

Council Substitute for
Committee Substitute for House Bill No. 479

An act relating to retirement; amending s. 121.021, F.S.; redefining the terms “employer,” “officer or employee,” “past service,” “normal retirement date,” “termination,” “regularly established position,” and “temporary position”; defining the terms “state board” and “trustees”; amending s. 121.031, F.S.; requiring promotional materials that refer to the Florida Retirement System to include a disclaimer unless approval is obtained from the Department of Management Services or the State Board of Administration; amending s. 121.051, F.S.; conforming a cross-reference; clarifying when a State Community College System Optional Retirement Program participant is considered a retiree; revising provisions relating to participation in the Florida Retirement System by certain employers; excluding the participation of certain entities under a lease agreement; amending s. 121.052, F.S.; revising membership criteria for the Elected Officers’ Class; revising when a governing body of a municipality or special district may elect to designate its elected positions for inclusion in the Elected Officers’ Class; amending s. 121.053, F.S.; revising provisions relating to a retiree’s participation in the Elected Officers’ Class; providing that a retiree who is elected after a certain date may not reenroll in the Florida Retirement System and may not continue to earn interest on his or her DROP account after the end of the 60-month DROP period; amending s. 121.055, F.S.; providing that a retiree of that class who is reemployed as an elected official may not renew membership in the Senior Management Class or the Senior Management Annuity Program; revising provisions relating to de minimis accounts; amending s. 121.071, F.S.; providing an additional mechanism for the payment of employee contributions to the system; amending s. 121.081, F.S.; providing for receipt of credit for past or prior service by charter school and charter technical career center employees; prohibiting a member from receiving credit for service covered and reported by both a public employer and a private employer; amending s. 121.091, F.S.; revising and clarifying provisions relating to employment after retirement; authorizing developmental research schools and charter schools to reemploy certain retired members under specified conditions; providing that retirees of a state-administered retirement system who retire after a certain date may not be reemployed by an employer participating in the Florida Retirement System for 6 months after terminating employment and may not renew membership in the Florida Retirement System; revising provisions relating to reemployment of participants in the Deferred Retirement Option Program; providing that certain members who delay DROP participation lose a month of DROP participation for each month delayed; increasing the maximum period of participation for instructional personnel in a developmental research school; deleting obsolete provisions; clarifying that DROP participation may not be canceled;

providing for the suspension of DROP participation of an elected officer who is reemployed; providing that the retirement benefits of a participant who is reemployed within a certain time after retirement are suspended and must be paid back; authorizing the Division of Retirement to issue benefits pursuant to a qualified domestic relations order directly to the alternate payee; amending s. 121.1115, F.S.; revising provisions relating to receiving retirement credit for out-of-state service; providing that a member is not eligible for and may not receive a benefit based on such service; amending s. 121.1122, F.S.; revising provisions relating to receiving retirement credit for in-state service; providing that certain members are not eligible to purchase service credit; amending s. 121.122, F.S.; revising provisions relating to renewed membership in retirement system; providing that retirees initially reemployed on or after a specified date are ineligible for renewed membership in the system; amending s. 121.136, F.S.; revising provisions relating to the annual statement of benefits provided to certain active members of the system; amending s. 121.1905, F.S.; deleting a provision describing the mission of the Division of Retirement; amending s. 121.23, F.S.; clarifying the criteria for medical evidence that a member must submit to the Retirement Commission for before awarding disability retirement benefits; amending s. 121.24, F.S.; requiring a quorum of three members for all appeal hearings held by the retirement commission; amending s. 121.35, F.S.; revising provisions relating to membership in the State University Optional Retirement Program; defining the term “retiree” for purposes of the program; amending s. 121.4501, F.S.; revising the definition of “eligible employee” for purposes of the Public Employee Optional Retirement Program; amending ss. 121.591 and 238.183, F.S.; providing and conforming cross-references; amending s. 1012.33, F.S.; deleting a provision preventing persons who have retired from the public school system from renewing membership in the Florida Retirement System or Teachers’ Retirement System upon reemployment by the school system; repealing s. 121.093, F.S., relating to instructional personnel reemployment after retirement from a developmental research school or the Florida School for the Deaf and the Blind; repealing s. 121.094, F.S., relating to instructional personnel reemployment after retirement from a charter school; repealing s. 121.45, F.S., relating to interstate compacts relating to pension portability; providing a declaration of important state interest; providing an effective date.

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

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:

121.021 Definitions.—The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(10) “Employer” means any agency, branch, department, institution, university, institution of higher education, or board of the state, or any county agency, branch, department, board, district school board, municipality, metropolitan planning organization, or special district of the state, ~~or any city of the state~~ which participates in the system for the benefit of certain of its employees, or a charter school or charter technical career center that participates as provided in s. 121.051(2)(d). Employers are not agents of the department, the state board, or the Division of Retirement, and the department, the state board, and the division are not responsible for erroneous information provided by representatives of employers.

(11) “Officer or employee” means any person receiving salary payments for work performed in a regularly established position and, if employed by a municipality city, a metropolitan planning organization, or a special district, employed in a covered group. The term does not apply to state employees covered by a leasing agreement under s. 110.191, other public employees covered by a leasing agreement, or a co-employer 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 a governmental an employer and for which the employee is not entitled to a benefit before prior to his or her date of participation.

(29) “Normal retirement date” means ~~the first day of any month following the date a member attains normal retirement age and is vested, which is determined as follows~~ one of the following statuses:

(a) If a Regular Class member, a Senior Management Service Class member, or an Elected Officers’ Class ~~the member:~~

1. The first day of the month the member completes 6 or more years of creditable service and attains age 62; or

2. The first day of the month following the date the member completes 30 years of creditable service, regardless of age, ~~which may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system.~~

(b) If a Special Risk Class member, ~~the member:~~

1. The first day of the month the member completes 6 or more years of creditable service in the Special Risk Class and attains age 55;

2. The first day of the month following the date the member completes 25 years of creditable service in the Special Risk Class, regardless of age; or

3. The first day of the month following the date the member completes 25 years of creditable service and attains age 52, which service may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system and the remaining years are in the Special Risk Class.

~~(c) If a Senior Management Service Class member, the member:~~

~~1. Completes 6 years of creditable service in the Senior Management Service Class and attains age 62; or~~

~~2. Completes 30 years of any creditable service, regardless of age, which may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system.~~

~~(d) If an Elected Officers' Class member, the member:~~

~~1. Completes 6 years of creditable service in the Elected Officers' Class and attains age 62; or~~

~~2. Completes 30 years of any creditable service, regardless of age, which may include a maximum of 4 years of military service credit as long as such credit is not claimed under any other system.~~

“Normal retirement age” is attained on the “normal retirement date.”

(39)(a) “Termination” occurs, except as provided in paragraph (b), when a member ceases all employment relationships with an employer, however: employers under this system, as defined in subsection (10), ~~but in the event~~

1. For retirements effective before July 1, 2010, if a member is should be employed by any such employer within the next calendar month, termination shall be deemed not to have occurred. A leave of absence constitutes shall constitute a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination for a member, if such member makes application for and is approved for disability retirement in accordance with s. 121.091(4). The department or state board may require other evidence of termination as it deems necessary.

2. For retirements effective on or after July 1, 2010, if a member is employed by any such employer within the next 6 calendar months, termination shall be deemed not to have occurred. A leave of absence constitutes a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination if such member makes application for and is approved for disability retirement in accordance with s. 121.091(4). The department or state board may require other evidence of termination as it deems necessary.

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

1. For termination dates occurring before July 1, 2010, if in the event the Deferred Retirement Option Program participant is should be employed by any such employer within the next calendar month, termination will be deemed not to have occurred, except as provided in s. 121.091(13)(b)4.c. A

leave of absence shall constitute a continuation of the employment relationship.

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

(52) “Regularly established position” means ~~is defined as follows:~~

(a) ~~With respect to In a state employer agency, the term means a position that which is authorized and established pursuant to law and is compensated from a salaries and benefits appropriation pursuant to s. 216.011(1)(mm)(dd), or an established position that which is authorized pursuant to s. 216.262(1)(a) and (b) and is compensated from a salaries account as provided in s. 216.011(1)(nn) by rule.~~

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

(53) “Temporary position” means ~~is defined as follows:~~

(a) ~~With respect to In a state employer agency, a the term means an employment position that which is compensated from an other personal services (OPS) account, as provided for in s. 216.011(1)(dd).~~

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

(63) “State board” means the State Board of Administration.

(64) “Trustees” means the Board of Trustees of the State Board of Administration.

