrolled as a compulsory member of the Senior 1741 Management Service Class of the Florida Retirement System as 1742 provided in s. 121.055, and shall be entitled to receive an 1743 additional retirement benefit, subject to the following 1744 conditions:

(1) (a) Such member <u>must shall</u> resatisfy the age and service requirements as provided in this chapter for initial membership under the system, unless such member elects to participate in the Senior Management Service Optional Annuity Program in lieu of the Senior Management Service Class, as provided in s. 121.055(6).

(b) Such member is shall not be entitled to disability
benefits as provided in s. 121.091(4).

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1753 (c) Such member must meet the reemployment after retirement 1754 limitations as provided in s. 121.091(9), as applicable.

(2) Upon renewed membership <u>or reemployment of a retiree</u>, the employer of such member shall pay the applicable employer contributions as required by ss. <u>121.71</u>, <u>121.74</u>, <u>121.76</u>, and <u>121.055(3)</u> and <u>121.071(1)(a)</u> and <u>(4)</u>.

(3) Such member <u>is</u> shall be entitled to purchase additional
retirement credit in the Regular Class or the Senior Management
Service Class, as applicable, for any postretirement service
performed in a regularly established position as follows:

(a) For regular class service prior to July 1, 1991, by paying the Regular Class applicable employee and employer contributions for the period being claimed, plus 4 percent interest compounded annually from first year of service claimed until July 1, 1975, and 6.5 percent interest compounded thereafter, until full payment is made to the Florida Retirement System Trust Fund; or

(b) For Senior Management Service Class prior to June 1,1771 1997, as provided in s. 121.055(1)(j).

1773 The contribution for postretirement service between July 1, 1985, and July 1, 1991, for which the reemployed retiree 1774 1775 contribution was paid, shall be the difference between such 1776 contribution and the total applicable contribution for the 1777 period being claimed, plus interest. The employer of such member 1778 may pay the applicable employer contribution in lieu of the 1779 member. If a member does not wish to claim credit for all of the 1780 postretirement service for which he or she is eligible, the 1781 service the member claims must be the most recent service.

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1782 (4) No creditable service for which credit was received, or 1783 which remained unclaimed, at retirement may be claimed or 1784 applied toward service credit earned following renewed 1785 membership. However, service earned as an elected officer with 1786 renewed membership in the Elected Officers' Class may be used in 1787 conjunction with creditable service earned under this section, 1788 provided the applicable vesting requirements and other existing 1789 statutory conditions required by this chapter are met.

1790 (5) Notwithstanding any other limitations provided in this 1791 section, a participant of the State University System Optional 1792 Retirement Program, the State Community College Optional 1793 Retirement Program, or the Senior Management Service Optional 1794 Annuity Program who terminated employment and commenced 1795 receiving a distribution an annuity under the provisions of the optional program, who initially renews membership in the Regular 1796 1797 Class as required by this section upon reemployment after 1798 retirement, and who had previously earned creditable Florida 1799 Retirement System service that was not included in any 1800 retirement benefit may include such previous service toward 1801 vesting and service credit in the second career benefit provided 1802 under renewed membership.

(6) A Any renewed member who is not receiving the maximum 1803 1804 health insurance subsidy provided in s. 112.363 is shall be entitled to earn additional credit toward the maximum health 1805 1806 insurance subsidy. Any additional subsidy due because of such 1807 additional credit may shall be received only at the time of 1808 payment of the second career retirement benefit. In no case 1809 shall The total health insurance subsidy received by a retiree 1810 receiving benefits from initial and renewed membership may not

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1811 exceed the maximum allowed in s. 112.363.

1812 Section 13. Section 121.136, Florida Statutes, is amended 1813 to read:

1814 121.136 Annual benefit statement to members.-Each year 1815 Beginning January 1, 1993, and each January thereafter, the 1816 department shall provide each active member of the Florida 1817 Retirement System with 5 or more years of creditable service an 1818 annual statement of benefits that provides. Such statement 1819 should provide the member with basic data about the member's 1820 retirement account. At a minimum Minimally, it must shall 1821 include the member's retirement plan, accrued service credit the 1822 amount of funds on deposit in the retirement account, and an 1823 estimate of retirement benefits.

