

Amendment No.

CHAMBER ACTION

Senate

House

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The Conference Committee on HB 5007 offered the following:

**Conference Committee Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

Section 1. Paragraph (b) of subsection (13) of section 121.091, Florida Statutes, is 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

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14 member or beneficiary fails to timely provide the information  
15 and documents required by this chapter and the department's  
16 rules. The department shall adopt rules establishing procedures  
17 for application for retirement benefits and for the cancellation  
18 of such application when the required information or documents  
19 are not received.

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

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37 (b) Participation in DROP.—Except as provided in this  
38 paragraph, an eligible member may elect to participate in DROP  
39 for a period not to exceed a maximum of 60 calendar months.

40 ~~1.a. An eligible member may elect to participate in DROP~~  
41 ~~for a period not to exceed a maximum of 60 calendar months.~~

42 ~~However,~~ Members who are instructional personnel employed by the  
43 Florida School for the Deaf and the Blind and authorized by the  
44 Board of Trustees of the Florida School for the Deaf and the  
45 Blind, who are instructional personnel as defined in s.

46 1012.01(2)(a)-(d) in grades K-12 and authorized by the district  
47 school superintendent, or who are instructional personnel as  
48 defined in s. 1012.01(2)(a) employed by a developmental research  
49 school and authorized by the school's director, or if the school  
50 has no director, by the school's principal, may participate in  
51 DROP for up to 36 calendar months beyond the 60-month period.

52 Effective July 1, 2018, instructional personnel who are  
53 authorized to extend DROP participation beyond the 60-month  
54 period must have a termination date that is the last day of the  
55 last calendar month of the school year within the DROP extension  
56 granted by the employer. If, on July 1, 2018, the member's DROP  
57 participation has already been extended for the maximum 36  
58 calendar months and the extension period concludes before the  
59 end of the school year, the member's DROP participation may be  
60 extended through the last day of the last calendar month of that  
61 school year. The employer shall notify the division of the

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62 change in termination date and the additional period of DROP  
63 participation for the affected instructional personnel.

64 b. Administrative personnel in grades K-12, as defined in  
65 s. 1012.01(3), who have a DROP termination date on or after July  
66 1, 2018, may be authorized to extend DROP participation beyond  
67 the initial 60 calendar month period if the administrative  
68 personnel's termination date is before the end of the school  
69 year. Such administrative personnel may have DROP participation  
70 extended until the last day of the last calendar month of the  
71 school year in which their original DROP termination date  
72 occurred if a date other than the last day of the last calendar  
73 month of the school year is designated. The employer shall  
74 notify the division of the change in termination date and the  
75 additional period of DROP participation for the affected  
76 administrative personnel.

77 c. Effective July 1, 2022, a member of the Special Risk  
78 Class who is a law enforcement officer who meets the criteria in  
79 s. 121.0515(3) (a) and who is a DROP participant on or after July  
80 1, 2022, may participate in DROP for up to 36 calendar months  
81 beyond the 60-month period if he or she enters DROP on or before  
82 June 30, 2028.

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

85 a. A written election to participate in DROP;

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86           b. Selection of DROP participation and termination dates  
87 that satisfy the limitations stated in paragraph (a) and  
88 subparagraph 1. The termination date must be in a binding letter  
89 of resignation to the employer establishing a deferred  
90 termination date. The member may change the termination date  
91 within the limitations of subparagraph 1., but only with the  
92 written approval of the employer;

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

95           d. Any other information required by the division.

96           3. The DROP participant is a retiree under the Florida  
97 Retirement System for all purposes, except for paragraph (5) (f)  
98 and subsection (9) and ss. 112.3173, 112.363, 121.053, and  
99 121.122. DROP participation is final and may not be canceled by  
100 the participant after the first payment is credited during the  
101 DROP participation period. However, participation in DROP does  
102 not alter the participant's employment status, and the member is  
103 not deemed retired from employment until his or her deferred  
104 resignation is effective and termination occurs as defined in s.  
105 121.021.

106           4. Elected officers are eligible to participate in DROP  
107 subject to the following:

108           a. An elected officer who reaches normal retirement date  
109 during a term of office may defer the election to participate  
110 until the next succeeding term in that office. An elected

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111 officer who exercises this option may participate in DROP for up  
112 to 60 calendar months or no longer than the succeeding term of  
113 office, whichever is less.

