

FACT SHEET FOR FEA 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 following chart outlines key provisions of the DROP statute.

	Election to Participate	Participation Period	Benefits
K-12 Instructional Including Paraprofessionals Note: 96-month provision does not apply to paraprofessionals	Any time following the member reaching the normal retirement date. <u>Normal retirement date is the first day a member completes 6 or more years service and attains age 62 or completes 30 years service at any age.</u>	60-month maximum participation period. May be extended to 96 months on an annual contractual basis with approval of the Superintendent or trustees at FSDB.	Retirement benefits and interest at an effective annual rate of 6.5% accrue in the participants DROP account. At termination of DROP, member or beneficiary may select payment in lump sum, direct rollover or partial lump sum.
Education Staff Professionals Excluding Paraprofessionals	A 12-month signup period following the date the member reaches the normal retirement date (defined above). The election may be deferred to the 12 months following a member reaching age 57.	60-month maximum participation period that begins immediately following the member reaching normal retirement or the deferral date. <u>Note: A delay in choosing DROP in the election period will reduce participation period.</u>	Retirement benefits and interest at an effective annual rate of 6.5% accrue in the participants DROP account. At termination of DROP, member or beneficiary may select payment in lump sum, direct rollover or partial lump sum.
Community College and University	A 12-month signup period following the date the member reaches the normal retirement date (defined above). The election may be deferred to the 12 months following a member reaching age 57.	60-month maximum participation period that begins immediately following the member reaching normal retirement or the deferral date. <u>Note: A delay in choosing DROP in the election period will reduce participation period.</u>	Retirement benefits and interest at an effective annual rate of 6.5% accrue in the participants DROP account. At termination of DROP, member or beneficiary may select payment in lump sum, direct rollover or partial lump sum.

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REEMPLOYMENT AFTER RETIREMENT

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

- 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. Note: Current law provides that after a one-month period following retirement or DROP termination a member may be reemployed full-time with retirement benefits suspended until the passage of the 12-month limitation period. After that, the member may receive full pay and the retirement benefit.
- School boards may reemploy a retired employee as a substitute or hourly teacher, education paraprofessional, transportation assistant, bus driver or food service worker on a noncontractual basis after the retired employee has been retired for at least one calendar month. Reemployment of a retired employee as a substitute or hourly teacher, education paraprofessional, transportation assistant, bus driver, or food service worker is without loss of retirement benefit and **with no limitation as to number of hours worked. A retired member or a member who terminated from DROP may be rehired as a full-time classroom teacher and collect pay and retirement after the one month waiting period.** Note: Granting experience credit for salary purposes to reemployed teachers is not mandatory under this provision of law and would be subject to negotiations.
- Community colleges and universities may reemploy a retired employee as an adjunct instructor or in a phased retirement program after the retired employee has been retired for at least one calendar month. Reemployment of a retired employee is limited to 780 hours during the first 12 months of his or her retirement.
- The Florida School for the Deaf and the Blind may reemploy a retired employee as a substitute teacher, substitute residential instructor or substitute nurse on a noncontractual basis after the retired employee has been retired for at least one calendar month. Reemployment of a retired employee is limited to 780 hours during the first 12 months of his or her retirement.