

### DEFERRED RETIREMENT OPTION PROGRAM (“DROP”)

6.531

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 96 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. (Instructional employees as defined by Florida Statute 1012.01(2)(a-d), may have the opportunity to extend their DROP date up to 24 additional months at the discretion of the Superintendent). 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.

- I. 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.
- II. Sick and Vacation Leave:
  - A. An employee participating in DROP will have an amount deposited into their BENCOR Special Pay Plan account equal to the daily rate of pay of the employee multiplied by those percentages as outlined in Florida Statutes, Chapter 1012.61(2) of the employee's accumulated sick leave days, not to exceed 180 days, unless changed by future negotiations or law. Terminal sick leave will be deposited either upon entering the DROP program or upon final separation of service subject to Internal Revenue Service contribution limits. Any excess amount will be paid to the participant, subject to all applicable taxes.
  - B. Sick leave will be earned during DROP as prescribed by state statutes.
  - C. An employee participating in DROP shall be entitled to terminal pay for accrued vacation leave not to exceed 60 days or as prescribed by Florida Statutes. Hours in excess of the legal limit will remain in the employee's accrual. There will be no second pay off of vacation days when the employee subsequently separates from service. The employee may use any remaining accrued days for vacation purposes. Payment will be made as a lump sum distribution at the time of enrollment in DROP. Vacation leave will be deposited into a BENCOR Special Pay Plan subject to Internal Revenue Service contribution limits. Any excess amount will be paid to the participant subject to all applicable taxes. The participant does not have access to plan contributions until the end of the DROP – other than through loan provisions.

## **CHAPTER 6.00 – HUMAN RESOURCES**

**STATUTORY AUTHORITY:** 1001.41(2); 1001.42; 1012.61, F.S.

**LAWS IMPLEMENTED:** 121.091(13); 1001.43, F.S.

**HISTORY:** Adopted: 8/21/01  
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Formerly: New

**NOTES:**