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

121.031 Administration of system; appropriation; oaths; actuarial studies; public records.—

(6) Unless prior written approval is obtained from the department or state board, any promotional materials or advertisements that, directly or indirectly, refer to the “Florida Retirement System” or the “FRS” must contain a disclaimer that the information is not approved or endorsed by the Florida Retirement System.

Section 3. Paragraph (a) of subsection (1) and paragraphs (c) and (f) of subsection (2) of section 121.051, Florida Statutes, are amended to read:

121.051 Participation in the system.—

(1) COMPULSORY PARTICIPATION.—

(a) Participation in the Florida Retirement System ~~The provisions of this law shall be compulsory for as to~~ all officers and employees, except elected officers who meet the requirements of s. 121.052(3), who are employed on or after December 1, 1970, ~~by of an employer other than those referred to in paragraph (2)(b),~~ and Each officer or employee, as a condition of employment, ~~becomes shall become~~ a member of the system on the ~~as of his or her~~ date of employment, except that a person who is retired from any state retirement system and is reemployed on or after December 1, 1970, may not renew his or her membership in any state retirement system except as provided in s. 121.091(4)(h) for a person who recovers from disability, ~~and as provided in s. 121.053 s. 121.091(9)(b)8.~~ for a person who is elected to public office, and, effective July 1, 1991, as provided in s. 121.122 for all other retirees.

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, may ~~shall~~ not participate in any state-supported retirement system.

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

2. For purposes of this subparagraph ~~paragraph~~, the term:

a. “Faculty position” means ~~is defined as~~ a position assigned the principal responsibility of teaching, research, or public service activities or administrative responsibility directly related to the academic mission of the college. ~~The term~~

b. “Clinical faculty” means ~~is defined as~~ a faculty position appointment in conjunction with a professional position in a hospital or other clinical environment at a college. ~~The term~~

c. “Faculty practice plan” includes professional services to patients, institutions, or other parties which are rendered by the clinical faculty employed by a college that has a faculty practice plan at a state university authorized by the Board of Governors.

(2) OPTIONAL PARTICIPATION.—

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

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

2. The decision to participate in ~~such~~ an optional retirement program ~~is shall be~~ irrevocable ~~for~~ as long as the employee holds a position eligible for participation, except as provided in subparagraph 3. Any service creditable under the Florida Retirement System ~~is shall be~~ retained after the member withdraws from the ~~Florida Retirement system~~; however, additional service credit in the ~~Florida Retirement system~~ ~~may 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 ~~is shall be~~ 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.

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

(I) The cost for such credit ~~is the~~ shall be an amount representing the present value of ~~the that~~ employee's accumulated benefit obligation for the affected period of service. The cost shall be calculated as if the benefit commencement occurs on the first date the employee becomes ~~would become~~ eligible for unreduced benefits, using the discount rate and other relevant actuarial assumptions that were used to value the Florida Retirement System defined benefit plan liabilities in the most recent actuarial valuation. The calculation must ~~shall~~ include any service already maintained under the defined benefit plan in addition to the years under the State Community College System Optional Retirement Program. The present value of any service already maintained must ~~under the defined benefit plan shall~~ be applied as a credit to total cost resulting from the calculation. The division shall ensure that the transfer sum is prepared using a formula and methodology certified by an enrolled actuary.

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

4. Participation in the optional retirement program ~~is 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.

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

(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:

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

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

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

5. Participants in the program are subject to the same reemployment limitations, renewed membership provisions, and forfeiture provisions as

are applicable to regular members of the Florida Retirement System under ss. 121.091(9), 121.122, and 121.091(5), respectively. A participant who receives a program distribution funded by employer contributions shall be deemed to be retired from a state-administered retirement system if the participant is subsequently employed with an employer that participates in the Florida Retirement System.

6. Eligible community college employees ~~are shall be~~ compulsory members of the Florida Retirement System until, pursuant to ~~the procedures set forth in~~ s. 1012.875, a written election to withdraw from the Florida Retirement system and to participate in the State Community College System Optional Retirement Program is filed with the program administrator and received by the division.

a. ~~A Any~~ community college employee whose program eligibility results from initial employment ~~must shall~~ be enrolled in the State Community College System Optional Retirement Program retroactive to the first day of eligible employment. The employer retirement contributions paid through the month of the employee plan change shall be transferred to the community college ~~to for~~ the employee's optional program account, and, effective the first day of the next month, the employer shall pay the applicable contributions based upon subparagraph 1.

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

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

(f)1. ~~If Whenever~~ an employer that participates in the Florida Retirement System undertakes the transfer, merger, or consolidation of governmental services or assumes the functions and activities of an employing

governmental entity that was not an employer under the system, the employer must notify the department at least 60 days before prior to such action and shall provide documentation as required by the department. The transfer, merger, or consolidation of governmental services or assumption of governmental functions and activities must occur between public employers. The current or former employer may pay the employees' past service cost, unless prohibited under this chapter. This subparagraph does not apply to the transfer, merger, or consolidation of governmental services or assumption of functions and activities of a public entity under a leasing agreement having a co-employer relationship. Employers and employees of a public governmental employer whose service is covered by a leasing agreement under s. 110.191, any other leasing agreement, or a co-employer relationship are not eligible to participate in the Florida Retirement System.

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

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

121.052 Membership class of elected officers.—

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

(f) Any elected officer of a municipality or special district assuming office on or after July 1, 1997, through June 30, 2009, as provided in paragraph (3)(e). On or after January 1, 2010, an elected officer shall become a member only if the governing body of the municipality or special district, at the time it joins the Florida Retirement System for its elected officers, elects, by majority vote, to include all its elected positions in the Elected Officers' Class.

(3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective 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):

(e) ~~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 as follows.

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 made between July 1, 2001, and December 31, 2001, and is shall be irrevocable. The designation of such positions is 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 month following receipt by the department of the ordinance or resolution passed by the governing body.

Section 5. Section 121.053, Florida Statutes, is amended to read:

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

(1)(a) A Any member who retired under an any existing system as defined in s. 121.021(2), and receives a retirement benefit thereof, and who subsequently serves in an office covered by the Elected Officers' Class for a period of at least 6 years, is shall be entitled to receive an additional retirement benefit for such elected officer service completed before prior to July 1, 1990, under the Elected Officers' Class of the Florida Retirement System, as follows:

(a)1. Upon completion of 6 or more years of creditable service in an office covered by the Elected Officers' Class, s. 121.052, such member shall notify the administrator of his or her intent to purchase elected officer service completed before prior to July 1, 1990, and shall pay the member contribution applicable for the period being claimed, plus 4 percent interest compounded annually from the first year of service claimed until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until full payment is made to the Florida Retirement System Trust Fund; however, such member may purchase retirement credit under the Elected Officers' Class only for such service as an elected officer.

(b)2. Upon payment of the amount specified in paragraph (a) subparagraph 1., the employer shall pay into the Florida Retirement System Trust Fund the applicable employer contribution for the period of elected officer service completed before prior to July 1, 1990, being claimed by the member, plus 4 percent interest compounded annually from the first year of service claimed until July 1, 1975, and 6.5 percent interest compounded annually thereafter, until full payment is made to the Florida Retirement System Trust Fund.

(2)(b) A Any retired member of the Florida Retirement System, or an any existing system as defined in s. 121.021(2), who, beginning on or after July 1, 1990, through June 30, 2010, serves in is serving in, or is elected or appointed to, an elective office covered by the Elected Officers' Class shall

be enrolled in the appropriate subclass of the Elected Officers' Class of the Florida Retirement System, and applicable contributions shall be paid into the Florida Retirement System Trust Fund as provided in s. 121.052(7). Pursuant thereto:

~~(a)1. The Any such retired member may shall be eligible to continue to receive retirement benefits as well as compensation for the elected officer service if for as long as he or she remains in an elective office covered by the Elected Officers' Class.~~

~~(b)2. If the any such member serves in an elective office covered by the Elected Officers' Class and becomes vested under that class, he or she is shall be entitled to receive an additional retirement benefit for the such elected officer service.~~

