

**By** the Committees on Appropriations; and Governmental Oversight and Accountability; and Senator Arrington

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1                   A bill to be entitled  
2       An act relating to retirement; amending s. 121.053,  
3       F.S.; authorizing an elected officer, except while  
4       serving as a legislator, to remain in elective office  
5       and receive accumulated Deferred Retirement Option  
6       Program (DROP) proceeds after the officer attains a  
7       certain age; providing that, upon termination, the  
8       officer receives accumulated DROP proceeds including  
9       interest earned in accordance with a specified  
10      provision; amending s. 121.091, F.S.; requiring the  
11      Division of Retirement or the State Board of  
12      Administration, as appropriate, to take steps to  
13      recoup from the elected officer any DROP proceeds  
14      distributed in accordance with a specified provision,  
15      under specified circumstances; amending s. 121.101,  
16      F.S.; revising the cost-of-living adjustment for  
17      eligible Special Risk Class retirees; defining the  
18      term "eligible Special Risk Class retiree"; amending  
19      s. 121.71, F.S.; revising required employer retirement  
20      contribution rates for each membership class and  
21      subclass of the Florida Retirement System; amending s.  
22      121.73, F.S.; revising required allocations from the  
23      Contributions Clearing Trust Fund to provide  
24      disability coverage to members of the investment plan  
25      of the Florida Retirement System; amending s. 121.735,  
26      F.S.; revising allocations from the Contributions  
27      Clearing Trust Fund to provide line-of-duty death  
28      benefits to members of the investment plan of the  
29      Florida Retirement System; providing a declaration of

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30 important state interest; providing an effective date.

31  
32 Be It Enacted by the Legislature of the State of Florida:

33  
34 Section 1. Subsection (7) of section 121.053, Florida  
35 Statutes, is amended to read:

36 121.053 Participation in the Elected Officers' Class for  
37 retired members.—

38 (7) A member who is elected or appointed to an elective  
39 office and who is participating in the Deferred Retirement  
40 Option Program is not subject to termination as defined in s.  
41 121.021, or reemployment limitations as provided in s.  
42 121.091(9), until the end of his or her current term of office  
43 or, if the officer is consecutively elected or reelected to an  
44 elective office eligible for coverage under the Florida  
45 Retirement System, until he or she no longer holds an elective  
46 office, as follows:

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

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

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

58 3. The officer, except while serving as a legislator, may

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59 remain in elective office and receive his or her accumulated  
60 DROP proceeds, including interest earned in accordance with  
61 subparagraph 1., after attaining the age of 59 1/2 years.

62 (b) An elected officer may voluntarily terminate his or her  
63 elective office at any time and receive his or her DROP  
64 proceeds. However, until termination occurs, an elected officer  
65 whose termination limitations are extended by this section is  
66 ineligible for renewed membership in the system and may not  
67 receive pension payments, ~~DROP lump sum payments,~~ or any other  
68 state payment other than the statutorily determined salary,  
69 travel, and per diem for the elective office.

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

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

77 121.091 Benefits payable under the system.—Benefits may not  
78 be paid under this section unless the member has terminated  
79 employment as provided in s. 121.021(39) (a) or begun  
80 participation in the Deferred Retirement Option Program as  
81 provided in subsection (13), and a proper application has been  
82 filed in the manner prescribed by the department. The department  
83 may cancel an application for retirement benefits when the  
84 member or beneficiary fails to timely provide the information  
85 and documents required by this chapter and the department's  
86 rules. The department shall adopt rules establishing procedures  
87 for application for retirement benefits and for the cancellation

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88 of such application when the required information or documents  
89 are not received.

90 (5) TERMINATION BENEFITS.—A member whose employment is  
91 terminated prior to retirement retains membership rights to  
92 previously earned member-noncontributory service credit, and to  
93 member-contributory service credit, if the member leaves the  
94 member contributions on deposit in his or her retirement  
95 account. If a terminated member receives a refund of member  
96 contributions, such member may reinstate membership rights to  
97 the previously earned service credit represented by the refund  
98 by completing 1 year of creditable service and repaying the  
99 refunded member contributions, plus interest.

