

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

585-03376-17

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

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14 Be It Enacted by the Legislature of the State of Florida:  
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16           Section 1. Paragraph (b) of subsection (13) of section  
17           121.091, Florida Statutes, is amended to read:

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

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30 are not received.

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

48 (b) *Participation in DROP.*—

49 1.a. An eligible member may elect to participate in DROP  
50 for a period not to exceed a maximum of 60 calendar months.  
51 However, members who are instructional personnel employed by the  
52 Florida School for the Deaf and the Blind and authorized by the  
53 Board of Trustees of the Florida School for the Deaf and the  
54 Blind, who are instructional personnel as defined in s.  
55 1012.01(2)(a)-(d) in grades K-12 and authorized by the district  
56 school superintendent, or who are instructional personnel as  
57 defined in s. 1012.01(2)(a) employed by a developmental research  
58 school and authorized by the school's director, or if the school

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59 has no director, by the school's principal, may participate in  
60 DROP for up to 36 calendar months beyond the 60-month period.

61 b. For instructional personnel and administrative personnel  
62 in grades K-12, as defined in s. 1012.01(2)(a)-(d) and (3),  
63 respectively, who enter DROP before July 1, 2017, the member may  
64 continue to participate in DROP until the last day of the last  
65 calendar month of the school year in which his or her  
66 termination date occurs, notwithstanding the limitations on the  
67 length of participation established in this subsection and the  
68 termination date designated pursuant to sub-subparagraph 2.b.,  
69 if a date other than the last day of the last calendar month of  
70 the school year is designated. The employer shall notify the  
71 division of the change in termination date and the additional  
72 period of DROP participation for each affected member. For  
73 instructional personnel and administrative personnel in grades  
74 K-12, as defined in s. 1012.01(2)(a)-(d) and (3), respectively,  
75 who enter DROP on or after July 1, 2017, the member's  
76 termination date shall be the last day of the last calendar  
77 month of the school year in which his or her termination date  
78 would otherwise occur in accordance with the limitations on the  
79 length of participation established in this subsection.

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

82 a. A written election to participate in DROP;

83 b. Selection of DROP participation and termination dates  
84 that satisfy the limitations stated in paragraph (a) and  
85 subparagraph 1. The termination date must be in a binding letter  
86 of resignation to the employer establishing a deferred  
87 termination date. The member may change the termination date

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88 within the limitations of subparagraph 1., but only with the  
89 written approval of the employer;

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

92 d. Any other information required by the division.

93 3. The DROP participant is a retiree under the Florida  
94 Retirement System for all purposes, except for paragraph (5)(f)  
95 and subsection (9) and ss. 112.3173, 112.363, 121.053, and  
96 121.122. DROP participation is final and may not be canceled by  
97 the participant after the first payment is credited during the  
98 DROP participation period. However, participation in DROP does  
99 not alter the participant's employment status, and the member is  
100 not deemed retired from employment until his or her deferred  
101 resignation is effective and termination occurs as defined in s.  
102 121.021.

103 4. Elected officers are eligible to participate in DROP  
104 subject to the following:

105 a. An elected officer who reaches normal retirement date  
106 during a term of office may defer the election to participate  
107 until the next succeeding term in that office. An elected  
108 officer who exercises this option may participate in DROP for up  
109 to 60 calendar months or no longer than the succeeding term of  
110 office, whichever is less.

111 b. An elected or a nonelected participant may run for a  
112 term of office while participating in DROP and, if elected,  
113 extend the DROP termination date accordingly; however, if such  
114 additional term of office exceeds the 60-month limitation  
115 established in subparagraph 1., and the officer does not resign  
116 from office within such 60-month limitation, the retirement and

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117 the participant's DROP is null and void as provided in sub-  
118 subparagraph (c)5.d.

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

124 (I) Before July 1, 2010, the officer may continue  
125 employment as an elected officer as provided in s. 121.053. The  
126 elected officer shall be enrolled as a renewed member in the  
127 Elected Officers' Class or the Regular Class, as provided in ss.  
128 121.053 and 121.122, on the first day of the month after  
129 termination of employment in the nonelected position and  
130 termination of DROP. Distribution of the DROP benefits shall be  
131 made as provided in paragraph (c).

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

135 Section 2. The Legislature finds that a proper and  
136 legitimate state purpose is served when employees and retirees  
137 of the state and its political subdivisions, and the dependents,  
138 survivors, and beneficiaries of such employees and retirees, are  
139 extended the basic protections afforded by governmental  
140 retirement systems. These persons must be provided benefits that  
141 are fair and adequate and that are managed, administered, and  
142 funded in an actuarially sound manner, as required by s. 14,  
143 Article X of the State Constitution and part VII of chapter 112,  
144 Florida Statutes. Therefore, the Legislature determines and  
145 declares that this act fulfills an important state interest.

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Section 3. This act shall take effect July 1, 2017.