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

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

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

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

138 Section 2. Subsections (4) and (5) of section 121.71,  
139 Florida Statutes, are amended to read:

140 121.71 Uniform rates; process; calculations; levy.-

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

144

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2022</u> <del>2021</del>
145 Regular Class	<u>5.96%</u> <del>4.91%</del>
146 Special Risk Class	<u>16.44%</u> <del>15.27%</del>
147 Special Risk Administrative	
148 Support Class	<u>10.77%</u> <del>9.73%</del>

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Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>9.31%</u> <del>8.49%</del>
Elected Officers' Class— Justices, Judges	<u>14.41%</u> <del>13.38%</del>
Elected Officers' Class— County Elected Officers	<u>11.30%</u> <del>10.28%</del>
Senior Management <u>Service</u> Class	<u>7.70%</u> <del>6.49%</del>
DROP	<u>7.79%</u> <del>7.23%</del>

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

	Percentage of
Membership Class	Gross

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	Compensation, Effective July 1, <u>2022</u> <del>2021</del>
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162	Regular Class <u>4.23%</u> <del>4.19%</del>
163	Special Risk Class <u>9.67%</u> <del>8.90%</del>
	Special Risk
	Administrative
164	Support Class <u>26.16%</u> <del>26.31%</del>
	Elected Officers' Class—
	Legislators, Governor,
	Lt. Governor,
	Cabinet Officers,
	State Attorneys,
165	Public Defenders <u>56.76%</u> <del>53.52%</del>
	Elected Officers' Class—
166	Justices, Judges <u>27.64%</u> <del>25.81%</del>
	Elected Officers' Class— <u>43.98%</u> <del>39.42%</del>

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County Elected Officers

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Senior Management Service Class 22.15% ~~20.80%~~

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DROP 9.15% ~~9.45%~~

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170 Section 3. Subsection (5) of section 121.72, Florida  
171 Statutes, is amended and subsection (6) is added to that section  
172 to read:

173 121.72 Allocations to investment plan member accounts;  
174 percentage amounts.—

175 (5) Effective July 1, 2012, through June 30, 2022,  
176 allocations from the Florida Retirement System Contributions  
177 Clearing Trust Fund to investment plan member accounts are as  
178 follows:

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Membership Class	Percentage of Gross Compensation
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Regular Class	6.30%
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Special Risk Class	14.00%
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183	Special Risk Administrative Support Class	7.95%
184	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	9.38%
185	Elected Officers' Class— Justices, Judges	13.23%
186	Elected Officers' Class— County Elected Officers	11.34%
187	Senior Management Service Class	7.67%

188

189       (6) Effective July 1, 2022, allocations from the Florida  
 190 Retirement System Contributions Clearing Trust Fund to  
 191 investment plan member accounts are as follows:

<u>Membership Class</u>	<u>Percentage of</u> <u>Gross</u> <u>Compensation</u>
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<u>Regular Class</u>	<u>9.30%</u>
<u>Special Risk Class</u>	<u>17.00%</u>
<u>Special Risk Administrative Support Class</u>	<u>10.95%</u>
<u>Elected Officers' Class—</u> <u>Legislators, Governor,</u> <u>Lt. Governor, Cabinet Officers,</u> <u>State Attorneys, Public Defenders</u>	<u>12.38%</u>
<u>Elected Officers' Class—</u> <u>Justices, Judges</u>	<u>16.23%</u>
<u>Elected Officers' Class—</u> <u>County Elected Officers</u>	<u>14.34%</u>
<u>Senior Management Service Class</u>	<u>10.67%</u>

Section 4. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees, officers, and retirees, are extended the basic protections

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207 afforded by governmental retirement systems. These persons must  
 208 be provided benefits that are fair and adequate and that are  
 209 managed, administered, and funded in an actuarially sound manner  
 210 as required by s. 14, Article X of the State Constitution and  
 211 part VII of chapter 112, Florida Statutes. Therefore, the  
 212 Legislature determines and declares that this act fulfills an  
 213 important state interest.

214 Section 5. This act shall take effect July 1, 2022.

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**T I T L E A M E N D M E N T**

217 Remove everything before the enacting clause and insert:

218 A bill to be entitled  
 219 An act relating to state-administered retirement  
 220 systems; amending s. 121.091, F.S.; authorizing  
 221 certain members to elect to participate in the  
 222 deferred retirement program for an additional 36  
 223 months; amending s. 121.71, F.S.; revising required  
 224 employer retirement contribution rates for each  
 225 membership class and subclass of the Florida  
 226 Retirement System; amending s. 121.72, F.S.; revising  
 227 allocations to investment plan member accounts;  
 228 providing a declaration of important state interest;  
 229 providing an effective date.  
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