100 (a) A member whose employment is terminated for any reason  
101 other than death or retirement before becoming vested is  
102 entitled to the return of his or her accumulated contributions  
103 as of the date of termination. Effective July 1, 2011, upon  
104 termination of employment from all participating employers for 3  
105 calendar months as defined in s. 121.021(39)(c) for any reason  
106 other than retirement, a member may receive a refund of all  
107 contributions he or she has made to the pension plan, subject to  
108 the restrictions otherwise provided in this chapter. The refund  
109 may be received as a lump-sum payment, a rollover to a qualified  
110 plan, or a combination of these methods. Partial refunds are not  
111 permitted. The refund may not include any interest earnings on  
112 the contributions for a member of the pension plan. Employer  
113 contributions made on behalf of the member are not refundable. A  
114 member may not receive a refund of employee contributions if a  
115 pending or an approved qualified domestic relations order is  
116 filed against his or her retirement account. By obtaining a

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117 refund of contributions, a member waives all rights under the  
118 Florida Retirement System and the health insurance subsidy to  
119 the service credit represented by the refunded contributions,  
120 except the right to purchase his or her prior service credit in  
121 accordance with s. 121.081(2).

122 (b) A member whose employment is terminated for any reason  
123 other than death or retirement after becoming vested may elect  
124 to receive a deferred monthly benefit which shall begin to  
125 accrue on the first day of the month of normal or early  
126 retirement and shall be payable on the last day of that month  
127 and each month thereafter during his or her lifetime. The amount  
128 of monthly benefit shall be computed in the same manner as for a  
129 normal retirement benefit in accordance with subsection (1) or  
130 early retirement benefit in accordance with s. 121.021(30), but  
131 based on average monthly compensation and creditable service as  
132 of the date of termination.

133 (c) In lieu of the deferred monthly benefit provided in  
134 paragraph (b), the terminated member may elect to receive a  
135 lump-sum amount equal to his or her accumulated contributions as  
136 of the date of termination. Effective July 1, 2011, upon  
137 termination of employment from all participating employers for 3  
138 calendar months as defined in s. 121.021(39)(c) for any reason  
139 other than retirement, a member may receive a refund of all  
140 contributions he or she has made to the pension plan, subject to  
141 the restrictions otherwise provided in this chapter. Partial  
142 refunds are not permitted. The refund may not include any  
143 interest earnings on the contributions for a member of the  
144 pension plan. Employer contributions made on behalf of the  
145 member are not refundable. A member may not receive a refund of

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146 employee contributions if a pending or an approved qualified  
147 domestic relations order is filed against his or her retirement  
148 account. By obtaining a refund of contributions, a member waives  
149 all rights under the Florida Retirement System and the health  
150 insurance subsidy to the service credit represented by the  
151 refunded contributions, except the right to purchase his or her  
152 prior service credit in accordance with s. 121.081(2).

153 (d) If any retired member dies without having received in  
154 benefit payments an amount equal to his or her accumulated  
155 contributions, there shall be payable to his or her designated  
156 beneficiary an amount equal to the excess, if any, of the  
157 member's accumulated contributions over the total monthly  
158 payments made to the member prior to the date of death.

159 (e) A member shall be deemed a terminated member when  
160 termination of employment has occurred as provided in s.  
161 121.021(39).

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

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175 termination.

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

180 (h) Any member who, prior to retirement, is adjudged by a  
181 court of competent jurisdiction to have violated any state law  
182 against strikes by public employees, or who has been found  
183 guilty by such court of violating any state law prohibiting  
184 strikes by public employees, shall forfeit all rights and  
185 benefits under this chapter, except the return of his or her  
186 accumulated contributions as of the date of the conviction.

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

197 (j) Any beneficiary who by a verdict of a jury or by the  
198 court trying the case without a jury is found guilty, or who has  
199 entered a plea of guilty or nolo contendere, of unlawfully and  
200 intentionally killing or procuring the death of the member  
201 forfeits all rights to the deceased member's benefits under this  
202 chapter, and the benefits will be paid as if such beneficiary  
203 had predeceased the decedent.

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204 (k) Benefits may not be paid by the division or the state  
205 board pending final resolution of such charges against a member  
206 or beneficiary if the resolution of such charges could require  
207 the forfeiture of benefits as provided in paragraph (f),  
208 paragraph (g), paragraph (h), paragraph (i), paragraph (j), or  
209 chapter 112.

210 (l) The division and the state board, as appropriate, must  
211 take steps to recoup from the elected officer any DROP proceeds  
212 distributed pursuant to s. 121.053(7)(a)3. if:

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

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

219 Section 3. Present subsections (5) through (9) of section  
220 121.101, Florida Statutes, are redesignated as subsections (6)  
221 through (10), respectively, and a new subsection (5) is added to  
222 that section, to read:

223 121.101 Cost-of-living adjustment of benefits.—

224 (5)(a) Commencing July 1, 2026, and in lieu of any annual  
225 adjustment authorized in paragraph (4)(b) occurring after the  
226 fifth anniversary of retirement of an eligible Special Risk  
227 Class member whose effective retirement date is on or after July  
228 1, 2011, the adjusted monthly benefit of each eligible Special  
229 Risk Class retiree and annuitant shall be the amount of the  
230 monthly benefit being received on June 30 immediately preceding  
231 the adjustment date plus the greater of the amount determined by  
232 multiplying the benefit by the factor calculated pursuant to

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233 paragraph (4) (c) or the amount equal to 1.5 percent of this  
 234 benefit.

