

FACT SHEET FOR UFF MEMBERS

UNDERSTANDING DROP AND REEMPLOYMENT AFTER RETIREMENT

DROP

The Deferred Retirement Option Program (DROP) was passed during the 1997 Legislative Session and became effective July 1, 1998. The act is contained in section 121.091(13), Florida Statutes. DROP is available to active members of the Florida Retirement System or the Teachers Retirement System who have regularly established positions. *Renewed members (those previously retired from the FRS and now reemployed) and members of either the State Community College System Optional Retirement Program or the Optional Retirement Program of the State University System are not eligible.* The key provisions of the DROP statute are outlined below.

COMMUNITY COLLEGE & UNIVERSITY PARTICIPANTS

Election to Participate

A 12-month signup period following the date the member reaches the normal retirement date (*the first day a member completes 6 or more years of service and attains age 62 or completes 30 years service at any age*). The election may be deferred to the 12 months following a member reaching age 57

Participation Period

60-month maximum participation period that begins immediately following the member reaching normal retirement or the deferral date. **Note: A delay in choosing DROP in the election period will reduce participation period.**

Benefits

Retirement benefits and interest at an effective annual rate of 6.5% accrue in the participant's DROP account. At termination of DROP, the member or beneficiary may select payment in a lump sum, direct rollover, or partial lump sum.

REEMPLOYMENT AFTER RETIREMENT

Limitation to employment after retirement is found in section 121.091(9), Florida statutes. Key provisions are as follows:

- Any person retired under disability provisions of the FRS is ineligible for reemployment.
- Any person retired under the Florida Retirement System, except under disability provisions, may be employed by any private employer or any public employer that does not participate in the FRS. This type employment may begin upon retirement without loss of any FRS retirement benefit.
- There is a 12-month limitation period for a retiree being employed in a full-time position by a participating FRS employer unless the employee suspends the receipt of retirement benefits during this period.

Possible Legislation Regarding DROP and Reemployment

FEA will try to have bills filed that provide equity among all K-20 employees with respect to DROP election timeframe and participation periods. The Senate Governmental Oversight and Productivity Committee will consider an amendment to allow certain or all FRS retired members the ability to be reemployed after one calendar month without loss or limitation of the members' retirement benefits. We anticipate much debate about who will be eligible for the improved benefit.