~~(c)3. The Such member is shall be entitled to purchase additional retirement credit in the Elected Officers' Class for any postretirement service performed in an elected position eligible for the Elected Officers' Class before prior to July 1, 1990, or in the Regular Class for any postretirement service performed in any other regularly established position before prior to July 1, 1991, by paying the applicable Elected Officers' Class or Regular Class employee and employer contributions for the period being claimed, plus 4 percent interest compounded annually from the 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. The contribution for postretirement Regular Class service between July 1, 1985, and July 1, 1991, for which the reemployed retiree contribution was paid, is shall be the difference between the such contribution and the total applicable contribution for the period being claimed, plus interest. The employer of such member may pay the applicable employer contribution in lieu of the member. If a member does not wish to claim credit for all of the postretirement service for which he or she is eligible, the service the member claims must be the most recent service. Any retiree who served in an elective office before July 1, 1990, suspended his or her retirement benefits, and had his or her Florida Retirement System membership reinstated shall, upon retirement from such office, have his or her retirement benefit recalculated to include the additional service and compensation earned.~~

~~(d)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 of in s. 121.122 may be used in conjunction with creditable service earned under this subsection paragraph, if provided applicable vesting requirements and other existing statutory conditions required by this chapter are met.~~

~~5. An elected officer who is elected or appointed to an elective office and is participating in the Deferred Retirement Option Program is not subject to termination as provided in s. 121.021(39)(b), or reemployment limitations as provided in s. 121.091(9), until the end of his or her current term of office or, if the officer is consecutively elected or reelected to an elective office eligible for coverage under the Florida Retirement System, until he or she no longer holds such an elective office, as follows:~~

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

~~(I) The officer's DROP account shall accrue no additional monthly benefits, but shall continue to earn interest as provided in s. 121.091(13).~~

~~(II) No Retirement contributions shall be required of the employer of the elected officer and no additional retirement credit shall be earned under the Florida Retirement System.~~

~~b. Nothing herein shall prevent An elected officer from voluntarily terminating his or her elective office at any time and electing to receive his or her DROP proceeds. However, until termination requirements are fulfilled as provided in s. 121.021(39), any elected officer whose termination limitations are extended by this section shall be ineligible for renewed membership in the system and shall receive no pension payments, DROP lump sum payments, or any other state payment other than the statutorily determined salary, travel, and per diem for the elective office.~~

~~c. Upon termination, the officer shall receive his or her accumulated DROP account, plus interest, and shall accrue and commence receiving monthly retirement benefits, which shall 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, is shall not be required to terminate and remains shall remain subject to the provisions of this paragraph subparagraph as adopted in section 1 of chapter 2001-235, Laws of Florida.

(3) On or after July 1, 2010:

(a) A retiree of a state-administered retirement system who is elected or appointed for the first time to an elective office in a regularly established position with a covered employer may not reenroll in the Florida Retirement System.

(b) An elected officer who is elected or appointed to an elective office and is participating in the Deferred Retirement Option Program is subject to termination as defined in s. 121.021 upon completion of his or her DROP participation period. An elected official may defer termination as provided in paragraph (2)(e).

~~(4)(2) Upon attaining his or her normal retirement date and payment of the amount specified in paragraphs (1)(a) and (b), and upon application to the administrator of the intent to retire, a the member qualifying under subsection (1) or subsection (2) shall receive a monthly benefit under this section, in addition to any benefits already being received, which shall commence on the last day of the month of retirement and be payable on the last day of the month thereafter during his or her lifetime. The amount of the such monthly benefit is shall be the total percentage of retirement credit purchased under this section multiplied by the member's average monthly compensation as an elected officer, adjusted according to the option selected at retirement under s. 121.091(6).~~

~~(5)(3)~~ Any renewed member, as described in subsection (1) or subsection (2), who is not receiving the maximum health insurance subsidy provided in s. 112.363 ~~is shall be~~ entitled to earn additional credit toward the maximum health insurance subsidy. Any additional subsidy due because of such additional credit ~~may shall~~ be received only at the time of payment of the second career retirement benefit. ~~In no case shall~~ The total health insurance subsidy received by a retiree receiving benefits from initial and renewed membership ~~may not~~ exceed the maximum allowed in s. 112.363.

~~(6)(4)~~ ~~A~~ ~~No~~ retired judge consenting to temporary duty in any court, as assigned by the Chief Justice of the Supreme Court in accordance with s. 2, Art. V of the State Constitution, ~~is not shall be~~ subject to the renewed membership provisions of this section.

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

(a) At the end of the 60-month DROP period:

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

2. Retirement contributions are not required of the employer of the elected officer and additional retirement credit may not be earned under the Florida Retirement System.

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

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

Section 6. Paragraph (f) of subsection (1) and paragraphs (c) and (e) of subsection (6) of section 121.055, Florida Statutes, are 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.

(1)

(f) Effective July 1, 1997:

1. Except as provided in subparagraph 3., an any elected state officer eligible for membership in the Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who elects membership in the Senior Management Service Class under s. 121.052(3)(c) may, within 6 months after assuming office or within 6 months after this act becomes a law for serving elected state officers, elect to participate in the Senior Management Service Optional Annuity Program, as provided in subsection (6), in lieu of membership in the Senior Management Service Class.

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

3. A retiree of a state-administered retirement system who is initially reemployed on or after July 1, 2010, as an elected official eligible for the Elected Officers' Class may not renew membership in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program as provided in subsection (6), and may not withdraw from the Florida Retirement System as a renewed member as provided in subparagraph (b)2., as applicable, in lieu of membership in the Senior Management Service Class.

(6)

(c) Participation.—

1. An any eligible employee who is employed on or before February 1, 1987, may elect to participate in the optional annuity program in lieu of participation in the Senior Management Service Class. Such election must shall be made in writing and filed with the department and the personnel officer of the employer on or before May 1, 1987. An Any eligible employee who is employed on or before February 1, 1987, and who fails to make an election to participate in the optional annuity program by May 1, 1987, shall be deemed to have elected membership in the Senior Management Service Class.

2. Except as provided in subparagraph 6., an Any employee who becomes eligible to participate in the optional annuity program by reason of initial employment commencing after February 1, 1987, may, within 90 days after the date of commencing commencement of employment, elect to participate in the optional annuity program. Such election must shall be made in writing and filed with the personnel officer of the employer. An Any eligible employee who does not within 90 days after commencing commencement of

such employment elect to participate in the optional annuity program shall be deemed to have elected membership in the Senior Management Service Class.

3. A person who is appointed to a position in the Senior Management Service Class and who is a member of an existing retirement system or the Special Risk or Special Risk Administrative Support Classes of the Florida Retirement System may elect to remain in such system or class in lieu of participation in the Senior Management Service Class or optional annuity program. Such election ~~must~~ shall be made in writing and filed with the department and the personnel officer of the employer within 90 days of such appointment. Any eligible employee who fails to make an election to participate in the existing system, the Special Risk Class of the Florida Retirement System, the Special Risk Administrative Support Class of the Florida Retirement System, or the optional annuity program shall be deemed to have elected membership in the Senior Management Service Class.

4. Except as provided in subparagraph 5., an employee's election to participate in the optional annuity program is irrevocable ~~if the~~ as long as such employee continues to be employed in an eligible position and continues to meet the eligibility requirements set forth in this paragraph.

5. Effective from July 1, 2002, through September 30, 2002, any active employee in a regularly established position who has elected to participate in the Senior Management Service Optional Annuity Program has one opportunity to choose to move from the Senior Management Service Optional Annuity Program to the Florida Retirement System defined benefit program.

a. The election must be made in writing and must be filed with the department and the personnel officer of the employer before October 1, 2002, or, in the case of an active employee who is on a leave of absence on July 1, 2002, within 90 days after the conclusion of the leave of absence. This election is irrevocable.

b. The employee ~~shall~~ will receive service credit under the defined benefit program of the Florida Retirement System equal to his or her years of service under the Senior Management Service Optional Annuity Program. The cost for such credit ~~is the~~ shall be an amount representing the present value of that employee's accumulated benefit obligation for the affected period of service.

c. The employee must transfer the total accumulated employer contributions and earnings on deposit in his or her Senior Management Service Optional Annuity Program account. If the transferred amount is not sufficient to pay the amount due, the employee must pay a sum representing the remainder of the amount due. ~~In no case may~~ The employee may not retain any employer contributions or earnings thereon from the Senior Management Service Optional Annuity Program account.

6. A retiree of a state-administered retirement system who is initially reemployed on or after July 1, 2010, may not renew membership in the Senior Management Service Optional Annuity Program.