1824 Section 14. Section 121.1905, Florida Statutes, is amended 1825 to read:

1826

121.1905 Division of Retirement; creation.-

1827 (1) There is created the Division of Retirement within the
 1828 Department of Management Services.

1829 (2) The mission of the Division of Retirement is to provide 1830 quality and cost-effective retirement services as measured by 1831 member satisfaction and by comparison with administrative costs 1832 of comparable retirement systems.

1833 Section 15. Paragraph (a) of subsection (2) of section 1834 121.23, Florida Statutes, is amended to read:

1835 121.23 Disability retirement and special risk membership 1836 applications; Retirement Commission; powers and duties; judicial 1837 review.—The provisions of this section apply to all proceedings 1838 in which the administrator has made a written final decision on 1839 the merits respecting applications for disability retirement,

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1840 reexamination of retired members receiving disability benefits, 1841 applications for special risk membership, and reexamination of 1842 special risk members in the Florida Retirement System. The 1843 jurisdiction of the State Retirement Commission under this 1844 section shall be limited to written final decisions of the 1845 administrator on the merits.

1846 (2) A member shall be entitled to a hearing before the 1847 State Retirement Commission pursuant to ss. 120.569 and 1848 120.57(1) on the merits of any written adverse decision of the 1849 administrator, if he or she files with the commission a written 1850 request for such hearing within 21 days after receipt of such 1851 written decision from the administrator. For the purpose of such 1852 hearings, the commission shall be an "agency head" as defined by 1853 s. 120.52.

1854 (a) The commission may shall have the authority to issue 1855 orders as a result of the a hearing that are shall be binding on 1856 all parties to the dispute and. The commission may order any action that it deems appropriate. Any disability retirement 1857 1858 order of the commission that issued pursuant to this subsection 1859 which sustains the application of the member may include an 1860 amount, to be determined by the commission, for reasonable attorney's fees and taxable costs, which shall be calculated in 1861 1862 accordance with the statewide uniform guidelines for taxation of 1863 costs in civil actions. The amount of the attorney's fees fee 1864 may not exceed 50 percent of the initial yearly benefit awarded 1865 under s. 121.091(4). In cases involving disability retirement, 1866 the State Retirement commission shall require the member to present substantial competent medical evidence that meets the 1867 1868 requirements of s. 121.091(4)(c)2. and 3., and may require

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1869 vocational evidence, before awarding disability retirement 1870 benefits. 1871 Section 16. Paragraph (a) of subsection (1) of section 1872 121.24, Florida Statutes, is amended to read: 1873 121.24 Conduct of commission business; legal and other 1874 assistance; compensation.-1875 (1) The commission shall conduct its business within the 1876 following guidelines:

1877 (a) For purposes of hearing appeals under s. 121.23, the 1878 commission may meet in panels consisting of no not fewer than 1879 three members. For the purpose of meeting in these panels, a 1880 quorum shall be not fewer than two members. For all other 1881 purposes, A quorum shall consist of three members. The 1882 concurring vote of a majority of the members present is shall be 1883 required to reach a decision, issue orders, and conduct the 1884 business of the commission.

Section 17. Paragraph (h) of subsection (3) and paragraphs (a) and (e) of subsection (5) of section 121.35, Florida Statutes, are amended, and paragraph (g) is added to subsection (5) of that section, to read:

1889 121.35 Optional retirement program for the State University 1890 System.-

1891

(3) ELECTION OF OPTIONAL PROGRAM.-

(h) A participant in the optional retirement program may not participate in more than one state-administered retirement system, plan, or class simultaneously. Except as provided in s. 121.052(6)(d), a participant who is or becomes dually employed in two or more positions covered by the Florida Retirement System, one of which is eligible for the optional program and

