

By Senator Mayfield

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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.

19-00001-26E

20262E__

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

19-00001-26E

20262E__

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, <u>2026</u> 2025
250	
251 Regular Class	<u>7.11%</u> 7.10%
252 Special Risk Class	<u>21.58%</u> 20.10%
253	

19-00001-26E 20262E__

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

Membership Class	Percentage of Gross
------------------	------------------------

19-00001-26E

20262E__

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%~~

19-00001-26E

20262E__

273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289

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> 1.85%
Special Risk Administrative Support Class	<u>0.46%</u> 0.45%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,	0.41%

19-00001-26E 20262E__

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

Special Risk Class	<u>1.28%</u> 1.26%
--------------------	-------------------------------

305

19-00001-26E

20262E__

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

313

314

315

316

317

318

319

320

19-00001-26E

20262E__

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.