(e) Benefits.—

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

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

b. A cash-out of a de minimis account upon the request of a former participant who has been terminated for a minimum of 6 calendar months from the employment that entitled him or her to optional annuity program participation. ~~A de minimis account is an account with a provider company containing employer contributions and accumulated earnings of not more than \$5,000 made under the provisions of this chapter. Such cash-out must be a complete liquidation of the account balance with that company and is subject to the provisions of the Internal Revenue Code; or~~

c. A mandatory distribution of a de minimis account of a former participant who has been terminated for a minimum of 6 calendar months from the employment that entitled him or her to optional annuity program participation as authorized by the department; or

d.e. A lump-sum direct rollover distribution whereby all accrued benefits, plus interest and investment earnings, are paid from the participant's account directly to the custodian of an eligible retirement plan, as defined in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of the participant.

2. The benefits payable to any person under the Senior Management Service Optional Annuity Program, and any contribution accumulated under such program, ~~are shall~~ not be subject to assignment, execution, or attachment or to any legal process whatsoever.

3. ~~Except as provided in subparagraph 4., a participant who terminates employment and receives a distribution, including a rollover or trustee-to-trustee transfer, optional annuity program benefits~~ funded by employer contributions shall be deemed to be retired from a state-administered retirement system if the participant is subsequently employed with ~~an in the event of subsequent employment with any~~ employer that participates in the Florida Retirement System.

4. A participant who receives optional annuity program benefits funded by employer contributions as a mandatory distribution of a de minimis account authorized by the department is not considered a retiree.

As used in this paragraph, a “de minimis account” means an account with a provider company containing employer contributions and accumulated earnings of not more than \$5,000 made under this chapter.

Section 7. Paragraph (a) of subsection (6) of section 121.071, Florida Statutes, is amended to read:

121.071 Contributions.—Contributions to the system shall be made as follows:

(6)(a) Required employee contributions for all service other than current service, including, but not limited to, prior service, past service, military service, leave-of-absence service, out-of-state service, and certain non-Florida Retirement System in-state service, shall be paid by cash, personal check, cashier’s check, or money order, or a direct rollover or transfer from a qualified plan as provided under the Internal Revenue Code. The payment must only; ~~shall~~ be accompanied by a statement identifying the service for which payment is made; and shall be made in a lump sum for the total amount due or in annual payments of not less than \$100, except for the final payment if less than \$100, unless another method of payment is authorized by law or rule.

Section 8. Paragraphs (a), (b), (e), (f), and (h) of subsection (1) of section 121.081, Florida Statutes, are amended to read:

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

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

(b) Past service earned after January 1, 1975, may be claimed by officers or employees of a municipality ~~city~~, metropolitan planning organization,

charter school, charter technical career center, or special district who become that becomes a covered group under this system. The governing body of a covered group may elect to provide benefits for with respect to past service earned after January 1, 1975, in accordance with this chapter, and the cost for such past service is shall be established by applying the following formula: The employer shall contribute an amount equal to the contribution rate in effect at the time the service was earned, multiplied by the employee's gross salary for each year of past service claimed, plus 6.5-percent interest thereon, compounded annually, figured on each year of past service, with interest compounded from date of annual salary earned until date of payment.

(e) Past service, as defined in s. 121.021(18), may be claimed as creditable service by a member of the Florida Retirement System who formerly was an officer or employee of a municipality city, metropolitan planning organization, charter school, charter technical career center, or special district, notwithstanding the status or form of the retirement system, if any, of that municipality city, metropolitan planning organization, charter school, charter technical career center, or special district and irrespective of whether such officers or employees of that city, metropolitan planning organization, or special district now or hereafter become a covered group under the Florida Retirement System. Such member may claim creditable service and be entitled to the benefits accruing to the regular class of members as provided for the past service claimed under this paragraph by paying into the retirement trust fund an amount equal to the total actuarial cost of providing the additional benefit resulting from such past-service credit, discounted by the applicable actuarial factors to date of retirement.

(f) ~~If When~~ any person, ~~either prior to this act or hereafter,~~ becomes entitled to and participates does participate in one of the retirement systems under consolidated within or created by this chapter through the consolidation or merger of governments or the transfer of functions between units of government, either at the state or local level or between state and local units, or through the assumption of functions or activities by a state or local unit from an employing governmental entity that which was not an employer under the system, and such person becomes a member of the Florida Retirement System, such person is shall be entitled to receive past-service credit as defined in s. 121.021(18) for the time the such person performed services for, and was an employee of, such state or local unit or other governmental employing entity before prior to the transfer, merger, consolidation, or assumption of functions and activities. Past-service credit allowed by this paragraph is shall also be available to any person who becomes a member of an existing system before, as defined in s. 121.021(2), prior to December 1, 1970, through the transfer, merger, consolidation, or assumption of functions and activities set forth in this paragraph and who subsequently becomes a member of the Florida Retirement System. However, credit for the past service may not be granted until contributions are made in the manner provided in this subsection. If a person rejected Florida Retirement System membership at the time of the transfer, merger, ~~or consolidation, or assumption of governmental functions and activities,~~ the required contributions shall be at total actuarial cost as specified in paragraph (e). Such contributions or accrued interest may not be paid from any public state funds.

(h) The following provisions apply to the purchase of past service:

1. Notwithstanding any of the provisions of this subsection, past-service credit may not be purchased under this chapter for any service that is used to obtain a pension or benefit from a any local retirement system. Eligibility to receive or the receipt of contributions to a retirement plan made by the employer on behalf of the employee is considered a benefit.

2. A member may not receive past service credit under paragraphs (a), (b), (e), or (f) for any leaves of absence without pay, except that credit for active military service leaves of absence may be claimed under paragraphs (a), (b), and (f), in accordance with s. 121.111(1).

3. A member may not receive past service credit for co-employer service. Co-employer service or a co-employer relationship is employment in a single position simultaneously covered and reported by both a public employer and a private employer.

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 participation in the Florida Retirement System.

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

6.5- The retirement account of each member for whom past service is being provided by his or her employer shall be credited with all past service the employer agrees to purchase as soon as the agreement between the employer and the department is executed. Pursuant thereto:

a. Each such member's account shall also be posted with the total contribution his or her employer agrees to make on in the member's behalf for past service earned before prior to October 1, 1975, excluding those contributions representing the employer's matching share and the compound interest calculation on the total contribution. However, a portion of any contributions paid by an employer for past service credit earned on and after October 1, 1975, may not be posted to the a 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 includes shall include contributions for past service which are posted to the a member's account. However, contributions for past service earned on and after October 1, 1975, are not refundable.

Section 9. Subsections (9), (13), and (14) of section 121.091, Florida Statutes, are amended to read:

121.091 Benefits payable under the system.—Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39)(a) or begun participation in the Deferred Retirement Option Program as provided in subsection (13), and a proper application has

been filed in the manner prescribed by the department. The department may cancel an application for retirement benefits when the member or beneficiary fails to timely provide the information and documents required by this chapter and the department's rules. The department shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents are not received.

(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.

~~(b) Any person whose retirement is effective before July 1, 2010, or whose participation in the Deferred Retirement Option Program terminates before July 1, 2010, who is retired under this chapter, except under the disability retirement provisions of subsection (4) or as provided in s. 121.053, may be reemployed by an any private or public employer that participates in a state-administered retirement system after retirement and receive retirement benefits and compensation from that his or her employer without any limitations, except that the a person may not be reemployed by an employer receive both a salary from reemployment with any agency participating in the Florida Retirement System before meeting the definition of termination in s. 121.021 and may not receive both a salary from the employer and retirement benefits under this chapter for a period of 12 calendar months immediately subsequent to the date of retirement. However, a DROP participant shall continue employment and receive a salary during the period of participation in the Deferred Retirement Option Program, as provided in subsection (13).~~

1.2. A retiree Any person to whom the limitation in subparagraph 1. applies who violates such reemployment limitation and who is reemployed with any agency participating in the Florida Retirement System before completion of the 12-month limitation period must shall give timely notice of this fact in writing to the employer and to the Division of Retirement or the state board and shall have his or her retirement benefits suspended for the months employed or the balance of the 12-month limitation period as required in sub-subparagraphs b. and c. A retiree Any person employed in violation of this paragraph and an employer who any employing agency which knowingly employs or appoints such person are without notifying the Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the retirement trust fund, including the Florida Retirement System Trust Fund and the Public employee Optional Retirement Program Trust Fund, from which the benefits were paid of any benefits paid during the reemployment limitation period. The employer must To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received while reemployed during this reemployment limitation period shall be repaid to

the retirement trust fund, and Retirement benefits shall remain suspended until such repayment has been made. Benefits suspended beyond the reemployment limitation shall apply toward repayment of benefits received in violation of the reemployment limitation.