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1898 one of which is not, may remain a member of the optional program 1899 and contributions shall be paid as required only on the salary 1900 earned in the position eligible for the optional program during 1901 the such period of dual employment; or, within 90 days after 1902 becoming dually employed, he or she may elect membership in the 1903 Regular Class of the Florida Retirement System in lieu of the 1904 optional program and contributions shall be paid as required on 1905 the total salary received for all employment. At retirement, the 1906 average final compensation used to calculate any benefits for 1907 which the member becomes eligible under the Florida Retirement 1908 System must shall be based on all salary reported for both 1909 positions during such period of dual employment. If the When 1910 such member ceases to be dually employed, he or she may, within 1911 90 days, elect to remain in the Florida Retirement System class for which he or she is eligible or to again become a participant 1912 1913 in the optional retirement program. Failure to elect membership in the optional program within 90 days shall result in 1914 compulsory membership in the Florida Retirement System, except 1915 1916 that a member filling a faculty position at under a college that 1917 has a faculty practice plan at the University of Florida, at or 1918 the Medical Center at the University of South Florida, or other 1919 state university shall again participate in the optional 1920 retirement program as required in s. 121.051(1)(a).

1921

(5) BENEFITS.-

(a) Benefits <u>are shall be payable under the optional</u>
retirement program only to vested participants in the program,
or their beneficiaries as designated by the participant in the
contract with a provider company, and such benefits shall be
paid only by the designated company in accordance with s. 403(b)

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1927 of the Internal Revenue Code and in accordance with the terms of 1928 the annuity contract or contracts applicable to the participant. 1929 Benefits shall accrue in individual accounts that are 1930 participant-directed, portable, and funded by employer 1931 contributions and the earnings thereon. The participant must be 1932 terminated from all employment relationships with all Florida 1933 Retirement System employers, as provided in s. 121.021(39), to 1934 begin receiving the employer-funded benefit. Benefits funded by 1935 employer contributions are shall be payable in accordance with 1936 the following terms and conditions:

1937 1. Benefits shall be <u>paid</u> payable only to a participant, to 1938 his or her beneficiaries, or to his or her estate, as designated 1939 by the participant.

1940 2. Benefits shall be paid by the provider company or 1941 companies in accordance with the law, the provisions of the 1942 contract, and any applicable <u>department</u> board rule or policy.

1943 3. In the event of a participant's death, moneys accumulated by, or on behalf of, the participant, less 1944 1945 withholding taxes remitted to the Internal Revenue Service, if 1946 any, shall be distributed to the participant's designated 1947 beneficiary or beneficiaries, or to the participant's estate, as if the participant retired on the date of death, as provided in 1948 1949 paragraph (c). No other death benefits are shall be available to 1950 for survivors of participants under the optional retirement 1951 program except for such benefits, or coverage for such benefits, 1952 as are separately afforded by the employer, at the employer's 1953 discretion.

(e) A participant who chooses to receive his or her
benefits upon termination <u>as defined in s. 121.021(39) must</u> of

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1956 employment shall have responsibility to notify the provider 1957 company of the date on which he or she wishes benefits funded by 1958 employer contributions to begin. Benefits may be deferred until 1959 such time as the participant chooses to make such application.

1960 (g) For purposes of this section, "retiree" means a former 1961 participant of the optional retirement program who has 1962 terminated employment and has taken a distribution as provided 1963 in this subsection, except for a mandatory distribution of a de 1964 minimis account authorized by the department.

1965Section 18. Paragraphs (a) and (b) of subsection (1) of1966section 121.591, Florida Statutes, is amended to read:

1967 121.591 Benefits payable under the Public Employee Optional 1968 Retirement Program of the Florida Retirement System.-Benefits 1969 may not be paid under this section unless the member has 1970 terminated employment as provided in s. 121.021(39)(a) or is 1971 deceased and a proper application has been filed in the manner 1972 prescribed by the state board or the department. The state board 1973 or department, as appropriate, may cancel an application for 1974 retirement benefits when the member or beneficiary fails to 1975 timely provide the information and documents required by this 1976 chapter and the rules of the state board and department. In 1977 accordance with their respective responsibilities as provided 1978 herein, the State Board of Administration and the Department of 1979 Management Services shall adopt rules establishing procedures 1980 for application for retirement benefits and for the cancellation 1981 of such application when the required information or documents 1982 are not received. The State Board of Administration and the Department of Management Services, as appropriate, are 1983 1984 authorized to cash out a de minimis account of a participant who

