

## **CHAPTER 6.00 - PERSONNEL**

**6.216**

### **DEFERRED RETIREMENT OPTION PROGRAM ("DROP")**

#### **POLICY:**

The Deferred Retirement Option Program ("DROP") as defined in Chapter 121, Florida Statutes, is an alternative method of deferred payment of retirement benefits for up to 60 months after an eligible member of the Florida Retirement System reaches his/her normal retirement date but wishes to continue employment with a Florida Retirement System employer. In order to participate, the employee must submit a binding letter of resignation, establishing a deferred termination date. DROP will allow the participant to defer all retirement benefits payable during the DROP period. Upon termination of DROP, the participant will receive the DROP benefits and their regular retirement benefits under Chapter 121, Florida Statutes.

- (1) Participation in DROP: All members of the Florida Retirement System are eligible for DROP. Members electing to participate in DROP must meet the eligibility and timeline requirements outlined in Florida Statute. Instructional personnel, as defined by Division of Retirement, may extend DROP up to 96 months if their extended employment is recommended by the Superintendent and approved by the School Board.
- (2) Benefits Payable - Annual Leave: Employees electing to participate in DROP shall be entitled to terminal pay for accrued annual leave as required by state law, Board Policy and/or union contract. Upon election to participate in DROP, and the employee's election to receive a lump-sum payment of accrued annual leave, payment shall be made prior to the effective beginning date of DROP according to current Board policy on terminal leave payments (6.31).
  - (a) Annual leave earned prior to entering DROP which exceeds the maximum lump sum payment allowed by Board Policy may be used during DROP; however, the employee shall not be entitled to compensation at the end of DROP for any unused portion of the accumulated leave.

**CHAPTER 6.00 - PERSONNEL**

- (b) Employees will earn annual leave during the DROP period as prescribed by Florida Statute, Board Policy and/or union contract. Annual leave accumulated during DROP participation will not be paid to the employee at the end of DROP participation, except to the extent the employee has earned additional annual leave which combined with the original payment does not exceed the maximum payment allowed by Board Policy.
  
- (3) Benefits Payable – Sick Leave: An employee participating in DROP will have a “Special Pay” contribution (based on a percentage of their accumulated sick-leave balance) deposited into their account in the Qualified Retirement Plan each year of DROP as follows:
  - 5 years before end of active service – 20% of balance
  - 4 years before end of active service – 25% of balance
  - 3 years before end of active service – 33% of balance
  - 2 years before end of active service – 50% of balance
  - Final year before end of active service – 100% of balance

If the yearly sick-pay contribution exceeds the contribution limits of the IRS and Special Pay Plan, the excess will be rolled into the next plan year. Any excess amount after that, will be paid in cash to the employee subject to all applicable taxes.

STATUTORY AUTHORITY : 1001.41; 1012.22; 1012.23, F.S.

LAWS IMPLEMENTED: 121.091; 1001.43, F.S.

History:

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| Adopted: October 14, 1999<br>Revision Date(s): October 9, 2001; June 10, 2003; October 7, 2003;<br>June 29, 2004<br>Formerly: |
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