a.3. A district school board may reemploy a retiree ~~retired member~~ as a substitute or hourly teacher, education paraprofessional, transportation assistant, bus driver, or food service worker on a noncontractual basis after he or she has been retired for 1 calendar month, ~~in accordance with s. 121.021(39).~~ A district school board may reemploy a retiree ~~retired member~~ as instructional personnel, as defined in s. 1012.01(2)(a), on an annual contractual basis after he or she has been retired for 1 calendar month, ~~in accordance with s. 121.021(39).~~ Any ~~other retired member~~ who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. District school boards reemploying such teachers, education paraprofessionals, transportation assistants, bus drivers, or food service workers are subject to the retirement contribution required by 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 Community College System, after he or she has been retired for 1 calendar month, ~~in accordance with s. 121.021(39).~~ A ~~Any~~ retiree ~~retired member~~ who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. Boards of trustees reemploying such instructors are subject to the retirement contribution required in subparagraph 2. 7. A retiree ~~retired member~~ may be reemployed as an adjunct instructor for no more than 780 hours during the first 12 months of retirement. A retiree ~~Any retired member~~ reemployed for more than 780 hours during the first 12 months of retirement must ~~shall~~ give timely notice in writing to the employer and to the Division of Retirement or the state board of the date he or she will exceed the limitation. The division shall suspend his or her retirement benefits for the remainder of the first 12 months of retirement. Any retiree ~~person~~ employed in violation of this sub-subparagraph ~~subparagraph~~ and any employer who employing agency which knowingly employs or appoints such person without notifying the division of Retirement to suspend retirement benefits are ~~shall be~~ jointly and severally liable for reimbursement to the retirement trust fund of any benefits paid during the reemployment limitation period. The employer must ~~To avoid liability, such employing agency shall~~ have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by the retiree ~~a retired member~~ while reemployed in excess of 780 hours during the first 12 months of retirement must ~~shall~~ be repaid to the Florida Retirement System Trust Fund, and retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the retiree's ~~retired member's~~ first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

c.5. The State University System may reemploy a retiree ~~retired member~~ as an adjunct faculty member or as a participant in a phased retirement

program within the State University System after the retiree ~~retired member~~ has been retired for 1 calendar month, ~~in accordance with s. 121.021(39)~~. A ~~Any~~ ~~retired~~ member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. The State University System is subject to the retired contribution required in subparagraph ~~2. 7.~~, as appropriate. A ~~retiree~~ ~~retired member~~ may be reemployed as an adjunct faculty member or a participant in a phased retirement program for no more than 780 hours during the first 12 months of his or her retirement. A retiree ~~Any retired member~~ reemployed for more than 780 hours during the first 12 months of retirement must shall give timely notice in writing to the employer and to the Division of Retirement or the state board of the date he or she will exceed the limitation. The division shall suspend his or her retirement benefits for the remainder of the ~~first 12 months of retirement~~. Any ~~retiree~~ ~~person~~ employed in violation of this ~~sub-subparagraph~~ subparagraph and any employer who employing agency ~~which knowingly employs or appoints~~ such person without notifying the division of Retirement to suspend retirement benefits are shall be jointly and severally liable for ~~reimbursement to the retirement trust fund~~ of any benefits paid during the reemployment limitation period. The employer must ~~To avoid liability, such employing agency shall~~ have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by ~~the retiree~~ a retired member while reemployed in excess of 780 hours during the first 12 months of retirement must shall be repaid to the Florida Retirement System Trust Fund, and retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the ~~retiree's~~ retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

d.6. The Board of Trustees of the Florida School for the Deaf and the Blind may reemploy a retiree ~~retired member~~ as a substitute teacher, substitute residential instructor, or substitute nurse on a noncontractual basis after he or she has been retired for 1 calendar month, ~~in accordance with s. 121.021(39)~~. Any ~~retired~~ member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. The Board of Trustees of the Florida School for the Deaf and the Blind reemploying such teachers, residential instructors, or nurses is subject to the retirement contribution required by subparagraph ~~2. 7.~~ Reemployment of a ~~retired member~~ as a substitute teacher, substitute residential instructor, or substitute nurse is limited to 780 hours during the first 12 months of his or her retirement. Any ~~retired member~~ reemployed for more than 780 hours during the first 12 months of retirement shall give timely notice in writing to the employer and to the division of the date he or she will exceed the limitation. The division shall suspend his or her retirement benefits for the remainder of the first 12 months of retirement. Any ~~person~~ employed in violation of this ~~subparagraph~~ and any employing agency which knowingly employs or appoints such person without notifying the division of Retirement to suspend retirement benefits shall be jointly and severally liable for ~~reimbursement to the retirement trust fund~~ of any benefits paid during the reemployment limitation period. ~~To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired~~

from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during the first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and his or her retirement benefits shall remain suspended until payment is made. Benefits suspended beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

e. A developmental research school may reemploy a retiree as a substitute or hourly teacher or an education paraprofessional as defined in s. 1012.01(2) on a noncontractual basis after he or she has been retired for 1 calendar month. A developmental research school may reemploy a retiree as instructional personnel, as defined in s. 1012.01(2)(a), on an annual contractual basis after he or she has been retired for 1 calendar month after retirement. Any member who is reemployed within 1 calendar month voids his or her application for retirement benefits. A developmental research school that reemploys retired teachers and education paraprofessionals is subject to the retirement contribution required by subparagraph 2.

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

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

8. Any person who has previously retired and who is holding an elective public office or an appointment to an elective public office eligible for the Elected Officers' Class on or after July 1, 1990, shall be enrolled in the Florida Retirement System as provided in s. 121.053(1)(b) or, if holding an elective public office that does not qualify for the Elected Officers' Class on or after July 1, 1991, shall be enrolled in the Florida Retirement System as provided in s. 121.122, and shall continue to receive retirement benefits as well as compensation for the elected officer's service for as long as he or she remains in elective office. However, any retired member who served in an elective office prior to July 1, 1990, suspended his or her retirement benefit,

and had his or her Florida Retirement System membership reinstated shall, upon retirement from such office, have his or her retirement benefit recalculated to include the additional service and compensation earned.

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

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

~~11.~~ An employing agency may reemploy a retired member as a firefighter or paramedic after the retired member has been retired for 1 calendar month, in accordance with s. 121.021(39). Any retired member who is reemployed within 1 calendar month after retirement shall void his or her application for retirement benefits. The employing agency reemploying such firefighter or paramedic is subject to the retired contribution required in subparagraph 8. Reemployment of a retired firefighter or paramedic is limited to no more than 780 hours during the first 12 months of his or her retirement. Any retired member reemployed for more than 780 hours during the first 12 months of retirement shall give timely notice in writing to the employer and to the division of the date he or she will exceed the limitation. The division shall suspend his or her retirement benefits for the remainder of the first 12 months of retirement. Any person employed in violation of this subparagraph and any employing agency which knowingly employs or appoints such person without notifying the Division of Retirement to suspend retirement benefits shall be jointly and severally liable for reimbursement to the Retirement System Trust Fund of any benefits paid during the reemployment limitation period. To avoid liability, such employing agency shall have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retired member while reemployed in excess of 780 hours during the first 12 months of retirement shall be repaid to the Retirement System Trust Fund, and retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the retired member's first 12 months of retirement shall apply toward repayment of benefits received in violation of the 780-hour reemployment limitation.

(c) Any person whose retirement is effective on or after July 1, 2010, or whose participation in the Deferred Retirement Option Program terminates on or after July 1, 2010, who is retired under this chapter, except under the

disability retirement provisions of subsection (4) or as provided in s. 121.053, may be reemployed by an employer that participates in a state-administered retirement system and receive retirement benefits and compensation from that employer. However, the a person may not be reemployed by an employer participating in the Florida Retirement System before meeting the definition of termination in s. 121.021 and may not receive both a salary from the employer and retirement benefits for 6 calendar months after meeting the definition of termination. However, a DROP participant shall continue employment and receive a salary during the period of participation in the Deferred Retirement Option Program, as provided in subsection (13).

1. The reemployed retiree may not renew membership in the Florida Retirement System.

2. The employer shall pay retirement contributions in an amount equal to the unfunded actuarial liability portion of the employer contribution that would be required for active members of the Florida Retirement System in addition to the contributions required by s. 121.76.

3. A retiree initially reemployed in violation of this paragraph and an employer that employs or appoints such person are jointly and severally liable for reimbursement of any retirement benefits paid to the retirement trust fund from which the benefits were paid, including the Florida Retirement System Trust Fund and the Public Employee Optional Retirement Program Trust Fund, as appropriate. The employer must have a written statement from the employee that he or she is not retired from a state-administered retirement system. Retirement benefits shall remain suspended until repayment is made. Benefits suspended beyond the end of the retiree's 6-month reemployment limitation period shall apply toward the repayment of benefits received in violation of this paragraph.