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1985 has been terminated from Florida Retirement System covered 1986 employment for a minimum of 6 calendar months. A de minimis 1987 account is an account containing employer contributions and 1988 accumulated earnings of not more than \$5,000 made under the 1989 provisions of this chapter. Such cash-out must either be a 1990 complete lump-sum liquidation of the account balance, subject to 1991 the provisions of the Internal Revenue Code, or a lump-sum 1992 direct rollover distribution paid directly to the custodian of 1993 an eligible retirement plan, as defined by the Internal Revenue 1994 Code, on behalf of the participant. If any financial instrument 1995 issued for the payment of retirement benefits under this section 1996 is not presented for payment within 180 days after the last day 1997 of the month in which it was originally issued, the third-party 1998 administrator or other duly authorized agent of the State Board 1999 of Administration shall cancel the instrument and credit the 2000 amount of the instrument to the suspense account of the Public 2001 Employee Optional Retirement Program Trust Fund authorized under 2002 s. 121.4501(6). Any such amounts transferred to the suspense 2003 account are payable upon a proper application, not to include 2004 earnings thereon, as provided in this section, within 10 years 2005 after the last day of the month in which the instrument was 2006 originally issued, after which time such amounts and any 2007 earnings thereon shall be forfeited. Any such forfeited amounts 2008 are assets of the Public Employee Optional Retirement Program 2009 Trust Fund and are not subject to the provisions of chapter 717.

2010 (1) NORMAL BENEFITS.-Under the Public Employee Optional 2011 Retirement Program:

2012 (a) Benefits in the form of vested accumulations as2013 described in s. 121.4501(6) shall be payable under this

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2014 subsection in accordance with the following terms and 2015 conditions:

2016 1. To the extent vested, benefits shall be payable only to 2017 a participant.

2018 2. Benefits shall be paid by the third-party administrator 2019 or designated approved providers in accordance with the law, the 2020 contracts, and any applicable board rule or policy.

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

4. Benefit payments may not be made until the participant has been terminated for 3 calendar months, except that the board may authorize by rule for the distribution of up to 10 percent of the participant's account after being terminated for 1 calendar month if a participant has reached the normal retirement requirements of the defined benefit plan, as provided in s. 121.021(29).

2032 5. If a member or former member of the Florida Retirement 2033 System receives an invalid distribution from the Public Employee 2034 Optional Retirement Program Trust Fund, such person shall repay 2035 the full invalid distribution to the trust fund within 90 days 2036 after receipt of final notification by the State Board of 2037 Administration or the third-party administrator that the 2038 distribution was invalid. If such person fails to repay the full 2039 invalid distribution within 90 days after receipt of final 2040 notification, the person may be deemed retired from the Public 2041 Employee Optional Retirement Program by the state board, as 2042 provided pursuant to s. 121.4501(2)(j), and shall be subject to

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2043 the provisions of s. 121.122. If such person is deemed retired 2044 by the state board, any joint and several liability set out in 2045 s. 121.091(9)(d)2. s. 121.091(9)(c)2. becomes null and void, and 2046 the state board, the Department of Management Services, or the 2047 employing agency is not liable for gains on payroll 2048 contributions that have not been deposited to the person's 2049 account in the Public Employee Optional Retirement Program, 2050 pending resolution of the invalid distribution. The member or 2051 former member who has been deemed retired or who has been 2052 determined by the board to have taken an invalid distribution 2053 may appeal the agency decision through the complaint process as 2054 provided under s. 121.4501(9)(f)3. As used in this subparagraph, 2055 the term "invalid distribution" means any distribution from an 2056 account in the Public Employee Optional Retirement Program which 2057 is taken in violation of the provisions of this section, s. 2058 121.091(9), or s. 121.4501.