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

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

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

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

245 121.71 Uniform rates; process; calculations; levy.—

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

249

Membership Class	Percentage of Gross Compensation, Effective July 1, <del>2025</del> <u>2026</u>
250	
251 Regular Class	<u>7.11%</u> <del>7.10%</del>
252 Special Risk Class	<u>21.58%</u> <del>20.10%</del>
253	

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Special Risk

Administrative

Support Class 11.45% ~~10.88%~~

254

Elected Officers' Class-

Legislators, Governor,

Lt. Governor,

Cabinet Officers,

State Attorneys,

Public Defenders 10.30% ~~10.04%~~

255

Elected Officers' Class-

Justices, Judges 15.54% ~~15.62%~~

256

Elected Officers' Class-

County Elected Officers 11.45% ~~11.79%~~

257

Senior Management Service

Class 8.68% ~~8.73%~~

258

DROP 9.86% ~~9.37%~~

259

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

264

	Percentage of
Membership Class	Gross

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Compensation,  
 Effective  
 July 1, 2026 ~~2025~~

265

266

Regular Class 4.42% ~~4.87%~~

267

Special Risk Class 14.10% ~~13.03%~~

268

Special Risk  
 Administrative  
 Support Class 28.28% ~~26.54%~~

269

Elected Officers' Class—  
 Legislators, Governor,  
 Lt. Governor,  
 Cabinet Officers,  
 State Attorneys,  
 Public Defenders 51.43% ~~50.56%~~

270

Elected Officers' Class—  
 Justices, Judges 28.40% ~~28.46%~~

271

Elected Officers' Class—  
 County Elected Officers 41.49% ~~40.72%~~

272

Senior Management Service  
 Class 21.86% ~~22.45%~~

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DROP 10.26% ~~10.65%~~

Section 5. Subsection (3) of section 121.73, Florida Statutes, is amended to read:

121.73 Allocations for member disability coverage; percentage amounts.—

(3) Effective July 1, 2026 ~~2002~~, allocations from the Florida Retirement System Contributions Clearing Trust Fund to provide disability coverage for members in the investment plan, and to offset the costs of administering said coverage, are as follows:

Membership Class	Percentage of Gross Compensation
Regular Class	0.25%
Special Risk Class	<u>1.91%</u> <del>1.85%</del>
Special Risk Administrative Support Class	<u>0.46%</u> <del>0.45%</del>
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,	0.41%

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State Attorneys, Public  
Defenders

290

Elected Officers' Class—  
Justices, Judges

0.73%

291

Elected Officers' Class—  
County Elected Officers

0.41%

292

Senior Management Service  
Class

0.26%

293

294 Section 6. Subsection (3) of section 121.735, Florida  
295 Statutes, is amended to read:

296 121.735 Allocations for member line-of-duty death benefits;  
297 percentage amounts.—

298 (3) Allocations from the Florida Retirement System  
299 Contributions Clearing Trust Fund to provide line-of-duty death  
300 benefits for members in the investment plan and to offset the  
301 costs of administering said coverage, are as follows:

302

Membership Class

Percentage of Gross  
Compensation

303

Regular Class

0.05%

304

305

Special Risk Class

1.28% ~~1.26%~~

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306

Special Risk Administrative  
Support Class

0.03%

307

Elected Officers' Class—  
Legislators, Governor,  
Lt. Governor, Cabinet  
Officers,  
State Attorneys, Public  
Defenders

0.15%

308

Elected Officers' Class—  
Justices, Judges

0.09%

309

Elected Officers' Class—  
County Elected Officers

0.20%

310

Senior Management Service  
Class

0.05%

311

312

Section 7. The Legislature finds that a proper and  
legitimate state purpose is served when employees, officers, and  
retirees of the state and its political subdivisions, and the  
dependents, survivors, and beneficiaries of such employees,  
officers, and retirees, are extended the basic protections  
afforded by governmental retirement systems. These persons must  
be provided benefits that are fair and adequate and that are  
managed, administered, and funded in an actuarially sound manner  
as required by s. 14, Article X of the State Constitution and

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321 part VII of chapter 112, Florida Statutes. Therefore, the  
322 Legislature determines and declares that this act fulfills an  
323 important state interest.

324 Section 8. This act shall take effect July 1, 2026.