(d)(e) The provisions of this subsection apply to retirees, as defined in s. 121.4501(2)(j), of the Public Employee Optional Retirement Program created in part II, subject to the following conditions:

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

2. ~~A Such~~ retiree employed in violation of this subsection and ~~an employer any employing agency that knowingly~~ employs or appoints such person ~~are shall be~~ jointly and severally liable for reimbursement of any benefits paid to the retirement trust fund from which the benefits were paid, including the Retirement System Trust Fund and the Public Employee Optional Retirement Program Trust Fund, as appropriate. ~~The employer To~~ avoid liability, ~~such employing agency~~ must have a written statement from the retiree that he or she is not retired from a state-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 Florida Retirement System employer. The deferred monthly benefits shall accrue in the Florida Retirement System Trust Fund on behalf of the participant, plus interest compounded monthly, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the participant shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Participation in the DROP does not guarantee employment for the specified period of DROP. Participation in the DROP by an eligible member beyond the initial 60-month period as authorized in this subsection shall be on an annual contractual basis for all participants.

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

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

2. Except as provided in subparagraph 6., election to participate is made within 12 months immediately following the date on which the member first reaches normal retirement date, or, for a member who reaches normal retirement date based on service before he or she reaches age 62, or age 55 for Special Risk Class members, election to participate may be deferred to the 12 months immediately following the date the member attains 57, or age 52 for Special Risk Class members. A member who delays DROP participation during the 12-month period immediately following his or her maximum DROP deferral date, except as provided in subparagraph 6., loses a month of DROP participation for each month delayed. ~~For a member who first reached normal retirement date or the deferred eligibility date described above prior to the effective date of this section, election to participate shall be made within 12 months after the effective date of this section. A member who fails to make an election within the such 12-month limitation period forfeits shall forfeit all rights to participate in the DROP. The member shall advise his or her employer and the division in writing of the date on which the DROP begins shall begin. The Such beginning date may be subsequent to the 12-month election period, but must be within the original 60-month participation or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who~~

are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 months, the 96-month limitation period as provided in subparagraph (b)1. When establishing eligibility of the member to participate in the DROP for the 60-month or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 months, the 96-month maximum participation period, the member may elect to include or exclude any optional service credit purchased by the member from the total service used to establish the normal retirement date. A member who has with dual normal retirement dates is shall be eligible to elect to participate in DROP within 12 months after attaining normal retirement date in 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.

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

a. A change of employment must take place without a break in service so that the member receives salary for each month of continuous DROP participation. If a member receives no salary during a month, DROP participation shall cease unless the employer verifies a continuation of the employment relationship for such participant pursuant to s. 121.021(39)(b).

b. Such participant and new employer shall notify the division of the identity of the new employer on forms required by the division as to the identity of the new employer.

c. The new employer shall acknowledge, in writing, the participant's DROP termination date, which may be extended but not beyond the maximum participation original 60-month or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 months, the 96-month period provided in subparagraph (b)1., shall acknowledge

liability for any additional retirement contributions and interest required if the participant fails to timely terminate employment, and is shall be subject to the adjustment required in sub-subparagraph (c)5.d.

6. Effective July 1, 2001, for instructional personnel as defined in s. 1012.01(2), election to participate in the DROP may shall be made at any time following the date on which the member first reaches normal retirement date. The member shall advise his or her employer and the division in writing of the date on which DROP begins the ~~Deferred Retirement Option Program shall begin~~. When establishing eligibility of the member to participate in the DROP for the 60-month or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 months, ~~the 96-month maximum participation period, as provided in subparagraph (b)1., the member may elect to include or exclude any optional service credit purchased by the member from the total service used to establish the normal retirement date. A member who has with dual normal retirement dates is shall be~~ eligible to elect to participate in either class.

(b) Participation in the DROP.—

1. An eligible member may elect to participate in the DROP for a period not to exceed a maximum of 60 calendar months. ~~However, or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and authorized who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and authorized who have received authorization by the district school superintendent to participate in the DROP beyond 60 calendar months, or who are instructional personnel as defined in s. 1012.01(2)(a) employed by a developmental research school and authorized by the school's director, or if the school has no director, by the school's principal, may participate in DROP for up to 36 calendar months beyond the 60-month period. 96 calendar months immediately following the date on which the member first reaches his or her normal retirement date or the date to which he or she is eligible to defer his or her election to participate as provided in subparagraph (a)2. However, a member who has reached normal retirement date prior to the effective date of the DROP shall be eligible to participate in the DROP for a period of time not to exceed 60 calendar months or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 calendar months, 96 calendar months immediately following the effective date of the DROP, except a member of the Special Risk Class who has reached normal retirement date prior to the~~

effective date of the DROP and whose total accrued value exceeds 75 percent of average final compensation as of his or her effective date of retirement shall be eligible to participate in the DROP for no more than 36 calendar months immediately following the effective date of the DROP.

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

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;

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

d. Any other information required by the division.

3. The DROP participant ~~is shall be~~ a retiree under the Florida Retirement System for all purposes, except for paragraph (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 by the participant after the first payment is credited during the DROP participation period. However, participation in the DROP does not alter the participant's employment status, and the member is such employee shall not be deemed retired from employment until his or her deferred resignation is effective and termination occurs as defined ~~provided~~ in s. 121.021(39).

4. Elected officers ~~are shall be~~ eligible to participate in 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 ~~the such~~ succeeding term of office, whichever is less.

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

c. An elected officer who is dually employed and elects to participate in DROP must terminate all employment relationships as provided in s. 121.021(39) for the nonelected position shall be required to satisfy the definition of termination within the original 60-month period or maximum partici-

~~ation or, with respect to members who are instructional personnel employed by the Florida School for the Deaf and the Blind and who have received authorization by the Board of Trustees of the Florida School for the Deaf and the Blind to participate in the DROP beyond 60 months, or who are instructional personnel as defined in s. 1012.01(2)(a)-(d) in grades K-12 and who have received authorization by the district school superintendent to participate in the DROP beyond 60 months, the 96-month limitation period as provided in subparagraph 1. For DROP participation ending for the nonelected position and~~

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

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

(c) Benefits payable under the DROP.—

1. ~~Effective on~~ with the date of DROP participation, the member's initial normal monthly benefit, including creditable service, optional form of payment, and average final compensation, and the effective date of retirement ~~are shall be~~ fixed. The beneficiary established under the Florida Retirement System ~~is shall be~~ the beneficiary eligible to receive any DROP benefits payable if the DROP participant dies ~~before completing prior to the completion~~ of the period of DROP participation. ~~If In the event~~ a joint annuitant predeceases the member, the member may name a beneficiary to receive accumulated DROP benefits payable. ~~The Such~~ retirement benefit, the annual cost of living adjustments provided in s. 121.101, and interest shall accrue monthly in the Florida Retirement System Trust Fund. ~~The Such~~ interest ~~accrues shall accrue~~ at an effective annual rate of 6.5 percent compounded monthly, on the prior month's accumulated ending balance, up to the month of termination or death, ~~except as provided in s. 121.053(7).~~

2. Each employee who elects to participate in the DROP ~~may shall be allowed to~~ elect to receive a lump-sum payment for accrued annual leave earned in accordance with agency policy upon beginning participation in the DROP. ~~The Such~~ accumulated leave payment certified to the division upon commencement of DROP shall be included in the calculation of the member's average final compensation. The employee electing ~~the such~~ lump-sum payment ~~is upon beginning participation in DROP will not be~~ eligible to receive a second lump-sum payment upon termination, except to the extent the employee has earned additional annual leave which, combined with the original payment, does not exceed the maximum lump-sum payment allowed by the employing agency's 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 participation in ~~the~~ DROP. If the member elects to wait and receive ~~a such~~ lump-sum payment upon termination of DROP and termination of employment with the employer, any accumulated leave payment

made at that time ~~may not~~ ~~cannot~~ be included in the member's retirement benefit, which was determined and fixed 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.

4. Normal retirement benefits and any interest ~~thereon~~ shall continue to accrue in ~~the~~ DROP until the established termination date of ~~the~~ DROP, or until the participant terminates employment or dies prior to such date, except as provided in s. 121.053(7). Although individual DROP accounts shall not be established, a separate accounting of each participant's accrued benefits under ~~the~~ DROP shall be calculated and provided to participants.