2059 (b) If a participant elects to receive his or her benefits 2060 upon termination of employment as defined in s. 121.021(39), the 2061 participant must submit a written application or an equivalent 2062 form to the third-party administrator indicating his or her 2063 preferred distribution date and selecting an authorized method 2064 of distribution as provided in paragraph (c). The participant 2065 may defer receipt of benefits until he or she chooses to make 2066 such application, subject to federal requirements.

2067 Section 19. Subsection (1) of section 238.183, Florida 2068 Statutes, is amended to read:

2069 238.183 Developmental research school and Florida School 2070 for the Deaf and the Blind instructional personnel; reemployment 2071 after retirement.-

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2072 (1) Notwithstanding any other law, instructional personnel, 2073 as defined in s. 1012.01(2), employed by a developmental 2074 research school or the Florida School for the Deaf and the Blind 2075 are eligible for reemployment after retirement in the same 2076 manner as classroom teachers who are employed by the district 2077 school boards, as described in ss. 121.091(9)(b)3. and 2078 238.181(2)(c).

2079 Section 20. Paragraph (g) of subsection (3) and subsection 2080 (8) of section 1012.33, Florida Statutes, are amended to read:

1012.33 Contracts with instructional staff, supervisors, 2082 and school principals.-

(3)

2081

2083

2084 (q) Beginning July 1, 2001, for each employee who enters 2085 into a written contract, pursuant to this section, in a school district in which the employee was not employed as of June 30, 2086 2087 2001, or was employed as of June 30, 2001, but has since broken 2088 employment with that district for 1 school year or more, for 2089 purposes of pay, a district school board must recognize and 2090 accept each year of full-time public school teaching service 2091 earned in the State of Florida or outside the state and for 2092 which the employee received a satisfactory performance 2093 evaluation. Instructional personnel employed pursuant to s. 2094 121.091(9)(b) are exempt from the provisions of this 2095 paragraph.

2096 (8) Notwithstanding any other provision of law, a retired any member who has retired may interrupt retirement and be 2097 2098 reemployed in any public school. A Any member so reemployed by the same district from which he or she retired may be employed 2099 2100 on a probationary contractual basis as provided in subsection

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2101	(1); however, no regular retirement employee shall be eligible
2102	to renew membership under a retirement system created by chapter
2103	121 or chapter 238.
2104	Section 21. <u>Sections 121.093, 121.094, and 121.45, Florida</u>
2105	Statutes, are repealed.
2106	Section 22. The Legislature finds that a proper and
2107	legitimate state purpose is served when employees and retirees
2108	of the state and its political subdivisions, as well as the
2109	dependents, survivors, and beneficiaries of such employees and
2110	retirees, are extended the basic protections afforded by
2111	governmental retirement systems that provide fair and adequate
2112	benefits and that are managed, administered, and funded in an
2113	actuarially sound manner as required by s. 14, Art. X of the
2114	State Constitution and part VII of chapter 112, Florida
2115	Statutes. Therefore, the Legislature determines and declares
2116	that the amendment of s. 121.091, Florida Statutes, by this act
2117	fulfills an important state interest.
2118	Section 23. This act shall take effect July 1, 2009.
2119	
2120	======================================
2121	And the title is amended as follows:
2122	Delete everything before the enacting clause
2123	and insert:
2124	A bill to be entitled
2125	An act relating to retirement; amending s. 121.021,
2126	F.S.; redefining the terms "employer," "officer or
2127	employee," "past service," "normal retirement date,"
2128	"termination," "regularly established position," and
2129	"temporary position"; defining the terms "state board"

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2130 and "trustees"; amending s. 121.031, F.S.; requiring 2131 promotional materials that refer to the Florida 2132 Retirement System to include a disclaimer unless 2133 approval is obtained from the Department of Management 2134 Services or the State Board of Administration; amending s. 121.051, F.S.; conforming a cross-2135 2136 reference; clarifying when a State Community College 2137 System Optional Retirement Program participant is 2138 considered a retiree; revising provisions relating to 2139 participation in the Florida Retirement System by 2140 certain employers; excluding the participation of 2141 certain entities under a lease agreement; amending s. 2142 121.052, F.S.; revising membership criteria for 2143 members of the Elected Officers' Class; revising the 2144 dates when a governing body of a municipality or 2145 special district may elect to designate its elected 2146 positions for inclusion in the Elected Officers' 2147 Class; amending s. 121.053, F.S.; revising provisions 2148 relating to participation in the Elected Officers' 2149 Class for retired members; providing that a member 2150 whose DROP participation begins after a certain date 2151 may not continue to earn interest on his or her DROP 2152 account after the end of the 60-month DROP period; 2153 amending s. 121.055, F.S.; revising provisions 2154 relating to participation in the Senior Management 2155 Service Class; revising provisions relating to de 2156 minimis accounts; amending s. 121.071, F.S.; providing 2157 an additional mechanism for the payment of employee 2158 contributions to the system; amending s. 121.081,

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2159 F.S.; providing for receipt of credit for past or 2160 prior service by charter school and charter technical 2161 career center employees; prohibiting a member from 2162 receiving credit for service covered and reported by 2163 both a public employer and a private employer; 2164 amending s. 121.091, F.S.; revising and clarifying 2165 provisions relating to retirement benefits; 2166 authorizing developmental research schools and charter 2167 schools to reemploy certain retired members under 2168 specified conditions; providing that retirees of a 2169 state-administered retirement system who retire after 2170 a certain date may not be reemployed by an employer 2171 participating in the Florida Retirement System for 6 2172 months; revising provisions relating to reemployment 2173 of retirees of the Public Employee Optional Retirement Program; providing that certain members who delay DROP 2174 2175 participation lose a month of DROP participation for 2176 each month delayed; clarifying that DROP participation 2177 may not be canceled; clarifying maximum DROP 2178 participation; providing for the suspension of DROP 2179 benefits to a participant who is reemployed; deleting 2180 obsolete provisions; revising employer contribution 2181 requirements; authorizing the Division of Retirement 2182 to issue benefits pursuant to a qualified domestic 2183 relations order directly to the alternate payee; 2184 amending s. 121.1115, F.S.; revising provisions 2185 relating to receiving retirement credit for out-of-2186 state service; providing that a member is not eligible 2187 for and may not receive a benefit based on such

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2188 service; amending s. 121.1122, F.S.; revising 2189 provisions relating to receiving retirement credit for 2190 in-state service; providing that certain members are 2191 not eligible to purchase service credit; amending s. 2192 121.122, F.S.; providing that certain retirees 2193 initially reemployed on or after a specified date are 2194 ineligible for renewed membership in the system; 2195 revising conditions under which a retiree is entitled 2196 to certain additional retirement benefits; amending s. 2197 121.136, F.S.; revising provisions relating to the 2198 annual statement of benefits provided to certain 2199 active members of the system; amending s. 121.1905, 2200 F.S.; deleting a provision describing the mission of 2201 the Division of Retirement; amending s. 121.23, F.S.; 2202 requiring the State Retirement Commission to use 2203 certain requirements used by the Secretary of 2204 Management Services before approving a disability retirement benefit; amending s. 121.24, F.S.; 2205 2206 requiring a quorum of three members for all appeal 2207 hearings held by the commission; amending s. 121.35, 2208 F.S.; revising a compulsory membership exception for 2209 certain members failing to elect membership in the 2210 optional retirement program; providing a cross-2211 reference; defining the term "retiree" for purposes of 2212 the State University System Optional Retirement 2213 Program; amending ss. 121.591 and 238.183, F.S.; 2214 providing and conforming cross-references; amending s. 1012.33, F.S.; deleting a provision preventing persons 2215 2216 who have retired from the public school system from

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2217 renewing membership in the Florida Retirement System 2218 or Teachers' Retirement System upon reemployment by 2219 the school system; repealing s. 121.093, F.S., 2220 relating to instructional personnel reemployment after 2221 retirement from a developmental research school or the 2222 Florida School for the Deaf and the Blind; repealing s. 121.094, F.S., relating to instructional personnel 2223 2224 reemployment after retirement from a charter school; 2225 repealing s. 121.45, F.S., relating to interstate 2226 compacts relating to pension portability; providing a 2227 declaration of important state interest; providing an 2228 effective date.