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

a. The division shall receive verification by the participant's employer or employers that the ~~such~~ participant has terminated all employment relationships as provided in s. 121.021(39)(b).

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

(II) Direct rollover.—All accrued DROP benefits, plus interest, shall be paid from ~~the~~ DROP directly to the custodian 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 rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in s. 402(c)(9) of the Internal Revenue Code.

(III) Partial lump sum.—A portion of the accrued DROP benefits shall be paid to ~~the~~ DROP participant or surviving spouse, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits must ~~shall~~ be transferred directly to the custodian 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 rollover distribution to the surviving spouse of a deceased participant, an eligible retirement plan is an individual retirement account or an individual retirement annuity as described in s. 402(c)(9) of

the Internal Revenue Code. The proportions must ~~shall~~ be specified by the DROP participant or surviving beneficiary.

c. The form of payment selected by the DROP participant or surviving beneficiary must comply ~~complies~~ with the minimum distribution requirements of the Internal Revenue Code.

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

6. The retirement benefits of any DROP participant who terminates all employment relationships as provided in s. 121.021(39) but is reemployed in violation of the reemployment provisions of subsection (9) shall be suspended during those months in which the retiree is in violation. Any retiree in violation of this subparagraph and any employer that employs or appoints such person without notifying the Division of Retirement to suspend retirement benefits are jointly and severally liable for any benefits paid during the reemployment limitation period. The employer must have a written statement from the retiree that he or she is not retired from a state-administered retirement system. Any retirement benefits received by a retiree while employed in violation of the reemployment limitations must be repaid to the Florida Retirement System Trust Fund, and his or her retirement benefits shall remain suspended until payment is made. Benefits suspended beyond the end of the reemployment limitation period apply toward repayment of benefits received in violation of the reemployment limitation.

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

~~8.7.~~ DROP participants are shall not be eligible for disability retirement benefits as provided in subsection (4).

(d) Death benefits under ~~the~~ DROP.—

1. Upon the death of a DROP participant, the named beneficiary is shall be entitled to apply for and receive the accrued benefits in ~~the~~ DROP as provided in sub-subparagraph (c)5.b.

2. The normal retirement benefit accrued to ~~the~~ DROP during the month of a participant's death is shall be the final monthly 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 ~~before~~ prior to the first monthly benefit is being credited to the DROP, Florida Retirement System benefits are shall be paid in accordance with subparagraph (7)(c)1. or subparagraph 2.

4. A DROP ~~participant's~~ participants' survivors are 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 are shall not be eligible for renewed membership in the Florida Retirement System under ss. 121.053 and 121.122 until all employment relationships are terminated ~~termination of employment is effectuated~~ as provided in s. 121.021(39)(b).

(h) Employment limitation after DROP participation.—~~Upon satisfying the definition of termination of employment as defined provided in s. 121.021(39)(b),~~ DROP participants are shall be subject to the same ~~such~~ reemployment limitations as other retirees. Reemployment restrictions applicable to retirees as provided in subsection (9) ~~do shall~~ not apply to DROP participants until their employment and participation in the DROP are terminated.

(i) Contributions.—

1. All employers paying the salary of a DROP participant filling a regularly established position shall contribute 8.0 percent of such participant's gross compensation for the period of July 1, 2002, through June 30, 2003, and the percentage 11.56 percent of such compensation required by s. 121.71 thereafter, which shall constitute the entire employer DROP contribution with respect to such participant. Such contributions, payable to the Florida Retirement System Trust Fund in the same manner as required in s. 121.071, must shall be made as appropriate for each pay period and are in addition to contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund. Such employer, social security, and health insurance 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, are shall be 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 must ~~shall~~ be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

(j) Forfeiture of retirement benefits.—~~Nothing in~~ This section does not shall be construed to remove DROP participants from the scope of s. 8(d), Art. II of the State Constitution, s. 112.3173, and paragraph (5)(f). DROP participants who commit a specified felony offense while employed are will be subject to forfeiture of all retirement benefits, including DROP benefits, pursuant to those provisions of law.

(k) Administration of program.—The division shall adopt ~~make such~~ rules as ~~are~~ necessary for the effective and efficient administration of this subsection. The division is shall 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:

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

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

3. Repayment of overpayments from the Florida Retirement System Trust Fund, the State Employees' Health Insurance Trust Fund, or the State Employees' Life Insurance Trust Fund, upon notification of the payee.

4. Payments to an alternate payee for alimony or, child support pursuant to an income deduction order under s. 61.1301, or division of marital assets pursuant to a qualified domestic relations order under s. 222.21 ~~or an income deduction order under s. 61.1301~~.

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

(c) A payee must 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.

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

(f)(e) A ~~No~~ benefit may not be reduced for the purpose of preserving the member's eligibility for a federal program.

(g)(f) The division shall adopt rules establishing procedures for determining that ~~the~~ persons to whom benefits are being paid are still living. The division shall suspend the benefits being paid to any payee if when it is unable to contact such payee and to confirm that he or she is still living.

Section 10. Section 121.1115, Florida Statutes, is amended to read:

121.1115 Purchase of retirement credit for out-of-state ~~or~~ and federal service.—Effective January 1, 1995, a member ~~of the Florida Retirement System~~ may purchase creditable service for periods of public employment in another state and receive creditable service for such periods of employment. Service with the Federal Government, including any active military service, may be claimed. Upon completion of each year of service earned under the Florida Retirement System, a member may purchase up to 1 year of retirement credit for his or her out-of-state service, subject to the following provisions:

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

(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;

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

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

(b) The member must have completed a minimum of 6 years of creditable service under the Florida Retirement System, excluding out-of-state service and in-state service claimed and 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.~~

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

~~(f)(e) A member shall be eligible To receive service credit for out-of-state service performed after leaving the Florida Retirement System, the member must complete only upon return to membership and completion of at least 1 year of creditable service in the Florida Retirement System following the out-of-state service.~~

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

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

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

(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.~~

(d) Service credit may not be purchased under this section if the member is eligible to receive or is receiving a pension or benefit from a retirement

or pension plan based on or including the service. Eligibility for or the receipt of contributions to a retirement plan made by the employer on behalf of the employee is considered a benefit.

~~(e)(d)~~ A member ~~is shall~~ be eligible to receive service credit for in-state service performed after leaving the Florida Retirement System only after ~~upon returning to membership and~~ completing at least 1 year of creditable service in the Florida Retirement System following the in-state service.

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

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

121.122 Renewed membership in system.—

(1) Except as provided in s. 121.053, effective July 1, 1991, through June 30, 2010 any retiree of a state-administered retirement system who is initially reemployed ~~employed~~ in a regularly established position with a covered employer, including an elective public office that does not qualify for the Elected Officer's Class, shall be enrolled as a compulsory member of the Regular Class of the Florida Retirement System. ~~or, Effective July 1, 1997, through June 30, 2010, any retiree of a state-administered retirement system who is initially reemployed~~ ~~employed~~ in a position included in the Senior Management Service Class shall be enrolled as a compulsory member of the Senior Management Service Class of the Florida Retirement System as provided in s. 121.055. ~~A retiree is, and shall be~~ entitled to receive an additional retirement benefit, subject to the following conditions:

~~(1)(a)~~ Such member must ~~shall~~ 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).

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

~~(d)(2)~~ Upon renewed membership or reemployment of a retiree, the employer of such member shall pay the applicable employer contributions as required by ss. 121.71, 121.74, 121.76, and 112.363 ~~121.055(3) and 121.071(1)(a) and (4)~~.

~~(e)(3)~~ Such member ~~is 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:

1.(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

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

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

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

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

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

(2) A retiree of a state-administered retirement system who is initially reemployed on or after July 1, 2010, is not eligible for renewed membership.

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

121.136 Annual benefit statement to members.—Each year Beginning January 1, 1993, and each January thereafter, the department shall provide

each active member of the Florida Retirement System with 5 or more years of creditable service an annual statement of benefits ~~that provides. Such statement should provide~~ the member with basic data about the member's retirement account. At a minimum ~~Minimally~~, it must ~~shall~~ include the member's retirement plan, accrued service credit ~~the amount of funds on deposit in the retirement account~~, and an estimate of retirement benefits.

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

121.1905 Division of Retirement; creation.—

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

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

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

121.23 Disability retirement and special risk membership applications; Retirement Commission; powers and duties; judicial review.—The provisions of this section apply to all proceedings in which the administrator has made a written final decision on the merits respecting applications for disability retirement, reexamination of retired members receiving disability benefits, applications for special risk membership, and reexamination of special risk members in the Florida Retirement System. The jurisdiction of the State Retirement Commission under this section shall be limited to written final decisions of the administrator on the merits.

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

(a) The commission ~~may~~ shall have the authority to issue orders as a result of ~~the a~~ hearing that ~~are~~ shall be binding on all parties to the dispute ~~and. The commission may order any action that it deems appropriate. Any disability retirement order of the commission that issued pursuant to this subsection which sustains the application of the member may include an amount, to be determined by the commission, for reasonable attorney's fees and taxable costs, which shall be calculated in accordance with the state-wide uniform guidelines for taxation of costs in civil actions. The amount of the attorney's fees fee may not exceed 50 percent of the initial yearly benefit awarded under s. 121.091(4). In cases involving disability retirement, the State Retirement commission shall require the member to present substantial competent medical evidence that meets the requirements of s. 121.091(4)(c)2. and 3., and may require vocational evidence, before awarding disability retirement benefits.~~

Section 16. Paragraph (a) of subsection (1) of section 121.24, Florida Statutes, is amended to read:

121.24 Conduct of commission business; legal and other assistance; compensation.—

(1) The commission shall conduct its business within the following guidelines:

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

121.35 Optional retirement program for the State University System.—

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

(5) BENEFITS.—

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

1. Benefits shall be ~~paid payable~~ only to a participant, to his or her beneficiaries, or to his or her estate, as designated by the participant.

2. Benefits shall be paid by the provider company or companies in accordance with the law, the provisions of the contract, and any applicable department board rule or policy.

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

(e) A participant who chooses to receive his or her benefits upon termination ~~as defined in s. 121.021 must of employment shall have responsibility~~ to notify the provider company of the date on which he or she wishes benefits funded by employer contributions to begin. Benefits may be deferred until ~~such time as~~ the participant chooses to make such application.

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

Section 18. Paragraph (f) of subsection (2) of section 121.4501, Florida Statutes, is amended to read:

121.4501 Public Employee Optional Retirement Program.—

(2) DEFINITIONS.—As used in this part, the term:

(f) "Eligible employee" means an officer or employee, as defined in s. 121.021(~~11~~), who:

1. Is a member of, or is eligible for membership in, the Florida Retirement System, including any renewed member of the Florida Retirement System initially enrolled before July 1, 2010; or

2. Participates in, or is eligible to participate in, the Senior Management Service Optional Annuity Program as established under s. 121.055(6), the State Community College System Optional Retirement Program as established under s. 121.051(2)(c), or the State University System Optional Retirement Program established under s. 121.35.

The term does not include any member participating in the Deferred Retirement Option Program established under s. 121.091(13), a retiree of a state-administered retirement system initially reemployed on or after July 1, 2010, or a mandatory participant of the State University System Optional Retirement Program established under s. 121.35.

Section 19. Paragraphs (a) and (b) of subsection (1) of section 121.591, Florida Statutes, is amended to read:

121.591 Benefits payable under the Public Employee Optional Retirement Program of the Florida Retirement System.—Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39)(a) or is deceased and a proper application has been filed in the manner prescribed by the state board or the department. The state board or department, as appropriate, may cancel an application for retirement benefits when the member or beneficiary fails to timely provide the information and documents required by this chapter and the rules of the state board and department. In accordance with their respective responsibilities as provided herein, the State Board of Administration and the Department of Management Services shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents are not received. The State Board of Administration and the Department of Management Services, as appropriate, are authorized to cash out a de minimis account of a participant who has been terminated from Florida Retirement System covered employment for a minimum of 6 calendar months. A de minimis account is an account containing employer contributions and accumulated earnings of not more than \$5,000 made under the provisions of this chapter. Such cash-out must either be a complete lump-sum liquidation of the account balance, subject to the provisions of the Internal Revenue Code, or a lump-sum direct rollover distribution paid directly to the custodian of an eligible retirement plan, as defined by the Internal Revenue Code, on behalf of the participant. If any financial instrument issued for the payment of retirement benefits under this section is not presented for payment within 180 days after the last day of the month in which it was originally issued, the third-party administrator or other duly authorized agent of the State Board of Administration shall cancel the instrument and credit the amount of the instrument to the suspense account of the Public Employee Optional Retirement Program Trust Fund authorized under s. 121.4501(6). Any such amounts transferred to the suspense account are payable upon a proper application, not to include earnings thereon, as provided in this section, within 10 years after the last day of the month in which the instrument was originally issued, after which time such amounts and any earnings thereon shall be forfeited. Any such forfeited amounts are assets of the Public Employee Optional Retirement Program Trust Fund and are not subject to the provisions of chapter 717.

(1) NORMAL BENEFITS.—Under the Public Employee Optional Retirement Program:

(a) Benefits in the form of vested accumulations as described in s. 121.4501(6) shall be payable under this subsection in accordance with the following terms and conditions:

1. To the extent vested, benefits shall be payable only to a participant.
2. Benefits shall be paid by the third-party administrator or designated approved providers in accordance with the law, the 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 date as defined in s. 121.021 ~~requirements~~ of the defined benefit plan, ~~as provided in s. 121.021(29).~~
5. If a member or former member of the Florida Retirement System receives an invalid distribution from the Public Employee Optional Retirement Program Trust Fund, such person shall repay the full invalid distribution to the trust fund within 90 days after receipt of final notification by the State Board of Administration or the third-party administrator that the distribution was invalid. If such person fails to repay the full invalid distribution within 90 days after receipt of final notification, the person may be deemed retired from the Public Employee Optional Retirement Program by the state board, as provided pursuant to s. 121.4501(2)(j), and shall be subject to the provisions of s. 121.122. If such person is deemed retired by the state board, any joint and several liability set out in s. 121.091(9)(d)2. ~~s. 121.091(9)(e)2.~~ becomes null and void, and the state board, the Department of Management Services, or the employing agency is not liable for gains on payroll contributions that have not been deposited to the person's account in the Public Employee Optional Retirement Program, pending resolution of the invalid distribution. The member or former member who has been deemed retired or who has been determined by the board to have taken an invalid distribution may appeal the agency decision through the complaint process as provided under s. 121.4501(9)(f)3. As used in this subparagraph, the term "invalid distribution" means any distribution from an account in the Public Employee Optional Retirement Program which is taken in violation of the provisions of this section, s. 121.091(9), or s. 121.4501.

(b) If a participant elects to receive his or her benefits upon termination of employment as defined in s. 121.021, the participant must submit a written application or an equivalent form to the third-party administrator indicating his or her preferred distribution date and selecting an authorized method of distribution as provided in paragraph (c). The participant may

defer receipt of benefits until he or she chooses to make such application, subject to federal requirements.

Section 20. Subsection (1) of section 238.183, Florida Statutes, is amended to read:

238.183 Developmental research school and Florida School for the Deaf and the Blind instructional personnel; reemployment after retirement.—

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

Section 21. Paragraph (g) of subsection (3) and subsection (8) of section 1012.33, Florida Statutes, are amended to read:

1012.33 Contracts with instructional staff, supervisors, and school principals.—

(3)

(g) Beginning July 1, 2001, for each employee who enters into a written contract, pursuant to this section, in a school district in which the employee was not employed as of June 30, 2001, or was employed as of June 30, 2001, but has since broken employment with that district for 1 school year or more, for purposes of pay, a district school board must recognize and accept each year of full-time public school teaching service earned in the State of Florida or outside the state and for which the employee received a satisfactory performance evaluation. Instructional personnel employed pursuant to s. 121.091(9)(b)~~3~~. are exempt from the provisions of this paragraph.

(8) Notwithstanding any other provision of law, a retired ~~any member who has retired~~ may interrupt retirement and be reemployed in any public school. A ~~Any~~ member so reemployed by the same district from which he or she retired may be employed on a probationary contractual basis as provided in subsection (1); ~~however, no regular retirement employee shall be eligible to renew membership under a retirement system created by chapter 121 or chapter 238.~~

Section 22. Sections 121.093, 121.094, and 121.45, Florida Statutes, are repealed.

Section 23. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and its political subdivisions, as well as the dependents, survivors, and beneficiaries of such employees and retirees, are extended the basic protections afforded by governmental retirement systems that provide fair and adequate benefits and that are managed, administered, and funded in an actuarially sound manner as required by s. 14, Art. X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares that the amendment of s. 121.091, Florida Statutes, by this act fulfills an important state interest.

Section 24. This act shall take effect July 1, 2009.

Approved by the Governor June 18, 2009.

Filed in Office Secretary of State June 18, 2009.